

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)

# RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

**1. Name of conveying party(ies):**

Stadacona Inc.  
Citizenship-Canada

- Individual(s)
- General Partnership
- Corporation-State
- Other \_\_\_\_\_
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

**3. Nature of conveyance:**

- Assignment
- Security Agreement
- Other Hypothec Agreement
- Merger
- Change of Name

Execution Date: 2/24/2004

**2. Name and address of receiving party(ies)**

Name: Toronto Dominion (Texas), Inc.

Internal Address: \_\_\_\_\_

Street Address: 909 Fannin Street Suite 1700

City: Houston State: TX Zip: 77010

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State Delaware
- Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

**4. Application number(s) or registration number(s):**

A. Trademark Application No.(s) 76/331,963

B. Trademark Registration No.(s) \_\_\_\_\_

Additional number(s) attached  Yes  No

**5. Name and address of party to whom correspondence concerning document should be mailed:**

Name: Bingham McCutchen LLP

Internal Address: Julie Tamburo

Street Address: 150 Federal Street

City: Boston State: MA Zip: 02110

**6. Total number of applications and registrations involved:** 1

**7. Total fee (37 CFR 3.41):** .....\$ 40.00

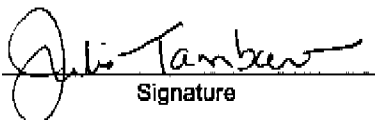
- Enclosed
- Authorized to be charged to deposit account

**8. Deposit account number:**

**DO NOT USE THIS SPACE**

**9. Signature.**

Julie Tamburo  
Name of Person Signing

  
Signature

April 26, 2004  
Date

Total number of pages including cover sheet, attachments, and document: 41

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

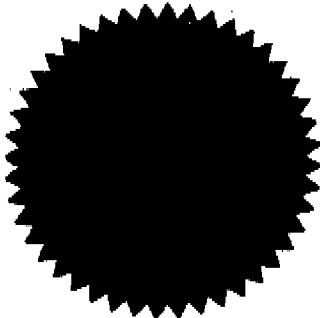
CP \$40.00 76331963

- 1 -

ON THIS TWENTY-FOURTH (24<sup>th</sup>) day of February, TWO THOUSAND AND FOUR (2004).

Before M<sup>re</sup>. Marc Daigneault, the undersigned Notary for the Province of Quebec, practicing in the City of Montreal.

**APPEARED:**



**TORONTO DOMINION (TEXAS), INC.**, a Delaware corporation, having an office at 909 Fannin Street, Suite 1700, in the City of Houston, State of Texas, 77010, in its capacity as the *"fondé de pouvoir"* or person holding the power of attorney for all present and future holders (the *"Debentureholders"*) of the Debentures (as defined below) pursuant to Article 2692 of the *Civil Code of Quebec*, represented by Robert D. Campbell, its signatory, duly authorized as he so declares, having a notice of address in the list of addresses included in the register of personal and movable real rights under the number 020588,

hereinafter called the *"Agent"*

**AND:**

**STADACONA INC.**, a company constituted under Part IA of the *Companies Act* (Quebec), having its head office at 1155 René Lévesque Blvd. West, Suite 4000, in the City of Montreal, Province of Quebec, herein acting and represented by Sterling H. Dietze, its signatory, duly authorized pursuant to a resolution of its Directors dated the twenty-fourth (24<sup>th</sup>) day of February, two thousand and four (2004), a certified copy, duplicate or copy of which is annexed hereto after having been acknowledged as true and signed for identification by the said representative with and in the presence of the undersigned Notary,

hereinafter called the *"Grantor"*

**WHEREAS** the Grantor is to be party to that certain credit agreement dated on or as of February 25, 2004 among, *inter alia*, the Grantor and White Birch Paper (2004) Inc., as borrowers (the *"Borrowers"*), the Lenders as defined therein (the *"Lenders"*) and the Agent (as same may be amended, supplemented, amended and restated or otherwise modified from time to time, the *"Credit Agreement"*); and

**WHEREAS**, pursuant to the Credit Agreement, the Grantor will create and execute a Debenture or series of Debentures to be dated on or about February 24, 2004 (as amended, restated, renewed, re-issued, supplemented or modified from time to time, the *"Debentures"*) in favour of the Debentureholders, payable on demand in the principal amount of Three Hundred Million Dollars (C\$300,000,000) in the lawful currency of Canada; and

- 2 -

WHEREAS, pursuant to the Credit Agreement, it is a condition precedent to the Lenders obligation to make credit available to the Borrowers thereunder that the Grantor execute and deliver the present Deed of Movable and Immovable Hypothec (as same may be amended, supplemented, amended and restated or otherwise modified from time to time, hereinafter called "this Deed") in favour of the Agent;

NOW, THEREFORE, THIS DEED WITNESSETH:

1. HYPOTHEC

As security for the Secured Obligations, as defined in Section 6, the Grantor hereby hypothecates (the hypothec created hereby being hereinafter called the "Hypothec") the Charged Property (as defined in Section 2) in favour of the Agent in its capacity as *fondé de pouvoir* for the benefit of the Debentureholders, for a principal amount of THREE HUNDRED MILLION DOLLARS in lawful currency of Canada (C\$300,000,000) plus an additional amount equal to twenty percent (20%) thereof to secure all interest due for more than three years and all costs, accessories and incidental expenses, the whole with interest from the date of this Deed at the rate of TWENTY-FIVE percent (25%) per annum, calculated daily and compounded monthly, with interest on overdue interest calculated at the same rate and in the same manner.

The Hypothec shall have effect whether or not the moneys thereby secured shall be received before or after or at the same time as the issue of any of the Debentures intended to be hereby secured or any part thereof, or before or after, or upon the date of the execution of these presents. The Hypothec shall be valid and shall subsist notwithstanding that the Debentures, or any of them, may not have been issued at the date hereof and shall be valid and shall secure all obligations of the Grantor under any Debentures hereafter issued, including any Debentures issued in replacement or exchange of any of the Debentures, in whole or in part.

2. DESCRIPTION OF CHARGED PROPERTY

The property charged by the Hypothec (the "Charged Property") consists of the universality of all of the Grantor's property, movable and immovable, present and future, corporeal and incorporeal, of whatsoever nature or kind and wherever situate, including without limitation:

2.1 Inventory

The universality of property consisting of:

All inventory of every nature and kind of the Grantor whether in its possession, in transit or held on its behalf, including raw materials, work in process, finished goods (whether manufactured or

- 3 -

transformed by the Grantor or by others), all packaging materials, all property of the Grantor held, possessed or detained by a third party under a lease, loan, deposit, licence, franchise, or other agreement entered into with or on behalf of the Grantor, all property evidenced by bill of lading, all mineral substances, hydrocarbons and other products of the soil, as well as all fruits thereof from the time of their extraction, and all other similar property, whether corporeal or incorporeal (hereinafter called the "Inventory").

Property forming part of the Inventory which is conditionally alienated by the Grantor (for example, by way of an instalment or conditional sales contract) shall remain charged with the Hypothec until title is transferred to the acquirer. If the ownership of any Inventory reverts to the Grantor pursuant to the resolution or rescission of any agreement or otherwise it shall also be subject to the Hypothec.

## 2.2 Claims and Other Movable Property

The universality of property consisting of:

### (a) Claims

All of the Grantor's claims of every nature and kind, whether or not such claims: (A) are certain, liquid or exigible; (B) are litigious; (C) have previously been or are to be invoiced; (D) constitute book debts; or (E) are evidenced by any title, bill of exchange or draft, negotiable or otherwise; and specifically including: (i) indemnities payable to the Grantor under any contract of insurance of property, of persons, or of liability insurance, and (ii) the Grantor's rights in the credit balance of accounts held for its benefit either by the Agent or by any financial institution or other person (subject to the compensation rights of the Debentureholders);

### (b) Contract Rights and Rights of Action

All of the Grantor's rights under contracts with third persons as well as all of the Grantor's rights of action against third persons, including without limitation the Grantor's rights, whether as lessee, holder of a right of superficies or otherwise, under that certain Deed of Lease dated February 24, 2004 between Papiers Stadacona Ltée ("PSL"), as lessor, and the Grantor, as lessee, with respect to certain agricultural lands belonging to PSL, as amended or replaced from time to time, and that certain Deed of Hypothec executed on February 24, 2004 by PSL in favour of the Grantor before Marc Daigneault, notary, under minute number 545, as amended or replaced from time to time;

- 4 -

(c) **Accessories**

The hypotheca, security, suretyships and accessories to the claims and rights described above and other rights relating thereto (including, without limitation, the rights of the Grantor in its capacity as seller of any property, whether inventory or not, under an instalment or conditional sale, where the claims are the result of such sale);

hereinafter collectively called the "Claims" and individually a "Claim". No right or Claim shall be excluded from the Charged Property merely because: (i) the debtor thereof is domiciled outside the Province of Quebec; or (ii) the debtor thereof is an affiliate (as such term is defined in the Canada Business Corporations Act) of the Grantor (regardless of the law of the jurisdiction of its incorporation); or (iii) such right or Claim is not related to the operation of an enterprise.

2.3 **Intellectual Property and Rights**

The universality of property consisting of all intellectual property rights of the Grantor of every nature whatsoever, including without limitation all copyrights, trademarks, trade names and patents, whether or not registered.

2.4 **Securities**

The universality of property consisting of all securities (including without limitation shares, options, rights, warrants, derivative products such as swap agreements, foreign exchange futures contracts and others (to the extent not already charged under subsection 2.2 (b)), units, bonds and similar instruments) and any instrument which would constitute a "security" within the meaning of the *Securities Act* (Quebec) issued or to be issued in favour of the Grantor (the "Securities").

2.5 **Equipment and Road Vehicles**

The universality of equipment, office furniture, tools, machinery and rolling stock (including road vehicles of whatsoever nature and kind).

2.6 **Non-Inventory Instalment or Conditional Sales**

The universality of all movable property not constituting inventory which is owned by the Grantor and contemplated by an instalment or conditional sale referred to in subsection 2.2 (c) hereof.

---

- 5 -

**2.7 Other Property**

All other movable property of the Grantor not specifically enumerated hereunder, including all permits, licences, approvals, authorizations, certificates, rulings, quotas, subsidies, immunities, privileges and benefits, held or enjoyed by the Grantor insofar as they do not constitute Claims and are susceptible of hypothecation, together with all of the goodwill of the Grantor.

**2.8 Immovables**

(a) The following immovable properties, namely:

**"DESCRIPTION****Québec Properties**

An immovable known and designated as being lot TWO MILLION THREE HUNDRED AND FORTY-SEVEN THOUSAND TWO HUNDRED AND TWENTY-THREE (2 347 223) of the "Cadastre du Québec", Registration Division of Québec.

With the buildings and constructions erected thereon, circumstances and dependencies, bearing civic address 10, Boulevard des Capucins, Québec, Province of Québec, G1G 3R4.

Lot ONE MILLION FIVE HUNDRED AND SEVENTY-ONE THOUSAND SIX HUNDRED AND FIFTY ONE (1 571 651) of the "Cadastre du Québec", Registration Division of Québec.

