

## PATENT ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

|                                                                                      |                                  |
|--------------------------------------------------------------------------------------|----------------------------------|
| SUBMISSION TYPE:                                                                     | NEW ASSIGNMENT                   |
| NATURE OF CONVEYANCE:                                                                | SECURITY AGREEMENT               |
| CONVEYING PARTY DATA                                                                 |                                  |
| Name                                                                                 | Execution Date                   |
| Telasia Inc.                                                                         | 02/08/2013                       |
| RECEIVING PARTY DATA                                                                 |                                  |
| Name:                                                                                | National Bank of Canada          |
| Street Address:                                                                      | 1130 Marcel-Laurin Boulevard     |
| City:                                                                                | Saint-Laurent (Quebec)           |
| State/Country:                                                                       | CANADA                           |
| Postal Code:                                                                         | H4R 1J7                          |
| PROPERTY NUMBERS Total: 3                                                            |                                  |
| Property Type                                                                        | Number                           |
| Application Number:                                                                  | 29278278                         |
| Application Number:                                                                  | 29413815                         |
| Application Number:                                                                  | 29440784                         |
| CORRESPONDENCE DATA                                                                  |                                  |
| Fax Number:                                                                          | 6123402600                       |
| <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> |                                  |
| Phone:                                                                               | 6123402600                       |
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| Correspondent Name:                                                                  | Dorsey & Whitney LLP             |
| Address Line 1:                                                                      | 50 South Sixth Street            |
| Address Line 2:                                                                      | Intellectual Property Department |
| Address Line 4:                                                                      | Minneapolis, MINNESOTA 55402     |
| ATTORNEY DOCKET NUMBER:                                                              | 493876-1                         |
| NAME OF SUBMITTER:                                                                   | Jacquelyn K. Torborg             |
| Total Attachments: 9<br>source=TelasiaHypothec#page1.tif                             |                                  |

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## GENERAL MOVABLE HYPOTHEC

### 1. HYPOTHEC

1.1. For good and valuable consideration, the undersigned (the "Client") hypothecates in favour of National Bank of Canada (the "Bank") the property referred to in paragraph 1.2 hereof (the "hypothecated property"). This hypothec is granted for the principal sum of ----  
-----EIGHT HUNDRED THOUSAND-----XX/100 dollars (\$800,000.00) and interest at the rate of twenty-five percent (25%) per annum from the date hereof.

1.2. Description of property:

THE UNIVERSALITY OF ALL THE CLIENT'S INCORPOREAL PROPERTIES, PRESENT AND FUTURE, WHEREVER THEY MAY BE, WITHOUT LIMITATION, THE UNIVERSALITY OF INTELLECTUAL PROPERTY RIGHTS, TRADEMARKS AND PATENTS.

1.3. The term "hypothecated property" also includes the following property to the extent that it is not already included in the description in paragraph 1.2. The following property is therefore also charged by the hypothec created hereunder:

1.3.1. the proceeds of any sale, lease or other disposition of the property referred to in paragraph 1.2, any debt resulting from the sale, lease or other disposition of this property, as well as any property acquired to replace same;

1.3.2. any insurance or expropriation proceeds payable in respect of the hypothecated property;

1.3.3. the principal and the income of the hypothecated property as well as any right attached to the hypothecated property;

1.3.4. where the property described in paragraph 1.2 includes securities and other financial assets, all other securities and financial assets issued in the future in replacement thereof;

1.3.5. all deeds, invoices, records and other documents (including in electronic form) evidencing the hypothecated property or relating thereto.

### 2. OBLIGATIONS SECURED

#### Hypothec securing all types of present and future obligations

This hypothec is granted to secure any and all obligations of the Client toward the Bank, direct and indirect, present and future, of any nature whatsoever, and whether incurred by the Client alone or with another or others, as the principal debtor, guarantor, surety or in any other capacity.

