

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	Hypothec
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Canco Industries Inc.		08/15/2003	COMPANY: CANADA

RECEIVING PARTY DATA	
Name:	Peter Klauber & Associates Inc.
Street Address:	33 Fountain Street
City:	Dollard-des-Ormeaux
State/Country:	QUEBEC
Postal Code:	H9B 1X9
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 5		
Property Type	Number	Word Mark
Registration Number:	1477732	HI-DUR
Registration Number:	1422898	CANZORB
Registration Number:	1422897	SARALAN
Registration Number:	1430287	INTREPID
Registration Number:	1421969	CHALLENGER

CORRESPONDENCE DATA	
Fax Number:	(503)778-2200
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	503-778-2116
Email:	trademarks@lanepowell.com
Correspondent Name:	Anne W. Glazer
Address Line 1:	601 SW Second Avenue
Address Line 2:	Suite 2100
Address Line 4:	Portland, OREGON 97204-3158

ATTORNEY DOCKET NUMBER:	706904.0018
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NAME OF SUBMITTER:	J. Alfred Murray
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OP \$140.00 1477732

Total Attachments: 31

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CERTIFICATION

The undersigned hereby certifies that the attached are true and exact copies of a **Deed of Moveable Hypothec** entered into on August 15, 2003 before Notary Michael L. Garmaise between Peter Klauber & Associates Inc/Peter Klauber & Associés Inc. and Les Industries Cancot Inc.(English version: Cancot Industries Inc.) and of a **Prior Notice of Exercise of a Hypothecary Right of Sale to the Creditor** dated March 17, 2004.

CERTIFIED this 26th day of May, 2004.

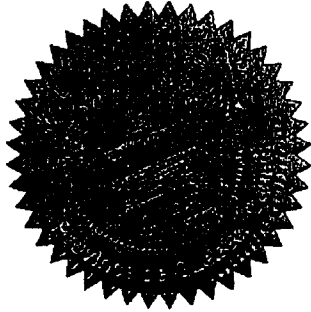


Hillel W. Rosen
Lawyer

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1501 McGill College Ave., Suite 2600
Montreal, Quebec H3A 3N9

Telephone: (514) 841-6443

NG 0416



Minute Number: 10,025

DEED OF MOVABLE HYPOTHEC

ON THE FIFTEENTH DAY OF AUGUST, IN THE YEAR TWO THOUSAND AND THREE.

BEFORE M^{rs} Michael L. Garmaise, the undersigned Notary for the Province of Quebec, practising in the City of Montreal

APPEARED :

PETER KLAUBER & ASSOCIATES INC. - PETER KLAUBER & ASSOCIÉS INC., a corporation organized under the *Canada Business Corporations Act*, having its registered office at 33 Fountain Street, City of Dollard-des-Ormeaux, Province of Quebec, H9B 1X9, herein acting and represented by Peter Klauber, its President, duly authorised in virtue of a resolution adopted by the Board of Directors, a copy of which is annexed to this Deed and signed for identification by the said representative and the undersigned Notary

(hereinafter referred to as "*fondé de pouvoir*")

AND :

LES INDUSTRIES CANCOT INC. (English version: CANCOT INDUSTRIES INC.), a company organized under the *Companies Act* (Part IA) of Quebec, having its registered office at 5485 Des Grandes Prairies Boulevard, City of St. Leonard, Province of Quebec, H1R 1B1, herein acting and represented by Mark A. Friedman, its President, duly authorised in virtue of a resolution adopted by the Board of Directors, a copy of which is annexed to this Deed and signed for identification by the said representative and the undersigned Notary

(hereinafter referred to as the "**Grantor**")

#628661.03

WHICH SAID PARTIES DECLARED UNTO THE UNDERSIGNED NOTARY AS FOLLOWS:

WHEREAS the Grantor has entered into the Loan Agreement (hereinafter defined) with the *fondé de pouvoir* and others;

