

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM598173

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	General Movable Hypothec		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
3653111 CANADA INC.		07/30/2020	Corporation: CANADA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Export Development Canada		
<b>Street Address:</b>	150 Slater Street		
<b>City:</b>	Ottawa		
<b>State/Country:</b>	CANADA		
<b>Postal Code:</b>	K1A 1K3		
<b>Entity Type:</b>	Corporation: CANADA		
<b>PROPERTY NUMBERS Total: 12</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	88452248	LOVE BY THEIA	
<b>Registration Number:</b>	6020473	THEIA COUTURE	
<b>Serial Number:</b>	88261887	THEIA	
<b>Registration Number:</b>	5808419	FLOR ET.AL	
<b>Registration Number:</b>	5835462	REVERE	
<b>Registration Number:</b>	4243698	THEIA	
<b>Registration Number:</b>	3700332	THEIA	
<b>Registration Number:</b>	2749391	CITRINE	
<b>Registration Number:</b>	2212925	JSC	
<b>Registration Number:</b>	2143492	J.S. BOUTIQUE	
<b>Registration Number:</b>	2028154	JS COLLECTIONS	
<b>Registration Number:</b>	5300723	AMUR A MINDFUL USE OF RESOURCES	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	8888295819		
<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>	(312) 288-3586		
<b>Email:</b>	john.cunningham@wolterskluwer.com		
<b>Correspondent Name:</b>	Nancy Helm Brown		
<b>Address Line 1:</b>	2929 Allen Parkway		
<b>TRADEMARK</b>			

OP \$315.00 88452248

**Address Line 2:** Suit 3300  
**Address Line 4:** Houston, TEXAS 77019

**NAME OF SUBMITTER:** Nancy A. Zarazua

**SIGNATURE:** /Nancy A. Zarazua/

**DATE SIGNED:** 09/17/2020

**Total Attachments: 20**

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**EXECUTION VERSION**

**GENERAL MOVABLE HYPOTHEC** entered into at Montréal, Province of Québec, on this 30<sup>th</sup> day of July 2020.

**BETWEEN:**

**3653111 CANADA INC.**, a corporation incorporated, under the laws of Canada, having its head office at 225 Chabanel Street West, Suite 1015, Montréal, Québec, Canada, H2N 2C9, herein acting and represented by Mitchell Hops, its President;

(the “**Grantor**”)

**AND**

**EXPORT DEVELOPMENT CANADA**, a corporation established by an Act of the Parliament of Canada, having its head office at 150 Slater Street, Ottawa, Ontario, Canada, K1A 1K3, herein acting and represented by Vanessa Tan, Senior Associate and Mahrukh Ashraf, Senior Financing Manager, its Representatives;

Notice of its address has been registered at the Register of Personal and Movable Real Rights under number 025772.

(the “**Creditor**”)

**RECITALS:**

- A.** By that certain Loan Agreement (as hereinafter defined), the Creditor agreed to extend in favour of **GROUP JS INTERNATIONAL LTD.** (the “**Borrower**”) a loan on the condition (among others) that the Grantor agrees to hypothecate all its movable property, present and future, in favour of the Creditor; and
- B.** The Grantor has agreed to execute this Agreement to and in favour of the Creditor as security for the payment of the Obligations (as hereinafter defined).

**THEREFORE, the Grantor and the Creditor agree as follows:**

**ARTICLE 1  
INTERPRETATION**

In this Agreement, unless the context indicates otherwise:

- 1.1 “**CCQ**” means the Civil Code of Québec.
- 1.2 “**Contractual Rights**” has the meaning given thereto in **Section 2.4**.