With the buildings (oil storage tanks) erected thereon, circumstances and dependencies.

Lots ONE MILLION ONE HUNDRED AND SIXTEEN THOUSAND SEVEN HUNDRED AND THIRTY-SIX (1 116 736), ONE MILLION ONE HUNDRED AND SIXTEEN THOUSAND EIGHT HUNDRED AND SIXTY-SIX (1 116 866), ONE MILLION ONE HUNDRED AND SEVENTEEN THOUSAND FORTY-FOUR (1 117 044), ONE MILLION ONE HUNDRED AND SEVENTEEN THOUSAND SEVENTY-ONE (1 117 071), ONE MILLION ONE HUNDRED AND SEVENTEEN THOUSAND THREE HUNDRED AND THIRTY-FOUR (1 117 334) and ONE MILLION ONE HUNDRED AND NINETEEN THOUSAND TWO HUNDRED AND EIGHTY-FIVE (1 119 285) of the "Cadastre du Québec", Registration Division of Québec.

With the buildings and constructions erected thereon, as well as their circumstances and dependencies, bearing civic address 1200, avenue Lapierre, Saint-Émile, Province of Québec, G3E 1H8.

**Timberlands (Forestville)**

- 6 -

Immovables known and designated as being subdivision SIX of Block G (lot G-6), redivision TWO of subdivision ONE HUNDRED AND FORTY-EIGHT of Block G (lot G-148-2), redivision THREE of subdivision ONE HUNDRED AND FORTY-EIGHT of Block G (lot G-148-3), redivision FOUR of subdivision ONE HUNDRED AND FORTY-EIGHT of Block G (lot G-148-4), redivision FIVE of subdivision ONE HUNDRED AND FORTY-EIGHT of Block G (lot G-148-5), redivision SIX of subdivision ONE HUNDRED AND FORTY-EIGHT of Block G (lot G-148-6), redivision ONE of subdivision ONE HUNDRED AND FIFTY-THREE of Block G (lot G-153-1), redivision A of subdivision ONE HUNDRED AND FIFTY-FIVE of Block G (lot G-155-A), redivision B of subdivision ONE HUNDRED AND FIFTY-FIVE of Block G (lot G-155-B), redivision ONE of subdivision ONE HUNDRED AND SIXTY-FIVE of Block G (lot G-165-1), redivision TWO of subdivision ONE HUNDRED AND SIXTY-FIVE of Block G (lot G-165-2), redivision THREE of subdivision ONE HUNDRED AND SIXTY-FIVE of Block G (lot G-165-3), redivision FOUR of subdivision ONE HUNDRED AND SIXTY-FIVE of Block G (lot G-165-4), redivision FIVE of subdivision ONE HUNDRED AND SIXTY-FIVE of Block G (lot G-165-5), redivision THIRTY-SIX of subdivision ONE HUNDRED AND SIXTY-FIVE of Block G (lot G-165-36), subdivision FOUR HUNDRED AND ONE of Block G (lot G-401), subdivision FOUR HUNDRED AND TWO of Block G (lot G-402), subdivision FOUR HUNDRED AND ELEVEN of Block G (lot G-411), subdivision FOUR HUNDRED AND FOURTEEN of Block G (lot G-414), subdivision FOUR HUNDRED AND SEVENTEEN of Block G (lot G-417), subdivision FOUR HUNDRED AND EIGHTEEN of Block G (lot G-418), subdivision FOUR HUNDRED AND NINETEEN of Block G (lot G-419), subdivision FOUR HUNDRED AND TWENTY of Block G (lot G-420), subdivision FOUR HUNDRED AND TWENTY-ONE of Block G (lot G-421), subdivision FOUR HUNDRED AND TWENTY-TWO of Block G (lot G-422), subdivision SIX HUNDRED AND FIFTY-SEVEN of Block G (lot G-657), subdivision SIX HUNDRED AND EIGHTY-EIGHT of Block G (lot G-688) and subdivision SEVEN HUNDRED AND FOURTEEN of Block G (lot G-714), all of the official cadastre for Laval Township, City of Forestville, Registration Division of Saguenay;

An immovable known and designated as being the residual part of redivision TWO of redivision ONE of subdivision EIGHTY-EIGHT of Block G (lot G-88-1-2) of the official cadastre for Laval Township, City of Forestville, Registration Division of Saguenay of irregular shape, bounded towards the north by lot G-88-1-2-1, towards the north-west by lot G-669, towards the south by lot G-211 (2ième avenue), towards the south-east by lot G-88-2 (corner of 2ième avenue and 9ième rue) and towards the north-east by lot G-86.

---

- 7 -

An immovable known and designated as being subdivision FOUR HUNDRED AND FIFTEEN of Block G (lot G-415) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay.  
An immovable known and designated as being subdivision FOUR HUNDRED AND SIXTEEN of Block G (lot G-416) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay.

An immovable known and designated as being the residual part of subdivision FOUR HUNDRED AND THIRTY-SEVEN of Block G (lot G-437) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, bounded towards the south-west by lots G-144-1, G-41, G-40, G-39, G-38, towards the south-east by lot G-718, towards the north-east by an unsubdivided part of Block G of same cadastre and towards the north-west by lot G-437-1 of same cadastre, the north-east limit of this residual part of lot G-437 being a prolongation in a straight line of the north-east limit of lot G-437-1, hereinabove referred to.

An immovable known and designated as being a part of Block A & B (Bloc A & B part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-west, the north-east and the north by a part of Block A & B (City of Forestville), measuring successively along these limits sixty-four meters and ninety hundredths (64.90 m), thirty meters and forty-eight hundredths (30.48 m), seven meters and sixty hundredths (7.60 m), twenty-two meters and sixty-five hundredths (22.65 m), six meters and thirty-four hundredths (6.34 m) and thirty-three meters and sixty-three hundredths (33.63 m); towards the south-east by lot A&B-112, measuring along this limit forty-eight meters and fifty hundredths (48.50 m); towards the south-east by lot A&B-45-1 and Block 26, measuring along this limit fifty-four meters and seventy-nine hundredths (54.79 m); towards the south-west by Block 18 (3e Rue), measuring successively along this limit twenty-nine meters and sixteen hundredths (29.16 m), forty-four meters and sixty hundredths (44.60 m) and four meters and twenty-nine hundredths (4.29 m). Said parcel of land so described has an area of six thousand seven hundred and twenty-one square meters (6 721.0 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

An immovable known and designated as being a part of subdivision ONE HUNDRED AND FIFTY-FIVE of Block G (lot G-155 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of a regular shape, bounded to the north by lot G-154 (1ère Avenue), measuring along this limit one hundred and twenty-seven meters and ten hundredths (127.10 m); towards the east by lot G-155-B, measuring along this limit fifteen meters and twenty-four hundredths (15.24 m); towards the south by lot G-419, measuring along this limit one hundred and twenty-seven meters and ten hundredths (127.10 m); towards the west by lot G-155-A, measuring along this limit fifteen meters and twenty-four hundredths (15.24 m). Said parcel of land so described has an area of one



- 8 -

thousand nine hundred and thirty-six square meters and nine tenths (1 936.9 m<sup>2</sup>); the measures indicated above are precise to  $\pm$  0.05 meters.

An immovable known and designated as being a part of subdivision SIX HUNDRED AND TWENTY-FOUR of Block G (lot G-624 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by a part of lot G-624 (route Maritime), measuring along this limit nineteen meters and thirty-four hundredths (19.34 m), the eastern extremity of this limit being the point used for the cadastral tie; towards the north-east by a part of Block G (route Maritime) and a part of Block G, measuring successively along this limit thirty-four meters and ninety-one hundredths (34.91 m) and fifty-seven meters and one hundredth (57.01 m); towards the east and the south-east by a part of lot G-624 (9e Rue), measuring successively along these limits forty-three meters and seventeen hundredths (43.17 m) along the arc of a circle whose radius is of one hundred and fifty-four meters and eleven hundredths (154.11 m) and one meter and seventy-four hundredths (1.74 m); towards the south west by a part of Block G, measuring successively along this limit ninety-eight meters and sixty-seven hundredths (98.67 m) and forty-seven meters and seventy-nine hundredths (47.79 m). Measured along the north-east limit of lot G-654, the above referred to point used for the cadastral tie is at a distance of twenty-three meters and seventy-two hundredths (23.72 m) to the south-east of the point where the south limit of lot G-654 intersects with the south-west limit of said lot G-654. Said parcel of land so described has an area of one thousand seven hundred and ninety square meters (1 790.0 m<sup>2</sup>); the measures indicated above are precise to  $\pm$  0.03 meters.

An immovable known and designated as being parts of lot TWENTY-NINE (lot 29 parts) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville Registration Division of Saguenay, more particularly described as follows:

A part of lot TWENTY-NINE (lot 29 part) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by a part of lot 29 (Route Maritime), measuring successively along this limit forty-six meters and twenty-two hundredths (46.22 m) along an arc of a circle whose radius is of five hundred and thirty-five meters and eighty-six hundredths (535.86 m) and fifty-nine meters and ninety-eight hundredths (59.98 m); towards the north-east by a part of lot thirty, measuring along this limit ninety-nine meters and fourteen hundredths (99.14 m); towards the south-east, the east, the south, the west and the south-west by a part of lot 29 (City of Forestville), measuring successively along these limits thirty-one meters and forty-one hundredths (31.41 m), twenty-nine meters and seventy hundredths (29.70 m), eighty-six meters (86.00 m), ninety-three meters and eighty-two hundredths (93.82 m), one hundred and sixteen meters and thirty-eight hundredths (116.38 m), forty-nine meters and eighty-four

TRADEMARK

REEL: 002848 FRAME: 0290

- 9 -

hundredths (49.84 m), forty-seven meters and seventy-one hundredths (47.71 m) and twenty-five meters and twenty-six hundredths (25.26 m); towards the north-west by the division line separating Range 3 from Block G, measuring along this limit one hundred and fifty-four meters and forty-five hundredths (154.45 m), the south-west extremity of this limit being the point used for the cadastral tie. This last point is at a distance of twenty-eight meters and eighty hundredths (28.80 m) to the north-east of the point where the division line separating Range 3 from Block A & B intersects with the division line separating Block G from Range 3. Said parcel of land so described has an area of thirty-eight thousand eight hundred and four square meters and six tenths (38 804.6 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

A part of lot TWENTY-NINE (lot 29 part) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east by a part of lot 30, measuring along this limit forty-five meters and twenty-seven hundredths (45.27 m); towards the south by a part of lot 29 (Route Maritime), measuring successively along this limit forty-two meters and twenty-three hundredths (42.23 m) and twenty-five meters and fourteen hundredths (24.14 m) along an arc of a circle whose radius is of five hundred and fifteen meters and seventy-four hundredths (515.74 m); towards the north-west by the division line separating Range 3 from Block G and from Range 8, measuring along this limit fifty meters and ten hundredths (50.10 m). Said parcel of land so described has an area of one thousand one hundred and forty-nine square meters and four tenths (1 149.4 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