WHEREAS, pursuant to the *Civil Code of Quebec*, the Grantor wishes to grant a hypothec on the universality of all of its movable property, present and future, corporeal and incorporeal, of whatever nature and wherever it may be;

WHEREAS, Article 2692 of the *Civil Code of Quebec* permits a legal person to grant a hypothec securing payment of bonds or other titles of indebtedness in favour of the person authorised to do so on behalf of the creditors (the person holding the power of attorney (*fondé de pouvoir*) of the creditors);

WHEREAS Section 3.1 of the Loan Agreement designates and appoints the *fondé de pouvoir* as *fondé de pouvoir* of the Creditors (hereinafter defined) with the authority to enter into a deed of hypothec under Article 2692 of the *Civil Code of Quebec* on behalf of and for the benefit of the Creditors;

WHEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

- 1.1 In this Deed of Hypothec, unless something in the subject matter or context is inconsistent therewith, capitalised terms shall have the following meanings:
- 1.1.1 "Administrator" has the meaning attributed to it in Section 7.3.1;
 - 1.1.2 "Adverse Encumbrance" means any hypothec, encumbrance, charge, right or prior claim (other than the Permitted Charges) whether ranking prior to, equal with or after the security hereby created, or any seizure or attachment, which affects the whole or any portion of the Charged Property;
 - 1.1.3 "Agent" shall have the meaning ascribed thereto in the Loan Agreement;
 - 1.1.4 "Bondholder" or "Holder", subject to Section 2.12 hereof, means any person entered as a holder of Bonds in the register maintained for that purpose by the *fondé de pouvoir*;

- 1.1.5 **"Bonds"** means the bonds which have been or may be issued hereunder and which are outstanding from time to time;
- 1.1.6 **"Charged Property"** has the meaning attributed to it in Section 3.1;
- 1.1.7 **"Claims"** means, collectively, all accounts receivable, book accounts, book debts, debts, claims, monies, rentals, revenues, incomes, loans receivable, demands, rebates, refunds, amounts owing by or claimable from the crown, state or government or any departments, agents or agencies thereof and choses in action which now are or which may at any time hereafter be due or owing to or owned by the Grantor or in which the 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 the Grantor or any third party on behalf of the Grantor in respect of any of the foregoing and all rights of an unpaid vendor, including rights to merchandise returned, repossessed or recovered;
- 1.1.8 **"Creditors"** means, collectively, the Lenders and the Agent and **"Creditor"** means any one of them;
- 1.1.9 **"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 the Grantor now or hereafter has an interest;
- 1.1.10 **"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 the Grantor including without limitation, any property described in the First Schedule of this Deed of Hypothec under the heading **"SCHEDULED EQUIPMENT"**, 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;

1.1.11 "Event of Default" means each of the events or circumstances referred to in Section 7.1;

1.1.12 "*fondé de pouvoir*" means Peter Klauber & Associates Inc. – Peter Klauber & Associés Inc., hereinacting in its capacity as the person holding the power of attorney (*fondé de pouvoir*) of the Creditors, as contemplated by Article 2692 of the *Civil Code of Quebec* or its successors by virtue of the powers and duties created hereunder and/or under the Loan Agreement;

1.1.13 "Hypothec Amount" means the sum of Five Hundred and Fifty Thousand dollars (\$550,000.00);

1.1.14 "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;

1.1.15 "Intangible Property" means, collectively, all incorporeal property now owned or hereafter acquired by the Grantor or its interest therein including, without limitation, any property described in the First Schedule of this Deed of Hypothec under the heading "SCHEDULED INTANGIBLE PROPERTY", and all patents and patents pending, registered and unregistered trade marks, trade or brand names, service marks, copyrights, industrial designs, formulae, processes, trade secrets, goodwill, contractual rights, licences and permits;

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

1.1.17 "Inventory" means, collectively, all property in stock and inventory now owned and hereafter acquired by the 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 the Grantor;

