

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Alasko Foods, Inc.		03/05/2013	CORPORATION: QUEBEC
Moov Frozen Foods, Inc.		03/05/2013	CORPORATION: QUEBEC
Alasko Foods, LLC		03/05/2013	LIMITED LIABILITY COMPANY: QUEBEC

RECEIVING PARTY DATA

Name:	PNC Bank Canada Branch
Street Address:	130 King Street West
Internal Address:	The Exchange Tower, Suite 2140, P.O. Box 462
City:	Toronto
State/Country:	CANADA
Postal Code:	M5X 1E4
Entity Type:	COMPANY: ONTARIO

PROPERTY NUMBERS Total: 10

Property Type	Number	Word Mark
Registration Number:	4033784	BE ACTIVE.BE SMART!
Registration Number:	3964145	ALASKO STEAM READY
Registration Number:	3878587	ALASKO
Registration Number:	3878588	ALASKO
Registration Number:	3711306	GO LIFE GO
Registration Number:	3700795	YIPI
Registration Number:	3700796	YIPI FRUIT!
Registration Number:	3700767	FRUIT ROCKS
Serial Number:	85560582	ALASKO
Serial Number:	77683528	MOOV

CORRESPONDENCE DATA

900258516

TRADEMARK
 REEL: 005052 FRAME: 0843

OP \$265.00 4033784

Fax Number: 2158325619
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.
 Phone: 215-569-5619
 Email: pecsenye@blankrome.com
 Correspondent Name: Timothy D. Pecsénye
 Address Line 1: One Logan Square
 Address Line 2: Eighth Floor
 Address Line 4: Philadelphia, PENNSYLVANIA 19103

ATTORNEY DOCKET NUMBER:	074658-13007
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DOMESTIC REPRESENTATIVE

Name:
 Address Line 1:
 Address Line 2:
 Address Line 3:
 Address Line 4:

NAME OF SUBMITTER:	Timothy D. Pecsénye
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Signature:	/Timothy D. Pecsénye/
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Date:	06/20/2013
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Total Attachments: 42
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EXECUTION COPY

DEED OF HYPOTHEC

ON THE FIFTH (5TH) DAY OF MARCH, IN THE YEAR TWO THOUSAND AND THIRTEEN (2013).

BEFORE M^{re} Robert Alain the undersigned Notary for the Province of Quebec, practising in the City of Montreal.

A P P E A R E D :

ALIMENTS ALASKO INC. / ALASKO FOODS INC., a corporation, having its registered office and domicile at 6810 blvd. des Grandes Prairies, Montreal, Quebec, H1P 3P3, herein acting and represented by Bryan Crittenden, its Chief Financial Officer, duly authorized for the purposes hereof in virtue of a resolution adopted at a meeting of the directors held on March 4, 2013, a duly certified copy or duplicate of which remains annexed to the original of this deed after having been acknowledged as true and signed for identification by said representative with and in the presence of the undersigned Notary.

(hereinafter referred to as "Alasko")

A N D :

ALIMENTS CONGELÉS MOOV INC. / MOOV FROZEN FOODS INC., a corporation, having its registered office and domicile at 6810 blvd. des Grandes Prairies, Montreal, Quebec, H1P 3P3, herein acting and represented by Bryan Crittenden, its Chief Financial Officer, duly authorized for the purposes hereof in virtue of a resolution adopted at a meeting of the directors held on March 4, 2013, a duly certified copy or duplicate of which remains annexed to the original of this deed after having been acknowledged as true and signed for identification by said representative with and in the presence of the undersigned Notary.

(hereinafter referred to as "Moov")

A N D :

ALASKO FOODS LLC, a limited liability company, having its registered office and domicile at 6810 blvd. des Grandes Prairies, Montreal, Quebec, H1P 3P3,

herein acting and represented by its sole member Aliments Alasko Inc. / Alasko Foods Inc., itself represented by Bryan Crittenden, its Chief Financial Officer, duly authorized for the purposes hereof in virtue of a resolution adopted at a meeting of the directors held on March 4, 2013, a duly certified copy or duplicate of which remains annexed to the original of this deed after having been acknowledged as true and signed for identification by said representative with and in the presence of the undersigned Notary.

(hereinafter referred to as "Alasko USA")

A N D : PNC BANK CANADA BRANCH (being the name under which PNC BANK, NATIONAL ASSOCIATION carries on business in Canada), having a place of business at The Exchange Tower, 130 King Street West, Suite 2140, P.O. Box 462, Toronto, Ontario M5X 1E4,, herein acting as *fondé de pouvoir* under Article 2692 of the *Civil Code of Quebec* and represented by Wendy Whitcher, its Vice-President, duly authorized as she so declares.

(hereinafter referred to as the "Attorney")

WHICH PARTIES HAVE DECLARED AS FOLLOWS:

WHEREAS the Grantors have entered or will enter into the "Credit Agreement" (as hereinafter defined) with the Attorney and others;

WHEREAS, pursuant to the *Civil Code of Québec*, each of the Grantors wishes to grant a hypothec on the "Charged Property" (as hereinafter defined);

WHEREAS, Article 2692 of the *Civil Code of Québec* permits the granting of a hypothec securing payment of bonds or other titles of indebtedness in favour of the person holding the power of attorney (*fondé de pouvoir*) of all or certain creditors;

WHEREAS, pursuant to the Credit Agreement and herein, the Attorney is designated and appointed as *fondé de pouvoir* with the authority to enter into a deed of hypothec under Article 2692 of the *Civil Code of Québec*;

WHEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 In this Deed:

- 1.1.1 “**Administrator**” shall have the meaning attributed to it in Section 10.3.1;
- 1.1.2 “**Adverse Encumbrance**” means any hypothec, encumbrance, security interest, lien, charge, right or prior claim (other than the Permitted Charges) whether ranking prior to, equal with or after the security hereby created in favour of the Attorney, or any seizure or attachment, which affects the whole or any portion of the Charged Property;
- 1.1.3 “**Attorney**” means PNC Bank Canada Branch, appointed hereunder and in the Credit Agreement as *fondé de pouvoir* for the Bondholders, and hereinacting in its capacity as the person holding the power of attorney (*fondé de pouvoir*) of the Bondholders as contemplated by Article 2692 of the *Civil Code of Québec* and shall include its successors and assigns appointed pursuant to the provisions hereof and under the Credit Agreement;
- 1.1.4 “**Bondholder**” or “**Holder**”, means any person entered as a holder of Bonds in the register maintained for that purpose by the Attorney including, without limitation, as set forth in Section 3.7 hereof;
- 1.1.5 “**Bondholders’ Instrument**” means at any time a document signed by the Bondholders;
- 1.1.6 “**Bonds**” means the bonds which have been or may be issued hereunder and which are outstanding from time to time;
- 1.1.7 “**Buildings**” means all buildings and other constructions now or hereafter erected upon the Immovables;
- 1.1.8 “**Charged Property**” shall have the meaning attributed to it in Section 4.1;
- 1.1.9 “**Civil Code**” means the *Civil Code of Québec*;

- 1.1.10 **"Claims"** means, collectively, all accounts receivable, book accounts, book debts, debts, claims, rentals, revenues, incomes, royalties, loans receivable, demands, rebates and refunds (including, without limitation, the amounts owing by or claimable from the crown, state or government or any departments, agents or agencies thereof) which now are or which may at any time hereafter be due or owing to or owned by a Grantor or in which a Grantor now or hereafter has any other interest and all security interests, hypothecs, assignments, guarantees, bills of exchange, notes, negotiable instruments, contracts, invoices, books of account, letters of credit and other documents and rights now held or owned or which may be hereafter held or owned by a Grantor or any third party on behalf of such Grantor in respect of any of the foregoing and all rights of an unpaid vendor, including rights to merchandise returned, repossessed or recovered;
- 1.1.11 **"Collateral Bonds"** shall have the meaning attributed to it in Section 3.1;
- 1.1.12 **"Credit Agreement"** means the Amended Credit Facility and Security Agreement bearing formal date of March 5, 2013 among Alasko and Moov, each a corporation existing under the laws of Canada and Alasko USA, a corporation incorporated under the laws of the State of Delaware, as borrowers, 7584253 Canada Inc., as guarantor, the Creditors, as lenders and PNC Bank Canada Branch, as lender and issuer, and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof;
- 1.1.13 **"Creditors"** means, collectively, any person which is or becomes a Lender (as defined in the Credit Agreement);
- 1.1.14 **"Documents of Title"** means, collectively, all documents of title, whether negotiable or non-negotiable including, without limitation, all warehouse receipts and bills of lading in which a Grantor now or hereafter has an interest;
- 1.1.15 **"Equipment"** means, collectively, all machinery, equipment, furniture, fixtures, materials, supplies, appliances, dyes, molds, tanks, vehicles, furnaces,

boilers, motors, engines, accessories and tools now owned or hereafter acquired by a Grantor, whether or not the same be affixed to any immovable property or used upon or in connection therewith, together with all present and future improvements, appurtenances and accessories thereto;