An immovable known and designated as being parts of lot THIRTY (lot 30 parts) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, more particularly described as follows:

A part of lot THIRTY (lot 30 part) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east by a part of lot 31, measuring along this limit one hundred and nineteen meters (119.00 m); towards the south-east by a part of lot 30 (City of Forestville), measuring along this limit one hundred and fifty-seven meters and ninety-three hundredths (157.93 m); towards the south by a part of lot 30 (Route Maritime) measuring successively along this limit six meters and eighty-one hundredths (6.81 m), eighty-eight meters and eight hundredths (88.08 m) along the arc of a circle whose radius is of two hundred and fifty-one meters and twenty-one hundredths (251.21 m) and seventy-one meters and sixty-three hundredths (71.63 m); towards the south-west by a part of lot 29, measuring along this limit forty-five meters and twenty-seven hundredths (45.27 m); towards the north-west by the division line separating Ranges 3 and 8, measuring along this limit two hundred and sixty-one meters

- 10 -

and fifty-two hundredths (261.52 m). Said parcel of land so described has an area of thirty-two thousand four hundred and seventy-two square meters and eight tenths (32 472.8 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

A part of lot THIRTY (lot 30 part) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by a part of lot 30 (Route Maritime), measuring successively along this limit fifty-three meters and eighty-seven hundredths (53.87 m) and eighty-one meters and two hundredths (81.02 m) along the arc of a circle whose radius is of two hundred and thirty-one meters and nine hundredths (231.09 m); towards the south-east by a part of lot 30 (City of Forestville), measuring along this limit ninety meters and fifty-nine hundredths (90.59 m); towards the south-west by a part of lot 29, measuring along this limit ninety-nine meters and fourteen hundredths (99.14 m), the north-west extremity of this limit being the point used for the cadastral tie. This last point is located at successive distances of forty-five meters and twenty-seven hundredths (45.27 m) and twenty-six meters and eight-four hundredths (26.84 m) to the south-east of the point where the division line separating lot 29 from lot 30, both of Range 3, intersects with the division line separating Range 3 from Range 8. Said parcel of land so described has an area of five thousand fifty-nine square meters and nine tenths (5 059.9 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

An immovable known and designated as being a part of lot THIRTY-ONE (lot 31 part) of Range THREE (3) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east and the east by a part of lot 31 (City of Forestville), measuring successively along these limits fifty-two meters (52.00 m) and one hundred and eleven meters and four hundredths (111.04 m); towards the south-west by a part of lot 30, measuring along this limit one hundred and nineteen meters (119.00 m); towards the north-west by the division line separating Ranges 3 and 8, measuring along this limit eighty-eight meters (88.00 m). Said parcel of land so described has an area of seven thousand five hundred and thirty-eight square meters and three tenths (7 538.3 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

An immovable known and designated as being a part of subdivision ONE of lot FOUR (lot 4-1 part) of Range THIRTEEN (13) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east by a part of lot 4-1 (route 385) measuring successively along this limit ninety-one meters and one hundredth (91.01 m), two hundred and one meters (201.00 m), sixty-one meters and sixty-two hundredths (61.62 m) along the arc of a circle whose radius is of four hundred and five meters and eighty-five hundredths (405.85 m) and ten meters and twenty-three hundredths (10.23 m) along the

- 11 -

arc of a circle whose radius is of five hundred and ten meters and fifty-nine hundredths (510.59 m); towards the east by lot 4-1-3 of range 13, measuring along this limit more or less forty-four meters ( $\pm 44$  m); towards the south-west and the south by an abandoned road (shown at the original cadastral plan), measuring successively along these limits thirty-two meters and fifty-two hundredths (32.52 m), eighty-three meters and forty-two hundredths (83.42 m), seventy-nine meters and thirty-three hundredths (79.33 m), thirty-nine meters and seventy-one hundredths (39.71 m), thirty-four meters and eighty-one hundredths (34.81 m), fifty-six meters and twenty-four hundredths (56.24 m), seventy-five meters and twelve hundredths (75.12 m) and twenty-six meters and eighteen hundredths (26.18 m); towards the north-west by a part of lot 3 of range 13, measuring along this limit more or less one hundred and twenty-two meters ( $\pm 122$  m); the measures indicated above are precise to  $\pm 0.3$  m and when specifically indicated, must be deemed to be approximate.

An immovable known and designated as being parts of Block G (Block G parts) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, more particularly described as follows:

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-west by lot 43A of range 12, measuring along this limit more or less two hundred and twenty-five meters ( $\pm 225$  m); towards the north-east and the north-west by lot 43B of range 12, measuring successively along these limits thirty-six meters and twenty-one hundredths (36.21 m), forty-eight meters and twenty-eight hundredths (48.28 m) and two hundred and thirty-three meters and twenty-eight hundredths (233.28 m); towards the north-east by lot A of the Reserve, measuring along this limit more or less one hundred meters ( $\pm 100$  m); towards the north-west by lots A and B of the Reserve, being a sinuous line along the bottom of the hillside to the south of the Jean-Raymond river; towards the south-west by lot B of the Reserve, measuring along this limit more or less two hundred and twenty meters ( $\pm 220$  m); towards the north-west by lots B and C of the Reserve, measuring along this limit four hundred and twenty-two meters and forty-six hundredths (422.46 m); towards the north-east by lot D of the Reserve, measuring more or less two hundred and fifty meters ( $\pm 250$  m); towards the north-west by the Jean-Raymond river (the limit between Block G and Lot D of the Reserve); towards the south-west by lot D of the Reserve, measuring along this limit more or less one hundred and ten meters ( $\pm 110$  m); toward the north-west by lot 34 of range 12, measuring along this limit more or less eight hundred and fifty meters ( $\pm 850$  m); towards the north, the north-east and the east, by an abandoned road (shown at the original cadastral plan), measuring successively along these limits seven meters and seventy-six hundredths (7.76 m), twenty-two meters and sixty-five hundredths (22.65 m), thirty-four meters and thirty-one hundredths (34.31 m), forty-one meters and sixty-six hundredths (41.66 m), sixty-five meters and sixty-five hundredths (65.65 m), seventy meters and ninety-one hundredths (70.91 m), twenty meters and ninety hundredths (20.90 m), seventy-six meters and sixty-six

- 12 -

hundredths (76.66 m) fifty-seven meters and thirty-one hundredths (57.31 m), twenty-eight meters and ninety-four hundredths (28.94 m) and more or less thirty meters ( $\pm 30$  m); towards the south-east, the north-east and the north-west by lot G-407 of Block G, measuring successively along these limits fifty-nine meters and forty-four hundredths (59.44 m), sixty meters and ninety-six hundredths (60.96 m) and sixty meters and thirty-five hundredths (60.35 m); towards the north-east by an abandoned road (shown at the original cadastral plan), measuring successively along this limit more or less twenty meters ( $\pm 20$  m), eighty-two meters and sixty-eight hundredths (82.68 m) and forty-eight meters and eighty-five hundredths (48.85 m); towards the east by lot 47 of range 12 and lot G-663 of Block G, measuring along this limit more or less two hundred and seven meters ( $\pm 207$  m); towards the south by lot G-622 of Block G, measuring along this limit thirty meters and forty-five hundredths (30.45 m); towards the east by lots G-622 and G-719 of Block G, measuring along this limit one hundred and sixty-seven meters and sixty-four hundredths (167.64 m); towards the north by lot G-719 of Block G, measuring along this limit one hundred and fifty-two meters and forty hundredths (152.40 m); towards the east by route 138 (shown at the original cadastral plan), measuring along this limit thirty-six meters and twenty-seven hundredths (36.27 m); towards the south by lot 5, measuring along this limit two hundred and eighteen meters and fifty-seven hundredths (218.57 m); towards the south-west and the south-east by a part of lot 22 of range 12, measuring successively along these limits fifty-four meters and sixty-four hundredths (55.64 m) and one hundred and twenty-one meters and eleven hundredths (121.11 m); towards the south, west and east by lot 5, measuring successively along these limits eighty meters and seventy-eight hundredths (80.78 m), six hundred and seventy-two meters and ninety-four hundredths (672.94 m), one hundred and fifty-two meters and forty hundredths (152.40 m), seven hundred and sixty-three meters and seventy-seven hundredths (763.77 m) and four hundred and ninety-five meters and sixty-four hundredths (495.64 m); towards the south-west, the south-east and the north-east by a part of lot 22 of range 12, measuring successively along these limits two hundred and thirty-eight meters and sixty-one hundredths (238.61 m), two hundred and sixty-one meters and thirty-three hundredths (261.33 m) and one hundred and seventeen meters and two hundredths (117.02 m); towards the south and the south-east by lot 5, measuring successively along these limits nine hundred and fifty-one meters and sixty-five hundredths (951.65 m), one hundred and six meters and sixty-eight hundredths (106.68 m) and sixty-seven meters and thirty-one hundredths (67.31 m). The measures indicated above are precise to  $\pm 0.3$  meters and when specifically indicated, must be deemed to be approximate.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east, the south-east and the north-west by a part of lot 22 of range 12, measuring successively along these limits sixty-five meters and seventy-seven hundredths (65.77 m), one hundred and

- 13 -

forty meters and eighty-two hundredths (140.82 m), two hundred and sixty-one meters and fifty-two hundredths (261.52 m), one hundred and forty meters and eighty-two hundredths (140.82 m) and one hundred and nineteen meters and sixty-two hundredths (119.62 m); towards the east and the north by lot 5, measuring successively along these limits forty-two meters and forty-eight hundredths (42.48 m) and sixty-one meters and twenty-three hundredths (61.23 m); towards the north-east by a part of lot 22 of range 12, measuring along this limit two hundred and sixty-five meters and seventy-two hundredths (265.72 m); towards the south by lots G-403-1, G-403-3, G-403-4, G-403-5, G-403-6, G-403-7 and G-403-8 of Block G, measuring along this limit one hundred and seventy-two meters and ninety-two hundredths (172.92 m); towards the north-east by lot G-403-8, measuring along this limit fifteen meters and twenty-two hundredths (15.22 m); towards the south and the north-east by lot G-402 of Block G, measuring successively along these limits thirty meters and forty-eight hundredths (30.48 m) and forty-five meters and seventy-two hundredths (45.72 m), towards the south by rue Verreault (shown at the original cadastral plan), measuring along this limit sixty meters and ninety-six hundredths (60.96 m); towards the south-west, the south and the north-east by lot G-401 of Block G, measuring successively along these limits sixty meters and ninety-six hundredths (60.96 m), thirty meters and forty-eight hundredths (30.48 m) and sixty meters and ninety-six hundredths (60.96 m); towards the south by rue Verreault (shown at the original cadastral plan), measuring along this limit seventy-seven meters and thirty-eight hundredths (77.38 m); towards the west and the south by lot G-565 of Block G, measuring successively along these limits forty meters and four hundredths (40.04 m) and twenty-nine meters and two hundredths (29.02 m); towards the south-west by lots 14-30 part, 14-30-2 and 14-30-1 of range 12, measuring along this limit sixty meters and twenty-eight hundredths (60.28 m); towards the west, the south-west and the south-east by lot G-411 of Block G, measuring successively along these limits one hundred and eighty-four meters and forty-four hundredths (184.44 m), thirty-nine meters and sixty-two hundredths (39.62 m) and one hundred and sixty-one meters and fifty-four hundredths (161.54 m); towards the south-west by a part of lot 14-30 of range 12, measuring along this limit sixty-five meters and sixteen hundredths (65.16 m); towards the south-east by a part of lot 14-30 and 13-9 of range 12, measuring along this limit two hundred and ninety meters and ninety-six hundredths (290.96 m); towards the south by lot G-653 of Block-G (rue Cleary), measuring successively along this limit sixteen meters and eighty-six hundredths (16.86 m) and two hundred and eight meters and thirty-one hundredths (208.31 m); towards the south-west by lot 12 of range 12, measuring along this limit five hundred and forty-two meters and twenty-four hundredths (542.24 m); towards the south-east by lot 12 of range 12, measuring along this limit one hundred and thirteen meters and twenty-six hundredths (113.26 m); towards the south-east by lot 11 of range 12, measuring along this limit more or less one hundred and eighty-one meters ( $\pm$  181 m); towards the south-west by an abandoned road (shown at the original cadastral plan), measuring along this limit ninety-one meters and

