

**PROVINCE DE QUÉBEC**

**BUREAU DE LA PUBLICITÉ DES  
DROITS DE LA  
CIRCONSCRIPTION FONCIÈRE  
DE MONTRÉAL**

**A : TOUS LES LOCATAIRES de  
l'immeuble situé au :**

5500 à 5516 rue Sherbrooke  
Ouest  
Montréal, Québec, H4A 1W2

-et-

2290 Avenue Girouard  
Montréal, Québec, H4A 3C3

(ci-après appelés individuel-  
lement "Locataire")

à :

Le Girouard Inc.  
4309 Beaconsfield Avenue  
Suite 8  
Montreal, Quebec H4A 2H5

(Ci-après désignés le  
"Débiteur/Emprunteur")

-et-

Phillippe Stenger  
C/O 4309 Beaconsfield  
Avenue, Suite 8  
Montreal, Quebec H4A 2H5

(Ci-après désigné la  
"Caution")

**PROVINCE OF QUEBEC**

**LAND REGISTRY OFFICE,  
REGISTRATION DIVISION OF  
MONTREAL**

**ALL TENANTS of the property  
located at:**

5500 to 5516 Sherbrooke Street  
West  
Montreal, Quebec, H4A 1W2

-and-

2290 Girouard Avenue  
Montreal, Quebec, H4A 3C3

(Hereinafter called individually  
"Tenant")

to:

Le Girouard Inc.  
4309 Beaconsfield Avenue  
Suite 8  
Montreal, Quebec H4A 2H5

(Hereinafter called the  
"Debtor/Borrower")

-and-

Phillippe Stenger  
C/O 4309 Beaconsfield Avenue  
Suite 8  
Montreal, Quebec H4A 2H5

(Hereinafter called the  
« Guarantor »)

DE :

The Equitable Trust Company  
300 avenue St-Claire Ouest  
Bureau 700  
Toronto, Ontario M4V 3A1

(Ci-après appelée le  
"Créancier")

**AVIS DE RETRAIT  
D'AUTORISATION DE  
PERCEVOIR LES LOYERS  
(Articles 2695 et 2745 C.C.Q.)**

1. Que suivant les dispositions d'un acte d'hypothèque conclu entre le Créancier et l'Emprunteur devant Raymond Grenier, notaire, le 25 août 2006 sous le numéro 12,352 de ses minutes et publié au bureau de la publicité des droits de la circonscription foncière de Montréal sous le numéro 13,593,117 (ci-annexé), toute réclamation pour loyer payable ou à être payable en rapport avec l'immeuble ci-dessous décrit fut transférée et mise en gage par le Emprunteur en faveur du Créancier pour garantir certaines sommes dues par l'Emprunteur au Créancier.

2. L'immeuble est plus amplement désigné comme étant :

FROM:

The Equitable Trust Company  
300 Ste-Clair Avenue West,  
Suite 700  
Toronto, Ontario M4V 3A1

(Hereinafter called the "Creditor")

**NOTICE OF WITHDRAWAL OF  
AUTHORIZATION TO COLLECT  
RENTALS (Articles 2695 and  
2745 C.C.Q.)**

1. That in accordance with the terms of a Deed of Hypothec executed between the Creditor and the Borrower, before Raymond Grenier, notary, on August 25, 2006 under number 12,352 of his minutes and registered at the Land Registry Office of the Registration Division of Montreal under number 13,593,117 (annexed hereto), all rentals payable or to be payable in connection with the immoveable described below have been transferred and given as security by the Borrower in favour of the Creditor to guarantee certain sums due by the Borrower to the Creditor.

2. That the said immoveable is more fully described as being:

An immovable property situated at the corner of Sherbrooke Street West and Girouard Avenue, known and designated as being lot number TWO MILLION SIX HUNDRED EIGHT THOUSAND AND FIVE (2,608,005) ON THE Cadastre of Quebec. Registration Division of MONTREAL.

appurtenances, without exception of any kind on the part of the Borrower.

3. L'Emprunteur a fait défaut de respecter ses engagements aux termes de l'acte précité et le Créancier, par les présentes, avise le Débiteur qu'il lui retire le droit qu'il avait de percevoir les loyers de l'immeuble décrit plus haut;
  4. Le Créancier avise également le locataire et le Débiteur qu'il se prévaut de son droit de percevoir tous les loyers présents et à venir de l'immeuble décrit plus haut aux termes de la clause de cession et transport de loyers contenue dans l'acte précité;
  5. Le Créancier a nommé Société de Gestion Cogir s.e.n.c. comme son représentant et mandataire pour percevoir lesdits loyers. Tout chèque doit être fait à l'ordre de notre agent, **Gestion Cogir Girouard In Trust**, et peut être remis à **Société de Gestion Cogir s.e.n.c.** ou à tout autre représentant du Créancier;
  6. En conséquence de ce qui précède, vous êtes, par les présentes, sommés de payer tous loyers payables en rapport avec la location ou l'occupation de tous lieux faisant partie de l'immeuble décrit plus haut audit mandataire du Créancier.  
**SI VOUS REMETTEZ LE**
3. That the Borrower is in default of its obligations in virtue of the deed hereinabove described and the Creditor hereby gives notice to the Debtor that the Debtor no longer has the right to collect the rents payable in connection with the immoveable hereinabove described;
  4. That the Creditor also gives notice to the Tenant and the Debtor that it will avail itself of its right to collect all rentals, present or future, in connection with the said immoveable in accordance with the article contained in the deed above described pertaining to the cession and assignment of rentals;
  5. The Creditor has named Société de Gestion Cogir s.e.n.c. as its representative and attorney to collect said rentals. All cheques must be made payable to the order of our agent, **Gestion Cogir Girouard In Trust** and may be remitted to **Société de Gestion Cogir s.e.n.c.** or to any other representative of the Creditor;
  6. That by reason of the foregoing, you are hereby called upon to pay all rentals payable in respect of your lease and occupancy of any premises forming part of the property above described to the said agent of the Creditor.  
**ANY PAYMENT FOR THIS**

**VOTRE LOCATEUR SUITE AU PRÉSENT AVIS AU LIEU DE LES REMETTRE AU MANDATAIRE DU CRÉANCIER, VOUS VOUS VERREZ DANS L'OBLIGATION DE PAYER VOTRE LOYER UNE DEUXIÈME FOIS. EN CONSÉQUENCE, VOUS DEVEZ FAIRE UN ARRÊT DE PAIEMENT POUR TOUT CHEQUE QUE VOUS AURIEZ PU REMETTRE AU LOCATEUR ET QUI N'AURAIT PAS ENCORE ÉTÉ ENCAISSÉ.**

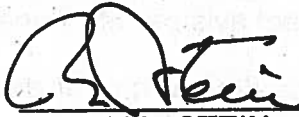
**AGENT OF THE CREDITOR, WILL RESULT IN YOU BEING OBLIGED TO MAKE THE SAME RENTAL PAYMENT TWICE. YOU MUST THEREFORE PUT AN IMMEDIATE "STOP PAYMENT" ON ANY CHEQUES PREVIOUSLY REMITTED TO THE LANDLORD WHICH HAVE NOT YET BEEN CASHED.**

7. A compter d'aujourd'hui, le Créancier se prévaut du droit stipulé en sa faveur dans l'acte susdit de signer, de conclure ou de renouveler tout bail aux termes et conditions qui pourront satisfaire le Créancier en rapport avec l'immeuble situé au 5500 à 5516 rue Sherbrooke Ouest, Montréal, Québec, et 2290 Avenue Girouard, Montréal, Québec. En conséquence, toute personne intéressée à conclure ou à renouveler un bail pour les lieux situés dans ledit immeuble, devra s'adresser au représentant du Créancier.

