

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM447739

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Smardt Inc.		06/26/2017	Corporation: CANADA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Bank of Montreal		
<b>Street Address:</b>	105 St-Jacques, 3rd Floor		
<b>City:</b>	Montréal, Quebec		
<b>State/Country:</b>	CANADA		
<b>Postal Code:</b>	H2Y 1L6		
<b>Entity Type:</b>	Chartered Bank: CANADA		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	5049807	SMARTD	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	2022801177		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	904 247-2620		
<b>Email:</b>	eastdocket@holleymenker.com		
<b>Correspondent Name:</b>	JAMES R. MENKER, HOLLEY & MENKER, P.A.		
<b>Address Line 1:</b>	PO BOX 331937		
<b>Address Line 4:</b>	ATLANTIC BEACH, FLORIDA 32233		
<b>ATTORNEY DOCKET NUMBER:</b>	3368.0000		
<b>NAME OF SUBMITTER:</b>	James R. Menker		
<b>SIGNATURE:</b>	/JMENKER/		
<b>DATE SIGNED:</b>	10/18/2017		
<b>Total Attachments: 10</b>			
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**DEED OF HYPOTHEC**

This Twenty-sixth (26th) day of June  
Two thousand and seventeen (2017),

**BEFORE** Mre. Steve Collins, the undersigned Notary for the Province of  
Quebec, practising in the City of Montréal,

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

**SMARTD HOLDING INC.**, a corporation constituted under the laws of the  
province of Quebec, having its domicile at 1800 Trans-Canada Highway,  
Dorval, Quebec, H9P 1H7, herein acting and represented by Lucie Roy, its  
authorized representative, hereunto duly authorized by a resolution of its  
board of directors dated June 23, 2017, a certified copy, extract or  
duplicate of which is annexed hereto after having been acknowledged true  
and signed for identification by the said representative with and in the  
presence of the undersigned Notary;

(the "**Borrower**");

**A N D:**

**SMARTD CHILLER GROUP INC.**, a corporation constituted under the  
laws of the province of Quebec, having its domicile at 1800 Trans-Canada  
Highway, Dorval, Quebec, H9P 1H7, herein acting and represented by  
Lucie Roy, its authorized representative, hereunto duly authorized by a  
resolution of its board of directors dated June 23, 2017, a certified copy,  
extract or duplicate of which is annexed hereto after having been  
acknowledged true and signed for identification by the said representative  
with and in the presence of the undersigned Notary;

(the "**SCGI**");

**A N D:**

**SMARTD INC.**, a corporation constituted under the laws of the province of  
Quebec, having its domicile at 1840 Trans-Canada Highway, Dorval,  
Quebec, H9P 1H7, herein acting and represented by Lucie Roy, its  
authorized representative, hereunto duly authorized by a resolution of its  
board of directors dated June 23, 2017, a certified copy, extract or  
duplicate of which is annexed hereto after having been acknowledged true  
and signed for identification by the said representative with and in the  
presence of the undersigned Notary;

(the "**SI**");

**A N D:**

**SMARTD RETROFIT SOLUTIONS INC.**, a corporation constituted under  
the laws of the province of Quebec, having its domicile at 1800 Trans-  
Canada Highway, Dorval, Quebec, H9P 1H7, herein acting and  
represented by Lucie Roy, its authorized representative, hereunto duly  
authorized by a resolution of its sole director dated June 23, 2017, a  
certified copy, extract or duplicate of which is annexed hereto after having  
been acknowledged true and signed for identification by the said  
representative with and in the presence of the undersigned Notary;

("Retrofit");

(the Borrower, SCGI, SI and Retrofit are hereafter collectively referred to as the "Grantors" or each, a "Grantor");

**A N D:**

**BANK OF MONTREAL**, a Canadian chartered bank, having an office at 105 St-Jacques, 3<sup>rd</sup> floor, Montréal, Quebec, H2Y 1L6, herein acting and represented by Frédéric Giraud, Managing Director, Asset Based Lending, duly authorized as he so declares;

(hereafter called the "Lender");

**RECITALS:**

To secure the Obligations (as hereafter defined), each Grantor has undertaken to grant security on the Hypothecated Property (as hereafter defined) in favour of the Lender.

**THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE 1  
INTERPRETATION**

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Credit Agreement (as defined below). As used in this deed, the following terms have the following meanings unless the context indicates otherwise:

- 1.1 "Borrower" means Smardt Holding Inc. and its successors and permitted assigns;
- 1.2 "CCQ" means the *Civil Code of Québec*.
- 1.3 "Credit Agreement" means the credit agreement to be entered into on or about June 30, 2017 between the Borrower, as borrower, the Lender, as lender, and *inter alios*, the other Grantors, as guarantors, in connection with credit facilities in the principal amount of \$32,050,000, the whole as amended, supplemented, restated or replaced from time to time, including by way of any amendment resulting in any increase of such credit facilities;
- 1.4 "Guarantee Agreement" means the guarantee agreement entered into on or about June 30, 2017 between SCGI, SI, Smardt – OPK Chillers GmbH and Smardt Chillers, inc., the whole as amended, supplemented, restated or replaced from time to time;
- 1.5 "Grantors" means any Person having executed this deed as Grantor and includes any corporation resulting from the amalgamation of any of the Grantors with another Grantor or any other person and "Grantor" means any of them;

- 1.6 "Hypothecated Property" means all property and rights subjected to or intended to be subjected to the security constituted under this deed;
- 1.7 "Lender" means Bank of Montreal and any of its successors and assigns as permitted under the Credit Agreement;
- 1.8 "Monetary Claims" means all present or future claims owing to a Grantor that constitute monetary claims within the meaning of the CCQ;
- 1.9 "Obligations" means all Obligations (as defined in the Credit Agreement) and all Guaranteed Obligations (as defined in the Guarantee Agreement);
- 1.10 "Securities" means all present and future securities, security entitlements and financial assets within the meaning of the STA and any other securities or form of investment within the meaning of the *Securities Act* (Quebec) and, to the extent not included in any of the foregoing terms, all of the shares or participation rights in the capital of a legal person or a partnership, including without limitation, all rights relating or incidental thereto and all renewals thereof, substitutions therefor and additions thereto; and
- 1.11 "STA" means the *Act respecting the transfer of securities and the establishment of security entitlements* (Quebec) and any similar law of any Canadian province.

**ARTICLE 2  
CHARGING PROVISIONS**

- 2.1 To secure the Obligations, each Grantor hereby hypothecates in favour of the Lender the universality of all of its property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future, of whatever nature and wherever situated. For the same purposes, each Grantor creates a security interest in, charges, and assigns, all of its said property in favour of the Lender. All of the property subjected to or intended to be subjected to the foregoing hypothec, charge, security interest and assignment is being hereafter referred to as the "Hypothecated Property".
- 2.2 The hypothec constituted by the Grantors under Section 2.1 is granted by each Grantor for the sum of THIRTY-NINE MILLION DOLLARS (\$39,000,000), with interest at the rate of twenty percent (20%) *per annum* from the date hereof.
- 2.3 Without limiting the generality of Section 2.1:
- 2.3.1 in order to comply with the requirements of the *Civil Code of Québec* relating to immovable hypothecs, each Grantor acknowledges that the hypothecs created hereunder affect the immovables described in Schedule A hereto, all present and future rents produced by these immovables and by the

other immovables of such Grantor as well as the indemnities payable under insurance contracts covering such rents;

- 2.3.2 in order to comply with the requirements of any applicable law relating to the description of the Hypothecated Property, each Grantor acknowledges that the Hypothecated Property includes inventory, equipment, accounts receivable and other debts, deposits with financial institutions, negotiable and similar instruments, investment property (including Securities), documents of title, money, intellectual property, rights under contracts of any nature whatsoever, any other intangible property and any other movable assets of the Grantors as well as any proceeds of any of the foregoing;

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES

- 3.1 Each Grantor represents and warrants to the Lender that:
- 3.1.1 all immovable property currently owned by the Grantors in the Province of Quebec is described in Schedule A; and
- 3.1.2 the Grantors' respective domicile or head office is as set forth on the first page hereof.

### ARTICLE 4 COVENANTS

- 4.1 Except as otherwise permitted under the Credit Agreement, the Grantors shall take all actions and execute all documents as are reasonably required for the security constituted hereunder to have full effect and be at all times enforceable and effective against third parties (or perfected) in all jurisdictions where each Grantor may be domiciled or any of its assets may be located.
- 4.2 Except as otherwise permitted under the Credit Agreement and without limiting the generality of Section 4.1, the Grantors shall take all actions and execute all documents as are reasonably required for the security constituted hereunder to be perfected by control (within the meaning of the STA) with respect to all Securities. To the extent permitted by law, the Grantors shall cause all Securities held by the Grantors to be evidenced by certificates. The Grantors shall endorse and deliver to the Lender such certificates. Any such certificate shall be held by the Lender as Hypothecated Property.
- 4.3 Except as otherwise permitted under the Credit Agreement and without limiting the generality of Section 4.1, the Grantors shall take all actions and execute all documents reasonably required for the security constituted hereunder to be perfected by control (in the manner provided for in Articles 2713.1 and following of the CCQ or under any other applicable law) with respect to Monetary Claims owing to the Grantors by deposit-taking institutions in Canada or the United States. The Grantors shall not permit any Person other than the Lender to have control of any Monetary Claim forming part of the Hypothecated Property.