1.1.16 **"Event of Default"** means each of the events or circumstances referred to in Section 10.1;

1.1.17 **"Grantor"** means each of Alaska, Moov and Alaska USA, and includes their successors and permitted assigns, and **"Grantors"** means, collectively, all such parties.

1.1.18 **"Hypothec Amount"** means the sum of Sixty Million Canadian Dollars (CDN\$60,000,000);

1.1.19 **"Immovables"** means, collectively, all immovable properties of a Grantor now owned or hereafter acquired including, but not limited to, the immovable properties described in the First Schedule to this Deed and any other property which becomes immovable by effect of law;

1.1.20 **"Insurance"** means, collectively, all insurance policies relating directly or indirectly to any of the Charged Property or any part thereof and all rights and claims under all policies of insurance of whatever nature including, without limitation, under life insurance policies and under insurance against loss or damage;

1.1.21 **"Intangible Property"** means, collectively, all incorporeal property now owned or hereafter acquired by a Grantor or its interest therein, including, without limitation, any property described in the Second Schedule of this Deed under the heading "Scheduled Intellectual Property" and all intellectual property, patents and patents pending, registered and unregistered trade-marks, trade or brand names, trade styles, service marks, copyrights, industrial designs, formulae, processes, trade secrets, goodwill, contractual rights, licences and permits;

1.1.22 **"Interest Rate"** means twenty-five percent (25%) per annum;

- 1.1.23 **"Inventory"** means, collectively, all property in stock and inventory now owned and hereafter acquired by a Grantor including, without limitation, all raw materials, goods in process, finished goods, goods in transit and all packaging and shipping materials and all materials and merchandise procured for the manufacture or production thereof and all goods, wares and merchandise held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of such Grantor;
- 1.1.24 **"Leases"** means, collectively, all present and future leases, offers to lease, sub-leases and other agreements relating to the occupancy, use or enjoyment of the whole or any portion of the Immovables and **"Lease"** means any one of them;
- 1.1.25 **"Monies"** means, collectively, all monies, cash, foreign currencies and credits in which a Grantor now or hereafter has an interest;
- 1.1.26 **"Obligations"** shall have the meaning attributed to it in Section 4.1;
- 1.1.27 **"Other Documents"** has the meaning ascribed thereto in the Credit Agreement;
- 1.1.28 **"Permitted Charges"** means, collectively, the following:
- (a) security presently existing or hereafter created in favour or for the benefit of the Attorney;
 - (b) the security listed in the Second Schedule to this Deed under the heading "Permitted Charges";
 - (c) inchoate or statutory liens for taxes, assessments or governmental charges which have not been assessed and are not delinquent, or if assessed, are being contested in good faith by appropriate proceedings and provided that in any such case, the effect of such proceedings is to stay any enforcement or the Attorney has been provided with security satisfactory to it in an amount sufficient to satisfy such liens;

- (d) minor title defects or irregularities not in the aggregate materially and adversely affecting the use of the property to which they relate;
 - (e) other encumbrances which are, from time to time, expressly permitted in writing by the Attorney;
- 1.1.29 **"Pledged Collateral"** means, collectively, the Securities, the Security Entitlements, the Securities Accounts, future contracts and future accounts of a Grantor, whether or not delivered to or subject to Control of the Creditors;
- 1.1.30 **"Proceeds"** means, collectively, all property in any form derived directly or indirectly from any dealings with any of the Charged Property;
- 1.1.31 **"Records"** means, collectively, all computer programs, firmware and software and all computer and other records, data and all access codes relating to any of the foregoing, whether in hard copy or otherwise, pertaining to any of the Charged Property and the equipment containing same;
- 1.1.32 **"Related Property"** means the following: (a) any indemnity or proceeds of expropriation or reimbursement of all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable in respect of any of the Charged Property as well as any and all interest thereon and penalties imposed in respect thereof now or hereafter payable; and (b) any present and future rights whatsoever attached to the Charged Property, as well as all present and future fruits and revenues thereof;
- 1.1.33 **"Rents"** means any and all present and future rents, income, revenues and/or any other amounts produced by or in respect of the Immovables including, for greater certainty, any and all amounts owing and to become owing by any lessee or other person under any Lease as well as all present and future claims and security therefor and rights to collect and receive same;
- 1.1.34 **"Securities"** means, collectively, all shares, stocks, warrants, bonds, debentures, units, debenture stock,

including, without limitation, those described in the Second Schedule to this Deed, and other securities, Security Entitlements and Securities Accounts in which a Grantor now or hereafter has an interest, including Special Equity Interests and Securities as defined under the STA, as well as any and all certificates, options, rights, or other distributions issued as an addition to, in substitution for, in exchange for or in renewal therefor and any and all other property that may at any time be received or receivable by or otherwise distributed to such Grantor in respect of, or in substitution for, or in addition to, or in exchange for any of the foregoing including, without limitation, all other or additional stock or other securities or property (including cash) paid or distributed in respect of the shares by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar arrangement; and any and all cash, securities and other proceeds of the foregoing and all rights and interests of such Grantor in respect thereof or evidenced thereby;

1.1.35 "Special Equity Interests" means an interest in a partnership or a limited liability company; and

1.1.36 "STA" means *an Act respecting the transfer of securities and the establishment of security entitlements*, R.S.Q. c. T-11.002 as amended from time to time.

1.2 Terms defined in the STA which are not otherwise defined in this Deed are used herein as defined or as understood in the STA, including, without limitation, "Certificated Securities", "Control", "Entitlement Order", "Financial Asset", "Issuer", "Limited Liability Company", "Securities Account", "Securities Intermediary", "Security Entitlement" and "Uncertificated Securities".

1.3 All capitalized terms and expressions used but not defined herein shall have the same meaning as that ascribed to them in the Credit Agreement.

1.4 Any word herein contained in the singular number will include the plural; any word importing any gender will include the masculine, feminine and neuter genders; any word importing a person will include a corporation, a partnership and any other entity and vice-versa. The headings of this Deed are for convenience of reference only

and shall not affect in any manner any of the terms and conditions hereof or the construction or interpretation of this Deed.

- 1.5 All references to dollar amounts, unless expressly otherwise provided, are expressed in terms of the lawful currency of Canada and, if in a currency other than the lawful currency of Canada, shall be converted from such foreign currency to the lawful currency of Canada at the prevailing selling rate at the time of such conversion.

2. **APPOINTMENT OF THE FONDÉ DE POUVOIR**

2.1 **Appointment of the Fondé de Pouvoir**

Each Grantor hereby irrevocably appoints the Attorney as the *fondé de pouvoir* on behalf of the present and future Bondholders.

Without prejudice to such appointment hereunder, pursuant to the Credit Agreement, the Attorney is designated and appointed as the *fondé de pouvoir* of the Bondholders with the authority to enter into a deed of hypothec under Article 2692 of the Civil Code on behalf and for the benefit of the present and future Bondholders.

Any person who becomes a Bondholder shall benefit from the provisions hereof and the appointment of the Attorney as *fondé de pouvoir* for the Bondholders and, upon becoming a Bondholder, irrevocably authorizes the Attorney to perform such function.