- 1.3 “**Creditor**” means EXPORT DEVELOPMENT CANADA and its successors and assigns.
- 1.4 “**Event of Default**” means any default or event of default under a Transaction Document.
- 1.5 “**Guarantee Agreement**” means the guarantee agreement dated July 30, 2020 granted by the Grantor in favour of the Creditor, as it may from time to time be modified or otherwise amended, supplemented, restated, renewed, extended, novated or replaced.
- 1.6 “**Grantor**” means 3653111 CANADA INC. and its successors and permitted assigns.
- 1.7 “**Hypothec**” means the hypothec granted in **Article 2** hereof.
- 1.8 “**Hypothecated Property**” means all property and rights subjected to or intended to be subjected to the Hypothec.
- 1.9 “**Investment Property**” has the meaning given thereto in **Section 2.1(c)**.
- 1.10 “**Loan Agreement**” means the loan agreement dated July 30, 2020 among the Borrower, the Grantor, 8647313 CANADA INC. and the Creditor, as it may from time to time be modified or otherwise amended, supplemented, restated, renewed, extended, novated or replaced.
- 1.11 “**Monetary Claims**” has the meaning given thereto in Article 2713.1 of the CCQ.
- 1.12 “**Obligations**” means all the obligations of the Grantor toward the Creditor, present and future, including, without limiting the generality of the foregoing, all obligations under this Agreement and the other Transaction Documents.
- 1.13 “**Person**” means any individual, corporation, limited liability company, voluntary association, partnership, joint venture, trust or governmental authority or other entity.
- 1.14 “**STA**” means An Act respecting the transfer of securities and the establishment of security entitlements (Québec), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).
- 1.15 “**Transaction Documents**” has the meaning given to such term in the Loan Agreement and includes, without limiting the generality of the foregoing any control agreement or other agreement entered into pursuant to Section 4.10 hereof, as well as, the Guarantee Agreement.
- 1.16 “**this Agreement**”, “**these presents**”, “**herein**”, “**hereby**”, “**hereof**”, “**hereunder**” and similar expressions mean or refer to this Agreement, and the accompanying Schedules and to any deed, notice or document supplemental or complementary hereto, including

any and every deed of hypothec, application for registration, or other instrument or charge which is supplementary or ancillary hereto or in implementation hereof and the expressions “**Article**” and “**Section**” followed by a number means and refer to the specified Article and/or Section of this Agreement.

## **ARTICLE 2 CHARGING PROVISIONS**

2.1 As security for the performance of the Obligations and of the fees and expenses, if any, incurred by the Creditor to secure performance of the Obligations or to preserve the Hypothecated Property and any other costs and expenses payable by the Grantor to the Creditor pursuant to this Agreement, the Grantor hereby hypothecates in favour of the Creditor for an amount of CAD\$2,400,000 with interest at the rate of twenty-five per cent (25%) per annum from the date hereof, all of its movable property, corporeal and incorporeal, present and future, of whatever nature and wherever situated, the whole including, without limiting the generality of the foregoing, the following universalities of present and future property:

(a) **Property in Stock**

all present and future property in stock and inventory of any nature and kind of the Grantor whether in its possession, in transit or held on its behalf, including property in reserve, raw materials or other materials, goods manufactured or transformed, or in the process of being so, by the Grantor or by others, packaging materials, property held by a third party under a lease, a leasing agreement, franchise or license agreement or any other agreement entered into with or on behalf of the Grantor, property evidenced by bill of lading, animals, wares, mineral substances, hydrocarbons and other products of the soil and all fruits thereof from the time of their extraction, as well as any other property held for sale, lease or processing in the manufacture or transformation of property intended for sale, lease or use in providing a product or service by the Grantor;

(b) **Claims and Other Movable Property**

(i) Claims, Receivables and Book Debts

all of the Grantor's present and future claims (including any and all Monetary Claims), debts, demands and choses in action, whatever their cause or nature, whether or not they are certain, liquid or exigible, whether or not evidenced by any title (and whether or not such title is negotiable), bill of exchange or draft, whether litigious or not, whether or not they have been previously or are to be invoiced, whether or not they constitute book debts or trade accounts receivable, including, without limitation, all customer accounts, accounts receivable, rights of action, demands, judgments, contract rights, debts, tax refunds, amounts on deposit, bank accounts, cash, proceeds of sale, assignment or lease of any property, rights or titles, indemnities payable under any contract of insurance of