- 1.1.18 "Lenders" shall have the meaning ascribed thereto in the Loan Agreement and includes, without limitation, each institution which, from time to time, is a party to the Loan Agreement as a Lender by assignment or otherwise;
- 1.1.19 "Loan Agreement" means the Loan and Intercreditor Agreement dated on or about the date hereof, between, *inter alia*, the Grantor, as borrower, the Agent, as agent and Lender, and the Lenders, and any and all modifications, extensions, replacements, amendments, renewals, supplements, restatements and continuations thereof;
- 1.1.20 "Monies" means, collectively, all monies, cash, foreign currencies and credits in which the Grantor now or hereafter has an interest;
- 1.1.21 "Permitted Charges" means, collectively, the following:
- (a) the security presently existing or hereafter created in favour or for the benefit of the Creditors and/or the *fondé de pouvoir*;
 - (b) 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 *fondé de pouvoir* has been provided with security satisfactory to it in an amount sufficient to satisfy such liens;
 - (c) minor title defects or irregularities not in the aggregate materially and adversely

affecting the use of the property to which they relate; and

- (d) other encumbrances which are, from time to time, expressly permitted in writing by the *fondé de pouvoir*.

1.1.22 "Proceeds" means, collectively, all property in any form derived directly or indirectly from any dealings with any of the Charged Property;

1.1.23 "Records" means, collectively, all computer programs, firmware and software and all computer and other records and data, whether in hard copy or otherwise, pertaining to any of the Charged Property and the equipment containing same;

1.1.24 "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;

1.1.25 "Securities" means, collectively, all shares, stocks, warrants, bonds, debentures, debenture stock, and other securities in which the Grantor now or hereafter has an interest, including without limitation, the shares owned by the Grantor in Cancot USA, Inc.; and

1.2 As used herein, unless something in the subject matter or context is inconsistent therewith, all capitalised terms other than those specifically defined herein, shall have the meanings ascribed thereto in the Loan Agreement.

1.3 Words importing the singular number only shall include the plural and vice-versa, and any reference to an entity shall include and be deemed to be a reference to any entity that is a successor of such entity.

1.4 All references to dollar amounts herein are expressed in terms or currency of Canada.

2. FORM AND ISSUE OF BONDS

2.1 The aggregate outstanding principal amount of Bonds which may be issued under and secured by this Deed of Hypothec from time to time is limited to Four Hundred and Seventy Five Thousand dollars (\$475,000.00) and such Bonds shall be designated as 25% Collateral Bonds.

2.2 The Bonds and the certificate of *fondé de pouvoir* shall be respectively substantially of the tenor and in the form set forth in the Second Schedule of this Deed of Hypothec, with such omissions, insertions and variations as are in this Deed of Hypothec provided or permitted. The Bonds shall be issued as fully registered Bonds without coupons, may be issued in any denomination and shall bear the respective dates given to them by the Grantor. The Bonds shall be payable on demand and 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.

2.3 Bonds of any denomination may be exchanged by the Holder thereof for an equal aggregate principal amount of Bonds of the same or any other denomination in the name of such Holder alone or in the name of such Holder or such other person or several persons as such Holder may designate and bearing such date as the Grantor and the Bondholders requesting such exchange may agree or, upon failure to so agree, bearing the same date as the Bonds which are to be exchanged. All Bonds returned to the Grantor to effect such an exchange shall be returned to the *fondé de pouvoir* for cancellation. Any Bonds surrendered for cancellation but not exchanged shall thereafter be treated as unissued Bonds and additional Bonds may be issued, pledged, hypothecated, sold or otherwise disposed of by the Grantor from time to time, provided that the aggregate principal amount of all Bonds outstanding hereunder at any particular time does not exceed the limit set forth in Section 2.1 hereof.

