

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Assignment of a Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
WACHOVIA CAPITAL FINANCE CORPORATION (CANADA)		07/31/2008	CORPORATION: CANADA
RECEIVING PARTY DATA			
Name:	GEOSAM INVESTMENTS LIMITED		
Street Address:	6017 Quinpool Road		
City:	Halifax		
State/Country:	CANADA		
Postal Code:	B3K 5J6		
Entity Type:	CORPORATION: CANADA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3331446	INFINITE LOCK	
Registration Number:	1329613	SHERMAG	
CORRESPONDENCE DATA			
Fax Number:	(514)904-8101		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	514.904.8100		
Email:	ipmtl@osler.com		
Correspondent Name:	OSLER, HOSKIN & HARCOURT LLP		
Address Line 1:	1000 de La Gauchetiere Street West		
Address Line 2:	Suite 2100		
Address Line 4:	Montreal, CANADA H3B 4W5		
ATTORNEY DOCKET NUMBER:	1111416 (SHERMAG)		
DOMESTIC REPRESENTATIVE			
Name:			

OP \$65.00 3331446

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:

Sofia Aguilar

Signature:

/Sofia Aguilar/

Date:

08/04/2008

Total Attachments: 26

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ASSIGNMENT AGREEMENT

ON THIS THIRTY-FIRST (31st) DAY OF JULY TWO THOUSAND AND EIGHT.

BEFORE Mtre Kevin LEONARD, the undersigned Notary for the Province of Québec, practising in the City and District of Montréal.

APPEARED:

WACHOVIA CAPITAL FINANCE CORPORATION (CANADA), a corporation incorporated under the laws of Ontario, having its principal place of business at 141 Adelaide Street West, Suite 1500, Toronto, Ontario, M5H 3L5, herein represented by Wendy Whitcher, duly authorized to act herein as she so declares;

(Hereinafter referred to as the “**Assignor**”)

GEOSAM INVESTMENTS LIMITED, a corporation incorporated under the laws of Nova Scotia, having a place of business at 6017 Quinpool Road, Halifax, province of Nova Scotia, B3K 5J6, herein represented by Etienne Massicotte, duly authorized to act herein as he/she so declares, having registered a notice of its address in the Land Register for the Province of Quebec under the number 6 394 855;

(Hereinafter referred to as the “**Assignee**”)

THE ABOVE-MENTIONED PARTIES, IN CONSIDERATION OF THE ASSIGNMENT BEING THE OBJECT HEREOF, DECLARE THE FOLLOWING:

WHEREAS the Assignor wishes to assign to the Assignee its rights, titles and interests in all of the claims due to the Assignor by Shermag Inc., Jaymar Furniture Corp./Meubles Jaymar Corp. and Scierie Montauban Inc. (collectively, the “**Borrowers**”) resulting from the Loan Agreement dated June 5, 2006 granted by the Assignor to the Borrowers, as amended by a Forbearance Agreement dated May 5, 2008 and by Amendment No.1 to the Forbearance Agreement dated June 3, 2008, both entered into among the Assignor and the Borrowers, and to which intervened Shermag Corp. and Jaymar Sales Corporation (the “**Guarantors**”) and Mégaboïs (1989) Inc. (such entity, together with the Guarantors and the Borrowers, being hereinafter collectively referred to as the “**Shermag Companies**”)(these agreements and any and all other documents regarding same are hereinafter collectively referred to as the “**Credit Agreement**”);

WHEREAS the Shermag Companies sought and obtained an Initial Order under the *Companies' Creditors Arrangement Act* on May 5, 2008 (the “**CCA Proceedings**”) which ordered, *inter alia*, a general stay of proceedings against the Shermag Companies until June 4, 2008 (the “**Stay Termination Date**”);

MINUTE 6222

WHEREAS the Stay Termination Date has been extended to September 8, 2008 by order dated June 4, 2008;

WHEREAS despite the Initial Order, the Assignor has to date continued to finance the Borrowers;

WHEREAS the Shermag Companies have requested that the Superior Court (Commercial Division) of the District of Montreal approve this transaction;

WHEREAS by judgment rendered on July 31, 2008, the Superior Court (Commercial Division) approved this transaction;

WHEREAS the Assignor calculates that the balance of all of the claims owed to it by the Borrowers under the Credit Agreement was, as at July 31, 2008 at 11:59 P.M. (the "**Settlement Date**"), in capital, interest and fees, in the aggregate amount of fifteen million two hundred thirty-seven thousand one hundred and fourteen dollars and fifty-four cents (\$15,237,114.54) (the "**Claim**");

WHEREAS the Assignor is a party to the following blocked account agreements dated June 7, 2006 (collectively, the "**Blocked Account Agreements**");

- (a) Blocked Account Agreement with Shermag Inc. and the Bank of Montreal ("**BMO**");
- (b) Blocked Account Agreement with Jaymar Furniture Corp./ Meubles Jaymar Corp. and BMO; and
- (c) Blocked Account Agreement with and Scierie Montauban Inc. and BMO;

WHEREAS the Claim is guaranteed by the following security (such security as well as all other security or guarantees in favour of the Assignor relating to the reimbursement of the sums due to the Assignor under the Credit Agreement are hereinafter collectively referred to as the "**Security**");

1. With respect to Shermag Inc. ("**Shermag**):

- (a) Hypothec on Universality of Movable and Immovable Assets granted by Shermag in favour of the Assignor on June 7, 2006 (the "**Shermag Hypothec**") charging the universality of all of the movable property, rights and assets of Shermag and the universality of all of the Immovables (*as defined in the Shermag Hypothec*), present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated for a sum of One Hundred Million Dollars \$100,000,000 together with interest thereon at a rate of 25% per annum. The Shermag Hypothec has been registered at the Register of Personal and Movable Real Rights (the "**RPMRR**") on June 7, 2006 under number 06-0324459-0001 and against the immovable properties listed

in Schedule "A" to this agreement at the following land registries:

- i) the land registry of Sherbrooke on June 8, 2006 under number 13 366 471;
 - ii) the land registry of Nicolet (Nicolet 2) on June 8, 2006 under number 13 365 375;
 - iii) the land registry of Shefford on June 8, 2006 under number 13 365 935;
 - iv) the land registry of Compton on June 8, 2006 under number 13 366 553; and
 - v) the land registry of Thetford on June 8, 2006 under number 13 364 518.
- (b) Canadian Term Promissory Note dated June 9, 2006 for \$5,946,791 issued by Shermag in favour of the Assignor;
 - (c) Canadian Term Promissory Note dated August 10, 2006 for \$4,053,209 issued by Shermag in favour of the Assignor;
 - (d) Delivery of share certificates issued by subsidiaries of Shermag listed in Schedule "B" to this agreement;
 - (e) Security Agreement granted by Shermag in favour of the Assignor on June 5, 2006 registered at the PPSA (New Brunswick) on June 2, 2006 under number 13615349 whereby Shermag granted in favour of the Assignor a security interest in all of its present and after acquired personal property ;
 - (f) Debenture granted by Shermag in favour of the Assignor on June 5, 2006 registered at the New Brunswick's land registry under number 22258744 charging parcels 35293695 and 35324615;
 - (g) Pledge Agreement granted by Shermag in favour of the Assignor on June 5, 2006 whereby Shermag pledged in favour of the Assignor a debenture in the principal amount of \$100,000,000 bearing a nominal annual interest rate of 25% as a general and continuing collateral security for the payment of all present and future indebtedness and liability of Shermag to the Assignor however incurred and any ultimate unpaid balance thereof;
 - (h) US General Security Agreement granted by Shermag in favour of the Assignor on June 5, 2006 filed on June 8, 2006 with the DC - District of Columbia and bearing UCC financing statement number 2006075537;

