

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM710359

| | | | |
|---|---------------------------------------|-----------------------|---------------------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | SECURITY INTEREST | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| DHC Supply LLC | | 10/15/2021 | Limited Liability Company: D.C. |
| RECEIVING PARTY DATA | | | |
| Name: | ATB FINANCIAL | | |
| Street Address: | 600, 585 - 8 Avenue SW | | |
| City: | Calgary, Alberta | | |
| State/Country: | CANADA | | |
| Postal Code: | T2P 1G1 | | |
| Entity Type: | Provincial Crown Corporation: ALBERTA | | |
| PROPERTY NUMBERS Total: 1 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 5924016 | DAILY HIGH CLUB | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | | | |
| <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> | | | |
| Phone: | (303) 295-8399 | | |
| Email: | eggabb@hollandhart.com | | |
| Correspondent Name: | Elif Gabb | | |
| Address Line 1: | P.O. Box 8749 | | |
| Address Line 4: | Denver, COLORADO 80201 | | |
| ATTORNEY DOCKET NUMBER: | 112389.0002 | | |
| NAME OF SUBMITTER: | Elif Gabb | | |
| SIGNATURE: | /Elif Gabb/ | | |
| DATE SIGNED: | 02/24/2022 | | |
| Total Attachments: 7 | | | |
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

(PATENTS), (TRADEMARKS)

This **INTELLECTUAL PROPERTY SECURITY AGREEMENT (PATENTS), (TRADEMARKS)** (this "Agreement") is made as of October 15 2021, between the signatories hereto (each, a "Grantor" and collectively, the "Grantors") in favor of ATB FINANCIAL (the "Lender"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Security Agreement (as defined below).

RECITALS:

WHEREAS, reference is made to that certain Security Agreement of even date herewith (the "Security Agreement"), by and among the Debtors (as defined therein) party thereto and the Lender; and

WHEREAS, under the terms of the Security Agreement, the Grantors have (i) as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, granted to the Lender, a security interest in and continuing lien on all of such Grantors' right, title and interest in, to and under the Collateral, including, without limitation, certain Intellectual Property of the Grantors and (ii) agreed to execute this Agreement for recording with the United States Patent and Trademark Office and other applicable Governmental Authorities.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the Grantors agree as follows:

Section 1. Grant of Security. As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, Grantors hereby grant to the Lender a security interest in and continuing lien on all of Grantors' right, title and interest in, to and under the following:

(a) All United States, foreign and multinational patents, certifications of invention, and similar industrial property, design or rights and applications for any of the foregoing, including, but not limited to: (i) all registrations, provisional and applications referred to in Schedule 1 hereto, (ii) all reissues, divisions, continuations, continuations in part, extensions, renewals, and reexaminations thereof, (iii) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past, present or future infringements or other violations thereof, (iv) all rights to sue for past, present, and future infringements or other violations of any of the foregoing, (v) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vi) all rights of any kind accruing thereunder or pertaining thereto throughout the world (collectively, the "Patents").

(b) All United States, foreign and multinational trademarks, service marks, trade names, trade dress, trade styles, corporate and company names, business and fictitious business and Internet domain names, certification marks, service marks, collective marks, logos and other source of business identifiers, designs and general intangibles of a like nature, and all registrations and applications for any of the foregoing, including, but not limited to (i) all registrations and applications for the registration thereof referred to in Schedule 1 hereto, (ii) all extensions and renewals thereof, (iii) all of the goodwill of the business associated with the use of and symbolized by any of the foregoing, (iv) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past, present or future infringements, dilutions or other violations thereof, (v) all rights to sue for past, present, and future infringements, dilutions or other violations of any

of the foregoing, and (vi) all rights of any kind accruing thereunder or pertaining thereto throughout the world (collectively, the “Trademarks”).

(c) All licenses or agreements, whether written or oral, providing for the grant by or to Grantors of: (i) any right to use any Trademark, and (ii) any right to manufacture, use, import, export, distribute, offer for sale or sell any invention covered in whole or in part by a Patent, without limitation, (A) all rights to sue or otherwise recover for any and all past, present and future infringements and misappropriations of any of the foregoing, (B) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), (C) all other rights of any kind whatsoever of the Grantors accruing thereunder or pertaining thereto, and (D) any and all proceeds of the foregoing.

Section 2. Recordation. Grantors authorize and request that the Commissioner of Patents and Trademarks, respectively, and any other applicable government officer record this Agreement.