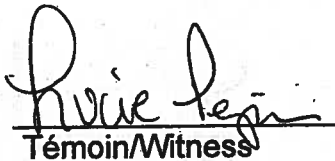
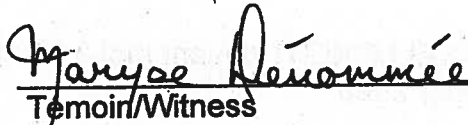
7. As of today, the Creditor avails itself of the right stipulated in its favour in the aforementioned deed(s) to sign, execute or renew any lease in relation to the building situated at 5500 to 5516 Sherbrooke Street West, Montreal, Quebec, and 2290 Girouard Avenue, Montreal, Quebec, on such terms and conditions as may satisfy the Creditor. As a result, any person interested in signing or renewing a lease for premises situated in the said building must contact the Creditor's agent.

VEUILLEZ AGIR EN CONSÉQUENCE.  
GOVERN YOURSELVES ACCORDINGLY.

DONNÉ à Montréal ce 25<sup>e</sup> jour de février 2008  
GIVEN at Montreal, this 25th day of February , 2008



Ronald L. STEIN,  
Avocat/Lawyer  
DE GRANDPRÉ CHAIT  
1000 De La Gauchetière Ouest  
Suite 2900  
Montréal, Québec H3B 4W5  
Procureurs du Créancier  
Attorneys for the Creditor

  
Témoin/Witness  
Témoin/Witness

POUR TOUT RENSEIGNEMENT  
FOR INFORMATION:

Société de Gestion Cogir s.e.n.c.  
7250 Taschereau Blvd.  
Brossard, Quebec J4W 1M9

Attention: Laurent Ouellet

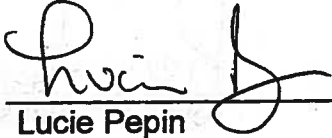
Telephone: (514) 796-1721

## AFFIDAVIT

Je, soussignée, Lucie Pepin, secrétaire, domiciliée et résidant au 11849 Matte, Montréal-Nord, Québec, affirme solennellement ce qui suit :

1. J'étais présente avec Maryse Dénommée, l'autre témoin, lors de la signature du présent avis par Me Ronald L. Stein;
2. Ronald L. Stein a signé devant moi et devant l'autre témoin ledit avis en date du 25 février 2008;
3. Je connais Ronald L. Stein et Maryse Dénommée, lesquels sont tous deux majeurs;
4. Je suis également majeure.

ET J'AI SIGNE :

  
Lucie Pepin

AFFIRME SOLENNELLEMENT devant moi à Montréal  
ce 25e jour de février 2008

  
Commissaire à l'assermentation  
District de Montréal

  
Commissaire à l'assermentation  
STEVE GRATTON  
191848  
Les autres noms du Québec

**REGISTRATION IN LAND REGISTER REQUIRED**

ON THIS TWENTY-FIFTH DAY OF AUGUST  
TWO THOUSAND AND SIX (2006)

Before Me Raymond GRENIER, the undersigned Notary for the Province of Quebec practising  
in the city of Montreal.

**APPEARED:**

LE GIROUARD INC., a company legally incorporated under Part 1A of the *Companies Act*  
by Certificate of Incorporation dated the twenty-eighth day of February, Two thousand and six  
(2006), having its head office at 1010 Sherbrooke Street West, Suite 608, Montréal, province of  
Québec H3A 2R7, represented herein by Marc BARCHICHAT, secretary, duly authorized by  
resolution of the board of directors dated the twenty-fourth day of August, Two thousand and  
six (2006), a certified copy of said resolution remaining annexed to these presents according to  
the *Notarial Act*.

(hereinafter referred to as the "Borrower")

DEED OF  
HYPOTHECARY LOAN

Minute No. 12.352

AND:

THE EQUITABLE TRUST COMPANY, a trust company incorporated under the *Trust*  
*and Loan Companies Act* (Canada), having its head office at 30 St. Clair Avenue West, suite  
700, in the city of Toronto, province of Ontario, M4V 3A1, herein acting and represented by  
Jósey Kitson, manager, mortgage administration and Aviva Shohet, Senior manager,  
mortgage administration, duly authorized by resolution of its board of directors passed on the  
twenty-eighth day of July Nineteen hundred and ninety-nine (1999), themselves herein acting  
and represented by Mr. J. Robert St-Pierre of First National Financial GP Corporation, duly  
authorized under the terms of a delegation of powers executed under private seal, in the city  
of Toronto, province of Ontario, on the first day of February, Two thousand and six (2006),  
duly authenticated, a copy of the resolution and of the delegation of powers remain hereto  
annexed to these presents after having been acknowledged as true and signed for  
identification by the said representative in the presence of the undersigned notary. The said  
resolution is in full force and effect at the date hereof and has not been revoked.

(hereinafter referred to as the "Lender")

Notice of address registered as follows :

Number

Land Register

6015179

Personal and movable real rights registry office

018883

**WHO HAVE AGREED AS FOLLOWS:**

**1. LOAN AGREEMENT**

Subject to the terms and conditions set forth in the Approval of Loan dated the fourteenth day  
of July, Two thousand and six (2006), and delivered to the Borrower by the Lender (the  
"Commitment Letter"), the Lender agrees to lend the Borrower the sum of ONE MILLION  
NINE HUNDRED EIGHTY-THREE THOUSAND EIGHT HUNDRED Dollars  
(\$1,983,800.00) (the "Principal") in lawful money of Canada (including any amendment,  
extension, renewal or replacement, collectively referred to as the "Loan"). In this deed, the  
expression "indebtedness" means all debts and obligations present and future of the Borrower  
to the Lender under the Loan, including principal, interest and any other amount that may be  
owed to the Lender by the Borrower under the terms of this Deed.