property, of Persons, or of liability insurance, proceeds of expropriation, any sums owing to the Grantor in connection with interest or currency exchange contracts and other treasury or hedging instruments, management of risks or derivative instruments existing in favour of the Grantor (“SWAPS”) and the Grantor's rights in the credit balance of accounts held for its benefit by any financial institution or any other Person together with all judgments and all other rights, benefits, securities, security agreements, collateral, guarantees, suretyships, notes and accessories to the claims and rights mentioned above and other rights relating thereto (including, without limitation, the rights of the Grantor in its capacity as seller under an instalment sale or a conditional sale, where the claims are the result of such sale, as well as all movable property owned by the Grantor and covered by such instalment or conditional sales);

(ii) Contracts and Agreements

any agreements, contracts or other instruments of a material nature relating to the Hypothecated Property or the operation, management or maintenance thereof and all amendments, supplements, and replacements thereto, including but not limited to, all development, servicing, site plan, production rights or quotas (if any) and other similar agreements with any governmental authority or public utility, management agreements, reciprocal restrictions or operating agreements, license or franchise agreements, service contracts, warranties, guaranties, supply and maintenance contracts, equipment leases and insurance policies;

(iii) No Exclusions

a right or a claim shall not be excluded from the Hypothecated Property by reason of the fact that (i) the debtor thereof is domiciled outside the Province of Québec, or (ii) the debtor thereof is an affiliate (as such term is defined in the Canada Business Corporations Act) of the Grantor (regardless of the law of the jurisdiction of its incorporation), or (iii) such right or claim is not related to the operations of the Grantor, or (iv) such right or claim is not related to the ordinary course of business of the Grantor;

(c) **Investment Property**

all present and future investment property, including all securities, security entitlements, financial assets, securities accounts, future contracts and future accounts and all shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest in property or in a corporation, partnership, trust, fund or any enterprise or which constitute evidence of an obligation of the issuer to the extent same would not constitute investment property, as such term is defined in the STA; and all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith (the “**Investment Property**”) including, without limitation, all securities issued or received in substitution, renewal, addition or replacement of

Investment Property, or issued or received on the purchase, redemption, conversion, cancellation or other transformation of securities or issued or received by way of dividend or otherwise to holders of Investment Property, and all present and future instruments, bills of lading, warehouse receipts, documents or other evidences of title of the Grantor;

(d) **Equipment**

all present and future machinery, equipment, implements, furniture, tools, rolling stock (including aircraft and road vehicles), spare parts and additions;

(e) **Intellectual Property Rights**

all of the Grantor's present and future rights in any trade mark, copyright, industrial design, patent, patent rights, goodwill, invention, trade secret, know-how, plant breeders' right, topography of integrated circuits and in any other intellectual property right (registered or not) including, if any, improvements and modifications thereto as well as rights in any action pertaining to the protection, in Canada or abroad, of any such intellectual property rights, and all of the present and future undertaking of the Grantor including, without limitation those listed in **Schedule "A"**;

(f) **Permits**

all permits, consents, licenses, rights, certificates, authorizations and other approvals issued or granted by any governmental authority or any public utility relating to the enterprise carried on by the Grantor or to any particular Hypothecated Property;

(g) **Insurance**

all indemnities or proceeds now or hereafter payable under any present or future contract of insurance on or in respect of any of the Hypothecated Property;

(h) **Fruits and Revenues**

all present and future fruits and revenues emanating from the Hypothecated Property, including without limitation, the proceeds of any sale, assignment, lease or other disposition of any of the present and future property of the Grantor, any claim resulting from such a sale, assignment, lease or other disposition, as well as any property acquired in replacement thereof (provided that nothing herein shall be interpreted as permitting the Grantor to dispose of any of the Hypothecated Property in contravention with the provisions of this Agreement); and

(i) **Records and Other Documents**

all present and future titles, documents, records, data, vouchers, invoices, accounts and other documents evidencing or related to the Hypothecated Property, including, without limitation, computer programs, disks tapes and other means of electronic communications

as well as the rights of the Grantor to recover such property from third parties, receipts, catalogues, client lists, directories and other similar property.