- 2.4 Until the security hereby constituted shall have become enforceable and the *fondé de pouvoir* shall have determined or become bound to enforce the same, the principal of and interest on the Bonds shall be payable in lawful money of Canada at par to the registered Holder of the Bonds at the address in the Province of Quebec given to the *fondé de pouvoir* from time to time by the Bondholders.
- 2.5 All Bonds issued hereunder shall be signed for and on behalf of and in the name of the Grantor by any authorised representative of the Grantor and certified by an authorised representative of the *fondé de pouvoir*.
- 2.6 When any of the Bonds are to be issued hereunder, the Grantor shall, within a reasonable delay, cause to be prepared, executed and delivered to the *fondé de pouvoir* definitive Bonds which may be typewritten or otherwise mechanically reproduced.
- 2.7 All Bonds may from time to time after the execution of this Deed of Hypothec be issued by the Grantor and be certified by or on behalf of the *fondé de pouvoir*, as contemplated in Section 2.5, and shall be delivered by the *fondé de pouvoir* to or to the order of the Grantor from time to time upon receipt by the *fondé de pouvoir* of an order or orders in writing signed by the Grantor who shall have same signed by any authorised representative of the Grantor.
- 2.8 No Bond shall be issued, or if issued, shall bind the Grantor or shall entitle the Holder to the benefit of the security of these presents until it has been certified by or on behalf of the *fondé de pouvoir*. Such certification by the *fondé de pouvoir* upon any such Bonds shall be conclusive evidence against the relevant Holder that the Bonds so certified have been duly issued hereunder and that the holder thereof is entitled to the benefit of the security hereunder. The certificate of the *fondé de pouvoir* signed on the Bonds issued hereunder shall not be construed as a representation or warranty by the *fondé de pouvoir* as to the validity or security of this Deed of Hypothec or of the said Bonds, and the *fondé de pouvoir* shall in no respect be liable or answerable for the use of said Bonds or any of them or the proceeds thereof.

- 2.9 The Bonds may be issued for such price or consideration as shall be determined by an authorised representative of the Grantor and shall be hypothecated by the Grantor to provide security for the payment of present or future indebtedness or other obligations, present or future, of the Grantor, provided however that any Bonds so hypothecated shall not be deemed to be redeemed by reason of the account of the 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 the Grantor after having served such purpose, the 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 of Hypothec dealing with the aggregate outstanding principal amount of Bonds which may be issued under the terms hereof. Each Bond, as soon as issued and certified as herein provided, shall, subject to the terms hereof, be equally and rateably secured hereby as if all of the Bonds had been issued and certified simultaneously.
- 2.10 At all times while any of the Bonds issued hereunder are outstanding, the Grantor shall cause the *fondé de pouvoir* to keep a register at the *fondé de pouvoir's* head 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 *fondé de pouvoir* 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 *fondé de pouvoir* as aforesaid or failure of *fondé de pouvoir* to inscribe such undivided interest in the register shall not, under any circumstances, deprive such undivided owner of any of its rights. No transfer of a Bond shall be valid unless made on such register by the registered Holder or his executors, administrators, successors or assigns or his or their attorney or mandatary duly appointed by an instrument in writing, in form and execution satisfactory to the *fondé de pouvoir*, and upon compliance with such reasonable requirements as the *fondé de pouvoir* may prescribe. The ownership of the Bonds shall be proven by such register. The Bondholders and the Grantor may examine this register during normal business hours on such days as the *fondé de pouvoir's* office is required by law to remain open.

- 2.11 If a Bond becomes mutilated, lost or destroyed, the Grantor, in its discretion, may issue, and the *fondé de pouvoir* 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 *fondé de pouvoir* such evidence of ownership and indemnity and of such loss or destruction as shall be satisfactory to the *fondé de pouvoir* and to the Grantor.
- 2.12 Notwithstanding anything to the contrary herein, all Bonds issued hereunder shall be held by and registered in the name of the *fondé de pouvoir*, in its capacity as agent and custodian for and on behalf of the Creditors under Section 3.1 of the Loan Agreement.