Section 3. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 4. Governing Law. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

Section 5. Forum Selection; Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE FEDERAL AND STATE COURTS OF THE STATE OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT LENDER’S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE GRANTORS AND LENDER EACH HEREBY EXPRESSLY AND IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN THE STATE OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. THE GRANTORS HEREBY EXPRESSLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 6. Waiver of Jury Trial. THE GRANTORS, AND LENDER EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 7. Amendments. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 11.12 of the Credit Agreement.

Section 8. Conflict Provision. This Agreement has been entered into in conjunction with the provisions of the Security Agreement and the Credit Agreement. The rights and remedies of each party hereto with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement and the Credit Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are in conflict with the Security Agreement or the Credit Agreement, the provisions of the Security Agreement or the Credit Agreement shall govern.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

GRANTORS:

HIGH TIDE USA INC., a Nevada corporation

By: 

Name: Harkirat Grover
Title: Director

SMOKE CARTEL USA INC., a New York corporation

By: 

Name: Harkirat Grover
Title: Director

FAB NUTRITION LLC, a Wisconsin limited liability company

By: 

Name: Harkirat Grover
Title: Director

VALIANT DISTRIBUTION INC., a Delaware corporation

By: 

Name: Harkirat Grover
Title: Director

DHC SUPPLY LLC, a District of Columbia limited liability company

By: 

Name: Harkirat Grover
Title: Director

DS DISTRIBUTION INC., a Delaware
corporation

By: 

Name: Harkirat Grover
Title: Director

[Signature Page to Intellectual Property Security Agreement]

TRADEMARK
REEL: 007642 FRAME: 0457

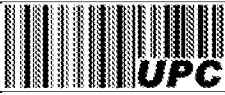
SCHEDULE 1 TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT (PATENTS), (TRADEMARKS)

Patents

| Title | Owner | Patent Number | Issue Date | Application Number | Application Date |
|-------|-----------------------|---------------|--------------|--------------------|------------------|
| | Smoke Cartel USA Inc. | D849,316 S | May 21, 2019 | | |
| | | | | | |
| | | | | | |
| | | | | | |

Trademarks

Registered Trademarks

| Grantor | Country | Mark | Serial/ Registration No. | Filing/ Registration Date |
|--------------------------------|---------|---|----------------------------------|------------------------------|
| US Patent and Trademark Office | USA | ROLL UH BOWL | 4642070 SMOKE CARTEL USA INC. | 11/18/2014 |
| US Patent and Trademark Office | USA | Roll uh Bowl | 4642069 SMOKE CARTEL USA INC. | 11/18/2014 |
| US Patent and Trademark Office | USA | Smoky Bubbles. Anywhere | 4642071 SMOKE CARTEL USA INC. | 11/18/2014 |
| US Patent and Trademark Office | USA | GLASSHEADS | 5436513 SMOKE CARTEL USA INC. | 04/03/2018 |
| US Patent and Trademark Office | USA |  | 4520746 SMOKE CARTEL USA INC. | 04/29/2014 |
| US Patent and Trademark Office | USA | SESH SUPPLY | 5538294 SMOKE CARTEL USA INC. | 08/14/2018 |
| US Patent and Trademark Office | USA | KRAKEN | 5578158 SMOKE CARTEL USA INC. | 10/09/2018 |
| US Patent and Trademark Office | USA | UPC | 5583434 SMOKE CARTEL USA INC. | 10/16/2018 |
| US Patent and Trademark Office | USA | CINDERWITCH | 5602268 SMOKE CARTEL USA INC. | 11/06/2018 |
| US Patent and Trademark Office | USA | SMOKE CARTEL | 5646224 SMOKE CARTEL USA INC. | 01/08/2019 |
| US Patent and Trademark Office | USA | RISE AND GRIND | 5728679 SMOKE CARTEL USA INC. | 04/16/2019 |

| | | | | |
|--------------------------------|-----|------------------------|----------------------------------|------------|
| US Patent and Trademark Office | USA | VIOSPARC | 5795862 SMOKE CARTEL USA INC. | 07/02/2019 |
| US Patent and Trademark Office | USA | WARELY | 5801719 SMOKE CARTEL USA INC. | 07/09/2019 |
| US Patent and Trademark Office | USA | DAILY HIGH CLUB | 5924016 DHC Supply LLC | 12/03/2019 |

Trademark Applications

| Grantor | Country | Mark | Application Number | Application Date |
|---------|---------|------|--------------------|------------------|
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| | | | | |

Licenses

Domain Names