Each holder of a Bond, by its acceptance thereof, acknowledges that the first issue of a Bond has been or may be purchased from any Grantor by the Attorney by underwriting, purchase, subscription or otherwise.

2.2 **Acceptance of Appointment**

The Attorney hereby accepts its appointment as *fondé de pouvoir* and agrees to take, receive and hold the rights and hypothec created hereby and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder or by a Bondholders' Instrument, as provided in Section 11.

2.3 **Waiver**

To the extent necessary or useful, the parties hereby waive the application of Section 32 of *An Act Respecting the Special Powers of Legal Persons* (Quebec) and of Articles 1310 and 2147 of the Civil Code.

3. **FORM AND ISSUE OF BONDS**

3.1 **Maximum Amounts**

The aggregate principal amount of Bonds which may be issued and outstanding under and secured by this Deed from time to time is limited to Thirty-Six Million Canadian Dollars (CDN\$36,000,000) and such Bonds shall be designated as "Collateral Bonds".

3.2 **Form of Bonds**

The Bonds and the certificate of the Attorney shall be respectively substantially in the form set forth in the Third Schedule of this Deed, with such omissions, insertions and variations as are required.

3.3 **Characteristics of Bonds:**

The Bonds:

- (a) shall be issued as fully registered Bonds;
- (b) may be issued in any denomination and shall be dated the date of issue;
- (c) shall be payable on demand;
- (d) shall bear interest before and after default, from their date, at the rate of twenty-five percent (25%) per annum calculated half-yearly and not in advance, with interest on all overdue interest calculated at the same rate and in the same manner as the principal thereof, from the due date until the date of payment;
- (e) shall be payable in lawful money of Canada to the registered Holder of the Bonds at the address given to the Attorney from time to time by the Bondholders;
- (f) shall be signed for and on behalf of and in the name of the Grantor by any officer, director or authorized representative of the Grantor;
- (g) shall be certified by the Attorney; and

- (h) shall rank equally and be equally and ratably secured notwithstanding the date of their issuance or the date of their certification by the Attorney.

3.4 Certification of Bonds

The certification by the Attorney of any of the Bonds shall be conclusive evidence that the Bonds so certified have been issued as contemplated hereunder. However, such certification shall not be construed as a representation or warranty by the Attorney as to the validity of the security, of this Deed or of the Bonds and the Attorney shall in no respect be liable or answerable for the use of said Bonds or any of them or the proceeds thereof.

3.5 Pledge of the Bonds

The Bonds may be hypothecated and pledged provided however that any such Bonds shall not be redeemed by reason of the account of a Grantor having ceased to be indebted while the Bonds remain so hypothecated. If any Bond is issued to provide security as aforesaid and is subsequently returned to a Grantor after having served such purpose, such Grantor shall be entitled to reissue in the place and stead of the Bonds so returned other Bonds, the whole under reserve of the provisions of this Deed dealing with the aggregate outstanding principal amount of Bonds which may be issued under the terms hereof.

3.6 Evidence of Ownership

The Grantors and the Attorney may treat the registered holder of any Bonds as the owner thereof without actual production of such Bond for the purpose of any request, requisition, direction, consent, instrument or other document.

3.7 Bonds' Register

At all times while any of the Bonds issued hereunder are outstanding, the Grantors shall cause the Attorney to keep a register at the Attorney's office in which shall be entered the names and addresses of the Holder or Holders of Bonds as well as the names and addresses of the person or persons who have obtained from a registered holder an undivided interest in any such Bond or Bonds and of which the Attorney shall have received written notice from such

registered Holder, as of and from the date of such notice. Failure of any registered Holder to notify the Attorney as aforesaid or failure of the Attorney to inscribe such undivided interest in the register shall not, under any circumstances, deprive such undivided owner of any of its rights.

3.8 Issue of Bonds

Notwithstanding anything to the contrary herein, all Bonds issued hereunder may be held by and registered in the name of the Attorney, in its capacity as agent and custodian for and on behalf of the Creditors. Such register shall prove the ownership of the Bonds. The Bondholders and the Grantors may examine this register during normal business hours on such days as the Attorney's office is required by law to remain open.

3.9 Replacement of Bonds

If a Bond becomes mutilated, lost or destroyed, the Grantors, in their sole discretion, may issue, and the Attorney shall thereupon certify and deliver, a new Bond of like date and tenor in replacement and upon cancellation of the one mutilated, lost or destroyed. The applicant for a new Bond, in case of loss or destruction, shall furnish to the Attorney such evidence of ownership and indemnity and of such loss or destruction as shall be satisfactory to the Attorney and to the Grantors.

3.10 Transfer of Bonds

The Attorney shall, upon surrender to it of any Bond that has been transferred, cause to be entered in the aforesaid Bonds' register the name of the transferees as being registered Bondholder and shall remit such Bonds to the transferees or, as the case may be, upon cancellation of the Bonds surrendered to it, deliver new Bonds in lieu and substitution thereof.

4. HYPOTHEC

4.1 As security for the payment of the Bonds and all sums which may be due to the Attorney or to the Bondholders hereunder (including, without limitation, the remuneration of the Attorney and costs incurred by it in the execution of its duties and powers hereunder) as well as to secure the fulfillment of the obligations of each Grantor hereunder

(collectively, the "**Obligations**"), each Grantor hereby hypothecates and grants a security interest to and in favour of the Attorney to the extent of the Hypothec Amount with interest thereon at the Interest Rate from the date hereof, both before and after maturity, demand, default and judgement, with respect to such Grantor, the following property of such Grantor, wherever situate, and all renewals thereof, accretions thereto, replacements thereof and substitutions therefor, as well as everything united thereto by accession (herein collectively referred to as the "**Charged Property**"):

- 4.1.1 the Immovables;
 - 4.1.2 the Rents;
 - 4.1.3 the Leases;
 - 4.1.4 the Claims;
 - 4.1.5 the Documents of Title;
 - 4.1.6 the Proceeds;
 - 4.1.7 the Records;
 - 4.1.8 the Monies;
 - 4.1.9 the Pledged Collateral;
 - 4.1.10 the Insurance;
 - 4.1.11 the Intangible Property;
 - 4.1.12 the Inventory;
 - 4.1.13 the Equipment;
 - 4.1.14 the Related Property; and
 - 4.1.15 as a universality, all other corporeal and incorporeal movable and immovable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired by such Grantor.
- 4.2 The foregoing charging provision creates an individual hypothec granted by each Grantor in favour of the Attorney against the Charged Property of such Grantor.

4.3 Notwithstanding the hypothecation of the Charged Property provided herein:

4.3.1 subject to Section 9.2, the Attorney authorizes each Grantor to collect its Claims and its Rents as they fall due; and

4.3.2 until such time as the security created hereunder has become enforceable, nothing will prevent a Grantor from selling, disposing of or dealing with any of its Inventory or licensing any of its Intangible Property in the ordinary course of its business, the whole subject to the hypothec of the Attorney on any proceeds resulting from the disposition of any Inventory or licensing of any Intangible Property and on any rights to Inventory which are retained or reacquired at any time by such Grantor.

4.4 Subject to the terms and conditions of this Deed, the hypothec granted hereunder in favour of the Attorney shall not be extinguished, reduced, novated or otherwise affected by reason of any payments which may be made to and/or collected by the Attorney, the Bondholders or the Creditors, directly or indirectly, from any person under any circumstances including:

4.4.1 payments from a Grantor or any other person;

4.4.2 insurance indemnities resulting from loss of, or damage to, the whole or any portion of the Charged Property; or

4.4.3 the collection of any Claims.

4.5 The extinction or reduction of the Obligations for any reason whatsoever shall not in any way extinguish or reduce the hypothec granted hereby and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such hypothec, to the extent not so cancelled, shall subsist with respect to any Obligations thereafter arising from time to time.

Each Grantor shall be deemed to obligate itself again as provided for in Article 2797 of the Civil Code with respect to any future Obligation hereby secured.