2. INTEREST

The interest rate under the Principal balance from the date of the first disbursement to the maturity date, in any month, shall be the rate of interest per annum, calculated monthly, not in advance, determined for such month as a rate equal the Royal Bank of Canada's prime rate, (the "Bank Prime Rate"), on the first Tuesday of the month plus one and three-quarters percent (1.75%) (the "Interest Rate"). For the period prior to the Interest Adjustment Date, the interest rate shall be the Bank Prime Rate on the date of the first disbursement plus one and three-quarters percent (1.75%).

The Bank Prime Rate means the annual rate of interest announced from time to time by Royal Bank of Canada as reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

3. REPAYMENT

(a) The Borrower undertakes to repay the Lender the Principal and interest at the rate determined pursuant to clause 2 as follows:

- (i) until the first day of September Two thousand and six (2006) (the "Interest Adjustment Date"), interest at the Interest Rate on any portion of the Principal advanced by the Lender, calculated from (and including) the date of each advance until (but excluding) the Interest Adjustment Date shall, should the Lender so require, be payable in monthly instalments commencing on the first day of the month following the first such advance of the Principal, and thereafter on the first day of every month, and the balance, if any, of such interest shall become due and be paid on the Interest Adjustment Date. Should the Lender not so require, all such interest shall become due and be paid on the Interest Adjustment Date. At the option of the Lender, interest so due and payable may be deducted from any advance;
- (ii) following to the Interest Adjustment Date, twelve (12) consecutive monthly instalments of interest only, as described in clause 2 hereinabove, shall be due and payable on the first day of each month commencing on the first day of the month following the Interest Adjustment Date and the principal balance shall be due and payable with the last monthly instalment on the first day of August, Two thousand and seven (2007) unless it may be prepaid pursuant to an express provision hereof.

(b) any interest payable hereunder and not paid when due, including the interest payable pursuant to this clause, shall bear interest, at the Interest Rate, from (and including) the due date thereof. Whenever the Lender is required to pay taxes, insurance premiums or any other costs, advances, charges, expenses or other sums in accordance with, or as permitted by, the provisions hereof, the Borrower undertakes to pay the Lender, without demand, the amounts in question, which shall bear interest, at the Interest Rate, from and including the date of their advance by the Lender. Any interest that accrues in any calendar month pursuant to this clause shall become due and be paid on the first day of the following calendar month.

(c) if the amount of interest accrued on the Principal to (but excluding) an Instalment Payment Date is greater than the amount payable on such Date pursuant to clause 3(a) (ii), the excess (hereinafter referred to as "Deferred Interest") shall bear interest at the Interest Rate from and including such date. On the first day of every month, any interest accrued the previous month on the Deferred Interest shall be added to the deferred interest and all the Deferred Interest shall bear interest at the Interest Rate.

(d) At the end of the Term, the whole of the outstanding principal balance of the present Loan will be due with the last monthly instalment together with all other monies

owing, secured or payable hereunder and under the terms of the Commitment Letter and together with all other monies owing, secured or payable hereunder and under the terms of the Commitment Letter, including the Exit Fee more fully set forth under the terms of the Commitment Letter.

- (e) Except as otherwise agreed in writing, payments or other moneys received by the Lender may be applied by it on any part of the mortgage monies determined by it from time to time, notwithstanding any contrary stipulation by the Borrower.

The Lender may from time to time revoke or alter any such application and reapply the amount in question on any other part of the mortgage monies determined by it.

#### 4. PLACE AND MODE OF PAYMENT

All payments hereunder by the Borrower to the Lender shall be made in lawful money of Canada, at the head office of the Lender or any such other place in Canada as the Lender may designate in writing to the Borrower.

#### 5. PREPAYMENT

Provided the Borrower has respected all the terms and conditions, obligations and provisions hereof, prior to the Maturity Date, the borrower shall have the right to repay at any time during the term of the Mortgage only the whole of the outstanding principal balance of the Mortgage (the "Prepayment Amount") with accrued interest to the date of prepayment together with all other monies owing, secured or payable hereunder and under the terms of the Commitment Letter, including the Exit Fee more fully set forth under the terms of the Commitment Letter.

#### 6. HYPOTHECS OR PRIOR CLAIMS

As long as the Lender has an obligation to grant the Loan, and until the Borrower has repaid in full and performed all his obligations hereunder, the Borrower may not at any time, directly or indirectly without the prior written consent of the Lender, create, assume, incur or permit the existence on the Property of any prior claim, hypothec or charge of any kind whatsoever, ranking equal or prior to the hypothecary loan granted hereunder. If, at any time, while any part of the Principal or interest remains unpaid, any hypothec or charge is registered against the Property or any action is taken to preserve such hypothec or charge, within ten days, the Borrower shall free the Property from such hypothec or charge, and, to that end, the Lender shall have the right to pay the claim or free the Property of the hypothec or charge.

#### 7. HYPOTHEC

As collateral security for final, complete payment of the Indebtedness, the Borrower hypothecates in favour of the Lender, to the extent of the following sum:

a capital amount of ONE MILLION NINE HUNDRED EIGHTY-THREE THOUSAND EIGHT HUNDRED dollars (\$1,983,800.00) in Canadian currency (the "Capital");

with interest at the rate of twenty-five percent (25%) per annum calculated half-yearly not in advance; and

an amount equal to twenty percent (20%) of the Capital, in Canadian currency, for any other amount owed by the Borrower to the Lender hereunder, including costs incurred to recover the Principal amount of the loan and interest and to preserve the Hypothecated Property;

the Property or properties described in Section I of the Schedule hereto, including all permanent, present or future structures and works, dependencies and appurtenances, as well as

any present or future equipment that is incorporated, loses its individuality and assures the usefulness of the building and equipment that assures the usefulness of the building and is permanently installed, physically attached or joined to the building without losing its individuality or being incorporated (the whole hereinafter referred to collectively as the Property) and any rent that is or shall become payable under any present or future leases related to the Property in whole or in part, all rights, titles and interests in present and future leases, offers to lease or other accessory agreements as well as any renewal or amendment of these and all sums that are or shall become payable under said leases (the "Leases") as well as all present or future indemnities (Insurance Indemnities) paid or payable under insurance contracts covering rentals. In this hypothec the expression "Hypothecated Property" means the Property, Rent, Leases and Insurance Indemnities collectively.

When the term of the Loan expires, if an amount exceeding the amount of a regular instalment is still owing, the Lender may not demand payment until thirty (30) days after giving the Borrower notice of its intention, unless the Borrower is in default. This paragraph applies only if the Property consists of no more than four (4) dwelling units and if the hypothec granted hereunder is not a first hypothec.