- (i) Trademark Collateral Assignment and Security Agreement granted by Shermag in favour of the Assignor on June 5, 2006 and registered at the U.S. Trademark Office on July 3, 2006 under number 003341/0093;
 - (j) Patent Collateral Assignment and Security Agreement granted by Shermag in favour of the Assignor on June 5, 2006 and registered at the U.S. Patent Office on July 3, 2006 under number 017870/0061;
 - (k) Loss payable endorsements in favour of the Assignor for the insurance policies issued in favour of Shermag by (collectively, the "**Insurance Policies**"):
 - i) Exportation et Développement Canada, policy # CG 1 14921;
 - ii) Lubermen's Underwriting Alliance, policies # 704023 and 703888;
 - iii) Commerce & Industry Insurance Company of Canada , policy #506-37-66;
 - iv) Elliott Risques Spéciaux Limitée, policy # EXM30957
 - v) Zurich Insurance Company, policies # 8831317, AC9952442 and AC9954223
 - vi) The Boiler Inspection & Insurance Company of Canada, policy # 98251013;
 - vii) Royal & Sun Alliance Insurance Company of Canada, policy # CC-7849328/2005 ;
2. With respect to Jaymar Furniture Corp./Meubles Jaymar Corp. ("**Jaymar**"):
 - (a) Hypothec on Universality of Movable and Immovable Assets granted by Jaymar in favour of the Assignor on June 7, 2006 (the "**Jaymar Hypothec**") charging the universality of all of the movable property, rights and assets of Jaymar and the universality of all of the Immovables (*as defined in the Jaymar Hypothec*), present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated for a sum of One Hundred Million Dollars \$100,000,000 together with interest thereon at a rate of 25% per annum. The Jaymar Hypothec has been registered at the RPMRR on June 7, 2006 under number 06-0324459-0003 and against the immovable properties listed in Schedule "C" to this agreement at the land registry of L'Assomption on June 14, 2006 under number 13 384 827.
3. With respect to Scierie Montauban Inc. ("**Montauban**");

(a) Hypothec on Universality of Movable and Immovable Assets granted by Montauban in favour of the Assignor on June 7, 2006 (the "**Montauban Hypothec**") charging the universality of all of the movable property, rights and assets of Montauban and the universality of all of the Immovables (*as defined in the Montauban Hypothec*), present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated for a sum of One Hundred Million Dollars \$100,000,000 together with interest thereon at a rate of 25% per annum. The Montauban Hypothec has been registered at the RPMRR on June 7, 2006 under number 06-0324459-0002 and against the immovable properties listed in Schedule "D" to this agreement at the following land registries:

- i) the land registry of Shawinigan on June 8, 2006 under number 13 365 564; and
- ii) the land registry of Portneuf on June 8, 2006 under number 13 365 002.

4. With respect to Shermag Corp. ("**Shermag US**"):

- (a) US Guarantee granted by Shermag US in favour of the Assignor on June 5, 2006;
- (b) US General Security Agreement by Shermag US in favour of the Assignor on June 5, 2006 filed on June 7, 2006 with the DE - Secretary of State and bearing UCC financing statement number 61933779; and
- (c) Trademark Collateral Assignment and Security Agreement granted by Shermag US in favour of the Assignor on June 5, 2006 and registered at the U.S. Trademark Office on July 3, 2006 under number 003341/0079.

5. With respect to Jaymar Sales Corporation ("**Jaymar US**"):

- (a) US Guarantee granted by Jaymar US in favour of the Assignor on June 5, 2006; and
- (b) US General Security Agreement by Jaymar US in favour of the Assignor on June 5, 2006 filed on June 7, 2006 with the NV - Secretary of State and bearing UCC financing statement number 20060181169.

WHEREAS the Assignee wishes to purchase the Claim from the Assignor along with all the rights and interests of the Assignor in the Security;

WHEREAS the terms and conditions of the transfer of the Claim and the Security by the Assignor to the Assignee are described herein;

THESE FACTS BEING DECLARED, THE PARTIES AGREE AS FOLLOWS:

1. Conditionally upon the payment by the Assignee to the Assignor of the Purchase Price, the Assignor hereby assigns, sells and transfers to the Assignee without any novation whatsoever all its right, title and interest in:
 - (a) the Claim;
 - (b) all of the rights, title and interest of the Assignor in and to the Credit Agreement and the other Financing Agreements (as defined in the Credit Agreement); and
 - (c) all accessories and accessory rights, security, recourses and rights of action pertaining to or relating in any way to the Claim and the Credit Agreement, including without limitation the Security, rights against the Guarantors and all accrued but unpaid interest.

(collectively, the "**Transferred Assets**").
2. Notwithstanding anything herein contained, the present assignment does not cover, and specifically excludes:
 - (a) the right to be indemnified by the Shermag Companies with respect to the BMO L/C (hereinafter defined); and
 - (b) the Assignor's right in the Total L/C Amount (hereinafter defined).
3. The assignment, sale and transfer stated in paragraph 1 above are carried out in consideration of the payment by the Assignee to the Assignor of the full amount of the Claim, being an aggregate amount of fifteen million two hundred thirty-seven thousand one hundred and fourteen dollars and fifty-four cents (\$15,237,114.54) (said amount, together with any interest referred to in paragraph 6 hereof, being collectively referred to as the "**Purchase Price**"), that the Assignee hereby undertakes to pay to the Assignor by wire transfer (the fees of which will be at the sole charge of the Assignee).
4. The present assignment will be effective upon receipt of the Purchase Price by the Assignor.
5. The Assignee will be in default under this agreement, and the present agreement will be null and void for all intent and purposes, under reserve however of the rights and recourses of the Assignor against the Assignee resulting from the default of the Assignee, if payment of the Purchase Price is not received by the Assignor by Tuesday August 5, 2008 at 5:00 PM (EDT).

6. The Assignee acknowledges that if payment of the Purchase Price is not received by the Assignor by Friday August 1, 2008 at 5:00 P.M., a per diem of two thousand eight hundred and thirty-two dollars and seven cents (\$2,832.07), calculated as of August 1, 2008, will form part of the Purchase Price.
7. The Assignee acknowledges that the Assignor intends to cease funding the operation of the Borrowers on the Settlement Date.
8. The present assignment is made without warranty of any nature whatsoever on the part of the Assignor including, without limitation, as to the collectability of the Claim, the validity of the Security, the assignability of the Assignor's rights with respect to the loss payable endorsements under the Insurance Policies and the value of the assets underlying the Security and at the sole risk and peril of the Assignee, except that the Assignor does hereby warrant that it is the beneficial owner of the Transferred Assets, it has not sold, transferred, assigned, charged, encumbered, hypothecated, discharged, cancelled or otherwise divested itself of its right, title and interest in the Transferred Assets or agreed to do any of the foregoing, save and except for any specific discharges the Assignor has given in connection with the disposal of assets by the Borrowers and which are listed and described in Schedule "E" hereto, and it has not assigned or agreed to assign its rank or priority under the Security.
9. Upon receipt of the Purchase Price, the Assignor will:
 - (a) notify BMO and the Borrowers that it is terminating the Blocked Account Agreements; and
 - (b) advise the insurers of the Insurance Policies that it has no further interest in the loss payable endorsements thereunder.
10. The following provisions will apply with respect to the irrevocable letter of credit issued by BMO, at the request of Shermag, in favour of Avalon Risk Management, Inc., for the benefit of the Sureties it represents, in the amount of US \$200,000 and bearing number BMT0139812OS (the "**BMO L/C**"):
 - (a) the Borrowers, by their intervention hereof, agree to pay to the Assignor, as a prepayment of the Shermag Companies' indemnity obligation with respect to the BMO L/C, US\$ 200,000.00 (the "**Total L/C Amount**") that the Assignor is hereby irrevocably authorized to retain from the Borrowers' US funds in the Assignor's bank account with BMO. The Total L/C Amount will be dealt with in the manner hereinafter contemplated;

