

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	Prior Notice of Exercise of a Hypothecary Right of Sale
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Cancot Inustries Inc.		03/17/2004	CORPORATION: CANADA

RECEIVING PARTY DATA	
Name:	Peter Klauber & Associates Inc.
Street Address:	33 Fountain Street
City:	Dollard-des-Ormeaux
State/Country:	QUEBEC
Postal Code:	H9B 1X9
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 5		
Property Type	Number	Word Mark
Registration Number:	1477732	HI-DUR
Registration Number:	1422898	CANZORB
Registration Number:	1422897	SARALAN
Registration Number:	1430287	INTREPID
Registration Number:	1421969	CHALLENGER

CORRESPONDENCE DATA	
Fax Number:	(503)778-2200
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	503-778-2116
Email:	trademarks@lanepowell.com
Correspondent Name:	Anne W. Glazer
Address Line 1:	601 SW Second Avenue
Address Line 2:	Suite 2100
Address Line 4:	Portland, OREGON 97204-3158

ATTORNEY DOCKET NUMBER:	706904.0018
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NAME OF SUBMITTER:	J. Alfred Murray
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OP \$140.00 1477732

**Total Attachments: 8**

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## CERTIFICATION

The undersigned hereby certifies that the attached are true and exact copies of a **Deed of Moveable Hypothec** entered into on August 15, 2003 before Notary Michael L. Garmaise between Peter Klauber & Associates Inc/Peter Klauber & Associés Inc. and Les Industries Cancot Inc.(English version: Cancot Industries Inc.) and of a **Prior Notice of Exercise of a Hypothecary Right of Sale to the Creditor** dated March 17, 2004.

CERTIFIED this 26<sup>th</sup> day of May, 2004.

  
\_\_\_\_\_  
Hillel W. Rosen  
Lawyer

Davies Ward Phillips & Vineberg LLP  
1501 McGill College Ave., Suite 2600  
Montreal, Quebec H3A 3N9

Telephone: (514) 841-6443

CANADA

PROVINCE OF QUEBEC

REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS

**PRIOR NOTICE OF EXERCISE OF A HYPOTHECARY RIGHT  
OF SALE BY THE CREDITOR**

(Articles 2757 and following of the *Civil Code of Quebec*)

TO: **M. DIAMOND & ASSOCIATES INC.,**  
The Trustee of the Estate of  
Les Industries Cancot Inc., a bankrupt  
345 Victoria Avenue  
Suite 400  
Westmount (Quebec) H3Z 2N2  
("TRUSTEE")

AND: **LES INDUSTRIES CANCOT INC. /  
CANCOT INDUSTRIES INC.**  
5485 Des Grandes-Prairies Boulevard,  
St-Leonard (Quebec) H1R 1B1

At the request of our client, Peter Klauber and Associates Inc., as Agent for and on behalf of itself and other Lenders from time to time, a legal person having a place of business located at 33 Fountain Street, Dollard-des-Ormeaux, Quebec, H9B 1X9, ("CREDITOR") be advised that:

(1) Pursuant to the following:

- (i) a Deed of Movable Hypothec ("FIRST HYPOTHEC") entered into by Les Industries Cancot Inc. ("COMPANY") in favour of the CREDITOR on August 15, 2003 and published at the Register of Personal and Movable Real Rights on August 15, 2003 under number 03-0427133-0002 charging the movable property described Section (I) hereto to the extent of the sum of FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000), plus an additional amount equivalent to 20% of such amount, for a total amount of SIX HUNDRED SIXTY THOUSAND DOLLARS (\$660,000.00), the whole bearing interest at the rate of TWENTY-FIVE PERCENT (25%) per annum;
- (ii) a Movable Hypothec ("SECOND HYPOTHEC") entered into by entered into by the COMPANY in favour of the LENDERS (as defined in the SECOND HYPOTHEC) represented by the CREDITOR on August 15, 2003 and published at the Register of

Personal and Movable Real Rights on August 15, 2003 under number 03-0427133-0004 and under number 03-0427133-0005 charging the movable property described Section (II) hereto to the extent of the sum of FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000), plus an additional amount equivalent to 20% of such amount, for a total amount of SIX HUNDRED SIXTY THOUSAND DOLLARS (\$660,000.00), the whole bearing interest at the rate of TWENTY-FIVE PERCENT (25%) per annum;