#### 8. DECLARATIONS

The Borrower declares and certifies to the Lender that;

- (a) no taxes, assessments, rates, duties or charge, general or special, levied on the Hypothecated Property or the Borrower by any federal, provincial, municipal, ecclesiastical or school authority are unpaid and overdue, consolidated or paid with subrogation;
- (b) no repairs, alterations, renovations or building have been carried out on the Property within the past six (6) months without being paid in full;
- (c) no equipment or appliance attached to the Property (including in particular elevators, electric and household appliances, and heating, air-conditioning, ventilation or maintenance systems) is encumbered with any prior claim, hypothec, instalment sales contract, sale with right of redemption or any other right; all such equipment and appliances belong outright to the Borrower and form an integral part of the Property, have lost their individuality and assure the usefulness of the Property or are permanently attached and physically joined to the Property and assure its usefulness;
- (d) the Property and permanent structures and works erected thereon belong outright to the Borrower by good and valid title, rentals have not been assigned or hypothecated to any third party and the Hypothecated Property is free of all charges, prior claims, hypothecs, rights or other assignments, including legal hypothecs of a syndicate of co-owners, of any kind whatsoever, except, if applicable, those indicated in Section II of the Schedule hereto;
- (e) if the Borrower has acquired the Property and structures and works erected thereon by deed of sale by mutual agreement, such deed of sale contains no resolatory clause of any kind whatsoever;
- (f) neither the Borrower, nor anyone else to his knowledge, has placed, stored, buried or disposed of any toxic materials on the Property.

In this deed, the expression toxic materials means both (a) any pollutant or contaminant within the meaning of the Environment Quality Act (Quebec) and (b) any toxic substance within the meaning of the Canadian Environmental Protection Act;

- (g) signing of this document, performance of its obligations and observance of the provisions hereof will not entail any violation or default under the terms of any other deed or document setting forth or securing other debts contracted by the Borrower, nor enter into conflict with such other deed or document; and
- (h) the current civil status of the Borrower is correctly described in Section III of the Schedule hereto. Furthermore, if the Property is a "family residence" within the meaning of article 401 and following of the Civil Code of Québec, the Borrower agrees that any declaration of family residence within the meaning of the said articles, which may be registered now or in the future against the Property, shall be subject to and rank after this hypothec and the rights and privileges of the Lender hereunder, which shall take priority and be executory against the Property as if no such declaration had been registered, the Borrower waiving hereunder all rights stemming from such present or future declaration or amended declaration registered against the Property.
- (i) no Rent stipulated in the Leases was collected or prepaid except what is expressly stipulated to that effect in each of the Leases and that the Leases are valid;
- (j) there has been no modification, amendment or extension to the Leases, except that which appears in Schedule "A" hereto if applicable and which was disclosed to the Lender;
- (k) the Borrower alone has the rights to all the Leases or profits and to benefit from the rights and privileges of the landlord under the terms of the Leases which, moreover, were never hypothecated to any other party.

#### 9. OBLIGATIONS

The Borrower undertakes to:

- (a) inform the Lender in writing of any change in the contents of the declarations made in clause 8;
- (b) insure any constructions and works of a permanent nature and their dependencies located on the Property and keep them constantly insured at least for their replacement value against any loss or damage by theft, fire, vandalism or any other hazard which in the opinion of the Lender should be covered by insurance. Policies shall contain no co-insurance clause and shall provide that they cannot be cancelled unless the insurer notifies the Lender in writing thirty (30) days in advance. The Borrower shall immediately deliver to the Lender evidence that such insurance is in effect and that the insurer has been notified of the Lender's rights hereunder. At least fifteen (15) days prior to the expiry of a policy, the Borrower shall deliver to the Lender evidence of its renewal or replacement. Every insurance policy shall be contracted in such terms and with such insurer as may be approved by the Lender. Every insurance policy shall stipulate that all indemnities shall be payable to the Lender as irrevocable beneficiary, but receipt by the latter of insurance indemnities shall not have the effect of reducing the indebtedness unless the Lender expressly imputes them to the payment of a specific amount, and up to the amount of such indemnities. Should the Borrower fail to comply with the provisions herein, the Lender may, at the Borrower's expense, take out the insurance it deems appropriate;
- (c) pay all legal fees and expenses, all costs, if any, relating hereto, including expenses for the registration, renewal, cancellation, discharge and release of the hypothec granted hereunder, as well as processing, inspection, closing, document verification, and other costs relating to renewal titles, notices of address, subrogations, appraisals, surveys, and obtaining registered copies of summaries of deeds of loan and hypothec. Any discharge, cancellation, or reduction granted by the Lender shall be deemed to be accepted without representation or other warranty on the part of the Lender. The Borrower shall also be

accountable for all judicial and extra-judicial fees and costs incurred by the Lender for recovery of any part of the Indebtedness that is unpaid on the due date, as well as for the realization of the hypothec granted hereunder;

- (d) subject to clause 10, pay all taxes, duties, charges and assessments (in particular, general and special municipal and school taxes and religious assessments) that may from time to time be imposed on the Hypothecated Property or on the Borrower, or encumber the Hypothecated Property. No taxes, duties, rates or assessments shall be consolidated or paid with subrogation in favour of third parties;
- (e) pay any claim that might rank prior to the hypothec granted herein when such claim falls due;
- (f) maintain the Property in good condition and, subject to paragraph (j) herein and at his own expense, make all necessary repairs and prevent the Property from being used in such a fashion as to reduce its value, and enable the Lender's representatives to inspect it at any reasonable time;
- (g) carry out any act and sign any document required to give full effect to the hypothec granted herein and ensure that it can at all times be set up against third parties. In particular, at the demand of the Lender, the Borrower shall sign any notice of renewal;
- (h) not change the use or destination of the Property unless the Lender consents thereto in writing. The Borrower shall maintain the Hypothecated Property free of any right, hypothec or security except those to which the Lender has agreed to in writing. The Borrower shall not rent the Property or part of it on terms and conditions lower than those of the market without the prior written consent of the Lender;
- (i) deliver to the Lender within two (2) days any notice, notice of non-compliance, mise en demeure, complaint or order issued by any government, municipal, judicial, quasi-judicial, administrative or private agency relating to a violation, non-compliance, liability, by or of the Borrower, of, with or under any law, by-law or order;
- (j) not repair, except to the extent provided for in paragraphs (f) and (m) of this clause, alter, renovate or build on the Property, without the prior written consent of the Lender;
- (k) indemnify the Lender and its officers, administrators, employees, shareholders and agents for any loss, damage, expenses and claims of any kind whatsoever, in particular: (i) the costs incurred for a defence, counterclaim or cross action against third parties; and (ii) the costs or damages stemming from the settlement, with or without the consent of the Borrower, of a judicial action involving the Lender that he may incur or that may be claimed, directly or indirectly, because of a leak, spill, discharge, processing, dispersal or presence of Toxic Materials from the Property on land, in the atmosphere, in a water course or in any other place. This obligation of the Borrower shall subsist even after final payment of the Indebtedness to the Lender;
- (l) provide the Lender with any information the Lender might reasonably request with respect to the Hypothecated Property or to verify whether the Borrower is complying with his undertakings and obligations hereunder. On request, the Borrower shall provide the Lender with a recent certificate of location addressed to the Lender. The Borrower shall inform the Lender of any fact or event likely to have an adverse effect on the value of the Hypothecated Property or the financial situation of the Borrower;
- (m) keep the Equipment in good operating order at all times, except with regard to normal wear and deterioration, and, if the Equipment is destroyed or damaged in any manner

whatsoever, the Borrower shall immediately see to its repair or replacement at his own expense; and