Where any of the claims are subject to the provisions of the Financial Administration Act (Canada), the Grantor hereby sells, assigns and transfers the same absolutely to the Creditor so that, upon a withdrawal of authorization as referred to in **Section 4.11** hereof, the Creditor shall be free to complete the formalities required to make such assignment fully enforceable.

2.2 The Hypothec created hereunder also constitutes a movable hypothec with delivery on the Monetary Claims forming part of the Hypothecated Property which the Creditor controls from time to time (in accordance with Article 2713.1 and following of the CCQ). The Grantor hereby irrevocably agrees and consents that (i) all present and future Monetary Claims of the Grantor against the Creditor, as well as any and all Monetary Claims forming part of the Hypothecated Property over which the Creditor has control, shall secure the payment and performance of the Obligations, and (ii) the Creditor shall have control of all such Monetary Claims in accordance with Articles 2713.3 and 2713.4 of the CCQ.

2.3 All Hypothecated Property which is acquired, transformed or manufactured after the date of this Agreement shall be charged by the Hypothec, whether or not such property has been acquired in replacement of other Hypothecated Property which may have been alienated by the Grantor in the ordinary course of business, and whether or not such property results from a transformation, mixture or combination of any Hypothecated Property, and in the case of Investment Property, whether or not they have been issued pursuant to the purchase, redemption, conversion or cancellation or any other transformation of the charged Investment Property and without the Creditor being required to register or re-register any notice whatsoever, the object of the Hypothec being a universality of present and future property.

2.4 The Hypothec granted hereby will be suspended with respect to any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the creation of the Hypothec herein would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Grantor must hold its interest therein as mandatory for the Creditor until the consent of the other party thereto is obtained or upon the applicable assumption agreement being entered into or notice being given in the manner required by the Contractual Rights. The Grantor agrees that it shall, upon the request of the Creditor, obtain any consent, enter into any assumption agreement and/or give any notice required, in order to permit any Contractual Rights to be subjected to the Hypothec.

2.5 The Hypothec hereby created is and shall be deemed to be effective and shall have effect, whether or not any monies thereby secured or any part thereof shall be advanced before, after or upon the date of the execution of this Agreement. Any future obligation hereby secured shall be deemed to be one in respect of which the Grantor has once again obligated itself hereunder according to the provisions of Article 2797 of the CCQ.



- 2.6 All proceeds received by the Creditor upon the sale, lease, other alienation or expropriation of any Hypothecated Property and all insurance proceeds with respect to the Hypothecated Property shall be held by it until same is applied by the Creditor in payment of the Obligations.

**ARTICLE 3  
ADDITIONAL HYPOTHEC**

- 3.1 To secure the payment of all sums payable to the Creditor under any provisions of the Loan Agreement, the Guarantee Agreement and this Agreement, including without limitation, interest, premium, costs and expenses relating to the Obligations, all expenses and fees incurred by the Creditor in order to protect or realize upon its rights and the performance of all obligations set forth in the Loan Agreement, the Guarantee Agreement and hereunder, with interest stipulated herein on such amounts from the date of disbursement, the Grantor hypothecates the Hypothecated Property in favour of the Creditor for a further additional sum equal to CAD\$600,000.

**ARTICLE 4  
COVENANTS AND RIGHTS OF THE GRANTOR**

- 4.1 The Grantor shall be liable and shall pay to the Creditor, upon demand, all reasonable costs and expenses incurred by the Creditor in the performance of its duties and in the enforcement of the Hypothec (including principal and interest on borrowings or sums advanced for such purposes by the Creditor).
- 4.2 The Grantor shall promptly notify the Creditor of any change of its name, or of the location of its registered/head office, or of the location of its corporeal property.
- 4.3 Unless an Event of Default has occurred, the Grantor is entitled to exercise, either directly or, if the Investment Property is registered in the name of the Creditor or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Investment Property including, without limitation, the right to vote from time to time exercisable in respect of the Investment Property and to give proxies, consents and waivers in respect thereof. No such action may be taken if it would be prejudicial to the interest of the Creditor, or would violate, or would be inconsistent with this Agreement or any other agreement relating thereto or hereto, or would have the effect of reducing the value of the Investment Property or imposing any restriction on the transferability of any of the Investment Property.
- 4.4 Upon the occurrence of an Event of Default, the Creditor may give the Grantor a notice prohibiting the Grantor from exercising the rights and powers of a holder of such Investment Property including, without limitation, the right to vote the Investment Property, at which time all such rights of the Grantor will cease immediately and the Creditor will have the right to exercise the rights and powers related to such Investment Property including, without limitation, the right to vote.