(the FIRST HYPOTHEC and SECOND HYPOTHEC are hereinafter sometimes referred to as the "HYPOTHECS")

the COMPANY hypothecated in favour of the CREDITOR the following property (collectively, the "PROPERTY"):

**DESCRIPTION**

**Section (I):**

The following property of the COMPANY, wherever situate, and all renewals thereof, accretions thereto, replacements thereof, substitutions therefor as well as everything united thereto by accession (herein collectively referred to as the "CHARGED PROPERTY"):

A) All accounts receivable, book accounts, book debts, debts, claims, monies, rentals, revenues, incomes, loans receivable, demands, rebates, refunds, amounts owing by or claimable from the crown, state or government or any departments, agents or agencies thereof and choses in action which now are or which may at any time hereafter be due or owing to or owned by the COMPANY or in which the COMPANY now or hereafter has any other interest and all security interests, hypothecs, assignments, guarantees, bills of exchange, notes, negotiable instruments, contracts, invoices, books of account, letters of credit and other documents and rights now held or owned or which may be hereafter held or owned by the COMPANY or any third party on behalf of the COMPANY in respect of any of the foregoing and all rights of an unpaid vendor, including rights to merchandise returned, repossessed or recovered;

B) All documents of title, whether negotiable or non-negotiable including, without limitation, all warehouse receipts and bills of lading in which the COMPANY now or hereafter has an interest;

C) All property in any form derived directly or indirectly from any dealings with any of the CHARGED PROPERTY;

D) All computer programs, firmware and software and all computer and other records and data, whether in hard copy or otherwise, pertaining to any of the CHARGED PROPERTY and the equipment containing same;

E) All monies, cash, foreign currencies and credits in which the COMPANY now or hereafter has an interest;

F) All shares, stocks, warrants, bonds, debentures, debenture stock, and other securities in which the COMPANY now or hereafter has an interest, including without limitation, the shares owned by the COMPANY in Cancot USA, Inc.

G) All insurance policies relating directly or indirectly to any of the CHARGED PROPERTY or any part thereof and all rights and claims under all policies of insurance of whatever nature including, without limitation, under life insurance policies and under insurance against loss or damage;

H) All incorporeal property now owned or hereafter acquired by the COMPANY or its interest therein including, without limitation, any property described in the Schedule below under the heading "SCHEDULED INTANGIBLE PROPERTY", and all patents and patents pending, registered and unregistered trade marks, trade or brand names, service marks, copyrights, industrial designs, formulae, processes, trade secrets, goodwill, contractual rights, licences and permits;

SCHEDULED INTANGIBLE PROPERTY

(a) Trademarks, patents and copyrights

Trademarks

Name	Registration Number (Canada)
Hi-Dur	TMA338571
Invincible	TMA304444
Intrepid	TMA304443
Survivor	TMA304442
Challenger	TMA304441
Durazorb	TMA308283
Canzorbit	TMA304440
Autosorb	TMA303562
Multi-wipes	TMA279721
Canzorb	TMA237840
Saralan	TMA162579

"Tip-Top"	TMDA032602
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Patents

Name	Application number
Mop holder	CA 1314363

(b) Tradenames and styles

NIL

I) All property in stock and inventory now owned and hereafter acquired by the COMPANY including, without limitation, all raw materials, goods in process, finished goods, goods in transit and all packaging and shipping materials and all materials and merchandise procured for the manufacture or production thereof and all goods, wares and merchandise held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of the COMPANY;

J) All machinery, equipment, furniture, fixtures, materials, supplies, appliances, dyes, molds, tanks, vehicles, furnaces, boilers, motors, engines, accessories and tools now owned or hereafter acquired by the COMPANY including without limitation, any property described in the Schedule below under the heading "SCHEDULED EQUIPMENT", whether or not the same be affixed to any immovable property or used upon or in connection therewith, together with all present and future improvements, appurtenances and accessories thereto;

SCHEDULE EQUIPMENT

(a) Motor vehicles

NIL

(b) Other equipment

NIL

K) The following "Related Property": (a) any indemnity or proceeds of expropriation or reimbursement of all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable in respect of any of the CHARGED PROPERTY as well as any and all interest thereon and penalties imposed in respect thereof now or hereafter payable; and (b) any present and future rights whatsoever attached to

the CHARGED PROPERTY, as well as all present and future fruits and revenues thereof;

L) Universality of all other corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired by the COMPANY.