- (n) permit the Lender, at any reasonable time in the circumstances and at the expense of the Borrower, to examine, inspect or evaluate the Hypothecated Property, and allow access to the premises. The Borrower shall keep the books and accounts that a prudent administrator would maintain in relation to the Rents and permit the Lender to examine them and obtain copies.
- (o) the Borrower shall not request or accept the payment of any Rent under the terms of the Leases for more than one (1) month in advance, except what is stipulated in the Leases, the whole without obtaining the written consent of the Lender;
- (p) the Borrower shall obtain the written consent of the Lender for any modifications that he wishes to make to the Leases as well as for any renewal, prorogation, termination, cancellation or assignment or hypothecation of the Leases or of the rights resulting therefrom that the Borrower may suffer or consent;
- (q) the Borrower must remit to the Lender, upon demand, copy of the Leases related to the Property.

#### 10. TAXES

Notwithstanding clause 9 (d), the Lender shall prepare an estimate, which may be revised from time to time, of the amount of all rates and assessments, including those levied for general or special municipal, ecclesiastical and school purposes (hereinafter referred to as "Taxes"), payable in respect of or constituting a charge on the Property and falling due in any twelve-month period and during the term of the Loan (that is, until such time as the Principal, interest and other sums that may become payable to the Lender under this deed have been paid), the Borrower shall pay the Lender on the due date for each instalment provided for in clause 3 a prorata portion of the amount so estimated, to enable the Lender to have sufficient funds in hand to pay any such Taxes at least thirty (30) days before the due date for payment thereof. The Lender shall not be bound in respect of the sums so held by the rules governing the administration of the property of others.

Notwithstanding the provisions of the preceding paragraph, it is agreed:

- (a) that the Lender may deduct from the final advance of the Principal an amount sufficient to pay all Taxes which are then due or will become due and payable on or prior to the Interest Adjustment Date and which are unpaid at the date of such final advance;
- (b) that if, on the date Taxes become payable, the total of the sums so accumulated and not otherwise applied is less than the amount of such Taxes, the Borrower shall, on demand, pay the Lender an additional sum equal to such deficiency.

The Lender shall not be obligated to pay any interest or other consideration on the moneys received pursuant to this clause. In the event of any default on the part of the Borrower, the Lender shall have the right to apply such sums, in whole or in part, in discharge of any amount owing to the Lender and the Lender undertakes that, when such Taxes fall due, and provided the Borrower is not in default, any sums so accumulated and not otherwise applied, shall be applied in payment thereof. In the event of any default on the part of the Borrower, the Lender may effect compensation between the sums owed by the Lender to the Borrower and the Indebtedness. If Taxes are payable in instalments, the Lender shall not be obliged to apply such moneys on account of Taxes more than once each calendar year.

The Borrower shall provide the Lender, as soon as available, with any notice of assessment, tax account, or other notice or communication respecting the assessment of taxes. If the Borrower wishes to take advantage of any discount or avoid any penalty with respect of the payment of such taxes, the Borrower may pay the Lender such additional amounts as are required for that purpose.

#### 11. ADDITIONAL PROVISIONS FOR HYPOTHECS ON RENT

The Lender may, though not so obliged, recover Rents in accordance with the provisions of law; it may also exercise the rights pertaining to Rents particularly under circumstances where the consent of the owner of the Rents is required, without obtaining the agreement of the Borrower, giving him notice or demonstrating that he has been negligent or has refused to exercise such rights.

The Lender authorizes the Borrower to collect the Rents. Such authorization may be withdrawn at any time by the Lender in accordance with law and the Lender may impute the sums so collected at its absolute discretion, without being bound to follow the rules regarding imputation of payments, once the costs of any kind incurred for collection (including reasonable compensation for the Lender at the regular rates in effect). It may also grant extensions, accept or discharge security, grant discharges and cancellations and deal with any matter relating to Rents at its discretion, without the intervention or consent of the Borrower; the Lender shall not be liable for material damage or injury caused through its fault, other than an intentional or gross fault, or that of its employees in the collection and recovery of Rents. If, despite the withdrawal of authorization, amounts payable as Rent were paid to the Borrower, the latter, without restricting the remedies of the Lender against tenants, shall receive such Rents as mandatary or depositary and deliver same to the Lender upon receipt.

#### 12. DEFAULT

The hypothec granted hereunder shall become enforceable as soon as one of the following events takes place (individually, an "Event of Default"):

- (a) if the Borrower does not pay all or part of the Indebtedness when such a payment is due and payable;
- (b) if any one of the declarations set forth herein or any one of the declarations made by the Borrower in relation to obtaining or maintaining credit facilities prove to be false or misleading in any essential aspect;
- (c) if the Hypothecated Property or any part thereof is subject to any measure of enforcement (including prior notice of exercise of a hypothecary right and withdrawal of authorization to collect claims) that is not withdrawn within ten (10) days, even if such measure is contested in good faith by the Borrower, unless, in the latter case, the Lender is satisfied that such measure will not have the effect of reducing or endangering the hypothec granted hereunder and the Borrower provides sufficient additional security in the opinion of the Lender to pay the full amount of such claim if it were to prove valid;
- (d) if the Borrower sells, transfers, or otherwise alienates the Hypothecated Property in full or in part without the prior written consent of the Lender;
- (e) if the Borrower becomes subject to the provisions of the Bankruptcy and Insolvency Act (Canada) or any other legislation respecting bankruptcy or insolvency;
- (f) if a major adverse change or event should arise in the Borrower's financial situation which, viewed in a comprehensive or consolidated fashion, constitutes in the reasonable opinion of the Lender a severe deterioration in the financial position or prospects of the

Lender, which will be harmful or probably harmful to the ability of the Borrower to fulfil and faithfully perform any of his covenants or obligations to the Lender, and if within fifteen (15) days of a written notice sent by the Lender for such purpose, the Borrower has not remedied or undertaken satisfactory measures, in the opinion of the Lender, to remedy such situation; or

- (g) if the Borrower fails to perform any one of his obligations or undertakings hereunder.