- (b) the Assignee will use its best effort to obtain a release of the Assignor's obligations under the BMO L/C and hereby undertakes to pay to the Assignor, within two (2) business days following receipt of a notice from the Assignor, any fees and other expenses relating to the BMO L/C charged by BMO to the Assignor after the Settlement Date as well as any fees relating to the BMO L/C charged by the Assignor to the Shermag Companies after the Settlement Date pursuant to the Credit Agreement, said fees being more fully described in Schedule "F" hereto;
 - (c) subject to subparagraph 10(d), the Total L/C Amount will be refunded forthwith to Shermag:
 - i) upon receipt by the Assignor of the original of the BMO L/C prior to the expiry thereof; or
 - ii) upon the written request of Shermag made after the expiry of the BMO L/C;
 - (d) if at any time before any of the events listed in subparagraph 10(c) occur, fees and other expenses relating to the BMO L/C are charged by BMO to the Assignor and/or any drawing is made under the BMO L/C and the Assignor remits or is obliged to remit payment to BMO as a result thereof, the Assignor will have no obligation to refund that portion of the Total L/C Amount corresponding to such fees, other expenses or drawings;
 - (e) the Assignee recognizes and agrees that the Assignor reserves the right to:
 - i) notify BMO that it does not consent to any further extension of the expiration date of the BMO L/C while the Assignor remains liable under the BMO L/C; and
 - ii) call upon BMO to give the appropriate notice of non-renewal of the credit by certified registered mail to the beneficiary of the BMO L/C unless BMO releases the Assignor of its liability relating thereto.
11. Upon receipt of the Purchase Price, the Assignor undertakes to remit to the Borrowers:
- (a) any payment received by the Assignor under the Blocked Account Agreements subsequent to those taken into account in the calculation of the Purchase Price; and
 - (b) any credit balance in the Borrowers' US account with the Assignor minus the Total L/C Amount.

12. The Assignee hereby agrees:
 - (a) to indemnify and hold the Assignor harmless from and against all damages incurred or losses sustained by it, including any reasonable expenses and fees relating thereto, as a direct result of or arising directly out of the obligations of the Assignor to reimburse BMO for any cheque returned unpaid under the Blocked Account Agreements and of the inability of the Assignor, for any reason whatsoever, to collect the full amount of any cheque or similar instrument deposited into the account of the Borrowers and applied by the Assignor to the credit of the Borrowers including, without limitation, as a result of the return of any instrument due to insufficient funds or the making of a stop payment order with respect thereto or the setting aside of any payment as a preference pursuant to any applicable bankruptcy, insolvency or other laws affecting the rights of creditors;
 - (b) to reimburse and pay any such amounts to the Assignor in respect of the obligations under the foregoing paragraph within three (3) days of a demand therefor, provided, however, that the Assignee will not have any such reimbursement obligation if such demand is not made within ninety (90) days of the date hereof.
13. The parties represent to each other that they have full power and authority, and have taken all action necessary, to execute and deliver this agreement and to consummate the transactions contemplated hereby.
14. The Assignee acknowledges that it is familiar with the CCAA Proceedings.
15. The Assignor undertakes towards the Assignee that it will, at the reasonable request and at the expense of the Assignee, sign any necessary or useful documentation in order to give full effect to the present agreement, and in particular for the purposes of registering or filing with the pertinent registers the assignment in favour of the Assignee with regards to the Transferred Assets.
16. For the purposes of giving effect hereto, the Assignor hereby authorizes the Assignee to file one or more financing or continuation statements, and amendments thereto (including, but not limited to, any filings with the United States Patent and Trademark Office or the United States Copyright Office), relative to all or any part of the Security. The Assignor agrees that a carbon, photographic or other reproduction of the present or any financing statement covering the Security or any part thereof shall be sufficient as a financing statement where permitted by law.

17. All notices in connection with this agreement shall be in writing and shall be delivered, mailed by registered or certified mail or transmitted by electronic mail or telecopier (fax). A notice shall be deemed to have been received on the date of the delivery, telecopy (fax) or electronic mail transmission or on the fifth (5th) business day following the date of mailing. The respective addresses for such notices are:

IF TO THE Assignee:

Geosam Investments Limited
6017 Quinpool Road
Halifax (NS) B3K 5J6
Attention: Mr. Michael Krofchick
Fax No: (416) 640-1834

IF TO THE Assignor:

Wachovia Capital Finance Corporation (Canada)
141 Adelaide Street West, Suite 1500
Toronto (ON) M5H 3L5
Attention: Ms. Wendy Whitcher
Fax No.: (514) 395-2094

Any of the foregoing may, at any time, give notice of any change of address to all of the others, and after the giving of such notice, the address specified therein shall be such person's address for the purpose of receiving notices.

18. Each section and each provision of each subsection of the present is independent of and severable from every other. If any part of the present is declared invalid, illegal or unenforceable by a final judgment or award of a competent authority, court or administrative tribunal, then the remaining provisions of the present not affected by such declaration shall remain valid, binding and enforceable.
19. This agreement shall be governed by and interpreted in accordance with the laws of the Province of Québec, Canada.
20. The agreement resulting from any acceptance hereof will be binding upon the parties hereto and their successors, assigns and legal representatives.
21. The parties acknowledge that they have required that this Agreement and all related documents be prepared in English. *Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.*

22. INTERVENTIONS

SHERMAG INC., JAYMAR FURNITURE CORP., SCIERIE MONTAUBAN INC., SHERMAG CORP., JAYMAR SALES CORPORATION AND MÉGABOIS (1989) INC., each one of them being a corporation duly incorporated, having a place of business at 2171 King Street West, Sherbrooke, Québec, J1J 2G1, herein represented by Josée Girard, duly authorized to act herein as she so declares, hereby intervene to the present agreement and acknowledge, consent to and agree:

- 22.1 to the existence and exigibility of the full amount of the Claim and of its calculation;
- 22.2 to the assignment in favour of the Assignee provided herein;
- 22.3 that the Security and the guarantees given by the Guarantors remain in full force and effect in favour of the Assignee;
- 22.4 that we have no claim or cause of action against the Assignor or any of its directors, officers, employees, agents or affiliates;
- 22.5 we have no right of set off, compensation, counter-claim or defense of any kind against any of the outstanding amounts due to Assignor;
- 22.6 to unconditionally, freely, voluntarily and after consultation with counsel, release, waive and forever discharge the Assignor and its respective directors, officers, employees, agents and affiliates from any and all claims, liabilities, obligations, duties, promises or indebtedness of any kind, and from all claims, compensation, offset, causes of action, suits or defenses of any kind whatsoever, which we might otherwise have against the Assignor or any of Assignor's directors, officers, employees, agents and affiliates on account of any condition, act, omission, event, contract, liability, obligation, indebtedness, claim, cause of action, defense, circumstance or matter of any kind whatsoever which, to the best of our knowledge after due inquiry, existed, arose or occurred at any time prior to the date hereof;
- 22.7 to indemnify and hold the Assignor harmless from and against all damages incurred or losses sustained by it, including any reasonable expenses and fees relating thereto, as a direct result of or arising directly out of the obligations of the Assignor to reimburse the BMO for any cheque returned unpaid under the Blocked Account Agreements and of the inability of the Assignor, for any reason whatsoever, to collect the full amount of any cheque or similar instrument deposited into the account of the Borrowers and applied by the Assignor to the credit of the Borrowers including, without limitation, as a result of the return of any instrument due to insufficient funds or the making of a stop payment order with respect thereto or the setting aside of any payment as a preference pursuant to any applicable bankruptcy, insolvency or other laws affecting the rights of

creditors and to reimburse and pay any such amounts to the Assignor within three (3) days of a demand therefor.