### 3. DECLARATIONS

The Client represents and warrants the following:

- 3.1. The Client owns all right, title interest in and to the hypothecated property, is free and clear of all real rights or security, other than the security granted or to be granted to the Bank, and INVESTISSEMENT QUEBEC.
- 3.2. The hypothecated property is located in the Province of Quebec, in the State of California and United States.
- 3.3. The hypothecated property is not intended to be used in more than one province or state, except for the following property: N/A
- 3.4. The Client does not carry on business under a name other than its corporate name and does not have a nominee name.
- 3.5. The trademarks, copyrights, patents or other intellectual property rights which belong to the Client or for which it has a licence are as follows: Ceragrill, Cuizen Elite Novelty Collection, Cuizen, Alizé, Ultra Nature Sage, Nature Ultra Sage, Garden Cardinal, Rougi and Fennec.
- 3.6. The Client's patents registered with the United States Patent and Trademark Office, and applications for patents with the United States Patent and Trademark Office, are set forth on Schedule 1 to this deed.
- 3.7. The Client's trademarks registered with the United States Patent and Trademark Office, and applications for trademarks with the United States Patent and Trademark Office, are set forth on Schedule 2 to this deed. Notwithstanding anything herein to the contrary, in no event shall the security interest created under this deed attach to, or the term "hypothecated property" be deemed to include any application to register any trademark or service mark that is pending on intent-to-use basis under 15 U.S.C. § 1051(b) of the United States Code prior to: (a) the acceptance of an amendment to allege use or statement of use by the United States Patent and Trademark Office; or (b) the deletion of intent-to-use basis in favor of foreign registration basis under 15 U.S.C. § 1126(e) of the United States Code. The Client's trademark applications currently pending on intent-to-use basis are identified and marked with an asterisk on Schedule 2 to this deed.
- 3.8. The Client's head or registered office (or domicile, if the Client is an individual) is located at the address indicated in the last page hereof.

### 4. COVENANTS OF THE CLIENT

- 4.1. The Client shall inform the Bank without delay of any change to its name or to the content of the representations made in Article 3.
- 4.2. The Client shall pay, when due, any amount owing with respect to the hypothecated property, as well as any debt or claim which could rank prior to the hypothec constituted hereunder, and shall provide to the Bank, on demand, evidence that the payments stipulated in this paragraph have been made.

- 4.3. The Client shall insure the hypothecated property and keep it constantly insured for its full insurable value against loss or damage caused by theft, fire and all other perils against which a prudent administrator would insure the hypothecated property. The Bank is hereby designated as the beneficiary of the indemnities payable under these policies and the Client shall cause such designation to be inscribed in the policies. The Client shall provide the Bank with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, with evidence of the renewal or replacement thereof.
- 4.4. The Client shall do all things and sign all documents necessary to preserve its rights in the hypothecated property and to ensure that the hypothec constituted hereunder shall have full effect and be perfected and constantly enforceable against third parties in all jurisdictions where the hypothecated property may be located or used.
- 4.5. The Client shall adequately protect and maintain the hypothecated property and exercise its activities in such a manner as to preserve its value. The Client shall fully comply with the laws and regulations applicable to the operation of its enterprise and to the hypothecated property, including environmental laws and regulations.
- 4.6. The Client shall keep all books, records and accounts which a diligent administrator would keep with respect to the hypothecated property and shall permit the Bank to examine said books, records and accounts and obtain copies of same.
- 4.7. The Client shall keep the hypothecated property free of all real rights, hypothecs, mortgages or security interest, save and except those to which the Bank has consented in writing.
- 4.8. The Client shall not dispose of the hypothecated property nor lease same unless the Bank consents thereto in writing. Notwithstanding the foregoing, the Client may, if not in default hereunder, sell or lease its inventory in the normal course of its business.
- 4.9. The Client shall not change the use, destination or nature of the hypothecated property nor remove same from its present location unless the Bank consents thereto in writing. If the Client is a legal person, it shall not amalgamate with another person nor commence dissolution or winding-up proceedings without the written consent of the Bank.
- 4.10. Where the hypothecated property includes inventory and accounts receivable, the Client shall provide the Bank monthly with a statement of the value of its inventory (calculated at the lesser of cost or market value) and a list of its accounts receivable (indicating their amount and age).
- 4.11. In the event the hypothecated property includes intellectual property rights, the Client shall provide a description thereof to the Bank and shall inform the Bank forthwith of any new use or acquisition of such rights. The Client shall be required to obtain and renew any registration necessary or useful for protecting its intellectual property rights and it shall further be required to notify the Bank of any claim or legal proceedings concerning such rights.