13. SPECIAL EVENT OF DEFAULT

When the Interest Rate is calculated with reference to the Bank Prime Rate, the Borrower agrees that if the aggregate of:

- (i) the unpaid amount of the Principal;
- (ii) the unpaid amount of Deferred Interest;
- (iii) all amounts due and payable in accordance with clause 3 (b), and
- (iv) any amount secured by a prior claim, hypothec or charge of any kind whatsoever on the Property, to the extent that such prior claim, hypothec or charge ranks equally with or prior to the hypothec granted hereunder,

is greater by any amount whatsoever than the designated amount, the Borrower shall be in default under this Loan and the Lender may exercise its rights. For the purposes of this section, the designated amount shall be one million nine hundred and eighty-three thousand eight hundred dollars (\$1,983,800.00) or at the option of the Borrower or Lender, seventy-five percent (75%) of any other amount established as being the fair market value of the Property and appearing in the most recent evaluation report (A) obtained by the Lender from a real estate assessor acceptable to the Lender (who may be its employee), if 75% of such fair market value is not less than the amount first mentioned in this sentence or (B) submitted to the Lender by the Borrower and signed by a real estate evaluator approved in writing by the Lender. On request, the Borrower shall pay the Lender the costs of obtaining any such evaluation. With the written consent of the Lender, the Borrower may increase the amount of the monthly instalments payable hereunder to prevent the aggregate amount referred to above from exceeding the designated amount.

14. SALE AND SUBSEQUENT PURCHASERS

In the event of a sale, transfer or assignment (A) of the Property by the Borrower or, (B) of the shares of the Borrower, if the Borrower is a legal person, or if he agrees to any such sale, transfer or assignment in favour of any party, without obtaining the prior written authorization of the Lender, the balance of the Principal and the interest due and accrued thereon, the interest on such interest and any other sums, plus the compound interest that may be payable to the Lender hereunder, shall, at the Lender's discretion, become immediately payable in full. Any acceptance by the Lender of any payments made by one or more persons not given prior approval as purchasers by the Lender shall not be interpreted as any such prior approval nor as a waiver of the Lender's rights to demand payment in full of the sums owed by the Borrower. The Borrower shall pay the Lender any costs as established from time to time in consideration of the processing of each request for approval.

The Borrower shall provide the Lender with any written information enabling the Lender to determine whether the Lender should grant written approval and the Lender agrees to make a decision within a reasonable time, as soon as sufficient information is received. Prior written approval by the Lender shall not be unreasonably withheld. The Borrower agrees to deliver to the Lender, within the thirty (30) days following any sale, transfer or assignment of the

Property or of the shares of the Borrower, as the case may be, certified true copies of the contracts or documents reporting the sale, transfer or assignment, and the accepted transfer of any insurance policies, or other documents the Lender may reasonably require.

The Borrower and the Lender agree that if the Borrower sells, transfers or alienates the Property at a price or consideration which produces a Loan/price (or consideration) ratio which exceeds 70%, the Lender may, at its discretion, demand a reduction of the Loan to 70% of the price or consideration.

#### 15. REMEDIES

##### (a) Preliminary Measures

- (i) If an Event of Default occurs, the Borrower loses the benefit of term and the Lender may terminate any obligation to grant credit or advances to the Borrower and may also declare exigible all the obligations of the Borrower that are not yet due, including the Indebtedness, interest and related costs. The Borrower recognizes hereby that the declarations, undertakings and performance of all the obligations provided for herein constitute conditions in consideration of which the Lender has granted to the Borrower the benefit of term;
- (ii) the Borrower agrees to voluntarily surrender to the Lender the Hypothecated Property at the latter's demand whenever the Lender is entitled to receive such surrender, and the Borrower agrees not to oppose any act by the Lender to take the Hypothecated Property surrendered by the Borrower. The Borrower shall also diligently sign any documents and deeds of transfer necessary to surrender the Hypothecated Property to the Lender;

##### (b) Exercise of Rights

Whatever the hypothecary right the Lender may choose to exercise, the following measures shall apply:

- (i) for the purpose of protecting or realizing the value of the Hypothecated Property, at the Borrower's expense, the Lender may, without obligation:
  - (1) dispose of the Hypothecated Property if it is likely to depreciate rapidly or perish;
  - (2) use the information obtained when exercising its rights;
  - (3) perform any one of the Borrower's obligations;
  - (4) exercise any right pertaining to the Hypothecated Property;
  - (5) use the premises where the Borrower's property is located;
- (ii) the Lender shall not be bound to render accounts to the Borrower except in accordance with the commercial practices and within the periods usually followed by the Lender, and the Lender shall not be bound to make an inventory, take out insurance or provide any other security;
- (iii) the Lender itself may, directly or indirectly, acquire the Hypothecated Property;
- (iv) when exercising its rights, the Lender may waive any right to which the Borrower is entitled, even without consideration;
- (v) in the event that the Lender withdraws its hypothecary or other rights against the Hypothecated Property, if the Hypothecated Property has been surrendered to the Lender, at its discretion, the Lender may return the Hypothecated Property, or what remains thereof, to the Borrower, without express or tacit guarantee or representation, but without prejudice to its other rights or remedies.

Without restricting the hypothecary rights the Lender may exercise, if the Lender exercises the right of taking in payment and the Borrower, if he is so entitled, requires the Lender to proceed instead with the sale of the Hypothecated Property on which the Lender is exercising its right, the Borrower acknowledges that the Lender shall not be bound to abandon the remedy of taking in payment unless, before the delay granted for surrender expires, the Lender (i) has been given security it deems satisfactory to ensure that the sale shall be carried out at a price sufficiently high for the Lender's claim to be paid in full, (ii) has been reimbursed for the expenses incurred, and (iii) has been advanced the sums necessary for the sale of the Property.

The sale of the Hypothecated Property may be made without legal warranty on the part of the Lender or, as the Lender chooses, with total or partial exclusion of warranty.

The Borrower hereby recognizes that his interests are best protected if the Lender acts in accordance with usual financial practices, depending on the circumstances.

#### 16. CONVERSION

The Borrower may, if not in default, convert to a fixed rate of interest at any time, once the loan is fully advanced, for a term to be established and at a rate of interest to be determined by adding a spread to the yield on the bid side Government of Canada Cash Bond for the relevant term, subject to:

- the Lender, in its sole discretion, being satisfied that the property is capable of producing an acceptable debt service coverage;
- a new mortgage deed is to be registered; and all legal costs incurred are for the cost of the Borrower;
- payment to the Lender of the applicable conversion fee in effect as at the date of the request for the conversion.