22.8 that the Assignor reserves the right to:

- i) notify BMO that it does not consent to any further extension of the expiration date of the BMO L/C while the Assignor remains liable for the L/C Amount; and
- ii) call upon the BMO to give the appropriate notice of non-renewal of the credit by certified registered mail to the beneficiary of the BMO L/C unless BMO releases the Assignor of its liability relating thereto.

22.9 to pay to the Assignor, as a prepayment of the Shermag Companies' indemnity obligation with respect to the BMO L/C, US\$ 200,000.00 that the Assignor is hereby irrevocably authorized to retain from the Borrowers' US funds in the Assignor's bank account with BMO. This amount will be dealt with in the manner set forth in paragraph 10 of the agreement. Without prejudice thereto, the Shermag Companies hereby jointly and severally (solidarily) indemnify and hold harmless the Assignor from any and all liability relating to the BMO L/C.

22.10 that the Assignor intends to cease funding the operation of the Borrowers on the Settlement Date and we hereby waive any entitlement to receive funding and any claims relating thereto;

22.11 that, since the date of execution of the Security, we have not made any change whatsoever to our respective legal name or the respective address of our registered office and our chief executive place of business;

22.12 that we hereby authorize the Assignee to file one or more financing or continuation statements, and amendments thereto (including, but not limited to, any filings with the United States Patent and Trademark Office or the United States Copyright Office), relative to all or any part of the Security. We also agree that a carbon, photographic or other reproduction of the present or any financing statement covering the Security or any part thereof shall be sufficient as a financing statement where permitted by law;

22.13 that Shermag Corp. and Jaymar Sales Corporation do not own any property or assets, movable (personal) or immovable (real), property, corporeal (tangible) or incorporeal (intangible) having a market value in excess of \$20,000 in the aggregate.

23. SCHEDULES

The following are the Schedules to this Assignment Agreement:

SCHEDULE "A"

CIRCONSCRIPTION FONCIERE DE SHERBROOKE

The Shermag Hypothec has been registered against the following immovable properties at the land registry of Sherbrooke on June 8, 2006 under number **13 366 471** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble situé en la ville de Sherbrooke, province de Québec, composé :

1. du lot numéro **UN MILLION CENT TRENTE-SEPT MILLE TROIS CENT UN (1 137 301)** du cadastre du Québec, circonscription foncière de Sherbrooke ; et
2. du lot numéro **UN MILLION CENT TRENTE NEUF MILLE SIX CENT QUATRE-VINGT TREIZE (1 139 693)** desdits cadastres et circonscription foncière.

Le tout avec bâtisses construites, circonstances et dépendances portant le numéro civique 10 rue Farwell, Sherbrooke (Québec). »

« Un immeuble situé en la municipalité du canton de Cookshire-Eaton, province de Québec, connu et désigné comme étant le lot numéro **DEUX MILLION CENT VINGT-NEUF MILLE CENT CINQUANTE-SIX (2 129 156)** du cadastre du Québec, circonscription foncière de Sherbrooke. Le tout avec bâtisses dessus construites, circonstances et dépendances portant le numéro civique 3100, Route 108, canton de Cookshire-Eaton (Québec). »

« Un immeuble situé en la ville de Sherbrooke, province de Québec, connu et désigné comme étant le lot numéro **TROIS MILLION TROIS CENT QUATRE-VINGT SEPT MILLE CENT SOIXANTE-DOUZE (3 387 172)** du cadastre du Québec, circonscription foncière de Sherbrooke. Le tout avec bâtisses dessus construites, circonstances et dépendances, portant le numéro civique 3035 boulevard Industriel, Sherbrooke (Québec). »

CIRCONSCRIPTION FONCIÈRE DE NICOLET (NICOLET 2)

The Shermag Hypothec has been registered against the following immovable properties at the land registry of Nicolet (Nicolet 2) on June 8, 2006 under

number **13 365 375** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble situé en la ville de Bécancour, province de Québec, connu et désigné comme étant le lot numéro **TROIS MILLION DEUX CENT QUATRE-VINGT-QUATORZE MILLE NEUF CENT QUATRE-VINGT-TROIS (3 294 983)** du cadastre du Québec, circonscription foncière de Nicolet (Nicolet 2). Le tout avec bâtisses dessus construites, circonstances et dépendances, portant le numéro civique 7025 rue Chataigniers, circonscription de Sainte- Gertrude, ville de Bécancour (Québec). »

CIRCONSCRIPTION FONCIÈRE DE SHEFFORD

The Shermag Hypothec has been registered against the following immovable property at the land registry of Shefford on June 8, 2006 under number **13 365 935** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble situé à Granby, province de Québec, connu et désigné comme étant le lot numéro **UN MILLION TROIS CENT QUATRE-VINGT DIX-HUIT MILLE CINQ CENT CINQUANTE-TROIS (1 398 553)** du cadastre du Québec, circonscription foncière de Shefford. Le tout avec bâtisses dessus construites, circonstances et dépendances portant le numéro civique 825, boulevard Industriel (Granby), Québec J2J 1A5. »

CIRCONSCRIPTION FONCIÈRE DE COMPTON

The Shermag Hypothec has been registered against the following immovable properties at the land registry of Compton on June 8, 2006 under number **13 366 553** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble situé à la municipalité de Dudswell, province de Québec, connu et désigné comme étant le lot numéro **TRENTE-QUATRE (34), rang trois (Rg. III)** du cadastre officiel du canton de Dudswell, circonscription foncière de Compton. Le tout avec bâtisses construites, circonstances et dépendances portant le numéro civique 10 rue Bishop, Dudswell, province de Québec, J0B 1G0. »

« Un immeuble situé à la municipalité de Dudswell, province de Québec, composé de :

1. Parcel A: Part of the lot number **FIFTEEN K (Pt. 15K)** in the third range (Rg. 3) on the official cadastre for the Township of Dudswell, more specifically described as follows:

Bounded towards the north-east by the Mill Brook (shown on the original plan), towards the south-east and the south-west by the lot 34 and towards the north-west by the Bishop street (shown on the original plan);

Starting at the north-west corner of the lot 34, thence towards the north-east, following the south-east side of Bishop street (shown on the original plan), in a direction of $87^{\circ}46'12''$, a distance of twenty-six meters and twenty-one hundredths (26,21 m); thence towards the south-east, following the south-west side of the Mill Brook (shown on the original plan), in a direction of $171^{\circ}03'46''$, a cord of thirty meters and thirty-five hundredths (30,35 m); thence towards the south-east, following the south-west side of the Mill Brook (shown on the original plan), in a direction of $150^{\circ}33'25''$, a cord of thirteen meters and fifty-four hundredths (13,54 m); thence towards the south-west following the north-west line of lot 34, in a direction of $256^{\circ}59'59''$, a distance of twenty-seven meters and forty-three hundredths (27,43 m); thence towards the north-west, following the north-east line of lot 34, in a direction of $346^{\circ}59'58''$, a distance of forty-eight meters and sixteen hundredths (48,16 m) to the starting point.