- 4.12. The Client shall provide the Bank with all information which it may reasonably request concerning the hypothecated property or to verify if the Client is in compliance with the covenants and obligations contained herein. The Client shall inform the Bank of any fact or event which could adversely affect the financial condition of the Client or the value of the hypothecated property.
- 4.13. The Client shall pay all costs relating hereto, including the costs incurred in order to render the hypothec constituted hereunder enforceable against third parties and the costs of any legal opinion required by the Bank and relating to the validity and rank of this hypothec.
- 4.14. The Client shall reimburse the Bank for all costs and expenses incurred by the Bank to fulfil the covenants of the Client or to exercise its rights, with interest at the annual prime rate of the Bank in effect from time to time, plus three percent (3%). The hypothec granted under Article 1 hereof shall also secure the reimbursement of these costs and expenses as well as the payment of this interest. The annual prime rate of the Bank is the interest rate announced as being its reference rate to determine interest rates on loans made in Canadian dollars by the Bank in Canada.
- 4.15. By the last day of each calendar quarter following signature of this deed, the Client shall deliver to the Bank a report that identifies with sufficient detail: (a) any newly created or acquired intellectual property that constitutes hypothecated property; (b) any patent or trademark applications that have matured into registrations; and (c) any United States trademark applications for which intent-to-use basis no longer applies either because (i) the United States Patent and Trademark Office has accepted an amendment to allege use or statement of use, or (ii) intent-to-use basis has been deleted from the application(s) in favor of relying solely on foreign registration basis.

## **5. RIGHTS OF THE BANK**

- 5.1. The Bank may inspect or have the hypothecated property appraised from time to time at the Client's expense and, for that purpose, shall be permitted access to the premises where the hypothecated property is located and to the Client's places of business. The Client shall also allow the Bank to examine and obtain copies of all books of account and documents relating to the hypothecated property.
- 5.2. The Bank may, without being bound to do so, fulfil any or all of the covenants of the Client hereunder.
- 5.3. The Client may collect all debts or claims forming part of the hypothecated property until the Bank withdraws its authorization to the Client to do so; unless the Bank's consent to the contrary is obtained in writing, the Client must however deposit at the Bank the proceeds of any collection. If the Bank withdraws its authorization to the Client to collect the debts or claims forming part of the hypothecated property, the Bank may collect such debts or claims and shall be entitled to a reasonable commission, which it may deduct from any amount collected.
- 5.4. When the hypothecated property includes securities and other financial assets, the Bank may, without being bound to do so, cause itself to be registered as the holder thereof and exercise any right attached thereto, including any right to vote and any right of conversion or redemption.

- 5.5. Where the hypothecated assets consist of deposits at the Bank (including credit balances in accounts), the Bank may set off such deposits, whether or not matured, against any obligation secured hereunder, whether or not due.
- 5.6. If the Bank has possession 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 or to continue its use or operation.
- 5.7. The Bank may, without being bound to do so, sell the hypothecated property in its possession where it believes in good faith that the hypothecated property is likely to perish, decrease in value or depreciate.
- 5.8. The Client constitutes and appoints the Bank its irrevocable mandatary or attorney, with power of substitution, in order to do any act and to sign any document necessary or useful for the exercise of the rights conferred on the Bank hereunder.
- 5.9. The rights conferred on the Bank under this Article 5 may be exercised by the Bank irrespective of whether the Client is or is not in default hereunder.

## **6. DEFAULT AND REMEDIES**

- 6.1. The Client shall be in default in each and every one of the following events:
- 6.1.1. If the Client is in default under any document evidencing an obligation secured under this hypothec;
  - 6.1.2. If any of the representations made in Article 3 is untrue;
  - 6.1.3. If the Client fails to fulfil any of its covenants hereunder.
- 6.2. Upon the Client's default, the Bank may terminate any obligation it may have had to grant credit or make advances to the Client and it may further declare all obligations of the Client to be exigible, if they are not yet due and payable.
- 6.3. Upon the Client's default, the Bank may also exercise all legally available remedies, including the remedies resulting from its hypothec and the remedies of a secured creditor under the laws of any jurisdiction in which the hypothecated property may be located or in which the Bank will exercise its remedies.
- 6.4. In order to realize on its hypothec, the Bank may use, at the Client's expense, the premises where the hypothecated property and other property of the Client are located. Where the hypothecated property includes debts or claims, the Bank may make accommodations or transact with the debtors of these debts or claims and may grant discharges and releases therefor. Where the hypothecated property includes inventory, the Bank may complete the manufacture of such inventory and do all things necessary or useful for its sale.

## **7. ADDITIONAL HYPOTHEC**

- 7.1. To secure the payment of interest not already secured by the hypothec created in Article 1 and to further secure the discharge of its obligations hereunder, the Client

hypothecates all of the property described in Article 1 for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec set forth in Article 1.