#### 17. GENERAL PROVISIONS

- (a) This deed does not constitute novation and the hypothec granted hereunder is in addition to any other guarantee, hypothec or security the Lender may hold from time to time. All rights the Lender may have hereunder are distinct and cumulative and it is understood and agreed that none of such rights as the Lender may or may not exercise shall be deemed to set aside any other right the Lender may claim, or limit or otherwise prejudice any other legal or contractual right of the Lender;
- (b) the Lender may waive any undertaking in its favour and any default under this deed. No omission or delay on the part of the Lender in the exercise of its rights or remedies hereunder shall constitute a waiver thereof, and no renunciation of default shall be valid unless it is made in writing under the signature of an authorized representative of the Lender. No written waiver shall prevent the exercise of any other right, prior claim or recourse of the Lender hereunder, or apply to any other case of default;
- (c) the Borrower shall be in default as regards performance of his obligations hereunder by the mere lapse of time provided for, the expiry of the term or any other method permitted by law;
- (d) the hypothec granted hereunder is a continuing security that subsists notwithstanding any fluctuation in the amount of the debt or obligations secured hereby. Any future obligation secured hereunder shall be deemed to be one under which the Borrower has undertaken a further obligation hereunder;
- (e) if several persons are designated as the Borrower, each of them shall be liable solidary debtor for the obligations stipulated hereunder;

- (f) any sum collected by the Lender in the exercise of its rights under this deed or the law may be retained by the Lender under the hypothec granted herein, or be imputed to payment of the Indebtedness hereunder whether or not it is due. The Lender shall have the option of imputing any sum without being bound to follow the rules respecting imputation of payments;
- (g) the Lender is not bound to use more than reasonable diligence in the exercise of its rights or the performance of its obligations and it shall not be liable for material injury that may be caused through its fault, other than an intentional or gross fault, or that of its employees;
- (h) the Lender may delegate to another person the exercise of its rights or performance of its obligations hereunder; in such cases, the Lender may provide such other person with any information about the Borrower or the Hypothecated Property. The Lender is appointed irrevocable mandatary of the Borrower with power of substitution for the purpose of taking any action or signing any writing, proxy or document it deems necessary for the exercise of its rights;
- (i) the rights conferred on the Lender hereunder shall extend to any successor to the Lender, including any entity resulting from the amalgamation of the Lender with any other entity;
- (j) the effects or sums of money delivered or held by the Lender in application hereof may be invested as it sees fit without its being bound by the legal rules respecting the investment of the property of other persons;
- (k) the Lender may, at its discretion, extend delays, waive its rights, accept security, grant discharges, compromise and otherwise deal terms with the Borrower, his successors and assigns and with the Hypothecated Property without thereby reducing the Indebtedness or prejudicing the rights of the Lender conferred herein or otherwise;
- (l) neither the signature of this deed nor the fact that the Lender has already granted part of the credit whose repayment is secured hereunder shall be deemed an obligation for the Lender to maintain such credit available or grant further credit;
- (m) any divisible obligation in favour of the Lender hereunder shall be performed in full, as if it were indivisible, by each legal representative of any person responsible for such obligation;
- (n) the Borrower shall be deemed responsible for performing all the obligations stipulated in this deed, notwithstanding any total or partial alienation of the Property;
- (o) unless the context dictates otherwise, the term "Borrower" shall mean the Borrower as well as any subsequent owner of the Property and any other person who has in any manner assumed the Borrower's obligations to the Lender;
- (p) unless the context dictates otherwise, words in the singular imply the plural and the those in the masculine include the feminine and vice versa;
- (q) the Borrower declares that he has read this document and received adequate explanation on of the nature and scope of his obligations under this deed. The deed corresponds to the form usually proposed to the Lender's customers;
- (r) all notices sent by the Lender to the Borrower hereunder shall be valid if sent by regular mail to the Borrower's address indicated in Section IV of the Schedule hereto or any other address indicated by the Borrower to the Lender in accordance herewith. Any notice, claim or mise en demeure to the Borrower may also be addressed to his usual residence in the Judicial District of Montréal, or his last address known to the Lender, in this District,

unless the Lender could not locate the Borrower in such district, when any such notification, claim or mise en demeure may at its option be served on the Borrower at the Office of the Clerk of the Superior Court in such district, where in such a case the Borrower elects domicile for the purposes hereof;

- (s) this provision applies if the Property has no more than four dwelling units and if the hypothec granted hereby is not a first ranking hypothec;

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The Borrower acknowledges he received notice of disclosure of the cost of credit at least two days before the signing of this deed, copy of such notice being appended hereto as an integral part thereof, after being recognized a true copy and signed for identification purposes by the parties hereto and by, and in the presence of, the undersigned notary.

- (t) the terms and conditions hereof shall be governed and interpreted under the laws of the Province of Québec;
- (u) the Parties confirm their express wish that this Deed and all documents relating hereto, be drawn up in English. Les parties aux présentes confirment leur volonté expresse de voir le présent acte et tous les documents s'y rattachant, rédigés en anglais.

**SCHEDULE**

**SECTION I:**

**Description of the Property**

An immovable property situated at the corner of Sherbrooke Street West and Girouard Avenue, known and designated as being lot number TWO MILLION SIX HUNDRED EIGHT THOUSAND AND FIVE (2,608,005) on the Cadastre of Quebec, Registration Division of MONTRÉAL.

With the building thereon erected bearing civic numbers 5500 to 5516 Sherbrooke Street West, in the City of Montréal, province of Québec, H4A 1W2 and 2290 Girouard Avenue, in the City of Montréal, province of Québec, H4A 3C3.

As the said property now subsists with all its rights, members and appurtenances, without exception of any kind on the part of the Borrower.

**Movable hypothec**

Without limiting the generality of the foregoing the Hypothecated Property also include:

All movable property belonging to the Borrower, present and future, now in or on, or hereafter brought in, on or upon the Property and all rights and assets, present and future, connected with the Property and the said movable property or pertaining thereto, as well as all fruits and revenues from the Property and said movable property and those acquired in replacement thereof, and including without limitation the following:

All movable property now or hereafter situated in or on the Property, belonging to the Borrower, and which will be used for the operation, administration, maintenance, management, cleaning, landscaping, snow removal, security, repairs and improvements to the Property or other business activities carried out in or on the Property including, without limitation, all machinery, computer equipment, software, furniture, furnishings, tenant improvements together with all movable property acquired in substitution or replacement thereof, the proceeds of any sale, lease or other disposition of such property and any claim resulting from such sale, lease or other disposition, all stoves, refrigerators, washers, dryers and other equipment now or hereafter owned by the Borrower and used on or about the Property.

All revenues deriving from the Property and all other revenues, cash flows, claims, deposits in any bank accounts and other present and future sums of money deriving from the Property together with all expropriation indemnities and all proceeds of insurance policies under policies relating to any of the Property herein described and any consideration payable in respect of any loss incurred with respect to the revenues or other assets connected with the businesses operated in, or upon the Property ;

All amounts accumulated by the Lender for the payment of taxes and all interest thereon, if any, and all abatements of reimbursements received from any authorities ;

All service, maintenance, management, development or other contracts or agreements relating to the Property, all leases and offers to lease and all letters of credit and/or rental deposits in connection with such leases and offers to lease, titles, registers, invoices, accounts and other documents relating to the Property or other business operated therein and all right, title and interest in such service, maintenance, management, development or other contracts, leases, offers to lease and all letters of credit and/or rental deposits in connection with such leases and offers to lease, titles, registers, invoices, accounts and other documents and in all representations, warranties and undertakings.