Containing a surface area of one thousand one hundred forty-one square meters and five tenths ($1\,141,5\text{ m}^2$),

2. Parcel B: PART OF THE MILL BROOK (SHOWN ON THE ORIGINAL PLAN) more specifically described as follows:

Bounded towards the north-east by a part of lot 15L, towards the south-east and the north-west by the Mill Brook (shown on the original plan) and towards the south-west by a part of lot 15K;

Starting on the north-west corner of the lot 15K, thence towards the south-east, following the south-west side of the Mill Brook (shown on the original plan), in a direction of $171^{\circ}03'46''$, a cord of twenty-three meters and fifty-two hundredths (23,52 m) to the starting point.

From this beginning point, thence towards the north-east, following a direction of $73^{\circ}46'09''$, a distance of six meters and thirty-four hundredths (6,34 m); thence towards the south-east, following the north-east side of the Mill Brook (shown on the original plan), in a direction of $171^{\circ}12'54''$, a cord of two meters and thirty-five hundredths (2,35 m); thence towards the south-east, following the

north-east side of the Mill Brook (shown on the original plan), in a direction of $163^{\circ}11'09''$, a cord of two meters and sixty-seven hundredths (2,67 m); thence towards the south-east, following the north-east side of the Mill Brook (shown on the original plan), in a direction of $150^{\circ}40'35''$, a cord of one meter and eighty-two hundredths (1,82 m); thence towards the south-west, following a direction of $253^{\circ}46'18''$, a distance of seven meters and thirty-four hundredths (7,34 m); thence towards the north-west, following the south-west side of the Mill Brook (shown on the original plan), in a direction of $351^{\circ}03'46''$, a cord of six meters and eighty-three hundredths (6,83 m) to the beginning point.

Containing a surface area of forty-four square meters and six tenths ($44,6 \text{ m}^2$).

3. Parcel C: part of lot number **FIFTEEN L (Pt. 15L)** in the third range (Rg. 3) in the official cadastre for the Township of Dudswell, and more specifically described as follows:

Bounded towards the north-east, south-east and north-west by a part of lot 15L and towards the south-west by the Mill Brook (shown on the original plan);

Starting on the north-west corner of the lot 15K, thence towards the south-east, following the north-east side of the Mill Brook (shown on the original plan), in a direction of $171^{\circ}03'46''$, a cord of twenty-three meters and fifty-two hundredths (23,52 m); thence towards the north-east, following a direction of $73^{\circ}46'09''$, a distance of six meters and thirty-four hundredths (6,34 m) to the point of beginning.

From this beginning point, thence towards the north-east, following a direction of $73^{\circ}45'36''$, a distance of five meters and eighty-eight hundredths (5,88 m); thence towards the south-east, following a direction of $163^{\circ}45'47''$, a distance of six meters and seventy-eight hundredths (6,78 m); thence towards the south-west, following a direction of $253^{\circ}45'51''$, a distance of five meters and seventy-four hundredths (5,74 m); thence towards the north-west, following the north-east side of the Mill Brook (shown on the original plan), in a direction of $330^{\circ}40'35''$, a cord of one meter and eighty-two hundredths (1,82 m); thence towards the north-west, following the north-east side of the Mill Brook (shown on the original plan), in a direction of $343^{\circ}11'09''$, a cord of two meters and sixty-seven hundredths (2,67 m); thence towards the north-east, following the north-east side of the Mill Brook (shown on the original plan), in a direction of $351^{\circ}12'54''$, a cord of two meters and thirty-five hundredths (2,35 m) to the beginning point.

Containing a surface area of forty-one square meters and one tenth ($41,1 \text{ m}^2$),

The whole without any building constructed thereon. »

CIRCONSCRIPTION FONCIÈRE DE THETFORD

The Shermag Hypothec has been registered against the following immovable property at the land registry of Thetford on June 8, 2006 under number **13 364 518** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble situé en la ville de Disraeli, province de Québec composé de :

1. la subdivision numéro **VINGT** du lot originaire numéro **VINGT-NEUF (29-20)** dans le **SIXIÈME** rang (**Rg. VI**) du cadastre officiel du Canton de Garthby, circonscription foncière de Thetford;
2. la subdivision numéro **VINGT ET UN** du lot originaire **NUMÉRO VINGT-NEUF (29-21)** dans le **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
3. la subdivision numéro **VINGT-TROIS** du lot originaire numéro **VINGT-NEUF (29-23)** dans le **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
4. la subdivision numéro **VINGT-QUATRE** du lot originaire numéro **VINGT-NEUF (29-24)** dans **LE SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
5. la subdivision numéro **VINGT-CINQ** du lot originaire numéro **VINGT-NEUF (29-25)** dans le **SIXIÈME** rang (**Rg. VI**) du lot originaire dudit cadastre officiel;
6. la subdivision numéro **VINGT-SIX** du lot originaire numéro **VINGT-NEUF (29-26)** dans le **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
7. la subdivision numéro **VINGT-SEPT** du lot originaire **VINGT-NEUF (29-27)** dans le **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
8. la subdivision numéro **TRENTE-HUIT** du lot originaire **VINGT-NEUF (29-38)** dans le **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
9. la subdivision numéro **TRENTE-NEUF** du lot originaire numéro **VINGT-NEUF (29-39)** dans **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
10. la subdivision numéro **QUATRE-VINGT DEUX** du lot originaire numéro **VINGT-NEUF (29-82)** dans **SIXIÈME** rang (**Rg. VI**) dudit cadastre officiel;
11. une partie de la subdivision numéro **SEPT** du lot originaire numéro **VINGT-NEUF (Ptie 29-7)** dans le **sixième** rang (**Rg. VI**) dudit cadastre officiel, bornée vers le nord par les lots 29-39 et 29-38 et une partie du lot 29-37 où elle mesure quarante-six mètres et cinquante-deux centimètres (46,52 m), vers l'est par le lot 29-82 où