**ARTICLE 5  
POWERS OF THE LENDER**

- 5.1 The Lender may, without being bound to do so, fulfill any or all of the obligations of a Grantor hereunder if such Grantor fails to do so after fifteen (15) days prior written notice to such Grantor specifying the nature of such failure.
- 5.2 A Grantor may collect all its debts and accounts receivable forming part of the Hypothecated Property until the Lender withdraws such authorization by written notice to such Grantor. Upon such withdrawal, which shall only occur after an Event of Default has occurred and is continuing, the Lender may collect such debts and accounts receivable.
- 5.3 Where the Hypothecated Property includes Securities, the Lender may exercise any right attached thereto, including any right to vote and any right of conversion or redemption. Until the occurrence of an Event of Default which is continuing, the Grantors shall be entitled to exercise all rights attached to the Securities owned by it, provided that such rights are not exercised in a manner which would materially impair the value of such Securities.
- 5.4 If the Lender has possession of any of the Hypothecated Property, it shall have no obligation to maintain the use for which the Hypothecated Property is normally intended nor to make it productive nor to continue its use or operation.
- 5.5 Each Grantor constitutes and appoints the Lender its irrevocable attorney, with power of substitution, in order to do any act and to sign any document necessary or useful to exercise the rights and powers conferred on the Lender hereunder, provided that the Lender shall not exercise such power of attorney while no Event of Default is continuing.
- 5.6 Each Grantor hereby acknowledges and agrees that the certificates representing the Securities delivered to the Lender may be held by the Lender or on its behalf by a custodian appointed by the Lender in accordance with Article 2705 of the CCQ.

**ARTICLE 6  
REMEDIES IN CASE OF DEFAULT**

- 6.1 If an Event of Default occurs and provided same is continuing, the Lender may, at its discretion, and shall declare the security hereby constituted to have become enforceable.
- 6.2 If the security hereby constituted becomes enforceable:
- 6.2.1 the Lender may realize the security constituted hereunder and exercise all rights and remedies of a hypothecary creditor under the CCQ and of a secured party under the laws of any jurisdiction where any Lender shall be situated or where the security constituted hereunder may be enforced;

- 6.2.2 the Lender may also (without being required to do so) but subject to any mandatory provision of applicable law take possession, operate and administer the Lender or any part thereof, with full power to use, protect, preserve and sell same and to receive all revenue therefrom, including granting leases in respect thereof or renewing existing leases on terms and conditions it deems appropriate and the Lender may compromise or transact with the debtors of debts and accounts receivable which are subject to the security constituted hereby and may grant releases and discharges thereto. The Lender may also do all things necessary or useful for the purpose of selling or realizing the Hypothecated Property, including completing the manufacture of inventory and purchasing raw materials;
- 6.2.3 the Lender may have any of the Securities forming part of the Hypothecated Property registered in its name or in the name of its nominee. In addition, the Lender shall be entitled to collect the capital and the revenues of such Securities; and
- 6.2.4 the Lender may sell the Securities forming part of the Hypothecated Property or otherwise dispose of them without having to give a prior notice, obtain their surrender or observe the time limits prescribed by law, and whether or not such Securities are, or are of a type, dealt in or traded on securities exchanges or financial markets.
- 6.3 The Lender may waive in writing any default or any rights hereunder. Any such action on the part of the Lender shall not affect any subsequent default or the remedies arising therefrom.
- 6.4 The remedies provided in this Article 6 may be exercised on all the Hypothecated Property taken as a whole or in respect of any part thereof.