3. HYPOTHEC

- 3.1 As security for the payment of the Bonds and all sums which may be due to the *fondé de pouvoir* or to the Bondholders hereunder (including, without limitation, the remuneration of the *fondé de pouvoir* and costs incurred by it in the execution of its duties and powers hereunder) as well as to secure the fulfilment of the obligations of the Grantor hereunder, the Grantor hereby hypothecates and grants a security interest to and in favour of the *fondé de pouvoir* to the extent of the Hypothec Amount with interest thereon at the Interest Rate, both before and after maturity, demand, default and judgement, the following property of the Grantor, wherever situate, and all renewals thereof, accretions thereto, replacements thereof, substitutions therefor as well as everything united thereto by accession (herein collectively referred to as the "Charged Property"):
- 3.1.1 the Claims;
 - 3.1.2 the Documents of Title;
 - 3.1.3 the Proceeds;
 - 3.1.4 the Records;
 - 3.1.5 the Monies;
 - 3.1.6 the Securities;
 - 3.1.7 the Insurance;

3.1.8 the Intangible Property;

3.1.9 the Inventory;

3.1.10 the Equipment;

3.1.11 the Related Property;

3.1.12 as a universality, all other corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired by the Grantor.

3.2 To secure the payment of interest not already secured by the hypothec created in Section 3.1 and to further secure the performance of its obligations hereunder, the Grantor hypothecates the Charged Property in favour of the *fondé de pouvoir* for an additional amount equal to twenty percent (20%) of the Hypothec Amount.

3.3 Notwithstanding the hypothecation of the Charged Property provided herein:

3.3.1 subject to Section 6.2, the *fondé de pouvoir* authorises the Grantor to collect the Claims as they fall due;

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

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

3.4.1 the Grantor or any other person;

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

3.4.3 any "claims" within the meaning of Article 2743 of the *Civil Code of Quebec*.

3.5 The *fondé de pouvoir* shall have and hold the hypothec created hereunder and all rights hereby conferred unto the *fondé de pouvoir* for the equal benefit and security of all the Bondholders holding Bonds issued and to be issued hereunder without any preference or priority of any of the said Bonds over any others thereof, by reason of priority at the time of issue or negotiation thereof, or otherwise however, and subject to the conditions, provisions and stipulations herein expressed.

3.6 The hypothec created hereunder shall be and have effect whether or not the moneys thereby secured shall be received before or after or at the same time as the issue of any of the Bonds intended to be thereby secured or any part thereof, or before or after, or upon the date of the execution of this Deed of Hypothec. The hypothec created hereunder shall be valid and shall subsist notwithstanding that the Bonds, or any of them, may not have been issued at the date hereof and shall be valid and shall secure all obligations of the Grantor under any Bonds hereafter issued, including any Bonds issued in replacement or exchange of any of the Bonds, in whole or in part. The extinction or reduction of such obligations for any reason whatsoever shall not in any way extinguish or reduce the hypothecs granted hereby and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such hypothecs, to the extent not so cancelled, shall subsist with respect to any obligations thereafter incurred by the Grantor from time to time.

The Grantor shall be deemed to obligate itself again as provided in Article 2797 of the *Civil Code of Quebec* with respect to any future obligation hereby secured.

4. **INSURANCE**

4.1 As additional security for the payment of the Bonds and of the Grantor's obligations hereunder, the Grantor will insure and keep insured the Charged Property against loss or damage by fire and such other perils as are

customarily insured by those carrying on an enterprise similar to that of the Grantor or as may from time to time be specified by the *fondé de pouvoir*, for their full insurable value, by means of a policy or policies each with loss payable to the *fondé de pouvoir* and containing a mortgage clause approved by the *fondé de pouvoir* and issued by an insurer or insurers approved by the *fondé de pouvoir*. The Grantor obliges itself to effect such new insurance as the *fondé de pouvoir* may direct should the insurer(s) cease to have the approval of the *fondé de pouvoir* or should the *fondé de pouvoir* be advised by the insurer or otherwise become aware of any amendment to any policy which, in the sole and absolute discretion of the *fondé de pouvoir*, is unsatisfactory to the *fondé de pouvoir*. At least thirty (30) days before the expiry or cancellation of any policy the Grantor will deliver to the *fondé de pouvoir* evidence of renewal or replacement thereof.