- elle mesure trente-neuf mètres et soixante-cinq centimètres (39,65 m), et vers le sud-ouest par la rue Saint-François (M.A.O.) où elle mesure soixante et un mètres et cinquante et un centimètres (61,51 m), et contenant en superficie neuf cent vingt-deux mètres carrés et deux décimètres carrés (922,2 m²);
12. une partie de la subdivision numéro **QUATORZE** du lot originaire numéro **VINGT-NEUF (Ptie 29-14)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-31 où elle mesure cinq mètres et quatre-vingt-huit centimètres (5,88 m), vers l'est par une partie du lot 29-15 où elle mesure vingt et un mètres et trente-trois centimètres (21,33 m), vers le sud par le lot 29-82 où elle mesure six mètres et cinquante-deux centimètres (6,52 m), et vers l'ouest par le lot 29-82 où elle mesure vingt et un mètres et trente-quatre centimètres (21,34 m), et contenant en superficie cent trente-deux mètres carrés et trois décimètres carrés (132,3 m²);
 13. une partie de la subdivision numéro **QUINZE** du lot originaire numéro **VINGT-NEUF (Ptie 29-15)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-30 où elle mesure quinze mètres et neuf centimètres (15,09 m), vers l'est par une partie du lot 29-16 où elle mesure vingt et un mètres et trente-deux centimètres (21,32 m), vers le sud par le lot 29-82 où elle mesure quinze mètres et neuf centimètres (15,09 m) et vers l'ouest par une partie du lot 29-14 où elle mesure vingt et un mètres et trente-trois centimètres (21,33 m), et contenant en superficie trois cent vingt et un mètres carrés et sept décimètres carrés (321,7 m²);
 14. une partie de la subdivision numéro **SEIZE** du lot originaire numéro **VINGT-NEUF (Ptie 29-16)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-29 où elle mesure trois mètres et quarante-quatre centimètres (3,44 m), vers l'est par une partie du lot 29-16 (étant la rue St-Joseph Est) où elle mesure vingt et un mètres et trente-quatre centimètres (21,34 m), vers le sud par le lot 29-82 où elle mesure deux mètres et soixante-dix-sept centimètres (2,77 m), et vers l'ouest par une partie du lot 29-15 où elle mesure vingt et un mètres et trente-deux centimètres (21,32 m), et contenant en superficie soixante-six mètres carrés et trois décimètres carrés (66,3 m²);
 15. une partie de la subdivision numéro **DIX-SEPT** du lot originaire numéro **VINGT-NEUF (Ptie 29-17)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-28 où elle mesure huit mètres et vingt-quatre centimètres (8,24 m), vers l'est par une partie du lot 29-80 où elle mesure vingt-deux mètres et soixante-dix-neuf centimètres (22,79 m), vers le sud-est par une partie du lot 29-17 où elle mesure cinq mètres et soixante-seize centimètres (5,76 m), vers le sud-est par le lot 29-17 où elle mesure trois mètres et cinquante-quatre centimètres (3,54 m) le long d'un arc ayant un rayon de quinze mètres et vingt-quatre centimètres (15,24 m), et vers l'ouest par une partie du lot 29-17

(étant la rue St-Joseph Est) où elle mesure vingt-cinq mètres et neuf centimètres (25,09 m), et contenant en superficie deux cent quatre mètres carrés et trois décimètres carrés (204,3 m²);

16. une partie de la subdivision numéro **DIX-HUIT** du lot originaire numéro **VINGT-NEUF (Ptie 29-18)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par le lot 29-27 où elle mesure quinze mètres et neuf centimètres (15,09 m), vers l'est par une partie du lot 29-19 où elle mesure trente-quatre mètres et six centimètres (34,06 m), vers le sud-ouest par une partie du lot 29-18 où elle mesure quatre-vingt-cinq centimètres (0,85 m), vers le sud-ouest par une partie du lot 29-18 où elle mesure vingt mètres et quatre-vingt-quatre centimètres (20,84 m) le long d'un arc ayant un rayon de quinze mètres et vingt-quatre centimètres (15,24 m), et vers l'ouest par une partie du lot 29-80 où elle mesure vingt et un mètres et sept centimètres (21,07 m), et contenant en superficie trois cent soixante-cinq mètres carrés et six décimètres carrés (365,6 m²);
17. une partie de la subdivision numéro **DIX-NEUF** du lot originaire numéro **VINGT-NEUF (Ptie 29-19)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par le lot 29-26 où elle mesure quinze mètres et neuf centimètres (15,09 m), vers l'est par le lot 29-20 où elle mesure soixante et un mètres et trente-deux centimètres (61,32 m), vers le sud-est par une partie du lot 29-81 où elle mesure dix mètres et soixante-dix-neuf centimètres (10,79 m), vers le sud-ouest par une partie du lot 29-19 où elle mesure trente-quatre mètres et soixante-neuf centimètres (34,69 m), et vers l'ouest par une partie du lot 29-18 où elle mesure trente-quatre mètres et six centimètres (34,06 m), et contenant en superficie huit cent quatre-vingt-cinq mètres carrés et un décimètre carré (885,1 m²);
18. une partie de la subdivision numéro **VINGT-DEUX** du lot originaire numéro **VINGT-NEUF (Ptie 29-22)** dans le sixième rang (Rg. VI) dudit cadastre officiel, borné vers le nord par la rue Champoux (M.A.O.) où elle mesure onze mètres et trois centimètres (11,03 m), vers l'est par une partie du lot 29-22 où elle mesure quatre-vingt-un mètres et huit centimètres (81,08 m), vers le sud-ouest par une partie du lot 29-81 où elle mesure onze mètres et vingt et un centimètres (11,21 m), et vers l'ouest par les lots 29-21 et 29-23 où elle mesure quatre-vingt-trois mètres et sept centimètres (83,07m), et contenant en superficie neuf cent cinq mètres carrés et six décimètres carrés (905,6 m²);
19. une partie de la subdivision numéro **VINGT-HUIT** du lot originaire numéro **VINGT-NEUF (Ptie 29-28)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par la rue Champoux (M.A.O.) où elle mesure six mètres et quarante-neuf centimètres (6,49 m), vers l'est par une partie du lot 29-80 où elle mesure cinquante-huit mètres et trente-quatre centimètres (58,34 m), vers le sud par une partie du lot 29-17 où elle mesure huit mètres et vingt-quatre centimètres (8,24 m), et vers l'ouest par une partie du lot 29-28 (étant la rue St-Joseph Est) où elle mesure cinquante-huit mètres et trente-six centimètres (58,36 m), et contenant en superficie

quatre cent vingt-neuf mètres carrés et sept décimètres carrés (429,7 m²);

20. une partie de la subdivision numéro **VINGT-NEUF** du lot originaire numéro **VINGT-NEUF (Ptie 29-29)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par le lot 29-29-1 où elle mesure quatre mètres et seize centimètres (4,16 m), vers l'est par une partie du lot 29-29 (étant la rue St-Joseph Est) où elle mesure vingt-deux mètres et treize centimètres (22,13 m), vers le sud par une partie du lot 29-16 où elle mesure trois mètres et quarante-quatre centimètres (3,44 m), et vers l'ouest par une partie du lot 29-30 où elle mesure vingt et un mètres et quatre-vingt-trois centimètres (21,83 m), et contenant en superficie quatre-vingt-trois mètres carrés et quatre décimètres carrés (83,4 m²);
21. une partie de la subdivision numéro **TRENTE** du lot originaire numéro **VINGT-NEUF (Ptie 29-30)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par les lots 29-30-1 et 29-30-2 où elle mesure quinze mètres et douze centimètres (15,12 m), vers l'est par une partie du lot 29-29 où elle mesure vingt et un mètres et quatre-vingt-trois centimètres (21,83 m), vers le sud par une partie du lot 29-15 où elle mesure quinze mètres et neuf centimètres (15,09 m), et vers l'ouest par une partie du lot 29-31 où elle mesure vingt mètres et soixante-dix-neuf centimètres (20,79 m), et contenant en superficie trois cent vingt et un mètres carrés et quatre décimètres carrés (321,4 m²);
22. une partie de la subdivision numéro **TRENTE ET UN** du lot originaire numéro **VINGT-NEUF (Ptie 29-31)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-31 où elle mesure quatorze mètres et vingt centimètres (14,20 m), vers l'est par une partie du lot 29-30 où elle mesure vingt mètres et soixante-dix-neuf centimètres (20,79 m), vers le sud par une partie du lot 29-14 et par le lot 29-82 où elle mesure treize mètres et soixante-douze centimètres (13,72 m), et vers l'ouest par une partie du lot 29-32 où elle mesure dix-neuf mètres et quatre-vingt-un centimètres (19,81 m), et contenant en superficie deux cent quatre-vingt-trois mètres carrés et un décimètre carré (283,1 m²);
23. une partie de la subdivision numéro **TRENTE-DEUX** du lot originaire numéro **VINGT-NEUF (Ptie 29-32)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-32 où elle mesure quinze mètres et seize centimètres (15,16 m), vers l'est par une partie du lot 29-31 où elle mesure dix-neuf mètres et cinquante et un centimètres (19,51 m), vers le sud par le lot 29-82 où elle mesure quinze mètres et trois centimètres (15,03 m), et vers l'ouest par le lot 29-82 où elle mesure dix-neuf mètres et cinquante et un centimètres (19,51 m), et contenant en superficie deux cent quatre-vingt-quatorze mètres carrés et quatre décimètres carrés (294,4 m²);
24. une partie de la subdivision numéro **TRENTE-CINQ** du lot originaire numéro **VINGT-NEUF (Ptie 29-35)** dans le sixième

rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-35 où elle mesure deux mètres et quatre-vingt-sept centimètres (2,87 m), vers l'est par le lot 29-82 où elle mesure trois mètres et cinq centimètres (3,05 m), vers le sud par le lot 29-82 où elle mesure deux mètres et quatre-vingt-sept centimètres (2,87 m), et vers l'ouest par une partie du lot 29-36 où elle mesure trois mètres et cinq centimètres (3,05 m), et contenant en superficie huit mètres carrés et sept décimètres carrés (8,7 m²);

25. une partie de la subdivision numéro **TRENTE-SIX** du lot originaire numéro **VINGT-NEUF (Ptie 29-36)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par une partie du lot 29-36 où elle mesure treize mètres et trente-huit centimètres (13,38 m), vers l'est par une partie du lot 29-35 où elle mesure trois mètres et cinq centimètres (3,05 m), vers le sud par le lot 29-82 où elle mesure treize mètres et quarante centimètres (13,40 m), et vers l'ouest par le lot 29-82 où elle mesure trois mètres et cinq centimètres (3,05 m), et contenant en superficie quarante mètres carrés et huit décimètres carrés (40,8 m²);
26. une partie de la subdivision numéro **TRENTE-SEPT** du lot originaire numéro **VINGT-NEUF (Ptie 29-37)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par la rue Champoux (M.A.O.) où elle mesure quinze mètres et quatre-vingt-cinq centimètres (15,85 m), vers l'est par une partie du lot 29-37 et par le lot 29-82 où elle mesure cinquante-huit mètres et trente-quatre centimètres (58,34 m), vers le sud par une partie du lot 29-7 où elle mesure quinze mètres et quatre-vingt-cinq centimètres (15,85 m), et vers l'ouest par le lot 29-38 où elle mesure cinquante-huit mètres et trente-quatre centimètres (58,34 m), et contenant en superficie neuf cent vingt-quatre mètres carrés et six décimètres carrés (924,6 m²);
27. une partie de la subdivision numéro **QUARANTE** du lot originaire numéro **VINGT-NEUF (Ptie 29-40)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par la rue Champoux (M.A.O.) où elle mesure six mètres et soixante et onze centimètres (6,71 m), vers l'est par le lot 29-39 où elle mesure cinquante-cinq mètres et trente-sept centimètres (55,37 m), vers le sud-ouest par la rue Saint-François (M.A.O.) où elle mesure huit mètres et soixante-quinze centimètres (8,75 m), et vers l'ouest par une partie du lot 29-40 où elle mesure quarante-neuf mètres et soixante-quatorze centimètres (49,74 m), et contenant en superficie trois cent cinquante-deux mètres carrés et quatre décimètres carrés (352,4 m²);
28. une partie de la subdivision numéro **QUATRE-VINGTS** du lot originaire numéro **VINGT-NEUF (Ptie 29-80)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers le nord par la rue Champoux (M.A.O.) où elle mesure dix mètres et six centimètres (10,06 m), vers l'est par le lot 29-27 et une partie du lot 29-18 où elle mesure soixante-dix-neuf mètres et quarante et un centimètres (79,41 m), vers le sud par une partie du lot 29-80 où elle mesure trois mètres et deux centimètres (3,02 m) le long d'un arc ayant un rayon de quinze mètres et vingt-quatre centimètres (15,24 m), vers le sud-

est par une partie du lot 29-80 où elle mesure sept mètres et vingt centimètres (7,20 m), vers l'ouest par une partie des lots 29-17 et 29-28 où elle mesure quatre-vingt-un mètres et treize centimètres (81,13 m), et contenant en superficie huit cent six mètres carrés et un décimètre carré (806,1 m²);

29. une partie de la subdivision numéro **QUATRE-VINGT-UN** du lot originaire numéro **VINGT-NEUF (Ptie 29-81)** dans le sixième rang (Rg. VI) dudit cadastre officiel, bornée vers l'est par une partie du lot 29-81 où elle mesure dix-sept mètres et sept centimètres (17,07), vers le sud-est par la Rivière Saint-François où a été mesurée une corde de soixante-dix-neuf mètres et vingt-huit centimètres (79,28 m) de long, vers le sud-ouest par une partie du lot 29-81 où elle mesure vingt-trois mètres et quatre-vingt-neuf centimètres (23,89 m), vers le nord-ouest par une partie du lot 29-19 et par les lots 29-20 et 29-21 où elle mesure soixante et huit mètres et quatre-vingt-dix-neuf centimètres (68,99 m), et vers le nord-ouest par une partie du lot 29-22 où elle mesure onze mètres et vingt et un centimètres (11,21 m), et contenant en superficie mille deux cent quatre-vingt-un mètres carrés et cinq décimètres carrés (1 281,5 m²). La limite est de la partie de lot 29-81 ci-dessus décrite est située dans le prolongement vers le sud de la limite est de la partie de lot 29-22 ci-dessus décrite.

Avec toutes les bâtisses dessus construites, circonstances et dépendances, et notamment celle portant le numéro civique 510, rue Saint-François, à Disraeli (Québec). »

SCHEDULE "B"

List of the share certificates issued by subsidiaries of Shermag Inc. delivered to the Assignor:

- a) certificate number A-7, representing 3,927,817 Class "A" Shares of Scierie Montauban Inc. ;
- b) certificate number OA-1, representing 1,041,668 Class A Common Shares of Jaymar Furniture Corp.;
- c) certificate number D-5, representing 290,215 Class D Shares of Sofas International S.I. Inc.;
- d) certificate number A-6, representing 1,000 Class A Shares of Sofas International S.I. Inc.;
- e) certificate number A-25, representing 71,120 Class A Shares of Mégaboïs (1989) Inc.;
- f) certificate number B-21, representing 2,016 Class B Shares of Mégaboïs (1989) Inc.;

- g) certificate number 1, representing 100 Common Shares of Shermag Corp.;
- h) certificate number 21, representing 250 Series A Preferred Shares of Shermag Corp.

SCHEDULE "C"

CIRCONSCRIPTION FONCIÈRE DE L'ASSOMPTION

The Jaymar Hypothec has been registered at against the following immovable properties at the land registry of L'Assomption on June 14, 2006 under number **13 384 827** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble connu et désigné comme étant le lot numéro **DEUX MILLION NEUF CENT-QUATORZE MILLE NEUF CENT CINQUANTE-SEPT (2 914 957)**, **DEUX MILLION NEUF CENT QUATORZE MILLE NEUF CENT CINQUANTE-HUIT (2 914 958)** et **DEUX MILLION NEUF CENT QUATORZE MILLE NEUF CENT SOIXANTE ET ONZE (2 914 971)** du cadastre du Québec, circonscription foncière de l'Assomption. Le tout avec bâtisses dessus construites, circonstances et dépendances portant le numéro civique 75 rue Jaymar, ville de Terrebonne, province de Québec, J6W 1M5. »

SCHEDULE "D"

CIRCONSCRIPTION FONCIÈRE DE SHAWINIGAN

The Montauban Hypothec has been registered against the following immovable properties at the land registry of Shawinigan on June 8, 2006 under number **13 365 564** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble connu et désigné comme étant le lot numéro **TRENTE-DEUX (32)**, rang **QUATRE (IV)**, cadastre officiel de la Paroisse de Saint-Élie, circonscription foncière de Shawinigan. Ledit immeuble étant sans bâtisse construite. »

CIRCONSCRIPTION FONCIÈRE DE PORTNEUF

The Montauban Hypothec has been registered against the following immovable properties at the land registry of Portneuf on June 8, 2006 under number **13 365 002** as well as all present and future Buildings and improvements erected thereon or made thereto, appurtenances and accessories thereto, property forming an integral part thereof and property united thereto by accession:

« Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT SOIXANTE-SEPT (767)** du cadastre de Montauban, circonscription foncière de Portneuf.

Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT SOIXANTE-HUIT (768)** du cadastre de Montauban, circonscription foncière de Portneuf.

Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT SOIXANTE-NEUF (769)** du cadastre de Montauban, circonscription foncière de Portneuf.

Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT SOIXANTE ET ONZE (771)** du cadastre de Montauban, circonscription foncière de Portneuf.

Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT SOIXANTE DOUZE (772)** du cadastre de Montauban, circonscription foncière de Portneuf.

Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT SOIXANTE-TREIZE (773)** du cadastre de Montauban, circonscription foncière de Portneuf.

Un immeuble connu et désigné comme étant le lot numéro **SEPT CENT QUATRE-VINGT-SIX (786)** du cadastre de Montauban, circonscription foncière de Portneuf.

Le tout avec bâtisses dessus construites, circonstances et dépendances portant le numéro civique 100 route du Lac Georges, Notre-Dame-de-Montauban, Québec. »

SCHEDULE "E"

- The following share certificates have been released by the Assignor:
 - (a) certificate number BP-3, representing 400 Class B Preferred Shares of Roxton Temple Stuart Ltd.; and
 - (b) certificate number AC-4, representing 66 Class A Common Shares of Roxton Temple Stuart Ltd.

- The Assignor has granted a *mainlevée* pure and simple and consented to the cancellation and release of all hypothecary rights created in its favour under the Shermag Hypothec registered at the Registry Office for the Registration Division of Lévis on June 8, 2006 under number 13 364 939. This *mainlevée* has been registered at the Registry Office for the Registration Division of Lévis under number 15 330 687.

SCHEDULE "F"

L/C Fees to be paid by the Assignee to the Assignor within two (2) business days of notification:

1) BMO Fees charged to Assignor and passed to Shermag:

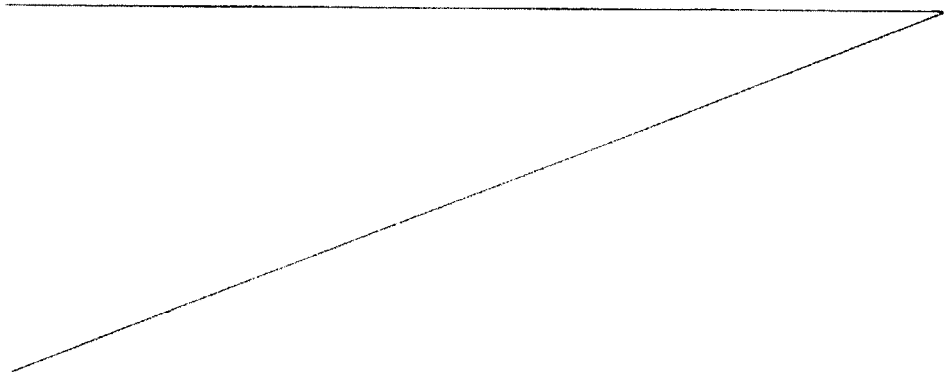
July 24-Oct 24 (92 d)	\$ -	(already charged on July 24)
Oct 24-Jan 24 (92 d)	\$352.88	(\$200,000 USD x 0.7% x 2/365) due Oct 24'08
Jan 24- Apr 24 (90 d)	\$345.21	(\$200,000 USD x 0.7% x 90/365) due Jan 24'09
Apr 24- July 24 (91 d)	\$349.03	(\$200,000 USD x 0.7% x 91/365) due Apr 24'09
	\$1,047.12	

BMO Fees to send cancellation notice to beneficiary on or before May 25, 2009 (60 days before July 24, 2009 anniversary date: \$75.00

2) Assignor Fees while L/C still outstanding:

July'08	\$ -	(in pay-out number)
August'08	\$169.86	(\$200,000 USD x 1% x 31/365)
Sept'08	\$164.38	(\$200,000 USD x 1% x 30/365)
Oct'08	\$169.86	(\$200,000 USD x 1% x 31/365)
Nov'08	\$164.38	(\$200,000 USD x 1% x 30/365)
Dec'08	\$169.86	(\$200,000 USD x 1% x 31/365)
Jan'09	\$169.86	(\$200,000 USD x 1% x 31/365)
Feb'09	\$153.42	(\$200,000 USD x 1% x 28/365)
Mar'09	\$169.86	(\$200,000 USD x 1% x 31/365)
Apr'09	\$164.38	(\$200,000 USD x 1% x 30/365)
May'09	\$169.86	(\$200,000 USD x 1% x 31/365)
Jun'09	\$164.38	(\$200,000 USD x 1% x 30/365)
July'09	\$169.86	(\$200,000 USD x 1% x 31/365)
	\$1,999.96	

Total fees: \$3,122.08

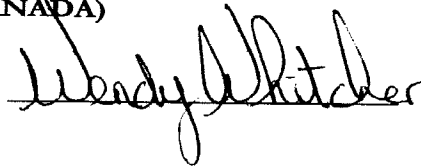


WHEREOF ACTE, done and passed at the City of Montréal, Province of Québec on the day, month and year hereinabove first mentioned and remaining of record in the office of the undersigned Notary under his minute number six thousand two hundred and twenty-two (6222).

AND AFTER DUE READING HEREOF, the parties and the intervenants have signed with and in the presence of the undersigned Notary.

**WACHOVIA CAPITAL
FINANCE CORPORATION
(CANADA)**

Per:



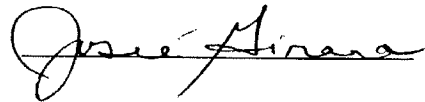
**GEOSAM INVESTMENTS
LIMITED**

Per:



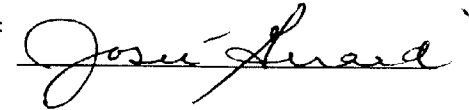
SHERMAG INC.

Per:



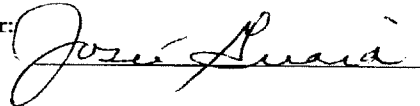
JAYMAR FURNITURE CORP.

Per:



SCIERIE MONTAUBAN INC.

Per:



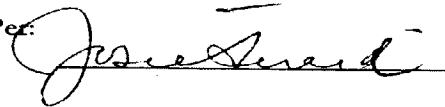
SHERMAG CORP.

Per:



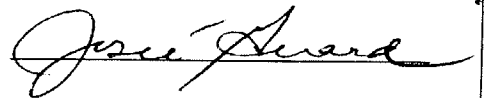
**JAYMAR SALES
CORPORATION**

Per:



MÉGABOIS (1989) INC.

Per:




Kevin LEONARD, Notary

A true copy of the original hereof
remaining of record in my office

