

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Discharge and Termination of Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Valiant Trust Company		06/04/2004	Trust Company in Canada: CANADA
RECEIVING PARTY DATA			
Name:	Azure Dynamics Inc.		
Street Address:	350 Bay Street, 4th Floor		
City:	Toronto		
State/Country:	ONTARIO		
Postal Code:	M5H 2S6		
Entity Type:	CORPORATION: CANADA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	76402142	SMART ENERGY MANAGEMENT	
CORRESPONDENCE DATA			
Fax Number:	(415)442-1001		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	415-442-1326		
Email:	ralpert@morganlewis.com		
Correspondent Name:	Rochelle D. Alpert		
Address Line 1:	One Market, Spear Street Tower		
Address Line 4:	San Francisco, CALIFORNIA 94105		
ATTORNEY DOCKET NUMBER:	059641.2090		
NAME OF SUBMITTER:	Rochelle D. Alpert		
Total Attachments: 3			
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DISCHARGE AND TERMINATION AGREEMENT

TO: AZURE DYNAMICS INC. (the "Guarantor")

RECITALS:

- A. The Guarantor executed a guarantee (the "Guarantee") dated July 31, 2003 in favour of Valiant Trust Company (the "Trustee") guaranteeing the obligations of Azure Dynamics Corporation (the "Borrower") under a trust indenture (the "Indenture") dated July 31, 2003 between the Trustee and the Borrower.
- B. As security for the Guarantee, the Guarantor granted to the Trustee a general security agreement (the "GSA") dated as of July 31, 2003.
- C. The Guarantee and the GSA are hereinafter collectively referred to as the "Documents".
- D. All obligations of the Borrower under the Indenture have been repaid and the Indenture has been terminated.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Trustee) the Trustee hereby:

1. releases all obligations of the Guarantor created by the Documents and terminates all of the Documents in their entirety;
2. discharges all security interests created by the Guarantee and the GSA, including without limitation the discharge of:
 - (i) the financing statements registered pursuant to the *Personal Property Security Act* (Ontario) and described on Schedule A attached hereto; and
 - (ii) the financing statements registered pursuant to the *Personal Property Security Act* (British Columbia) and described on Schedule A attached hereto.

3. agrees to execute and deliver all such other and further documents, agreements and instruments necessary to effect the discharge, release and termination contemplated hereby and to effect any registrations or filings (including those required to effect the discharges of the registrations referred to in paragraph 2, and for such purposes the Trustee authorizes the Guarantor or its counsel to effect such registrations or filings) required by the Guarantor to reflect the foregoing.

DATED as of the 14th day of June, 2004.

VALIANT TRUST COMPANY, AS TRUSTEE

By: [Signature]

By: [Signature]

Name: _____

Title: _____

SCHEDULE A

1. Financing Statements registered under the *Personal Property Security Act* (Ontario):

Debtor: AZURE DYNAMICS INC.

Secured Party: VALIANT TRUST COMPANY

File Number: 896621157

Registration Number: 20030722 1646 1862 3790

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

2. Financing statements registered under the *Personal Property Security Act* (British Columbia)

Debtor: AZURE DYNAMICS INC.

Secured Party: VALIANT TRUST COMPANY

Base Registration No.: 176670B

Control No.: B5444770

Collateral Classification: All present and after-acquired personal property of the debtor, and without limitation, all fixtures, crops and licenses.