- 14 -

thirty-seven hundredths (91.37 m); towards the north by lot 5, measuring along this limit more or less one thousand one hundred and seventy-six meters ( $\pm 1\ 176$  m). The measures indicated above are precise to  $\pm 0.3$  m and when specifically indicated must be considered as approximate.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by lot G-653 of Block G (rue Cleary), measuring along this limit eighty-four meters and seventy-one hundredths (84.71 m); towards the south-east by lots 13-7-3 and 13-7-1 and a part of lot 13-8, all of range-12, measuring along this limit one hundred and ten meters and six hundredths (110.06 m); towards the west and the north-west by lot G-652 of Block G (road), measuring successively along these limits fifty meters and eighteen hundredths (50.18 m) and twelve meters and seven hundredths (12.07 m) along the arc of a circle whose radius is seven meters and eighty hundredths (7.80 m). Said parcel of land so described has an area of two thousand six hundred and fifty-five square meters and one tenths ( $2\ 655.1\ m^2$ ). The measures indicated above are precise to  $\pm 0.3$  meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by lot G-653 of Block G (rue Cleary), measuring along this limit seventy-seven meters (77.00 m); towards the north-east and the east by lot G-652 of Block-G (road), measuring successively along these limits eleven meters and eighty-six hundredths (11.86 m) along the arc of a circle whose radius is seven meters and forty-four hundredths (7.44 m) and fifty-four meters and seventy-three hundredths (54.73 m); towards the south by rue Verreault (shown at the original cadastral plan) measuring along this limit forty-four meters and fifty-three hundredths (44.53 m); towards the west and the south by a part of Block G, measuring successively along these limits, forty-eight meters and seventy-three hundredths (48.73 m) and thirty-three meters and twenty-three hundredths (33.23 m); towards the south-west by lot 12 of range 12, measuring along this limit thirteen meters and eighty-nine hundredths (13.89 m). Said parcel of land so described has an area of three thousand two hundred and fifteen square meters and nine tenths ( $3\ 215.9\ m^2$ ). The measures indicated above are precise to  $\pm 0.3$  meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of a triangular shape, bounded towards the north-east by a part of lot G-624 (9e Rue), measuring along this limit fifty-five meters and eighty-six hundredths (55.86 m); towards the south by lot G-404-3, measuring along this limit fifty-eight meters and eighty-two hundredths (58.82 m); towards the north-west by a part of lot G-545 and lot 13, measuring along this limit forty-nine meters and thirty-eight hundredths (49.38 m). Said parcel of land so described has an area of one thousand two hundred and seventy-five

- 15 -

square meters and three tenths (1 275.3 m<sup>2</sup>); the measures indicated above are precise to  $\pm$  0.03 meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north, the north-east, the east and the south-east by a part of Block G (City of Forestville), measuring successively along these limits one hundred and sixty-two meters and sixty-two hundredths (162.62 m), nine meters and forty-two hundredths (9.42 m) along the arc of a circle whose radius is six meters (6.00 m), twenty meters and nine hundredths (20.09 m) and seven meters and eighty hundredths (7.80 m) along the arc of a circle whose radius is fifteen meters (15.00 m); towards the south-west and the south-east by lot G-709, measuring successively along these limits thirty meters and forty-eight hundredths (30.48 m) and thirteen meters and ninety-four hundredths (13.94 m); towards the south by lots G-709, G-708, G-707, G-713, G-714 and G-715, measuring along this limit one hundred and thirty-three meters and thirty-two hundredths (133.32 m); towards the west by the line separating Block G from range 9, measuring along this limit thirty meters and fifty hundredths (30.50 m). Said parcel of land so described has an area of four thousand nine hundred and seventy-five square meters and eight tenths (4 975.8 m<sup>2</sup>); the measures indicated above are precise to  $\pm$  0.03 meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-west, the west, the north-east the east and the south-east by a part of Block G (City of Forestville), measuring successively along these limits fifteen meters and seventy-three hundredths (15.73 m) along the arc of a circle whose radius is of thirty meters and twenty-four hundredths (30.24 m), nineteen meters and seventy-five hundredths (19.75 m), eleven meters and eight hundredths (11.08 m) along the arc of a circle whose radius is of six meters (6.00 m), three meters and thirty seven hundredths (3.37 m) along the arc of a circle whose radius is fifteen meters (15.00 m), fifty-three meters and fifty-six hundredths (53.56 m), twenty-three meters and eighty-six hundredths (23.86 m) along the arc of a circle whose radius is fifteen meters (15.00 m) and nineteen meters and seventy hundredths (19.70 m); towards the south-west and the south-east by lot G-703, measuring successively along these limits thirty-one meters and nine hundredths (31.09 m) and ten meters and forty-seven hundredths (10.47 m); towards the south-west by a part of Block G (Michel and Lyne Sirois), measuring along this limit thirty-one meters and nine hundredths (31.09 m); towards the north-west by lot G-636 (12e Rue), measuring along this limit three meters and ninety-three hundredths (3.93 m). Said parcel of land so described has an area of two thousand seven hundred and forty-six square meters and five tenths (2 746.5 m<sup>2</sup>); the measures indicated above are precise to  $\pm$  0.03 meters.

---



- 16 -

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by a part of Block G (route Maritime), measuring along this limit two hundred and thirty-two meters and ninety hundredths (232.90 m); towards the north-east by a part of lot G-624 and a part of lot G-624 (9e Rue) measuring successively along this limit forty-seven meters and seventy-nine hundredths (47.79 m) and one hundred and nine meters and seventeen hundredths (109.17 m); towards the south-east by lot 6 and a part of lot G-547, measuring along this limit one hundred and thirty-two meters and fifteen hundredths (132.15 m); towards the south-west by lot G-710, measuring along this limit twenty-seven meters and forty-three hundredths (27.43 m); towards the north-west, the west, the south-west and the south by a part of Block G (City of Forestville), measuring successively along these limits twenty-five meters and forty-five hundredths (25.45 m), forty-seven meters and seventy-three hundredths (47.73 m) along the arc of a circle whose radius is thirty meters (30.00 m), fifty-three meters and eighty hundredths (53.80 m), fifteen meters and one hundredth (15.01 m) along the arc of a circle whose radius is thirty meters (30.00 m) and one hundred and eighty-seven meters and thirty-eight hundredths (187.38 m); towards the west by the line separating Block G from range 9, measuring along this limit one hundred and twenty-seven meters and twenty-five hundredths (127.25 m). Said parcel of land so described has an area of forty-one thousand nine hundred and ninety-five square meters and one tenth (41 995.1 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.03$  meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by a part of Block G (route Maritime), measuring along this limit forty-six meters and forty-two hundredths (46.42 m); the western extremity of this limit being the point used for the cadastral tie; towards the north-east and the east by a part of Block G (9e Rue), measuring successively along these limits eleven meters (11.00 m) along the arc of a circle whose radius is seven meters (7.00 m), fourteen meters and ninety hundredths (14.90 m) and forty-four meters and thirteen hundredths (44.13 m) along the arc of a circle whose radius is of one hundred and fifty-four meters and eleven hundredths (154.11 m); towards the south-east by a part of lot G-624, measuring successively along this limit fifty-seven meters and one hundredth (57.01 m) and thirty-one meters and fifty-seven hundredths (31.57 m); measured along the north-east limit of lot G-624, the point used for the cadastral tie referred to above is at successive distances of twenty-three meters and seventy-two hundredths (23.72 m) and three meters and thirty-four hundredths (3.34 m) to the south-east of the point where the southern limit of lot G-654 intersects with the south-west limit of said lot G-654. Said parcel of land so described has an area of one thousand six hundred and forty-two square meters and eight tenths (1 642.8 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.03$  meters.

TRADEMARK

REEL: 002848 FRAME: 0298

- 17 -

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by a part of Block G (route Maritime), measuring successively along this limit five hundred and seventy-three meters and twenty hundredths (573.20 m) and one hundred and twenty-three meters and fifty-three hundredths (123.53 m) along the arc of a circle whose radius is of five hundred and thirty-eight meters and thirty-six hundredths (538.36 m); towards the south-east by a part of lot 29 of range 3, measuring along this limit one hundred and fifty-one meters and two hundredths (151.02 m); towards the south-west, the south, the south-east and the east by a part of Block G (City of Forestville), measuring successively along these limits fifty-eight meters and thirty-four hundredths (58.34 m), thirty-three meters and fifty-seven hundredths (33.57 m); fifteen meters and fifteen hundredths (15.15 m), twenty-one meters and thirty-two hundredths (21.32 m), forty-eight meters and fifty hundredths (48.50 m), thirty-nine meters and eighty hundredths (39.80 m), forty-two meters and fifty-three hundredths (42.53 m), sixty meters and ninety-four hundredths (60.94 m), sixty-four meters and fifty-seven hundredths (64.57 m), thirty-six meters and fifty-four hundredths (36.54 m), fifty-six meters and ninety-two hundredths (56.92 m) and forty-eight meters and forty-nine hundredths (48.49 m); towards the south-west by a part of lot 1 of range 8, measuring along this limit eighty-nine meters and seventy-nine hundredths (89.79 m); towards the north and the south-west by lot G-662, measuring successively along these limits twenty-five meters and twenty-one hundredths (25.21 m) and thirty-nine meters and sixty-five hundredths (39.65 m); towards the north, the west and the south by lot G-405-2, measuring successively along these limits forty-one meters and twenty-nine hundredths (41.29 m), sixty meters and ninety-six hundredths (60.96 m) and forty-two meters and thirty-two hundredths (42.32 m); towards the west and the south by lot G-677, measuring successively along these limits seventeen meters and ninety-seven hundredths (17.97 m) and forty-five meters and seventy-two hundredths (45.72 m); towards the south-west by a part of lot G-624 (9e Rue), measuring along this limit one hundred and thirteen meters and sixty-six hundredths (113.66 m); towards the north, the south-west and the south by lot G-406, measuring successively along these limits sixty meters and ninety-six hundredths (60.96 m), thirty meters and forty-eight hundredths (30.48 m) and sixty meters and ninety-six hundredths (60.96 m); towards the west by a part of lot G-624 (9e Rue), measuring successively along this limit nineteen meters and eighty-six hundredths (19.86 m) along the arc of a circle whose radius is of one hundred and forty-eight meters and ninety-nine hundredths (148.99 m) and one hundred and nineteen meters and eighty-five hundredths (119.85 m); towards the north, the west and the north-west by a part of Block G (9e Rue), measuring successively along these limits four meters and ninety hundredths (4.90 m), forty-eight meters and seventy-eight hundredths (48.78 m), seventy-three meters and thirty-one hundredths (73.31 m) along the arc of a circle whose radius is one hundred and twenty-nine meters and eleven hundredths (129.11 m), fourteen meters and ninety hundredths (14.90 m) and eleven meters (11.00 m) along the arc of a circle whose radius