## 8. GENERAL PROVISIONS

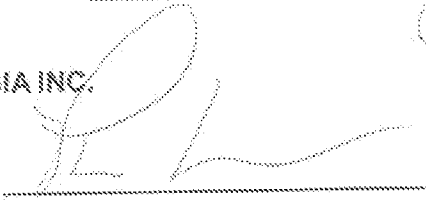
- 8.1. The hypothec created hereunder is in addition to and not in substitution for any other hypothec or security held by the Bank.
- 8.2. This hypothec is a continuing security and shall subsist notwithstanding the payment from time to time, in whole or in part, of the obligations secured hereunder. Any future obligation secured hereunder shall be considered an obligation for which the Debtor shall again be obligated hereunder, as defined in article 2797 of the Civil Code of Quebec.
- 8.3. In each case provided at paragraph 6.1, the Client shall be in default by the mere lapse of time, without the necessity of any notice or demand.
- 8.4. If more than one person is referred to as the "Client", such persons shall be jointly, severally and solidarily liable for all obligations stipulated herein.
- 8.5. Any sum collected by the Bank in the exercise of its rights may be held by the Bank as hypothecated property, or may be applied to the payment of the obligations secured hereunder, whether or not yet due. The Bank shall have discretion as to how any such collected sum shall be applied.
- 8.6. The exercise by the Bank of any of its rights shall not preclude the Bank from exercising any other right hereunder. The failure of or forbearance by the Bank to exercise any of its rights shall not constitute a waiver of the subsequent exercise of such right. The Bank may exercise its rights hereunder without being required to exercise its other remedies against the Client or against any other person liable for the payment of the obligations secured hereunder or to realize on any other security or collateral securing such obligations.
- 8.7. The Bank shall only be required to exercise reasonable care in the exercise of its rights and the performance of its obligations. Furthermore, the Bank shall only be liable for its intentional or gross fault.
- 8.8. The Bank may delegate the exercise of its rights or the performance of its obligations hereunder to another person. In such event, the Bank is authorized to provide that person with any information it may have concerning the Client or the hypothecated property.
- 8.9. This deed shall be binding upon the Client and enure to the benefit of the Bank and any successor thereof, by way of amalgamation or otherwise.
- 8.10. Any notice to the Client may be given at the address indicated below or any other address communicated in writing by the Client to the Bank.
- 8.11. Should any clause hereof be invalid or inoperative, the other clauses hereof shall remain fully operative.

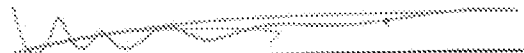
8.12. This deed shall be governed by and construed in accordance with the laws in force in the Province of Quebec. It shall also be construed in such a way as to give effect to the intention of the parties to have the hypothecated property encumbered by a valid security interest under the laws in force in any other jurisdiction in which the hypothecated property may be located or in which the Bank could exercise its rights. In particular, the hypothec constituted hereunder must also be considered a security interest within the meaning of the laws of any other Canadian province or any U.S. state that would be applicable to the constitution of a security interest in the hypothecated property or rendering it enforceable against third parties.

8.13. The parties hereto have expressly agreed that this deed be executed in the English language. Les parties ont expressément convenu que le présent acte soit rédigé dans la langue anglaise.

Executed at St-Léonard in the Province of Quebec on this 8 day of February, 2013.  
2013.

TELASIA INC.

Per: 

  
Witness

Per: \_\_\_\_\_

1991 FRANCIS-HUGUES AVENUE  
LAVAL, QUÉBEC H7S 2G2  
Canada

Address of client  
(for notice and correspondence purposes)

Address of head office or domicile of Client  
(if different from above):

## SCHEDULE 1

### U.S. Patents

#### 1. Registrations

| Title            | Application Date  | Application Number | Registration Number |
|------------------|-------------------|--------------------|---------------------|
| Vertical Roaster | March 23, 2007    | 29/278,278         | D552,922            |
| Steamer          | February 21, 2012 | 29/413,815         | D665,619            |

#### 2. Applications

| Title         | Application Date  | Application Number |
|---------------|-------------------|--------------------|
| Popcorn Maker | December 27, 2012 | 29/440,784         |

SCHEDULE 2

U.S. Trademarks

1. Registrations

*None*

2. Applications

| Mark       | Filing Date           | Serial No. | Classes      | Owner        |
|------------|-----------------------|------------|--------------|--------------|
| CERAGRILL* | May 15, 2012          | 76/711,498 | 11           | Telasia Inc. |
| CUIZEN*    | September 15,<br>2008 | 76/692,888 | 7, 8, 11, 21 | Telasia Inc. |