**Section (II):**

That certain 25% collateral bond of the COMPANY bearing certificate number one (1) dated August 15, 2003 in the principal amount of Four Hundred and Seventy-Five Thousand Dollars (\$475,000.00) registered in the name of Peter Klauber and Associates Inc., in its capacity as custodian and agent with the powers set forth under the "Loan Agreement" (as defined in the SECOND HYPOTHEC), together with all renewals thereof, substitutions therefore, accretions thereto and all income and fruits therefrom;

(2) The HYPOTHECS secure, *inter alia*, the obligations of the COMPANY under the Loan and Intercreditor Agreement dated August 15, 2003 between the COMPANY, as borrower, and Peter Klauber & Associates Inc., as Agent and as Lender and others, and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof ("LOAN AGREEMENT");

(3) The COMPANY is in default under the HYPOTHECS, *inter alia*, in that it has caused the following default to occur under the LOAN AGREEMENT:

(i) It has not done or has not caused to be done all things necessary or proper to preserve and keep in full force and effect its ability to carry on its business;

(4) As of February 18, 2004, the COMPANY was indebted to the CREDITOR in the aggregate amount of FOUR HUNDRED AND SEVENTY-FIVE THOUSAND DOLLARS (\$475,000.00), composed of the following:

Principal:                   FOUR HUNDRED AND SEVENTY-FIVE THOUSAND DOLLARS (\$475,000.00);

Interest:                   ZERO (\$0.00);

plus interest accrued and accruing, fees incurred, costs and charges, the whole subject to adjustment.



- (5) The CREDITOR intends to exercise its hypothecary right to sale the PROPERTY via a sale by the CREDITOR;
- (6) The COMPANY and/or the TRUSTEE is hereby called upon to surrender the PROPERTY before the expiry of twenty (20) days after the giving and publishing of the present Notice.
- (7) The COMPANY has the right to avoid the exercise of the hypothecary recourse against the PROPERTY if it or a third party remedies the defaults herein stipulated, as well as any subsequent defaults, before the expiry of twenty (20) days after the giving and publishing of the present Notice.

This Prior Notice of Exercise of Hypothecary Rights is given to the COMPANY pursuant to Articles 2757 and following of the *Civil Code of Quebec* and pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

SIGNED AT MONTREAL, THIS 17<sup>th</sup> DAY OF MARCH 2004

**Peter Klauber and Associates Inc.**, through  
its undersigned attorneys, Mendelsohn

Per: 

M<sup>r</sup> Marc-André Morin  
1000 Sherbrooke Street West  
27th Floor  
Montreal, Quebec  
H3A 3G4

  
JESSICA ABDULEZER

  
KARINE BOIVIN ROY

AFFIDAVIT


I, the undersigned, Jessica Abdulezer, residing and domiciled for the purposes hereof at 1000 Sherbrooke Street West, Suite 2700, in the City and District of Montreal, H3A 3G4, solemnly declare as follows:

1. THAT I am one of the subscribing witnesses to the execution of the foregoing Prior Notice ("NOTICE");
2. THAT the said NOTICE was duly executed by Marc-André Morin, advocate, on behalf of Peter Klauber and Associates Inc. on the date and at the place therein specified, in my presence and in the presence of Karine Boivin Roy, the other subscribing witness;
3. THAT the undersigned and the other subscribing witness are of the full age of majority.

AND I HAVE SIGNED

  
JESSICA ABDOLEZER

SOLEMNLY DECLARED BEFORE ME  
AT MONTREAL THIS 17<sup>th</sup> DAY OF  
MARCH 2004.

  
COMMISSIONER FOR OATHS FOR THE  
CITY AND DISTRICT OF MONTREAL