- 18 -

is of seven meters (7.00 m). Said parcel of land so described has an area of sixteen hectares and three hundred and eighteen thousandths (16.318 ha); the measures indicated above are precise to  $\pm 0.03$  meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north by lot G-402-2, measuring along this limit ninety-two meters and seventy-one hundredths (92.71 m); towards the east by a part of lot G-624 (9e Rue), measuring along this limit twenty meters (20.00 m); towards the south and the east by lot 17, measuring successively along these limits thirty-one meters and twelve hundredths (31.12 m) and twenty-four meters and sixty hundredths (24.60 m); towards the east by lot 16, measuring along this limit nineteen meters and sixteen hundredths (19.16 m); towards the east by lot G-717, measuring along this limit twenty-two meters and thirteen hundredths (22.13 m); towards the south-east by lot G-676, measuring along this limit twenty-seven meters and eighty-eight hundredths (27.88 m); towards the south-east by lot G-675, measuring along this limit twenty-one meters and forty hundredths (21.40 m); towards the south-east, the north-east and the north by lot G-716, measuring successively along these limits twenty-five meters and thirty-eight hundredths (25.38 m), twenty-four meters and fifty hundredths (24.50 m) and nine meters and forty-two hundredths (9.42 m) along the arc of a circle whose radius is of six meters (6.00 m); towards the south-east by a part of lot G-624 (9e Rue), measuring along this limit twenty-six meters and ninety-six hundredths (26.96 m); towards the west, the south-west and the south-east by lot G-718, measuring successively along these limits nine meters and thirty-nine hundredths (9.39 m) along the arc of a circle whose radius is of six meters (6.00 m), twenty-four meters (24.00 m) and nine meters and eighty-eight hundredths (9.88 m); towards the south-west by a part of lot G-437, measuring along this limit one hundred and twenty-nine meters and seventy-eight hundredths (129.78 m); towards the north-west by a part of lot G-545, measuring along this limit one hundred and forty-one meters and ninety-one hundredths (141.91 m). Said parcel of land so described has an area of nineteen thousand nine hundred and seventy-two square meters and eight tenths (19 972.8 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.03$  meters.

A part of Block G (Block G part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east by a part of lot G-416, lots G-417, G-418, G-422 and a part of lot G-423, measuring along this limit two hundred and sixty-four meters and seven hundredths (264.07 m); towards the east, the south, the south-west and the south-east by lot G-711, measuring successively along these limits nine meters (9.00 m), seventy-nine meters and ten hundredths (79.10 m), thirty-three meters and three hundredths (33.03 m), fifty-six meters and seventy-four hundredths (56.74 m) and fifty-two meters and thirteen hundredths (52.13 m); towards the south-west by a part of lot 9 of range 10, measuring along this limit two hundred and seven meters and

- 19 -

thirty-seven hundredths (207.37 m); towards the north-west by lots G-408-2 and G-408-1, measuring along this limit fifty-eight meters and seventy-two hundredths (58.72 m); towards the north-east by lot G-650 (rue Christian), measuring along this limit forty-six meters and eight hundredths (46.08 m); towards the north-east by lot G-679 (road), measuring along this limit thirty-seven meters and seventy-seven hundredths (37.77 m) along the arc of a circle whose radius is of ninety-two meters and ninety-two hundredths (92.92 m); towards the north-west by lots G-679 (road) and G-678, measuring along this limit eighty-one meters and sixteen hundredths (81.16 m); towards the south-west and the south-east by lot G-678, measuring successively along these limits thirty-seven meters (37.00 m) and nine meters and sixteen hundredths (9.16 m); towards the south-west by lots G-650 (rue Christian) and G-649, measuring along this limit forty-five meters and seventy-three hundredths (45.73 m); towards the north-west by lot G-623, measuring along this limit eight meters and fifty hundredths (8.50 m); towards the north-east and the north-west by lot G-706, measuring successively along these limits three meters and five hundredths (3.05 m) and thirty-three meters and seventy-two hundredths (33.72 m). Said parcel of land so described has an area of three hectares and five hundred and sixty-six thousandths (3.566 ha); the measures indicated above are precise to  $\pm 0.05$  meters.

An immovable known and designated as being a part of lot SEVENTEEN A (lot 17A part) of Range TWELVE (12) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the east by lot 17A-6 of range 12, measuring along this limit fifty-eight meters and fifty hundredths (58.50 m); towards the south by lot 17A-2 of range 12, measuring along this limit fifty hundredths of a meter (0.50 m); towards the south by a part of lot 17A of range 12, measuring along this limit fifty-six meters and sixty hundredths (56.60 m); towards the north-west by a part of lot 22 of range 12, measuring along this limit ninety-four meters and thirty-two hundredths (94.32 m). Said parcel of land so described has an area of one thousand five hundred and sixty-eight square meters and five tenths (1 568.5 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.3$  meters.

An immovable known and designated as being parts of lot TWENTY-TWO (lot 22 parts) of Range TWELVE (12) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, more particularly described as follows:

A part of lot TWENTY-TWO (lot 22 part) of range 12 of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of triangular shape, bounded towards the north-east by a part of Block G, measuring along this limit fifty-five meters and sixty-four hundredths (55.64 m), the south-east extremity of this limit being the point used for the cadastral tie; towards the south by lot 5, measuring along this limit one hundred and thirty-two meters and ninety nine hundredths

- 20 -

(132.99 m); towards the north-west by a part of Block G, measuring along this limit one hundred and twenty-one meters and eleven hundredths (121.11 m). The point used for the cadastral tie referred to above is at a distance of two hundred and eighteen meters and fifty-seven hundredths (218.57 m) to the west of the point where the northern limit of lot 5 intersects with the western limit of route 138 (shown at the original cadastral plan). Said parcel of land so described has an area of three thousand three hundred and sixty-nine square meters and one tenth ( $3\,369.1\text{ m}^2$ ); the measures indicated above are precise to  $\pm 0.3$  meters.

A part of lot TWENTY-TWO (lot 22 part) of range 12 of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east by a part of Block G, measuring along this limit two hundred and thirty-eight meters and sixty-one hundredths (238.61 m); towards the south, the south-west, the south-east and the north-east by lot 5, measuring successively along these limits seventy-nine meters and seven hundredths (79.07 m), one hundred and sixty-one meters and fifty-eight hundredths (161.58 m), one hundred and fifty-two meters and forty hundredths (152.40 m), eighty meters and seventy-four hundredths (80.74 m) and thirty-six meters and eighty-nine hundredths (36.89 m); towards the south-west and the north-west by a part of Block G, measuring successively along these limits one hundred and seventeen meters and two hundredths (117.02 m) and two hundred and sixty-one meters and thirty-three hundredths (261.33 m). Said parcel of land so described has an area of two hectares and eight hundred and six thousandths (2.806 ha); the measures indicated above are precise to  $\pm 0.3$  meters.

A part of lot TWENTY-TWO (lot 22 part) of range 12 of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east and the east by lot 5, measuring successively along these limits three hundred and seventy-one meters and sixty-two hundredths (371.62 m) and eighty-nine meters and ninety hundredths (89.90 m); towards the south-west, the south-east and the north-west by a part of Block G, measuring successively along these limits one hundred and nineteen meters and sixty-two hundredths (119.62 m), one hundred and forty meters and eighty-two hundredths (140.82 m), two hundred and sixty-one meters and fifty-two hundredths (261.52 m), one hundred and forty meters and eighty-two hundredths (140.82 m) and sixty-five meters and seventy-seven hundredths (65.77 m); towards the north by lot 5, measuring along this limit fifty-nine meters and sixteen hundredths (59.16 m). Said parcel of land so described has an area of six hectares and three hundred and nine thousandths (6.309 ha); the measures indicated above are precise to  $\pm 0.3$  meters.

A part of lot TWENTY-TWO (lot 22 part) of range 12 of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north, the north-west and

- 21 -

the north-east by lot 5, measuring successively along these limits ninety-one meters and seventeen hundredths (91.17 m), seventy-eight meters and thirty-four hundredths (78.34 m), one hundred and fifty-two meters and forty hundredths (152.40 m) and sixty-seven meters and seventy-two hundredths (67.72 m); towards the east by lots 22-3 and 22-1 of range 12, measuring successively along these limits forty-eight meters and thirty-four hundredths (48.34 m) and one hundred and three meters and eighty-six hundredths (103.86 m); towards the south, the east and the north by lot 22-4 of range 12, measuring successively along these limits thirty meters and forty-eight hundredths (30.48 m), twenty-four meters and thirty-eight hundredths (24.38 m) and thirty meters and forty-eight hundredths (30.48 m); towards the east by lot 22-1 of range 12, measuring along this limit sixteen meters and two hundredths (16.02 m); towards the south-east by part of lot 17A of range 12, measuring along this limit ninety-four meters and thirty-two hundredths (94.32 m); towards the south-west by lot G-403-1 and a part of Block G, measuring along this limit two hundred and eighty-three meters and forty-three hundredths (283.43 m). Said parcel of land so described has an area of three hectares and eight hundred and sixty-eight thousandths (3.868 ha); the measures indicated above are precise to  $\pm 0.3$  meters.

An immovable known and designated as being a part of lot ONE (lot 1 part) of Range EIGHT (8) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of irregular shape, bounded towards the north-east and the west by a part of lot 1 (Raymond Deschênes), measuring successively along these limits thirty-four meters and fifty hundredths (34.50 m) and forty-five meters and thirty-one hundredths (45.31 m); towards the north-east by a part of Block G measuring along this limit eighty-nine meters and seventy-nine hundredths (89.79 m), the north-west extremity of this limit being the point used for the cadastral tie; towards the south-east and the south by a part of lot 1 (City of Forestville) measuring successively along these limits twenty-eight meters and fifty-three hundredths (28.53 m), sixty-five meters and fifty-one hundredths (65.51 m) and forty-four meters and fifty-nine hundredths (44.59 m); towards the north-west by a part of lot G-624 (9e Rue) measuring along this limit forty-nine meters and seventy-eight hundredths (49.78 m) along an arc of a circle whose radius is of two hundred and thirty-nine meters and two hundredths (239.02 m). For more certainty, the point used for the cadastral tie referred to above is at the point where the north-east limit of lot 1-2 of Range 8 intersects with the southern limit of said lot 1-2; said parcel of land so described has an area of four thousand one hundred and fifty-five square meters (4 155.0 m<sup>2</sup>); the measures indicated above are precise to  $\pm 0.05$  meters.