4.6 The Attorney shall have and hold the hypothec created hereunder and all rights hereby conferred for the equal benefit and security of all the Bondholders without any

preference or priority of any Bond over any other Bond, by reason of priority at the time of issue or negotiation thereof or otherwise, and subject to the conditions, provisions and stipulations herein expressed.

- 4.7 The hypothec created hereunder shall have effect whether the monies thereby secured are received before or after or at the same time as the issue of any of the Bonds, or before or after, or upon the date of the execution of this Deed. The hypothec created hereunder shall be valid and shall subsist and shall secure all obligations of the Grantors under all Bonds whether issued on or after the date hereof, including any Bonds issued in replacement of any of the Bonds, in whole or in part.

5. **GRANTOR'S UNDERTAKINGS**

5.1 **Alienation**

Each Grantor agrees not to alienate, lease or otherwise dispose of any of the Charged Property outside the ordinary course of business of its enterprise unless the Attorney gives its prior written consent or unless otherwise permitted under the Credit Agreement (each, an "Authorized Transaction").

In the event of any alienation or rental other than an Authorized Transaction, the Grantors (who shall not be relieved of any default resulting from such alienation or rental) shall immediately inform the Attorney of the details of such alienation or rental and shall in particular provide the Attorney with a description of the alienated or leased property and any property acquired in replacement, the name and address of the acquirer or lessee, as well as details concerning the proceeds of such alienation or rental.

5.2 **Transformation**

A Grantor may not, without the Attorney's prior written consent, transform any of the movables forming part of the Charged Property either by incorporating such movables into an immovable or by combining or mixing them with other movables so as to form new property, unless such immovable or new property are themselves subject or made subject to the hypothec hereby granted or unless such transformation is made in the ordinary course of operating an enterprise of such Grantor that is engaged in the business of manufacturing or transforming property or unless

otherwise permitted under the Credit Agreement. In no event, however, may a Grantor transform any such property where such transformation would result in the Attorney's security or rights hereunder, including in particular their rank, being diminished.

In the event of any such transformation, even without the Attorney's authorization, the Grantors (who shall not be relieved of the default resulting from the failure to obtain authorization) shall immediately inform the Attorney of the details of such transformation and shall in particular provide the Attorney with a description of the property thereby affected, the name and address of the owner of the property that may result therefrom and the address where such property is located.

5.3 Notice of Change of Registered/Head Office

A Grantor shall not change the location of its registered head office or domicile except in accordance with the Credit Agreement.

6. ADDITIONAL PROVISIONS WITH RESPECT TO THE HYPOTHEC ON SECURITIES

6.1 Delivery

Each Grantor hereby confirms that its Securities described in the Second Schedule to this Deed shall be delivered to the Creditor, as promptly and reasonably possible, for itself and on behalf of the Lenders, and shall be duly endorsed in blank for transfer, together with any power of attorney, document and confirmation that the Creditor may reasonably require for such purpose.

The Pledged Collateral shall include any substitutions, additions or proceeds arising out of any consolidation, subdivision, reclassification, stock dividend or similar increase or decrease in, or alteration to, the capital of the issuer of the Pledged Collateral (the "Issuer") and any Pledged Collateral acquired subsequent to the date hereof by a Grantor. Each Grantor agrees that upon the issuance or acquisition of additional Pledged Collateral, such additional Pledged Collateral shall, without further action by such Grantor or the Creditor, be automatically encumbered as Pledged Collateral under this Deed and that such Grantor acquiring or issuing such Pledged Collateral will deliver to the Creditor an amendment duly executed by such Grantor,

in substantially the form of Exhibit "A" hereto in respect of such Pledged Collateral together with all certificates or other instruments representing or evidencing the same, together with such other documentation as the Creditor may reasonably request. Each Grantor hereby (x) authorizes the Creditor to attach each such amendment to this Deed, (y) agrees that all such shares of stock, membership interests, partnership units, listed in any such amendment delivered to the Creditor shall for all purposes hereunder constitute Pledged Collateral, and (z) is deemed to have made, upon the delivery of each such amendment, the representations and warranties contained in this Deed with respect to the Charged Property covered thereby.

Each Grantor undertakes to deliver to the Attorney, or to a mutually agreed upon third party, any and all interest in or to any Pledged Collateral at any time forming part of the Charged Property, duly endorsed in blank for transfer, together with any power of attorney, document and confirmation that the Attorney may reasonably require for such purpose.

Each Grantor further undertakes to turn over to the Attorney or to such third party, as soon as such Grantor becomes entitled thereto, the renewals, substitutions and additions to which such Pledged Collateral are subject and the Pledged Collateral and other property received or issued upon the purchase, redemption, conversion, cancellation or any other transformation thereof, along with any income derived and any rights arising therefrom, the same, where applicable, to be duly endorsed in blank for transfer and accompanied by any power of attorney, document and confirmation that the Attorney may reasonably require for such purpose.

If any Pledged Collateral now or hereafter acquired by a Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Attorney thereof and, at the Attorney's request and option, pursuant to an agreement in form and substance satisfactory to the Attorney, either (i) cause the issuer to agree to comply, without further consent of such Grantor or such nominee, at any time with instructions from the Attorney as to such Pledged Collateral, or (ii) arrange for the Attorney to become the registered owner of the Pledged Collateral. If any Pledged Collateral, whether certificated or uncertificated, or other investment property or financial asset (as such term is defined in the STA, or other similar legislation) now owned or hereafter acquired by any Grantor

are held by such Grantor or its nominee through a securities intermediary or commodity intermediary or other intermediary, such Grantor shall promptly notify the Attorney thereof and, at the Attorney's request and option, pursuant to an agreement in form and substance satisfactory to the Attorney, either (i) cause such securities intermediary or (as the case may be) commodity intermediary or other intermediary to agree to comply, in each case without further consent of such Grantor or such nominee, at any time, with entitlement orders or other instructions from the Attorney to such securities intermediary as to such Pledged Collateral or other investment property or financial asset, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Attorney to such commodity intermediary, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Attorney to become the entitlement holder with respect to such financial asset or investment property, with such Grantor being permitted, only with the consent of the Attorney, to exercise rights to withdraw or otherwise deal with such financial asset or investment property. Notwithstanding anything to the contrary contained in this Section 6.1, once the Attorney has made a request in respect of a financial asset or other investment property as provided herein, the Grantors shall take the actions requested by the Attorney in respect of such financial asset or investment property and such arrangements shall remain in place unless and until this Deed has been terminated pursuant to the terms hereof.

The Creditor shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral are accorded treatment substantially equal to that which the Creditor accords its own property, it being understood that the Creditor shall not be responsible for: (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturity, tenders or other matters relating to the Pledged Collateral, whether or not the Creditor has or is deemed to have knowledge of such matters; or taking any necessary steps to preserve rights against any parties with respect to the Pledged Collateral.

6.2 Voting, etc.

Until the occurrence of an Event of Default that is continuing, a Grantor shall be entitled to vote any and all its Pledged Collateral and to give consents, waivers or

ratifications in respect thereof; provided that no vote shall be cast or any consent, waiver or ratification given or any action taken which would violate or be inconsistent with any of the terms of the Credit Agreement or this Deed or any other instrument or agreement or document relating to the Obligations (including any Loan Document) or which would have the effect of materially impairing the position or interests of the Attorney. All such rights of such Grantor to vote and to give consents, waivers and ratifications shall cease upon the occurrence of an Event of Default that is continuing whereupon the Attorney shall be entitled, without limiting its other rights and remedies hereunder, to vote all or any part of the Pledged Collateral whether or not transferred in the Attorney's name and give all consents, waivers and ratifications in respect of the Pledged Collateral and otherwise act with respect thereto as though it were the outright owner thereof.

6.3 Dividends and other Distributions

Until the occurrence of an Event of Default, a Grantor may collect all cash dividends payable in respect of its Pledged Collateral, provided that all cash dividends payable in respect of such Pledged Collateral which are determined by the Attorney, in its absolute discretion, to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital, shall be paid to the Attorney and retained by it as part of the Charged Property. The Attorney shall be entitled to receive directly, and to retain as part of the Charged Property;

- (a) all other or additional stock or Pledged Collateral or property (other than cash) paid or distributed by way of dividend in respect of the Pledged Collateral;
- (b) all other or additional stock or other Pledged Collateral or property (including cash) paid or distributed in respect of the Pledged Collateral by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and
- (c) all other or additional stock or other Pledged Collateral or property which may be paid in respect of the Pledged Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate reorganization or other disposition of Pledged Collateral.