**SECTION II:**

Existing charges, if any, other than those in favour or to the benefit of the Lender

An hypothec and other real rights in favour of Industrielle Alliance, Assurance et Services Financiers Inc., created in virtue of a Deed of Loan by Alliance, Compagnie Mutuelle d'assurance-vie to Robert C. Payette, executed before M<sup>re</sup> Ovila Tétrault, notary, on the twenty-sixth day of January, Nineteen hundred and seventy-nine (1979) and published at the registry office for the Registration Division of Montréal under the number 2945009, which shall be paid in full and radiated out from the proceeds of the loan.

**SECTION III:**

Matrimonial status of the Borrower

Not applicable

**SECTION IV:**

Address of the Lender for sending payments and notices:

The Equitable Trust Company  
c/o First National Financial GP Corporation  
100 University Avenue  
Suite 700, North Tower  
Toronto, Ontario  
M5J 1V6

Address of the Borrower for sending notices:

1010 Sherbrooke Street West  
Suite 608  
Montréal, Québec  
H3A 2R7

**SECTION V** Other Terms and Conditions

1. **Borrower's covenants**

(i) The Borrower expressly undertakes not to encumber the Hypothecated Property hereunder with any other hypothec or other charge without having obtained prior written authorization for the Lender to this effect, failing which all the sums due and payable hereunder with the accrued interest will fall due and payable immediately as decided by the Lender and at the latter's sole discretion, without any further notice or delay.

(ii) The Borrower hereby represents and warrants that, up to and including the Interest Adjustment Date, all obligations owed by the Borrower to Canada Customs and Revenues Agency on account of the *Income Tax Act*, *Employee Withholding Obligations* and *Excise Act*, are up to date and have been paid in full.

Where more than one advance is anticipated, the Borrower further represents and warrants to provide satisfactory evidence to the Lender, prior to each advance, that any obligations owed by the Borrower to Canada Customs and Revenues Agency on account of the *Income Tax Act*, *Employee Withholding Obligations* and *Excise Act*, are up to date and have been paid in full.

The Borrower hereby acknowledges and agrees that failure to remit said obligations owing to Canada Customs and Revenues Agency is an event of default under the terms of the present Deed.

(iii) The Borrower and the Surety hereby undertakes to provide the Lender, within one hundred and twenty (120) days of the end of each fiscal year, with financial statements for the Borrower, prepared in accordance with generally accepted accounting principles, by a recognized qualified accountant, on a review engagement basis and to provide also, upon request of the Lender, net worth statements for the Sureties hereinafter named.

(iv) The Borrower hereby undertakes to manage the Property at all times in a sound, prudent and businesslike manner.

(v) To provide to the Lender on annual basis (within one hundred and twenty (120) days of the end of each calendar year) during the term of the Loan and any renewal term thereof, a Rent Roll setting out the date of the Rent Roll, the name of each Tenant under lease, the area occupied, monthly rent paid, monthly additional rent for Operating Costs, monthly additional rent for Property Taxes, amount of any rental arrears owing, lease commencement date, lease expiry date and any vacant areas available for lease.

(vi) The Borrower binds and obliges itself to perform the terms of the Commitment Letter and to do all things necessary to satisfy the Conditions to Financing.

Right of Refusal

The Lender shall have the first right of refusal with respect to any loan commitment that the Borrower is prepared to accept with respect for the replacement of the Loan upon its maturity. The Borrower shall provide the Lender with a copy of any such loan commitment, and the Lender shall have the right, exercisable by notice in writing delivered to the Borrower within three (3) business days of receipt of the commitment, to provide the financing offered thereon on the same terms and conditions as therein set out. Any loan commitment which the Borrower accepts with respect to the replacement of the Loan on the Property shall be conditional for three (3) business days following delivery of such loan commitment to the Lender in order to allow the Lender to exercise this first right of refusal.

Sales restrictions

The Borrower agrees that if it directly or indirectly sells, conveys, transfers or further encumbers in any manner whatsoever, including a change in control of a corporate borrower, or otherwise disposes of all or any part of the Hypothecated Property or any interest therein, or if the Borrower agrees to do so, in either case without the written consent of the Lender first being obtained, such consent not to be unreasonably withheld, then the Lender shall have the right at its option, to immediately declare all unpaid principal and accrued interest and costs and expenses owing to the Lender under the present loan to be immediately due and payable together with the Lender's then current prepayment penalties and fees.

Borrower's warranty

The Borrower warrants that any activities or operations of the Property will be operated in accordance with applicable laws, regulations, by-laws and other lawful requirements, whether municipal, provincial, federal or otherwise, including the compliance with any legislation and regulation in respect of environmental protection. Prior to any advance under this mortgage and any renewal thereof, the Borrower will provide to the Lender satisfactory evidence and provide satisfactory representations and warranties that such conditions exist along with copies of all current permits and licenses necessary for the lawful operation of the Property for its current or proposed use.

The Borrower hereby represents, warrants, covenants and agrees with the Lender (which representations, warranties, covenants and agreements shall survive satisfaction or release of the mortgage debt or extinguishment of the mortgage debt in the event the Lender or its nominee becomes owner of the Property presently hypothecated upon default of the Borrower) that:

- a) to the best of the knowledge of the Borrower, after due and diligent inquiry, no part of the Property or any adjoining land has ever been used to manufacture, refine, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all Environmental Laws and Regulations. Hazardous substances is defined as and includes all substances, liquid, gaseous or solid matter, waste, fuel, micro-organism, sound, vibration, heat, odour, radiation, energy vector, plasma, organic or inorganic matter which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws and Regulations;
- b) any Hazardous Substance brought onto the Property or used by any person on the Property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements;
- c) the Property will not be used for the principal purpose of storing or using any Hazardous Substance except in accordance with Environmental Laws and Regulations and no use of the Property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property or permit any policy or insurance in respect to the Property to be cancelled;
- d) the Borrower shall promptly notify the Lender as soon as it knows of or suspects that any Hazardous Substance has been brought onto the Property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the Property;

26/02/08 11h 55  
*[Signature]*

SIGNIFIÉ VE ENTRE HRS  
DE L'ÉTUDE: HUISSIER  
PAQUETTE & ASSOCIÉS

NO:

DISTRICT OF MONTREAL

THE EQUITABLE TRUST COMPANY

The Creditor

-vs-

LE GIROUARD INC.,

Debtor/Borrower

-and-

Phillippe Stenger

Guarantor

NOTICE OF WITHDRAWAL OF AUTHORIZATION  
TO COLLECT RENTALS  
(Articles 2695 and 2745 C.C.Q.)

COPY FOR TENANT

Me Ronald L. Stein O /Ref. : 29899-9

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