- 4.5 Unless an Event of Default has occurred, or unless otherwise agreed to in writing by the Grantor and the Creditor:
- 4.5.1 the Grantor is entitled to receive all dividend payments or other distributions or interest payments in respect of the Investment Property; and
  - 4.5.2 if the Hypothecated Property has been registered in the name of the Creditor or its nominee, the Creditor will execute and deliver (or cause to be executed and delivered) to the Grantor all directions and other instruments as the Grantor may request for the purpose of enabling the Grantor to receive the dividends or other payments that the Grantor is authorized to receive pursuant to **Section 4.5.1** above.
- 4.6 Upon the occurrence of an Event of Default, all rights of the Grantor pursuant to **Sections 4.3 and 4.5** will cease (if their exercise has not already been prohibited or otherwise restricted by written agreement of the Grantor and Creditor) and the Creditor will have the sole and exclusive right and authority to receive and retain all payments that the Grantor would otherwise be authorized to retain pursuant to **Section 4.5.1**. All money and other property received by the Creditor pursuant to the provisions of this Section may be applied on account of the Obligations or may be retained by the Creditor as additional Hypothecated Property hereunder.
- 4.7 Unless an Event of Default has occurred, or unless otherwise agreed to in writing by the Grantor and the Creditor, the Grantor will be entitled to transfer the Investment Property and the Creditor will take all reasonable actions, at the Grantor's expense, to facilitate such transfer.
- 4.8 Upon request from the Creditor from time to time, the Grantor shall deliver and deposit, or cause to be delivered and deposited, to the Creditor, certificates representing existing or after-acquired Investment Property, duly endorsed in blank for transfer by an effective endorsement in accordance with the STA and/or with an executed power of attorney in a form satisfactory to the Creditor, acting reasonably or such other transfer form as otherwise may be prescribed by the constating documents of the issuer of such Investment Property, as applicable. Notwithstanding the foregoing, at any time or from time to time, upon the request of the Creditor, the Grantor shall cause any or all of the Investment Property to be issued and registered in the name of the Creditor or its nominee. If the constating documents of any issuer restrict the transfer of the Investment Property of said issuer, then the Grantor will also deliver to the Creditor a certified copy of a resolution of the directors (but only using its commercially reasonable efforts to obtain such directors' resolution) or a resolution of the shareholders of such issuer or any consents required under the constating documents of such issuer, as applicable, consenting to the transfers contemplated by this Agreement.
- 4.9 Notwithstanding the foregoing, to the extent that the Creditor does not have "control" of the Hypothecated Property as set out in the STA, or under equivalent legislation, the

Grantor agrees to deliver to the Creditor such certificated securities, documents, agreements and other materials as may be reasonably required from time to time to provide, and/or use its reasonable efforts to cause to be provided, with control over the Hypothecated Property, including, without limitation, an agreement for such purposes, if and as reasonably required by the Creditor.

- 4.10 Without limiting the foregoing, the Grantor shall accomplish all things and deliver to the Creditor all documents, agreements and other materials, including, without limitation, any control agreement (in accordance with Article 2713.4 of the CCQ), duly executed by all parties thereto, as may be required from time to time, in the opinion of the Creditor, to provide the Creditor with control over the Monetary Claims forming part of the Hypothecated Property in the manner provided under Article 2713.1 and following of the CCQ. Without the prior written consent of the Creditor to that effect, the Grantor shall not cause or permit any person other than the Creditor to have control (in accordance with Article 2713.1 and following of the CCQ) of any Monetary Claims forming part of the Hypothecated Property.
- 4.11 The Grantor may collect all its claims, rents, debts and accounts receivable forming part of the Hypothecated Property until any Event of Default has occurred, at which time the Creditor may withdraw such authorization by written notice to the Grantor. Upon such withdrawal, the Creditor may collect such claims, rents, debts and accounts receivable and shall be entitled to a reasonable commission which it may deduct from amounts collected.
- 4.12 The Grantor shall do all things and execute all documents necessary for the Hypothec to have full effect and be constantly perfected/published and enforceable in all jurisdictions where the Hypothecated Property may be located.