7. **INSURANCE**

- 7.1 As additional security for the payment of the Obligations, each Grantor will insure and keep insured its Charged Property in accordance with the Credit Agreement.

8. **DECLARATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS**

- 8.1 Each of the Grantors hereby makes all declarations, representations, warranties and covenants set forth in the Credit Agreement, *mutatis mutandis*.

- 8.2 Furthermore, each of the Grantors hereby declares, represents, warrants and covenants that as of the date of this Deed and at all times during which this Deed is in effect:

8.2.1 the Grantors will pay and perform their obligations under the Credit Agreement and hereunder without the necessity of demand as and when due and payable or on demand, if on a demand basis, at the office of the Attorney indicated in the appearance of the Attorney to this Deed, or at such other place as may from time to time be designated in writing by the Attorney;

8.2.2 the Grantors will pay all fees and expenses, legal and notarial or otherwise, and costs of publication or registration, incurred by or on behalf of the Attorney in respect of the Credit Agreement, this Deed and all amendments thereto and renewals and discharges thereof, and will pay all appraisal fees relating to the Charged Property as well as all costs, disbursements and expenses in connection with the enforcement of any of the Attorney's rights hereunder or under the Credit Agreement and in connection with the recovery or conservation of the Charged Property, which costs, disbursements and expenses include, without limitation, the following:

- (a) all costs and expenses of maintenance, operation, administration, conservation and/or collection of the Charged Property;
- (b) the usual charges of all independent managers for the maintenance, operation, administration and/or collection of the Charged Property; and
- (c) reasonable compensation for any person or firm engaged, employed or consulted by or on behalf

of the Attorney who acts in connection with the maintenance, operation, administration, conservation and/or collection of any of the Charged Property;

- 8.2.3 each Grantors will maintain its Charged Property in good repair and prevent any use thereof which might diminish the value thereof or the Attorney's hypothec thereon, and from time to time at the request of the Attorney give the Attorney's officers, employees and agents access thereto for the purpose of inspection;
- 8.2.4 each Grantor will pay or cause to be paid as and when due and payable all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable by such Grantor or in respect of any of its Charged Property as well as any and all interest thereon and penalties imposed in respect thereof (collectively the "Taxes") and will make all remittances which it is required to make pursuant to any fiscal legislation applicable to such Grantor;
- 8.2.5 none of the Charged Property is or will be property which is exempt from seizure;
- 8.2.6 except as provided herein, the Grantors will not sell, further hypothecate, encumber or otherwise dispose of any of the Charged Property without the prior written consent of the Attorney, which it may, in its sole unfettered discretion, refuse. In the event that the Attorney consents to the granting of a further hypothec on any of the Charged Property, such consent will be subject to the beneficiary of the hypothec entering into satisfactory arrangements with the Attorney including, without limiting the generality of the foregoing, a provision in such hypothec that upon the sale of any of the Charged Property by or for the account of the Attorney, such property will be sold free and clear of any hypothecs created therein, an undertaking that it will so confirm in writing to the Attorney and any prospective buyer, and an undertaking to grant mainlevée of its hypothec on such property at the time of the sale;
- 8.2.7 each Grantor is and shall be the sole and absolute owner of its Charged Property by good and marketable title free and clear of all Adverse Encumbrances;

- 8.2.8 neither the execution and delivery of this Deed, nor the granting of the hypothec in respect of the Charged Property, constitutes or will constitute a violation or breach of the documents of incorporation or the by-laws of a Grantor or of any provision of any contract or other instrument to which such Grantor is a party or of any provision of law to which such Grantor is or may be subject;
- 8.2.9 the description of the Charged Property listed in the Schedules of this Deed is complete and accurate;
- 8.2.10 the Grantors do not have rights with respect to any registrable intellectual property and do not carry on business under any other trade name other than those listed in the Second Schedule of this Deed;
- 8.2.11 the Grantors will immediately notify the Attorney in the event that any shares or other securities are received by or issued to it on the purchase, redemption, conversion or cancellation or any other transformation of any of the Securities;
- 8.2.12 the Grantors will from time to time prepare and deliver to the Attorney all deeds, documents, vouchers, promissory notes, bills of exchange, notes, negotiable instruments, contracts, invoices, books of account, letters of credit, security agreements, hypothec, assignments, guarantees and other documents and rights relating to any of the Claims; and
- 8.2.13 each Grantor will keep proper books of account in accordance with sound accounting practice and will furnish to the Attorney such financial and other information, statements and reports relating to such Grantor, the enterprise carried on by it and its Charged Property as the Attorney may from time to time require. Each Grantor will permit the Attorney, its officers, employees and authorized representatives free and reasonable access to its premises, the enterprise carried on by it, its Charged Property, its computers, including hardware, software and firmware and the financial and computer and other data, records and reports relating to such Grantor, its enterprise and its Charged Property and allow them to make copies thereof and to take extracts therefrom.

9. **RIGHTS OF THE ATTORNEY**

- 9.1 If the Grantors fail to pay when due any sum payable under this Deed or fail to pay or perform any of their Obligations, whether or not the Attorney has invoked any Event of Default, the Attorney may do so on the Grantors' behalf (but will not be obliged to), without notice to the Grantors, and the Grantors will pay to the Attorney, on demand, all sums so paid by the Attorney together with interest thereon at the highest rate at which the indebtedness under the Credit Agreement bears interest under the Credit Agreement. If, for any reason, the Attorney's security or rights hereunder are diminished, the Attorney may do such things and make such expenditures as are desirable or necessary to preserve its security or rights, without notice to the Grantors in which event the Grantors will pay to the Attorney, on demand, all sums so paid by the Attorney, together with interest thereon at the highest rate at which the indebtedness under the Credit Agreement bears interest under the Credit Agreement, the whole without prejudice to any other recourse of the Attorney hereunder or by law.
- 9.2 The Attorney may, at any time following the occurrence of an Event of Default, withdraw the authorization of the Grantors to collect the Claims and/or Rents as they fall due and, thereafter, the following will apply:
- 9.2.1 the Attorney will be the only party authorized and entitled to collect, dispose of and deal with the Claims and/or Rents;
- 9.2.2 the Attorney will have the right to collect, dispose of and deal with the Claims and/or Rents as it may deem expedient including, without limiting the generality of the foregoing, to demand, sue for, enforce, recover and receive payment of the Claims and/or Rents and to compound, compromise, grant extensions, take and give up securities, accept compositions and grant releases and discharges with respect thereto, the whole without notice to the Grantors and without any liability for any loss resulting therefrom;
- 9.2.3 actions to enforce rights with respect to the Claims and/or Rents may be instituted by the Attorney, at its sole discretion, in its own name, in the name of the applicable Grantor, or in the name of the Attorney and such Grantor jointly; and

- 9.2.4 the Attorney will not be obliged to inform the Grantors of any irregularity in the payment of any of the Claims and/or Rents.
- 9.3 All amounts collected or received by a Grantor in respect of its Claims and/or Rents (whether prior to or after the Attorney has withdrawn the authorization of such Grantor to collect same) will be deemed to have been collected or received by such Grantor as mandatary of the Attorney and will be deposited into such bank accounts as are acceptable from time to time to the Attorney. If at any time the Attorney so declares and at all times after the Attorney has withdrawn the right of such Grantor to collect its Claims and/or Rents, all amounts collected or received by such Grantor in respect thereof will be received by such Grantor in trust for the Attorney and will be remitted to the Attorney in identical form as received.
- 9.4 Upon the occurrence of an Event of Default and whether or not the authorization of a Grantor to collect its Claims and/or Rents has been withdrawn:
- 9.4.1 the Attorney shall be entitled to cancel, accept surrender of, modify, make or renew any Leases at such rentals for such periods and upon such terms and conditions as the Attorney, in its sole discretion, deems appropriate without any liability or responsibility of any nature whatsoever on the part of the Attorney to such Grantor or otherwise;
- 9.4.2 the Attorney shall be entitled to give good and sufficient discharge for all Rents and/or Claims collected by the Attorney, but the Attorney shall not be liable for any loss or damage resulting from non-collection thereof, any irregularity in the payment thereof or any failure to inform such Grantor of such non-collection or irregularity;
- 9.4.3 the Attorney shall be entitled to deduct from any Rents received by the Attorney, the percentage thereof usually charged by independent property managers for collection of rentals and the balance of the Rents so received shall be received and held by the Attorney in a separate account to be applied by the Attorney for any of the following purposes, namely:

- (a) the maintenance, operation and administration of the Immovables, the amount charged against such maintenance, operation or administration to include the usual charges of independent property managers for such services as well as reasonable compensation for any professional or agent engaged by the Attorney for the maintenance, operation and administration of the Immovables and/or collection of the Rents; and
- (b) the payment or reduction of the whole or any portion of the Obligations, whether principal, interest or any compound interest thereon, as the Attorney, in its sole discretion, deems appropriate, the whole whether or not an Event of Default shall have then occurred.

9.5 The Attorney shall have the right to enforce in its name as Attorney hereunder the hypothec and other rights created herein.

9.6 Where any of the Claims are subject to the provisions of the *Financial Administration Act (Canada)*, the Grantors hereby sell, assign and transfer the same absolutely to the Attorney so that, upon a withdrawal of authorization as referred to in Section 9.2 hereof, the Attorney shall be free to complete the formalities required to make such assignment fully enforceable.

10. **DEFAULTS AND RECOURSES**

10.1 Each Grantor shall be in default in each and every one of the following events:

10.1.1 upon the occurrence of an Event of Default as defined in the Credit Agreement;

10.1.2 if the Grantors fail to pay, when due, any amounts owing under the Bond;

10.1.3 if any or all other Obligations are not paid or performed when due;

10.1.4 if any one of the declarations, representations or warranties made in Section 8 prove to have been erroneous or inaccurate in any material respect at the time it was made or deemed to have been made; or

10.1.5 if a Grantor does not fulfill any one of its covenants hereunder.

10.2 Upon a Grantor's default under Section 10.1 hereof, the Attorney may exercise the remedies and recourses available to it under applicable law and realize on its hypothec, namely by enforcing the hypothecary rights provided for in the Civil Code and hereunder and, at the option of the Attorney, the Grantors will lose the benefit of any term for payment granted and all obligations of the Grantors under the Bonds and hereunder will become immediately due and payable and the Grantors will, without the necessity of demand or notice (other than as may be strictly required by law) immediately pay and fulfill such obligations of the Grantors, failing which, in addition to all hypothecary rights and other remedies and recourses presently or in the future available under law:

10.2.1 the Attorney may immediately take proceedings for the execution of all or any portion of the Obligations; and

10.2.2 upon demand by the Attorney, the Grantors will surrender and abandon the Charged Property, or the part thereof specified by the Attorney, to the Attorney or such person as may be designated by the Attorney, or will consent in writing to turn such property over to the Attorney or such person as may be designated by the Attorney at the time and place specified by the Attorney.

10.3 Administration after Surrender

In the event that the Attorney obtains the surrender of the whole or any portion of the Charged Property and until such time as such Charged Property is restored to the applicable Grantor or, as regards any portion thereof, the Attorney has concluded a recourse by way of taking in payment, sale by the Attorney, sale under judicial authority or otherwise, or in the event that the Attorney collects any Rents and/or Claims, then, notwithstanding any provision of law to the contrary which may apply as a result of the Attorney having acquired or being deemed to have acquired simple, full or any other administration of the whole or any portion of the Charged Property:

10.3.1 the Attorney will be entitled to delegate the whole or any part of the administration of any Charged

Property (including without limitation, the exercise of all discretionary powers) to such person(s) as the Attorney may designate or re-designate in the Attorney's sole discretion (any such person being herein referred to as an "Administrator");

- 10.3.2 the Attorney and any Administrator will be entitled to reimbursement of all costs and expenses (including, without limitation, all costs, expenses and reasonable fees incurred by any attorneys or other persons engaged by the Attorney or the Administrator in order to assist in such administration or any matter pertaining thereto), as well as all reasonable fees of the Attorney and the Administrator incurred in such administration, all of which may be charged by the Attorney against any fruits, revenues or proceeds of alienation of the whole or any portion of the Charged Property;
- 10.3.3 the Attorney or the Administrator shall be entitled, under any circumstances (even if they have only simple administration of such Charged Property) and in such manner as the Attorney or the Administrator deems, in its sole discretion, appropriate, to alienate such Charged Property by onerous title;
- 10.3.4 the Attorney will be entitled to acquire the whole or any portion of any Charged Property alienated by onerous title in the course of any administration thereof;
- 10.3.5 in the event that the Attorney or the Administrator acquires full administration of any Charged Property, neither the Attorney nor the Administrator will be under any obligation whatsoever to make such Charged Property productive, increase such Charged Property or the value thereof or appropriate such Charged Property to any purpose other than fulfillment of the Obligations;
- 10.3.6 the Attorney and the Administrator will be entitled to use for their own benefits any information which either of them may obtain by reason of their administration of the whole or any portion of the Charged Property;
- 10.3.7 the Attorney and the Administrator will be entitled, whether or not for value, to renounce to any right

affecting, benefiting, pertaining to and/or forming part of any Charged Property administered by either of them;

10.3.8 neither the Attorney nor the Administrator will be obliged, in any manner whatsoever, to prepare any inventory of any Charged Property, insure any Charged Property or give any security for any Charged Property or their administration thereof. Should the Attorney or the Administrator, in its sole discretion, insure the whole or any portion of any Charged Property, the costs and expenses of any insurance shall form part of the costs and expenses referred to in subparagraph 10.3.2 hereof;

10.3.9 the Attorney and the Administrator may change the destination of the whole or any portion of any Charged Property under their administration and will not be bound to continue the use or operation of any Charged Property under their administration which produces fruits or revenues; and

10.3.10 notwithstanding any provisions of law to the contrary, the Attorney and the Administrator will only be obliged to render an account to the applicable Grantor upon the written request of such Grantor and once the Attorney or Administrator has determined, to its satisfaction, the details of such account.

10.4 Taking in Payment

In the event that the Attorney exercises its right to become the absolute owner of the Charged Property or any part thereof, the Grantors, concurrently with the surrender or at any time thereafter at the request of the Attorney, will sign a voluntary deed or agreement providing for the Attorney to take in payment the Charged Property or any part thereof. In the event that a Grantor requires the Attorney to sell any such Charged Property, the Grantors acknowledge that the Attorney will not be required to abandon its recourse of taking in payment unless, before the expiration of the delay to surrender, the Attorney: (i) shall have been furnished with security guaranteeing that the Charged Property in question will be sold at a sufficiently high price for the Attorney to be paid the amounts secured hereunder in full; (ii) shall have been reimbursed the costs it has incurred; and (iii) shall have

been advanced all amounts necessary for the sale of the Charged Property in question.

10.5 All expenditures and improvements made by any holder of the Charged Property and all payments made on account of the Obligations and the accessories thereof will belong to the Attorney. The Attorney will not be obliged to compensate or indemnify any Grantor or any other person for any cause whatsoever.

10.6 Sale of Charged Property

In the event that the Attorney exercises its right to sell the whole or any portion of the Charged Property by judicial authority or pursuant to a sale by the Attorney, the following will apply:

10.6.1 such Charged Property may be sold subject to and upon such terms and conditions (including, without limitation, terms extending credit) by way of one (1) or more sales by private agreement, call for tenders or auction or combinations thereof as the Attorney or the Administrator sees fit and the Attorney or the Administrator may, at any time, change or substitute any method of sale for any other method of sale of such Charged Property;

10.6.2 notwithstanding any provision of law to the contrary, in any call for tenders, the Attorney or Administrator will not be obliged to accept the highest offer or any offer and, in the event that no offer is accepted, may proceed to sell such Charged Property by any other method;

10.6.3 the Grantors expressly agree that the Attorney will not be required to obtain or present to the Court any appraisals of such Charged Property and that such Charged Property may be sold without any upset price therefor; and

10.6.4 the Attorney may purchase all or any portion of the Charged Property and the Attorney is hereby expressly permitted to retain the purchase price of same, up to the amount of the Obligations.