An immovable known and designated as being a part of subdivision FOUR HUNDRED AND TWENTY-THREE of Block G (lot G-423 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of an irregular shape, bounded to the north-east by

- 22 -

lot G-424, to the south-east by lot G-711, to the south-west by Block G part and to the north-west by lot G-422.

An immovable known and designated as being a part of subdivision FOUR HUNDRED AND TWENTY-FOUR of Block G (lot G-424 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of an irregular shape, bounded to the north-east by lot G-425, to the south-east by lot G-711, to the south-west by lot G-423 and to the north-west by lot G-422.

An immovable known and designated as being a part of subdivision FOUR HUNDRED AND TWENTY-FIVE of Block G (lot G-425 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of an irregular shape, bounded to the north-east by lot G-426, to the south-east by lot G-711, to the south-west by lot G-424 and to the north-west by lot G-422.

An immovable known and designated as being a part of subdivision FOUR HUNDRED AND TWENTY-SIX of Block G (lot G-426 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of an irregular shape, bounded to the north-east by lot G-427, to the south-east by lot G-711, to the south-west by lot G-425 and to the north-west by lot G-421.

An immovable known and designated as being a part of subdivision FOUR HUNDRED AND TWENTY-SEVEN of Block G (lot G-427 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of an irregular shape, bounded to the north-east by lot G-419, to the south-east by lot G-711, to the south-west by lot G-426 and to the north-west by lot G-420.

An immovable known and designated as being a part of subdivision FOUR HUNDRED AND TWENTY-EIGHT of Block G (lot G-428 part) of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay, of an irregular shape, bounded to the north-east by lot G-155-B, to the south-east by lot G-413, to the south-west by lot G-711 and to the north-west by lot G-419.

All rights, titles and interests that the Grantor has or may have as to Route 385 (lot 4-1 part of Range 13 of the Official Cadastre for Laval Township, City of Forestville, Registration Division of Saguenay) between Route 138 (including the part of Route 385 that has been abandoned) and the boundary line for lot 4-1 and lot 3 of same range and cadastre, the part of an abandoned road (shown at the original cadastral plan) located between lot 41A part of Range 12 and the part of Block G described at subsection I(ii) above as well as that part of an abandoned road (indicated at the original cadastral plan) located between Range 13 and Block G

- 23 -

(between the parcel described at section I above and the parcel described at section I(i) above.

### St-Aurèle

A parcel of land located in the municipality of Ste-Aurèle known as subdivision THREE of original lot number SIXTY-NINE (69-3) of Range NINE (IX) of the Official Cadastre for the Township of Metgermette-North, Registration Division of Dorchester, of irregular shape, consecutively bounded to the North-East by lot 69-4 of same cadastre, measuring, along this limit, forty-one meters and twelve hundredths (41.12 m) towards the South-East by lot 69-1 of same cadastre, being a public road, measuring, along this limit, twenty-seven meters and fifty-two hundredths (27.52 m), towards the South-West by lot 69-2, measuring, along this limit, thirty-nine meters and one hundredths (39.01 m); and towards the North-West by a part of lot 69, measuring, along this limit, twenty-seven meters and forty-seven hundredths (27.47 m); containing an area of one thousand one hundred square meters and four tenths (1 100.4 m<sup>2</sup>). As indicated in a plan prepared by Mr. Michel Bolduc, Q.L.S., on January 28, 2004 and attached to a technical description prepared by him on same date bearing number 7949 of his minutes;

With all buildings erected thereon, circumstances and dependencies and as the whole presently exists, and subject to all active and passive servitudes which may affect same and with all servitudes, rights, road permissions or other similar rights, agreements or deeds in favour of the aforementioned property, including, without limitation, a servitude to the benefit of the above-described immovable under the Deed of Sale published at the Registry Office for the Registration Division of Dorchester under number 160833, for the upkeep of an artesian well located close to the North-West limit of said above-described immovable;

All rights that may belong to the Grantor with respect to the bridge erected over the South-West branch of the St-John river including, without limitation, any such rights provided for in any agreement, as applicable, with respect to said bridge, its use and upkeep;

All rights, titles and interests in and a lease by and between the Grantor (to the rights, title and interests of International Logging Corporation) and the Department of National Revenue, Canadian Customs and Excise Operation, dated September 22, 1995."

(all of the foregoing, collectively, the "Immovable")

together with the universality of property consisting of all other immovable property and rights of the Grantor (together with the Immovable, the "Immovables"), which shall also be specifically hypothecated upon the execution and publication of a notice or summary, as the case may be, at the appropriate registry office, the whole at the Grantor's expense, and



- 24 -

(b) the present and future rents (the "Rents") produced by the Immovables and the indemnities paid and payable under the insurance contracts covering the Rents or relating to the Immovables.

2.9 **Leases**

All rights of the of the Grantor, as tenant, under all leases entered into by the Grantor.

2.10 **Accessories, Proceeds, Reinvestment, Repurchase**

The universality of property consisting of the proceeds, fruits and revenues of the Charged Property, including (by way of example and without limitation) trade-ins, equipment, cash, bank accounts, notes, negotiable instruments, bills, commercial paper, Securities, monies, goods, contract rights, compensation for expropriation and any other movable property, corporeal or incorporeal, received when any Charged Property is sold, exchanged, collected or otherwise disposed of.

The object of the Hypothec being a universality of present and future property, any Charged Property which is acquired, transformed or manufactured after the date of this Deed shall be charged by the Hypothec, whether or not:

- (a) such Charged Property has been acquired in replacement of other Charged Property which may have been alienated by the Grantor in the ordinary course of business; or
- (b) such property results from a transformation, mixture or combination of any Charged Property; or
- (c) in the case of Securities, they have been issued pursuant to a purchase, redemption, conversion, cancellation or any other transformation of the Securities originally comprised in the Charged Property,

and without the Agent being required to register or re-register any notice whatsoever.

2.11 **Consents to Hypothecation**

Subject to Section 11.2 of the Credit Agreement, if any of the Charged Property may not be assigned, subleased, charged or encumbered without the leave, licence, consent or approval of the applicable counterparty, a governmental authority or any other person, the Hypothec on any such property shall be under the suspensive condition of obtaining such leave, licence, consent or approval.

- 25 -

### **3. HYPOTHEC ON CLAIMS - ADDITIONAL PROVISIONS**

#### **3.1 Recovery**

Subject to Section 3.2, the Agent may collect all Claims and may exercise all rights regarding Claims which are available to it. In particular, but without limitation, after the occurrence of an Event of Default (as defined below) that has not been waived and subject to that certain agreement among the Operating Lender (as defined in the Credit Agreement), the Agent and the Borrowers to be dated on or as of February 25, 2004, dealing with priorities, notices and other matters (as amended, supplemented, modified, restated, extended or renewed from time to time, the "Inter-Creditor Agreement"), the Agent may grant or refuse any consent which may be required from the Grantor as owner of such Claims, and shall not, in the exercise of such right, be required to notify or obtain the consent of the Grantor, nor shall it be under any obligation to establish that the Grantor has refused or neglected to exercise such rights.

#### **3.2 Authorization to Recover**

The Agent hereby authorizes the Grantor to collect all Claims. Such authorization may be revoked, at any time after the occurrence of an Event of Default (as defined below) that has not been waived and subject to the Inter-Creditor Agreement, by the Agent immediately upon notice to the Grantor and the debtor(s) of the Claims in question and the Agent shall then be free to itself collect any and all Claims. The Agent may further grant delays, take or abandon any Securities or any security, transact with debtors of the Claims, make compromises, grant releases and generally deal in its discretion with matters concerning all Claims, without the intervention or consent of the Grantor. If, after such authorization is revoked, any amounts payable on account of Claims are paid to the Grantor, it shall receive same as mandatary of, and shall promptly return same to, the Agent, without any demand being required.

#### **3.3 Assignment of Claims Subject to the Financial Administration Act**

As security for the Secured Obligations, the Grantor hereby assigns absolutely to the Agent all its present and future Claims which are subject to Sections 67 and 68 of the *Financial Administration Act* (Canada) and the provisions of the *Act Respecting the Ministère du revenu* (Quebec). The Agent may, at any time, after the occurrence of an Event of Default (as defined below) that has not been waived, fulfil any formalities required by law to make this assignment enforceable. Claims assigned in accordance with the provisions of this section shall be deemed to constitute Charged Property.

- 26 -

**4. HYPOTHEC ON RENTS - ADDITIONAL PROVISIONS****4.1 Information regarding Leases**

The Grantor shall provide the Agent, on request, on a yearly basis, with a list containing the name of all tenants and details as to their leases. Upon request, the Grantor shall further provide (i) a copy (or the original, when requested by the Agent) of all leases, present and future, relating to the Immovables and any document and any useful information in connection therewith, including but not limited to an annual statement of income and expenditures in respect of the Immovables.

**4.2 Collection of Rents**

The Agent hereby authorizes the Grantor to collect all Rents; however, the Grantor shall not collect more than three months' rent in advance nor shall it renounce to the payment of more than one month's rent. Subject to the provisions of the Inter-Creditor Agreement, such authorization may be revoked by the Agent at any time after the occurrence of an Event of Default (as defined below) that has not been waived, immediately upon notice to the Grantor and the debtor(s) of the Rents in question. In such a case, the Agent shall be at liberty to exercise as it may deem appropriate, to the exclusion of the Grantor, all rights, claims, priorities and legal hypothecs of the Grantor in order to maintain, renew, grant or terminate any lease, and to further protect or collect Rents and revenues from the Immovables.

**4.3 Action to Recover Rents**

The Agent shall have the right, after the occurrence of an Event of Default (as defined below) that has not been waived, to bring an action for recovery of Rents, provided the Agent impleads the Grantor, it being understood that the Agent shall be under no obligation to exercise such right and shall not be liable for any loss or damage which may result from its failure not to collect such Rents.

**5. HYPOTHEC ON SECURITIES - ADDITIONAL PROVISIONS**

After the occurrence of an Event of Default (as defined below) that has not been waived, the Grantor authorizes the Agent to transfer any Securities or any part thereof into its own name or that of its nominee(s) so that the Agent or its nominee(s) may appear as the sole registered owner thereof, in which case:

- (a) all voting rights and any other right attached to the Securities shall be exercised by or on behalf of the Agent; and

- 27 -

(b) the Agent shall be entitled to receive all revenues, dividends and capital distributions and shall be free either to hold them as Charged Property or to apply them in reduction of the Secured Obligations.

The Agent may, in its discretion, give the Grantor a proxy, revocable at any time, authorizing it to exercise all voting rights and any other rights attached to the Securities or any of them.