## **ARTICLE 5 POWERS OF THE ATTORNEY**

- 5.1 The Creditor may, at its entire discretion, perform any of the Grantor's Obligations. It may then immediately request payment of any expense incurred in doing so, including interest, and such repayment is secured by the Hypothec.
- 5.2 The Creditor may, at its entire discretion, appoint any person or persons for the purpose of exercising any of its rights or actions or for the performance of any of its obligations resulting from this Agreement or under the law; in such case, the Creditor may provide such person with any information relating to the Grantor or the Hypothecated Property.
- 5.3 Where the Hypothecated Property include Investment Property, the Creditor may, upon the occurrence of any Event of Default, or at any other time if agreed to in writing by the Grantor and the Creditor, exercise any right attached thereto, including any right to vote and any right of conversion or redemption.

- 5.4 If the Creditor 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 Effective upon the occurrence of any Event of Default, the Grantor constitutes and appoints the Creditor its irrevocable attorney, with power of substitution, in order to do any act and to sign any document necessary or useful to the exercise the rights and powers conferred on the Creditor hereunder.
- 5.6 The exercise by the Creditor of any of its rights shall not preclude it from exercising any other right under this Agreement or the law; the rights of the Creditor shall be cumulative and not alternative. The non-exercise by the Creditor of one of its rights shall not constitute a waiver of any subsequent exercise of such right. The Creditor may exercise its rights under this Agreement without any obligation to exercise any right against any other person liable for payment of the Obligations and without having to realize any other security which secures such Obligations.

#### **ARTICLE 6 REMEDIES IN CASE OF DEFAULT**

- 6.1 If an Event of Default occurs, the Creditor may, at its discretion, exercise whichever hypothecary rights or recourses are available to it at law or hereunder. In such event, the principal and interest under the Obligations and all other amounts owing hereunder shall immediately become due and payable to the Creditor.
- 6.2 After the occurrence of an Event of Default, whichever hypothecary rights or recourses the Creditor may decide to exercise or whichever other rights or recourses the Creditor may wish to exercise in law or in equity, in addition to any rights provided by law, the following provisions shall apply:
- (a) in order to protect or to realize the value of the Hypothecated Property, the Creditor may, in its discretion, at the Grantor's expense:
    - (i) pursue the transformation of the Hypothecated Property or any work in process or unfinished goods comprised in the Hypothecated Property and complete the manufacture or processing thereof or proceed with any operations to which such property are submitted by the Grantor in the ordinary course of its business and acquire property for such purposes;
    - (ii) alienate or dispose of any Hypothecated Property which may be obsolete, may perish or is likely to depreciate rapidly;
    - (iii) use for its benefit all information obtained while exercising its rights;
    - (iv) perform any of the Grantor's obligations;