10.7 Remedies relating to Pledged Collateral

Upon the occurrence of an Event of Default and if permitted and not otherwise prohibited under the Civil Code, the

Attorney may sell the Pledged Collateral which is or of a type dealt in or traded on securities exchanges or financial markets or otherwise dispose of it without having to give a prior notice, obtain their surrender or observe the time limits prescribed by the Civil Code.

10.8 Remedies relating to intellectual property

For the purpose of enabling the Attorney to exercise rights and remedies under this Section (including, without limiting the terms of this Section, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of the Charged Property) at such time as the Attorney shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Attorney, for its benefit, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense any intellectual property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

10.9 Furthermore, upon the occurrence of an Event of Default, each Grantor hereby irrevocably constitutes and appoints the Attorney as the mandatary of such Grantor with power of substitution in the name of such Grantor to execute and deliver all such agreements, documents and instruments as the Attorney, in its sole discretion, considers necessary or desirable, including without limitation to execute and file or register with the Canadian Intellectual Property Office any and all documents required to transfer title in and to any of the intellectual property in the name of such Grantor or to take any step appropriate for the preservation or protection of any of the intellectual property for the benefit of the Attorney.

11. POWERS OF BONDHOLDERS

11.1 Subject to the provisions of the Credit Agreement, the Bondholders either directly or through an authorized agent or mandatary, when authorized by a Bondholders' Instrument, may exercise in a manner not inconsistent with the Credit Agreement any one or more of the following powers:

- 11.1.1 power to agree to any modification, abrogation, compromise or arrangement of the rights of the Bondholders and/or the Attorney against a Grantor or against its undertaking, property and assets or any part thereof, whether such rights arise under this Deed or the Bonds or otherwise, provided however that the Attorney may decline to agree, in its sole discretion, to any modification, abrogation, alteration, compromise or arrangement which would adversely affect its rights;
- 11.1.2 power to direct or authorize the Attorney to exercise any power, right, remedy, recourse or authority given to it by this Deed in any manner specified by the Bondholders or to refrain from exercising any such power, right, remedy, recourse or authority;
- 11.1.3 power to waive and to direct the Attorney to waive any default on the part of a Grantor to comply with any provision of this Deed or the Bonds either unconditionally or upon any conditions specified by the Bondholders, whether or not the security under this Deed shall have become enforceable by reason of such default;
- 11.1.4 power to authorize a Grantor to sell or otherwise dispose of all or part of the Charged Property and to instruct the Attorney to release the same free from the hypothec created under this Deed, all upon such terms and conditions as may be specified by the Bondholders;
- 11.1.5 assent to any compromise or arrangement with any creditor or creditors of a Grantor;
- 11.1.6 assent to any modification of or addition to the provisions of this Deed in a manner not inconsistent with the Credit Agreement;
- 11.1.7 grant any approval or consent herein provided to be given by the Bondholders or make any determination herein provided to be made by the Bondholders;
- 11.1.8 sanction any scheme of reorganization, consolidation, merger or amalgamation of a Grantor on such terms as may be specified by the Bondholders; and

11.1.9 sign such other deeds, instruments or take such other action or refrain from taking any action as may be specified by the Bondholders.

12. POWER OF ATTORNEY

12.1 Each of the Grantors hereby absolutely and irrevocably constitutes and appoints the Attorney as such Grantor's true and lawful agent and attorney-in-fact, with full power of substitution, in the name of such Grantor upon the occurrence of an Event of Default:

12.1.1 to execute and do all such assurances, acts and things which such Grantor ought to do but has failed to do under the covenants and provisions contained in this Deed;

12.1.2 to take any and all such action as the Attorney or any of its sub-agents, nominees or attorneys may, in its or their sole and absolute discretion, reasonably determine as necessary or advisable for the purpose of maintaining, preserving or protecting the security constituted by this Deed or any of the rights, remedies, powers or privileges of the Attorney under this Deed; and

12.1.3 generally, in the name of such Grantor, to exercise all or any of the powers, authorities, and discretions conferred on or reserved to the Attorney by or pursuant to this Deed, and (without prejudice to the generality of any of the foregoing) to seal and deliver or otherwise perfect any deed, assurance, agreement, instrument or act as the Attorney may deem proper in or for the purpose of exercising any of such powers, authorities or discretions. Each Grantor hereby ratifies and confirms, and hereby agrees to ratify and confirm, whatever lawful acts the Attorney or any of the Attorney's sub-agents or attorneys shall do or purport to do in the exercise of the power of attorney granted to the Attorney pursuant to this Section 12, which power of attorney, being given for security, is irrevocable.

13. GENERAL PROVISIONS

13.1 The security created hereunder is in addition to and not in substitution for nor deemed to be substituted by any other security now or hereafter held by or for the benefit of the

Attorney or the Creditors and shall not be diminished or novated or otherwise affected by any other security or any promissory note or other evidence of indebtedness which the Attorney or the Creditors or any party for the benefit of the Attorney or the Creditors may have or obtain from a Grantor or any other person, nor shall any other security or note or evidence of indebtedness be diminished or novated or otherwise affected hereby.

- 13.2 The security hereby granted will remain in full force and effect for the full Hypothec Amount until such time as an express written discharge is executed by the Attorney and delivered to the applicable Grantor.
- 13.3 Any sum collected by the Attorney in the exercise of its rights may be held by the Attorney as Charged Property or may be applied to the payment of the Obligations, whether or not yet due. The Attorney shall have discretion as to how any such collected sum shall be applied.
- 13.4 The Attorney shall not be bound to exercise its rights resulting from this Deed and shall not be responsible for the non-exercise of such rights.
- 13.5 No delay or failure on the part of the Attorney in exercising any right or remedy hereunder shall affect such right or remedy, nor shall any single or partial exercise hereof preclude any further exercise thereof or the exercise of any other right or remedy. Any waiver by the Attorney of any of its rights or remedies hereunder will be valid only if express and in writing. In no event will the Attorney's acceptance, after the full payment or performance of the Obligations may have become due and payable, of any partial payment or performance, be deemed to alter or affect the Attorney's rights with respect to any subsequent payment or default thereon. Moreover, should the Attorney grant or tolerate any extension or delay for payment or performance of any obligations of a Grantor, such extension, delay, indulgence or tolerance will not be deemed an acquiescence by the Attorney in such default or waiver of any of the Attorney's rights and remedies hereunder or in respect of any future default.

The different recourses of the Attorney hereunder are cumulative and not alternative. The rights and remedies of the Attorney hereunder are in addition to every other right and remedy now or hereafter existing in favour of the Attorney, whether by law or otherwise.