#### 6. SECURED OBLIGATIONS

The Grantor hereby acknowledges that the obligations of the Grantor towards the Debentureholders under the Debentures are to be secured by the Hypothec. The Grantor acknowledges that the Debentures will constitute titles of indebtedness as such term is used in Article 2692 of the *Civil Code of Quebec* (the "Civil Code"). In this Deed, the term "Secured Obligations" means (i) the due payment of the principal of, and the interest on (including interest on amounts in default), the Debentures and all other moneys from time to time owing under the Debentures or hereunder, and (ii) the performance of all other obligations of the Grantor hereunder.

The Grantor shall be deemed to have once again obligated itself to perform any future obligation forming part of the Secured Obligations in accordance with the provisions of Article 2797 of the Civil Code.

If, following an Event of Default (as defined below), the proceeds of realization of the Charged Property are not sufficient to satisfy all Secured Obligations, the Grantor acknowledges and agrees that the Grantor shall continue to be liable for any remaining Secured Obligations and the Agent shall remain entitled to full payment thereof.

#### 7. REPRESENTATIONS AND WARRANTIES

The Grantor hereby reaffirms and renews the representations and warranties made by it in the Credit Agreement, and hereby represents and warrants the following:

##### 7.1 Head Office

The head office or domicile of the Grantor is located in the Province of Quebec.

##### 7.2 Firm Name

It uses no business or firm name other than the name set out on the first page hereof. \_\_\_\_\_

- 28 -

**7.3 Location of Charged Property**

With the possible exception of some immaterial property located in Ontario, all of the tangible Charged Property, other than Inventory in transit, is located in Quebec.

**8. COVENANTS**

The Grantor hereby covenants and agrees as follows:

**8.1 Documentation and Use of Charged Property**

The Grantor shall:

- (a) not move any tangible property outside Quebec (other than Inventory and the Ontario-located property referred to in Section 7.3), without the prior written consent of the Agent; and
- (b) ensure that its right of ownership in any material Charged Property held by any third party remains opposable to third parties, and, accordingly, that such right is published, if necessary.

**8.2 Insurance**

Subject to the provisions of the Credit Agreement, the Grantor shall give immediate written notice to the Agent and to any insurer of any loss of or damage to the Charged Property and will promptly file proof of loss with the relevant insurers. In the event that the Grantor fails to insure any of the Charged Property in accordance with the Credit Agreement, the Agent may, at its option, obtain such insurance and the Grantor shall reimburse the Agent all amounts expended by the Agent therefor.

**8.3 Notice of Certain Events**

The Grantor shall promptly inform the Agent in writing, upon request, of any security, hypothec, prior claim or security interest created, as well as of any property right retained or assigned, for the purpose of securing Claims and, in each such case, shall provide the Agent, upon request, with satisfactory proof that such security, hypothec, prior claim or security interest has been published in accordance with applicable laws.

**9. EVENT OF DEFAULT: ACCELERATION**

The Grantor shall be in default hereunder upon the failure of the Grantor to (i) duly pay to the Agent or its order, on demand, all moneys from time to time owing under the Debentures, or (ii) following the occurrence of an "Event of Default" as defined in the Credit Agreement that has not been

- 29 -

waived, such failure or occurrence constituting an "Event of Default" hereunder. Upon the occurrence of an Event of Default, the Agent may request the immediate payment of all of the Secured Obligations, and may exercise all of the recourses to which it may be entitled in case of default under law or hereunder, including without limitation its hypothecary rights and those recourses set forth in Article 10.

#### **10. AGENT'S RECOURSES UPON DEFAULT**

The Grantor hereby agrees that upon the occurrence of an Event of Default (as defined herein):

##### **10.1 Surrender**

The Grantor shall, immediately upon receipt of a prior notice within the meaning of the Civil Code, voluntarily surrender the Charged Property to the Agent.

##### **10.2 Completion of Charged Property and Use of Grantor's Premises**

The Agent may use the Charged Property and the Agent may, for that purpose, to the extent that the Agent determines that it may be beneficial or profitable to its realization of the Charged Property, acquire other property. Any expenses incurred by the Agent in connection with the foregoing shall be borne by the Grantor and shall form part of the Secured Obligations. Notwithstanding the foregoing, the Agent shall not be bound to continue to exploit the Grantor's enterprise, to make any productive use of the Charged Property, or to maintain the Charged Property in operating condition.

##### **10.3 Additional Rights**

In order to protect or to realize upon the Charged Property, the Agent shall be free, at the Grantor's expense, to do any or all of the following:

- (a) alienate or dispose of any Charged Property which may be obsolete, may perish or is likely to depreciate rapidly;
- (b) perform any of the Grantor's obligations;
- (c) exercise any right attached to the Charged Property;
- (d) acquire the Charged Property.

The Agent shall not be bound to exercise the same hypothecary rights against all of the Charged Property, and may exercise different rights against different types of Charged Property or even against different elements of the Charged Property which form part of the same universality.

- 30 -

**10.4 Good Faith**

The Agent shall exercise its rights in good faith, in a reasonable manner, taking into account all circumstances, in order to attempt to reduce the obligations of the Grantor to the Agent.

**10.5 Relations with the Grantor and Others**

The Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor, with other parties and with the Charged Property as the Agent may see fit without diminishing the liability of the Grantor and without prejudice to the Agent's rights pursuant to this Deed.

**10.6 No Security by Agent**

The Agent shall not be bound to make an inventory, to take out insurance or to furnish any security of any nature whatsoever.

**10.7 Special Provisions - Sale of Charged Property**

In selling any of the Charged Property, the Agent may conduct sales on the Grantor's premises or elsewhere and shall have the right to use the Grantor's premises without charge for such sales for such time as the Agent may see fit. The Grantor shall, at the request of the Agent, assemble the Charged Property and make same available to the Agent at any place designated by the Agent which, in the opinion of the Agent, is reasonably convenient to the Agent and the Grantor.

**10.8 Special Provisions - Taking in Payment**

If the Agent elects to exercise its right to take in payment and the Grantor requires that the Agent instead sell the Charged Property on which such right is exercised, the Grantor hereby acknowledges that the Agent shall not be bound to abandon its action in taking in payment unless, prior to the expiry of the time period allocated for surrender, the Agent:

- (a) has been granted security satisfactory to it to ensure that the proceeds of sale of the Charged Property will be sufficient to enable the Agent to be paid in full;
- (b) has been reimbursed for all costs and expenses incurred in connection with this Deed, including all fees of consultants and legal counsel; and
- (c) has been advanced the necessary sums for the sale of the Charged Property.

- 31 -

The Grantor further acknowledges that the Agent alone is entitled to select the type of sale it may wish to conduct or have conducted.

**10.9 Sale by the Agent**

Where the Agent sells the Charged Property itself, it shall not be required to obtain any prior valuation by a third party. The Agent may elect to sell the Charged Property with legal warranty given by the Grantor or with a complete or partial exclusion of such warranty.

**10.10 Application of Proceeds**

Subject only to any applicable provisions of the Civil Code which are of public order, all monies collected or received by the Agent pursuant to or in exercise of any right it possesses with respect to Charged Property shall be applied on account of the Secured Obligations in the manner set out in the Credit Agreement and subject to the Inter-Creditor Agreement, all without prejudice to the liability of the Grantor or the rights of the Agent hereunder, and any surplus shall be accounted for as required by law.

**10.11 Protection of Agent**

Notwithstanding any applicable provision of law to the contrary, in the context of any realization of the whole of any part of the Charged Property:

- (a) the Agent may act on the opinion or advice of or information obtained from any advocate, appraiser, evaluator, auditor, engineer, surveyor, broker, auctioneer or other expert, whether obtained by the Agent, the Grantor or otherwise, and the Agent shall not be responsible for any loss whatsoever occasioned by acting or not acting thereon, as the case may be, and it may employ any third party assistance as may be necessary for the performance of its duties and may reasonably and adequately compensate such agents and attorneys for all such information or such legal or other advice or assistance as aforesaid;
- (b) the Agent shall have, as regards any administration by it of the Charged Property and as regards all the powers and discretions vested in it under the terms of this Deed or any applicable provision of law, absolute discretion as to the exercise thereof, whether in respect of the manner, the mode or the time for such exercise, and the Agent shall not be in any way responsible for any loss, costs, damages or inconvenience whatsoever that may result from the exercise or non-exercise thereof, save in the event of its gross or intentional fault;
- (c) the Agent may appoint, designate or employ as its sub-agents any attorneys, bankers, receivers, advocates, agents, officers or other



- 32 -

persons and any national firm of independent chartered accountants of recognized standing in order to act for and in the name of the Agent in any realization of the whole or any part of the Charged Property and such sub-agent:

- (i) shall only be authorized to act under the terms of demands, requests or instructions issued or made by the Agent in respect of any procedure, act, power, right, matter or thing relating to or granted under the terms of its mandate; and
- (ii) may be replaced by any person which the Agent shall have accepted,

it being expressly understood, however, that the Agent shall not be in any way responsible for the misconduct of any such sub-agent so appointed or for any loss whatsoever resulting from such misconduct or any failing of any such sub-agent, save in the event of its gross or intentional fault, and the Agent shall not be bound to supervise the actions of any such sub-agent.

## 11. ISSUE OF DEBENTURES

### 11.1 Principal Amount

The Debentures which may be created and issued under this Deed are limited to a principal amount of THREE HUNDRED MILLION DOLLARS (C\$300,000,000) in lawful money of Canada, and may be created and issued for such amounts and on such terms as the directors of the Grantor may determine.

### 11.2 Form of Debentures

The Debentures shall be substantially in the form set out in Schedule "A" of this Deed.

### 11.3 Payment of Debentures

The Debentures shall bear the date of their issuance and shall be payable at the place indicated therein or at any other place subsequently designated by the Agent. The Debentures shall bear interest from the date of their issuance, both before and after maturity, at the rate of TWENTY-FIVE per cent (25%) per annum. The principal and interest of the Debentures shall be payable on demand, with interest on overdue interest at the aforementioned rate.

### 11.4 Signature

The Debentures may be signed by any officer or director of the Grantor or any other person designated by the directors of the Grantor.

- 33 -

### 11.5 Validity

The execution of the Debentures by the Grantor shall constitute conclusive evidence that the Debentures have been issued hereunder but shall not be construed as a representation or warranty by the Agent as to the validity of this Deed, the security constituted hereby or the Debentures, and the Agent shall in no way be liable for the use made of the Debentures or the proceeds thereof. So long as Debentures are outstanding, the Grantor shall not issue additional debentures without the Agent's prior written consent.

### 11.6 Hypothecation or Assignment

The Debentures may be hypothecated, pledged or assigned by the Grantor as security for any indebtedness or any other obligations, direct or indirect, present or future, of the Grantor or any other person, or may be sold or otherwise alienated. In the event of such hypothecation, pledge or assignment, the extinction of the underlying indebtedness or obligation shall not constitute payment of the Debentures.

### 11.7 Rank

All Debentures shall rank equally and shall be equally and rateably secured by the Hypothec.