- (v) exercise any right attached to the Hypothecated Property;
  - (vi) take physical possession of any and all of the Hypothecated Property, and anything found therein, with the right for that purpose to enter without legal process in any Hypothecated Property or any premises where the Hypothecated Property may be found, and maintain such possession on the Grantor's premises or remove any or all of the Hypothecated Property to such other places as the Creditor shall deem appropriate;
  - (vii) use any equipment, machinery, process, information, records, computer programs and intellectual property of the Grantor;
  - (viii) maintain, repair, restore or renovate, and begin or terminate, any construction work related to the Hypothecated Property, the whole at the Grantor's cost;
- (b) the Creditor shall exercise its rights in good faith in order that, following the exercise thereof, the Obligations may be reduced, in a reasonable manner, taking into account all circumstances;
  - (c) the Creditor may, directly or indirectly, purchase or acquire any of the Hypothecated Property;
  - (d) the Creditor, when exercising its rights, may waive any right of the Grantor, with or without consideration therefor;
  - (e) the Creditor shall not be bound to take inventory, to take out insurance or to furnish any security;
  - (f) the Creditor shall not be bound to continue to carry on the Grantor's enterprise or to make the Hypothecated Property productive, or to maintain such property in operating condition; and
  - (g) the Grantor shall, upon request of the Creditor, move the Hypothecated Property to and render it available to the Creditor at premises designated by the Creditor and which, in its opinion, shall be more suitable in the circumstances.

6.3 If the Creditor elects to exercise its hypothecary recourse of taking in payment of the Hypothecated Property and the Grantor requires, in accordance with the applicable provisions of the CCQ, instead that the Creditor sells itself or under judicial authority the Hypothecated Property on which such right is exercised, the Grantor hereby acknowledges that the Creditor shall not be bound to abandon its recourse of taking in payment unless, prior to the expiry of the time period allotted for surrender, the Creditor (i) has been granted a security which it considers satisfactory, acting reasonably, guaranteeing that said Hypothecated Property will be sold at a sufficiently high price to enable the principal of and interest of the Obligations and other monies secured hereunder to be paid in full, (ii) has been reimbursed of all reasonable costs and expenses

incurred, including all reasonable fees of consultants and legal counsel in connection with this Agreement and the indebtedness secured hereby, and (iii) has been advanced the necessary sums for the sale of said Hypothecated Property; the Grantor further acknowledges that the Creditor shall have the right to choose the type of sale it may carry out.

- 6.4 In addition to the rights and recourses provided to the Creditor hereunder, the Creditor and the Grantor agree that the Creditor may exercise any recourse and right it may wish to exercise in law including, without limiting the generality of the foregoing, the remedy under Article 2759 of the CCQ with respect to securities or security entitlements (within the meaning of the STA).
- 6.5 Upon notice by the Creditor declaring due and payable the principal and interest of the Obligations, the Grantor shall surrender the Hypothecated Property to the Creditor.
- 6.6 Where the Creditor itself sells the Hypothecated Property, it shall not be required to obtain any prior assessment by a third party.
- 6.7 The Creditor may choose to sell the Hypothecated Property with legal warranty given by the Grantor or with complete or partial exclusion of such warranty; the sale may also be made cash or with a term or under such conditions determined by the Creditor; it can be cancelled in case of non-payment of the purchase price and such Hypothecated Property may then be resold.
- 6.8 In order to exercise any of its rights, the Creditor may use the premises of the Grantor in which any Hypothecated Property is located.
- 6.9 The monies and other proceeds arising from any sale or realization of the whole or any part of the Hypothecated Property, whether under any sale by the Creditor or by judicial process or otherwise, together with any other monies or other proceeds then in the hands of the Creditor and available for such purpose, shall be applied in the first place to pay or reimburse the Creditor's fees, charges, expenses, borrowing and other monies provided or obtained by the Creditor or at its request in or about the execution of its power and rights with respect to this Agreement, with interest thereon as herein provided, and the residue of the monies shall be applied on account of principal and interest of the Obligations or, at the option of the Creditor, may be held unappropriated in a collateral account in order to provide for payment of any charge or claim ranking prior to the Hypothec.
- 6.10 In the case of any judicial or other proceedings to enforce the Hypothec, the Grantor covenants and agrees with the Creditor that judgment may be rendered against it in favour of the Creditor for any amount which may remain due in respect of the Obligations after the application of the payment thereof of the proceeds of the sale of the Hypothecated Property or any part thereof.
- 6.11 No Person dealing with the Creditor or its attorneys shall be concerned to enquire whether the Hypothec has become enforceable, or whether the powers which the Creditor

is purporting to exercise have become exercisable, or whether any monies remain due upon the Hypothec or the Obligations, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Creditor with the Hypothecated Property or any part thereof, or to see to the application of any monies paid to the Creditor.