#### ARTICLE 7 GENERAL PROVISIONS

- 7.1 The security created hereby is in addition to and not in substitution for any other security held by the Lender.
- 7.2 This security is a continuing security and shall subsist notwithstanding the payment from time to time, in whole or in part, of any of the obligations secured hereby. The hypothec constituted hereunder is not a "floating hypothec" and this deed is not intended to create a trust under the laws of the Province of Québec.
- 7.3 Unless otherwise provided in this deed, any sum collected by the Lender may be held by the Lender, as Hypothecated Property, provided that any such sum shall be applied to the payment of the Obligations then due. Subject to the provisions of the Credit Agreement, the Lender shall have the choice of the order of application of any such sum.



- 7.4 The exercise by the Lender of any recourse shall not preclude the Lender from exercising any other recourse provided hereunder or by law. All the recourses of the Lender are cumulative and not alternative. The failure of or forbearance by the Lender to exercise any recourse hereunder does not constitute a renunciation to the later exercise of such recourse. The Lender 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.
- 7.5 This deed has been entered into pursuant to the provisions of the Credit Agreement and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this deed and the provisions of the Credit Agreement, the rights and obligations of the parties shall be governed by the provisions of the Credit Agreement.

**ARTICLE 8  
GOVERNING LAW**

- 8.1 This deed shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein.
- 8.2 The provisions of and the terms used in this deed shall also be interpreted in order to give effect to the intent of the parties that the security constituted hereunder shall be valid and effective in all jurisdictions where the Lender may be situated and in all other jurisdictions where the rights and remedies of the Lender may have to be exercised and also that the Lender shall be entitled to exercise all rights and remedies of a secured creditor under the laws of any of such jurisdictions.

**SCHEDULE A**  
**IMMOVABLE PROPERTY**

All rights, title and interests of Smardt Chiller Group Inc. as emphyteutic lessee (*emphytéote*) in the following property pursuant to the emphyteutic lease entered into between Canadian National Railway Company, as lessor, and Interstate Development (Canada) Inc., as emphyteutic lessee, under private writing on April 2, 1987 and registered under number 3 849 659 at the Land Registry for the Land Registration Division of Montréal, as transferred pursuant to the deeds registered under numbers 4 153 034, 4 345 842, 4 956 008 and 16 965 368 at said Registry Office:

The property known and designated as being lot ONE MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND THREE HUNDRED AND FOUR (1 525 304) of the Cadastre of Québec, Registration Division of Montréal:

With all the buildings thereon erected bearing civic numbers 1800-1840 Trans-Canada Highway, Montréal (borough of Dorval), Province of Québec. -----

**WHEREOF ACTE:**

**DONE AND PASSED** at the City of Montréal, under the minute number **TWO THOUSAND EIGHT HUNDRED AND FORTY-TWO (2842)**.

The representatives of the parties declared to the delegated and undersigned Notaries to have taken cognizance of the present deed and to have exempted said delegated and undersigned Notaries from reading same or causing same to be read, following which the representatives of the parties signed as follows:

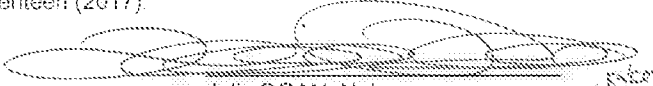
Frédéric Giraud, representative of the Lender has signed at the City of Montreal, province of Québec, in the presence of Mtre. Julie DOAN, Notary at Montreal, province of Québec, on the Twenty-Third (23<sup>rd</sup>) day of June, Two Thousand and Seventeen (2017).

**BANK OF MONTREAL**

By:

  
Frédéric Giraud

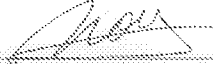
I, the undersigned delegated Notary, Mtre. Julie DOAN, practicing in the City of Montreal, province of Québec, certify that I have received the signature of Frédéric Giraud, representatives of the Lender at the City of Montreal, province of Québec, on the Twenty-Third (23<sup>rd</sup>) day of June, Two Thousand and Seventeen (2017).

  
Julie DOAN, Notary

Lucie Roy, the representative of the Grantors has signed at the City of Montreal, province of Québec, in the presence of Mtre. Steve COLLINS, Notary in the City of Montreal, province of Québec, on the date hereof.

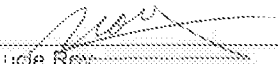
**SMARTD HOLDING INC.**

By:


  
Lucie Roy

**SMARTD CHILLER GROUP INC.**

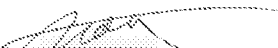
By:

  
Lucie Roy

SMARDT INC.

By:   
Lucie Roy

SMARDT RETROFIT SOLUTIONS  
INC.

By:   
Lucie Roy

  
Steve COELINS, Notary