- 13.6 The Attorney may delegate to another person the exercise of its rights or the performance of its obligations resulting under this Deed. In such a case, the Attorney may provide that person with any information it may have concerning the Grantors or the Charged Property.
- 13.7 This Deed shall bind each Grantor and its successors and assigns towards the Attorney and towards any successor or assign of the Attorney.
- 13.8 Any notice, request or other communication hereunder to any party hereto in connection with this Deed shall be well and sufficiently given if given in accordance with the notice provisions of the Credit Agreement.
- 13.9 In the event of any inconsistency between the terms of this Deed and the Credit Agreement with respect to any matter specifically dealt with both herein and therein, the provisions of the Credit Agreement will govern, unless as a result thereof the hypothec created herein or any of the hypothecary remedies of the Attorney hereunder would be in any way diminished or invalidated, in which case the provisions of this Deed shall prevail.
- 13.10 This Deed shall be governed by and interpreted in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable in the Province of Quebec. Without prejudice to the rights of the Attorney, each Grantor expressly submits and consents to the exclusive jurisdiction of the Courts of the Province of Quebec, with respect to any controversy arising out of or relating to this Deed, or any supplement hereto or to any transaction in connection therewith.
- 13.11 The hypothec granted herein shall be governed by the laws of the Province of Quebec and the federal laws of Canada applicable in the Province of Quebec and the Attorney shall have all hypothecary rights and recourses provided for in the Civil Code. In addition to the rights and recourses of the Attorney provided hereunder, in the event the security interest created under Section 4 is registered in another jurisdiction, the Attorney may also exercise all rights and remedies of a secured party under the laws in effect in such jurisdiction.
- 13.12 The parties acknowledge that they have required that this Deed and the Bonds and all related documents be prepared in English. *Les parties reconnaissent avoir exigé que le*

*présent Acte d'hypothèque et tous les documents connexes
soient rédigés en anglais.*

14. **SCHEDULE**

14.1 **First Schedule to the Deed**

DESCRIPTION OF IMMOVABLES

The Immovables is/are the following :

Nil.

14.2 **Second Schedule to the Deed:**

I. **Securities**

Holder	Issuer	Number and type of shares
Alasko	Moov	500 Class "A"
Alasko	Alasko USA	All issued and outstanding shares

II. **Scheduled Intellectual Property**

(i) Trade-Marks

Trade-mark	Jurisdiction	Registration / Application No.	Owner
...ALWAYS IN SEASON	Canada	TMA 727,562	Alasko
ALASKO & DESIGN	Canada	TMA 430,499	Alasko
ALASKO (LOGO DESIGN STYLIZED)	Canada	TMA 771,124	Alasko
ALASKO	Canada	TMA 771,128	Alasko
YIPI	Canada	TMA 741,443	Alasko
YIPI FRUITI	Canada	TMA 741,446	Alasko
GO LIFE GO	Canada	TMA 741,444	Alasko

ARDO	Canada	TMA 680,931	Alasko
BUON GUSTO	Canada	TMA 388,831	Alasko
BUON GUSTO & DESIGN	Canada	TMA 512,457	Alasko
FRUIT ROCKS	Canada	TMA 741,442	Alasko
MAPLERIDGE & DESIGN	Canada	TMA 733,200	Alasko
ALASKO STEAM READY	Canada	TMA 787,142	Alasko
BE ACTIVE, BE SMART!	Canada	TMA 798,795	Alasko
SOYEZ ACTIFS, SOYEZ VIFS!	Canada	TMA 798,798	Alasko
GO LA VIE GO	Canada	TMA 741,445	Alasko
ALASKO (HEART DESIGN)	Canada	1,566,201	Alasko
MOOV	Canada	TMA 805,501	Moov
BE ACTIVE. BE SMART!	United States	4,033,784	Alasko
ALASKO STEAK READY	United States	3,964,145	Alasko
ALASKO	United States	3,878,587	Alasko
ALASKO & DESIGN	United States	3,878,588	Alasko
GO LIFE GO	United States	3,711,306	Alasko
YIPI	United States	3,700,795	Alasko
YIPI FRUITI	United States	3,700,796	Alasko
FRUIT ROCKS	United States	3,700,767	Alasko
ALASKO (HEART DESIGN)	United States	85/560,582	Alasko
MOOV	United States	77/683,528	Moov
ALASKO	Hong Kong	301823913	Alasko
YIPI	Hong Kong	301823922	Alasko
MOOV	Hong Kong	301823931	Moov
ALASKO	China	9101127	Alasko

YIPI	China	9101126	Alasko
MOOV	China	9101125	Moov

(ii) Copyrights

Nil.

(iii) Patents

Nil.

III. Permitted Charges

Nil.

14.3 Third Schedule to the Deed

The following is the Form of Bond:

CANADA
PROVINCE OF QUEBEC
ALIMENTS ALASKO INC. / ALASKO FOODS INC.
(a corporation established under the laws of Canada)
25% Collateral Bond

NO. ●

CDNS●

Aliments Alasko Inc. / Alasko Foods Inc. (the "Issuer"), for value received, promises to pay, on demand, to PNC BANK CANADA BRANCH (being the name under which PNC Bank, National Association carries on business in Canada) (the "Attorney") in its capacity as agent and custodian on behalf and for the benefit of the Bondholders (as such term is defined in the Deed of Hypothec to which reference is made hereinafter) or registered assigns, at the Attorney's office situated at The Exchange Tower, 130 King Street West, Suite 2140, P.O. Box 462, Toronto, Ontario M5X 1E4, or at other such location which the Attorney may designate by notice to the Issuer, the principal sum of ● Dollars (\$●) in lawful money of Canada and to pay interest thereon, on demand, from the date of this Bond, both before and after a default, in like money, at the rate of twenty-five percent (25%) per annum, calculated half-yearly and not in advance, with interest on all overdue interest calculated at the same rate and in

the same manner as the principal hereof, from the due date until the date of payment.

This Bond is issued under and secured by a Deed of Hypothec dated ● executed before Mtre ●, Notary, under his/her minute number ●, by the Issuer, Aliments Congelés Moov Inc. / Moov Frozen Foods Inc., and Alasko Foods LLC, in favour of the Attorney, as the person holding the power of attorney (*fondé de pouvoir*) of the Bondholders in accordance with Article 2692 of the *Civil Code of Québec*, (as modified, extended, replaced, amended, renewed, supplemented, restated or continued from time to time, the "Deed of Hypothec"), to which Deed of Hypothec reference is hereby made for the terms and conditions upon and subject to which this Bond is issued and held and the nature and extent of the security therefor. The holder of this Bond by its acceptance hereof assents to such terms and conditions.

This Bond is fully registered and may be transferred by the holder upon compliance with the provisions of the Deed of Hypothec. This Bond shall be certified as provided for in the Deed of Hypothec.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed and dated the ● day of ●, 20●.

ALIMENTS ALASKO INC. /
ALASKO FOODS INC.

Per: _____

CERTIFICATE

This Bond is Collateral Bond number ● issued under the Deed of Hypothec.

Date of Certification: _____, 20●.

●
Per: _____

FORM OF TRANSFER

FOR VALUE RECEIVED, _____, by these presents cedes and transfers to _____ the Bond issued by _____ ("Issuer") to _____ ("Attorney") for the principal sum of _____ DOLLARS (\$) in lawful money of Canada pursuant to a Deed of Hypothec executed by the Issuer in favour of the Attorney dated _____, with

full power of substitution, as well as all its rights thereunder and the principal amount and outstanding interest on the Bond and irrevocably appoints the Attorney as its attorney to complete the transfer on the register maintained by the Attorney pursuant to the Deed of Hypothec.

Dated: _____

Witness:

Signed by: _____


WHEREOF ACTE:

THUS DONE AND PASSED at the City of Montreal and remains of record in the office of the undersigned Notary under minute number **TWELVE THOUSAND AND THIRTY-TWO (12,032)**.

AND AFTER the parties hereto had declared to have taken cognisance of these presents and to have exempted the said Notary from reading them or causing them to be read, the parties signed these presents in the presence of the undersigned Notary.


**ALIMENTS ALASKO INC. /
ALASKO FOODS INC.**

Per:


Name: Bryan Crittenden
Title: Chief Financial Officer


**ALIMENTS CONGELÉS MOOV INC. /
MOOV FROZEN FOODS INC.**

Per:


Name: Bryan Crittenden
Title: Chief Financial Officer

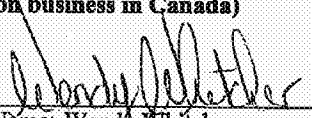
**ALASKO FOODS LLC
by its sole member ALIMENTS
ALASKO INC. / ALASKO FOODS INC.**

Per:


Name: Bryan Crittenden
Title: Chief Financial Officer

**PNC BANK CANADA BRANCH
(being the name under which PNC
BANK, NATIONAL ASSOCIATION
carries on business in Canada)**

Per:


Name: Wendy Whitcher
Title: Vice-President


Robert Alain, Notary

A TRUE COPY of the original here of
remaining of record in my office.