### 11.8 Register

The Agent shall cause to be kept at its office located at its address indicated on the first page of this Deed (or at such other address as the Agent may indicate in a notice to the Debentureholders) a register in which shall be entered the name and address of each of the Debentureholders. No transfer of Debentures shall be valid unless made on such register and upon compliance with such reasonable requirements as the Agent may prescribe. The registered holder of a Debenture shall be deemed to be the owner thereof for all purposes of this Deed.

### 11.9 Replacement Certificate

Upon request from a Debentureholder, the Grantor shall issue and deliver a new Debenture certificate in place of a Debenture certificate requiring replacement by reason of such certificate having been lost, mutilated or destroyed or for any other reason.

## 12. THE AGENT

### 12.1 Fondé de pouvoir

The Agent shall hold the Hypothec for the benefit of the Debentureholders and shall act as their agent in the exercise of the rights conferred hereunder. The Agent shall be considered a "fondé

- 34 -

*de pouvoir*" of the Debentureholders within the meaning of Article 2692 of the Civil Code. The Agent may perform any act necessary to the fulfilment of its duties.

#### 12.2 Habendum

The Agent shall have and hold the Hypothec and all rights hereby conferred unto the Agent for the equal benefit and security of all the Debentureholders holding Debentures issued and to be issued hereunder without any preference or priority of any of said Debentures over any others thereof, by reason of priority, at the time of issue or negotiation thereof, or otherwise however, and subject to the conditions, provisions, covenants and stipulations herein expressed.

#### 12.3 Acknowledgement and Waiver

Any person who becomes a Debentureholder shall benefit from the provisions hereof and the appointment of the Agent as agent for the Debentureholders and, upon becoming a Debentureholder, irrevocably authorizes the Agent to perform its functions as described herein. Each holder of a Debenture, by its acceptance thereof (a) acknowledges that the first issue of a Debenture has been or may be purchased from the Grantor by the Agent, by underwriting, purchase, subscription or otherwise and (b) waives any right it may have under Section 32 of the *Act respecting the Special Powers of Legal Persons (Quebec)*.

#### 12.4 Liability of Agent

The Agent shall not be liable for material injuries resulting from its fault, unless such fault is gross or intentional. The Agent shall not be responsible for any loss occasioned by its taking possession of the Charged Property or enforcing the terms of this Deed, nor for any neglect, failure or delay in exercising or enforcing any of its rights and recourses, nor for any act, default or misconduct of any agent, broker, officer, employee or other party acting for or on behalf of the Agent. The Agent shall be accountable only for such monies as it shall actually receive.

#### 12.5 Protection of Persons Dealing with the Agent

No person dealing with the Agent or its representatives shall be concerned to inquire whether the security created under this Deed has become enforceable, or whether the powers which the Agent is purporting to exercise have become exercisable, or whether any money remains due upon the security of this Deed or the Debentures, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the

- 35 -

Agent with the Charged Property pursuant to the terms of any applicable law or this Deed or to see to the application of any money paid to the Agent and, in the absence of fraud on the part of such person, such dealing shall be deemed, so far as regards the safety and protection of such persons, to be within the powers conferred under this Deed and to be valid and effectual accordingly.

**12.6 Possession or Production of Notes Not Required**

All rights of action under this Deed may be enforced by the Agent without the possession of any of the Debentures or the production thereof at the trial or in other proceedings relevant thereto.

**12.7 Exclusive Right to Act**

No Debentureholder may exercise individually any rights conferred on the Agent (unless the Agent is also the sole Debentureholder).

**12.8 Delegation by Agent**

The Agent may delegate the exercise of its rights or the performance of its obligations hereunder to another person, including a Debentureholder. In that event, after obtaining such written assurances regarding the confidentiality thereof as may be required under the Credit Agreement and as the Agent considers reasonably satisfactory, the Agent may furnish that person with any information it may have concerning the Grantor or the Charged Property. The Agent shall not be responsible for damages resulting from such delegation or from any fault committed by such delegate.

**12.9 Agent to Exercise Reasonable Diligence**

The Agent shall only be accountable for reasonable diligence in the exercise of its functions under this Deed and shall only be liable for its own wilful acts and defaults and deliberate or gross faults.

**12.10 Absolute Discretion of Agent**

The Agent, except as otherwise provided in this Deed, the Credit Agreement and the Inter-Creditor Agreement, shall, as regards all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it shall be in no way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

**12.11 No Liability for Title Defects**

The Agent shall not be liable for or by reason of any failure or defect of title to or any priority, prior claim, hypothec, servitude, or other charge upon the Charged Property, or for or by reason of the statements of facts or recitals contained in this Deed or in the Debentures, or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Grantor only, and it shall not be the duty of the Agent, and nothing contained in this Deed shall in any way impose any obligation upon the Agent to insure or keep insured, against loss or damage by fire or otherwise, the Charged Property or any part thereof or to keep itself informed or advised as to the payment by the Grantor of any taxes or assessments or premiums of insurance or other payments which the Grantor should make.

**12.12 Agent as Mandatary**

The Agent is hereby designated as the irrevocable mandatary of the Grantor with full powers of substitution for the purposes of carrying out, upon the occurrence of an Event of Default that has not been waived, any and all acts and executing any and all deeds, proxies or other documents which the Agent may deem useful in order to exercise its rights or which the Grantor neglects or refuses to execute or to carry out, it being expressly understood that such mandate of the Agent or any substitute is not governed by articles 2138 to 2148 of the Civil Code, the Grantor expressly renouncing to the benefit of each and every one of the aforementioned articles.

**12.13 Investment of Charged Property**

Subject to the provisions of the Credit Agreement and the Inter-Creditor Agreement, the Agent shall be free to invest any monies or instruments received or held by it pursuant hereto or to deposit same in a non-interest bearing account without having to comply with any provisions of the Civil Code concerning the investment of the property of others.

**12.14 Compensation and Set-off**

Without limiting any other right of the Agent, whenever Secured Obligations are due and payable or the Agent has the right to declare Secured Obligations to be immediately due and payable (whether or not it has so declared), the Agent may, in its sole discretion, compensate and set off against any Secured Obligations any and all amounts then owed to the Grantor by the Agent or the Lenders in any capacity, whether or not due, and the Agent shall be deemed to have exercised such right to compensate and set off immediately at the time

- 37 -

of making its decision to do so even though any charge therefor is made or entered on the Agent's records subsequent thereto.

**12.15 Extensions**

The Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor, with other parties and with the Charged Property transferred hereby as the Agent may see fit without prejudice to the liability of the Grantor or to the Agent's rights pursuant to this Deed.

**12.16 Recourses Cumulative**

The rights and recourses of the Agent pursuant to this Deed are cumulative and do not exclude any other rights and recourses which the Agent might have. No omission or delay on the part of the Agent in the exercise of any right shall have the effect of operating as a waiver of such right. The partial or sole exercise of a right or power will not prevent the Agent from exercising thereafter any other right or power.

**12.17 Benefit of Deed**

The rights hereby conferred upon the Agent shall benefit all of its successors, including any entity resulting from the merger of the Agent with any other person or persons, and any entity that succeeds the Agent as Agent pursuant to the Credit Agreement.

**13. MISCELLANEOUS**

**13.1 Hypothec Constitutes Additional Security**

The Hypothec is in addition to and not in substitution or replacement for any other hypothec or security held by the Agent.

**13.2 Continuing Security**

The Hypothec shall be a continuing security which shall remain in full force and effect notwithstanding the payment, from time to time, of the whole or of any part of the Secured Obligations, and shall remain in full force until the execution and delivery of a release by the Agent.

**13.3 Severability**

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be of no effect to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or

- 38 -

unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.4 **Amendment**

No term or provision of this Deed may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge or termination is sought.

13.5 **Notice**

Any notice to the Grantor shall be given in accordance with the provisions of the Credit Agreement.

13.6 **Inconsistency**

In the event of any conflict, contradiction or inconsistency between the provisions of this Deed and those of the Credit Agreement, the provisions of the latter shall prevail to the extent of such conflict, contradiction or inconsistency.

13.7 **Governing Law**

This Deed shall be governed by and construed in accordance with the laws of the Province of Quebec.

13.8 **Understanding of Grantor**

The Grantor hereby acknowledges having read this Deed and having received adequate explanations as to the nature and scope of its provisions and as to the obligations deriving therefrom.

13.9 **Language**

The parties acknowledge that they have required that the present Deed, as well as all documents, notices and legal proceedings executed, given or instituted pursuant or relating directly or indirectly hereto, be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de cet acte, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées à la suite de ou relativement à icelui, que ce soit directement ou indirectement.

13.10 **Schedule**

The following is Schedule "A" to this Deed:

|

- 39 -

## SCHEDULE "A"

## DEBENTURE

CANADA  
PROVINCE OF QUEBEC

No.: ●  
CS ●

STADACONA INC., a body corporate governed by the laws of the Province of Quebec (hereinafter called the "Grantor"), for value received, promises to pay, on demand, but subject to the terms and conditions set out in the Credit Agreement (as such term is defined in the Deed of Hypothec hereinafter defined), to Toronto Dominion (Texas), Inc., in its capacity as Agent as defined in the Credit Agreement or to any successor thereto in such capacity (the "Agent") or to its order, at the office of the Agent office currently located at ●, the sum of ● DOLLARS in lawful money of Canada (C\$●), with interest thereon from the date hereof at the rate of TWENTY-FIVE per cent (25%) per annum, both before and after maturity, with interest on overdue interest at the same rate.

This Debenture is (a) issued under and secured by a Deed of Movable and Immovable Hypothec (as amended or replaced from time to time, the "Deed of Hypothec") dated February 24, 2004 executed by the Grantor in favour of the Agent as agent and *fondé de pouvoir* for the Debentureholders (as defined therein), (b) is subject to a debenture pledge agreement executed as of the date hereof by the Grantor in favour of the Agent, as amended or replaced from time to time, and (d) is governed by the laws of the Province of Quebec, and this Debenture is subject to, and its holder is bound by, the provisions of the Deed of Hypothec.

This Debenture may be transferred by the Agent only to a successor agent appointed under and in accordance with the provisions of the Credit Agreement.

IN WITNESS WHEREOF the Grantor has caused this Debenture to be signed by its undersigned representative(s) and to be dated the ● day of ●, 200●.

STADACONA INC.

[signature]

per:

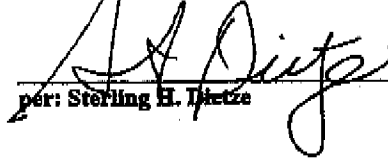


**WHEREOF ACTE:**

**DONE AND PASSED** at Montreal, on the date first hereinabove mentioned and of record in the office of the undersigned Notary under the number FIVE HUNDRED FORTY-TWO (542).

**AND** after the parties declared that it had taken cognizance of these presents and had exempted the said Notary from reading them or causing same to be read, the said duly authorized representatives of the parties have signed in the presence of the undersigned Notary.

**STADAZONA INC.**

  
per: Sterling H. Dietze

**TORONTO DOMINION (TEXAS), INC.**

  
per: Robert D. Campbell

  
Marc Daignault, Notary

True copy of the original remaining in my office