- 6.12 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 COMMUNICATION**

- 7.1 Any communication and notice required or permitted to be given under this Agreement shall be given in accordance with the terms and conditions of the Guarantee Agreement.

#### **ARTICLE 8 GENERAL PROVISIONS**

- 8.1 The Hypothec is in addition to and not in substitution for any other security held by the Creditor and does not affect the Creditor's rights of compensation and set-off.
- 8.2 This Hypothec shall be a continuing security and shall remain in full force and effect despite the repayment, from time to time, of the whole or of any part of the Obligations; it shall remain in full force until the execution of a final release by the Creditor.
- 8.3 The Hypothec is not a "floating hypothec" and this Agreement is not intended to create a trust under the laws of the Province of Québec.
- 8.4 Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:
- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
  - (b) the legality, validity or enforceability of that provision in any other jurisdiction.
- 8.5 To the extent that any term, condition or other provision contained in this Agreement is, at any time, inconsistent or conflicts with any term, condition or other provision contained in the Loan Agreement or in the Guarantee Agreement and covering substantially the same subject matter, then the relevant term, condition or other provision of the Loan Agreement or of the Guarantee Agreement, as the case may be, will govern.

- 8.6 Unless otherwise provided in this Agreement, any sum collected by the Creditor may be held by the Creditor as Hypothecated Property, provided that any such sum shall be applied to the payment of the Obligations then due. The Creditor shall have the choice of the order of application of any such sum.
- 8.7 Time is of the essence in all respects of this Agreement.
- 8.8 Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Creditor and the Grantor.

#### **ARTICLE 9 GOVERNING LAW**

- 9.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein, provided that to the extent that the laws of any jurisdiction in which any Hypothecated Property is situated govern the validity or perfection of the security constituted hereunder, the domestic laws of such jurisdiction shall govern those issues.
- 9.2 The provisions of and the terms used in this Agreement 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 Hypothecated Property may be situated and in all other jurisdictions where the rights and remedies of the Creditor may have to be exercised.

#### **ARTICLE 10 LANGUAGE**

The Parties hereto confirm that this Agreement and all documents related thereto have been drawn up in the English language at their request. Les parties aux présentes confirment que la présente convention ainsi que tous les documents qui y sont relatifs ont été rédigés en langue anglaise à leur demande.


**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**



IN WITNESS WHEREOF, the parties have executed this General Movable Hypothec on the date and at the place first above-mentioned.

**3653111 CANADA INC.**

Per:

  
Name: Mitchell Hops  
Title: President

**EXPORT DEVELOPMENT CANADA**

Per:

\_\_\_\_\_  
Name: Vanessa Tan  
Title: Representative

Per:

\_\_\_\_\_  
Name: Mahrukh Ashraf  
Title: Representative

**IN WITNESS WHEREOF**, the parties have executed this General Movable Hypothec on the date and at the place first above-mentioned.

**3653111 CANADA INC.**

Per:

\_\_\_\_\_  
Name: Mitchell Hops  
Title: President

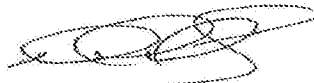
**EXPORT DEVELOPMENT CANADA**

Per:



\_\_\_\_\_  
Name: Vanessa Tan  
Title: Representative

Per:



\_\_\_\_\_  
Name: Mahrukh Ashraf  
Title: Representative

**Schedule "A"**

**List of IP Rights**

Canadian Trademarks :

(1) Trade mark : AMUR A MINDFUL USE OF RESOURCES  
Application no. : 1853492  
Registration no.: TMA1017927  
Status: Registered

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Status: Live

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Serial no. : 88452271  
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Status: Live

(3) Trade mark : THEIA  
Serial no. : 88261887  
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Status: Live

(4) Trade mark : FLOR ET.AL  
Serial no. : 88064743  
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Registration no.: 2028154

Status: Live

Trade mark : AMUR A MINDFUL USE OF RESOURCES

Serial no. : 87663695

(12)

Registration no.: 5300723

Status: Live