- 4.2 The Grantor will immediately notify the *fondé de pouvoir* of any loss of or damage to any of the Charged Property.
- 4.3 In the event that any insurance proceeds are paid to the *fondé de pouvoir*, it may, at its option, apply such proceeds in reduction of the obligations of the Grantor under the Loan Agreement and/or hereunder, whether or not exigible or, at the option of the *fondé de pouvoir*, advance such proceeds to the Grantor, in such manner as the *fondé de pouvoir* deems advisable for the purpose of replacing, repairing or restoring the Charged Property.
- 4.4 The Grantor will provide the *fondé de pouvoir* with copies of all insurance policies (including all amendments and endorsements) which may be in force from time to time with respect to the Charged Property.

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

- 5.1 The Grantor hereby makes all declarations, representations, warranties and covenants set forth in the Loan Agreement, *mutatis mutandis*.
- 5.2 Furthermore, the Grantor is the owner of and beneficiary of all the rights under the insurance policies listed in the Third Schedule of this Deed of Hypothec and it does not own or have any rights under any policies other than those listed therein;

- 5.3 the description of the Charged Property listed in the First Schedule of this Deed of Hypothec is complete and accurate;
- 5.4 the Grantor does not have rights with respect to any motor vehicles other than those listed in the First Schedule of this Deed of Hypothec;
- 5.5 the Grantor does not have rights with respect to any registrable Intangible Property and does not carry on business under any other trade name or trade style other than those listed in the First Schedule of this Deed of Hypothec.

6. RIGHTS OF THE FONDÉ DE POUVOIR

- 6.1 If the Grantor fails to pay when due any sum payable under this Deed of Hypothec or fails to pay or perform any of its obligations hereunder, whether or not the *fondé de pouvoir* has invoked any Event of Default, the *fondé de pouvoir* may do so on the Grantor's behalf (but will not be obliged to), without notice to the Grantor, and the Grantor will pay to the *fondé de pouvoir*, on demand, all sums so paid by the *fondé de pouvoir* together with interest thereon at the highest rate at which the indebtedness under the Loan Agreement bears interest under the Loan Agreement. If, for any reason, the *fondé de pouvoir's* security or rights hereunder are diminished, the *fondé de pouvoir* may do such things and make such expenditures as are desirable or necessary to preserve its security or rights, without notice to the Grantor, in which event the Grantor will pay to the *fondé de pouvoir*, on demand, all sums so paid by the *fondé de pouvoir*, together with interest thereon at the highest rate at which the indebtedness under the Loan Agreement bears interest under the Loan Agreement, the whole without prejudice to any other recourse of the *fondé de pouvoir* hereunder or by law.
- 6.2 The *fondé de pouvoir* may, at any time, withdraw the authorisation of the Grantor to collect the Claims as they fall due and, thereafter, the following will apply:
- 6.2.1 the *fondé de pouvoir* will be the only party authorised and entitled to collect, dispose of and deal with the Claims;

- 6.2.2 the *fondé de pouvoir* will have the right to collect, dispose of and deal with the Claims 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 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 Grantor and without any liability for any loss resulting therefrom;
- 6.2.3 actions to enforce rights with respect to the Claims may be instituted by the *fondé de pouvoir*, at its discretion, in its own name, in the name of the Grantor, or in the name of the *fondé de pouvoir* and the Grantor jointly;
- 6.2.4 the *fondé de pouvoir* will not be obliged to inform the Grantor of any irregularity in the payment of any of the Claims.
- 6.3 All amounts collected or received by the Grantor in respect of the Claims (whether prior to or after the *fondé de pouvoir* has withdrawn the authorisation of the Grantor to collect same) will be deemed to have been collected or received by the Grantor as mandatary of the *fondé de pouvoir* and will be deposited into such bank accounts as are acceptable from time to time to the *fondé de pouvoir*. If at any time the *fondé de pouvoir* so declares and at all times after the *fondé de pouvoir* has withdrawn the right of the Grantor to collect the Claims, all amounts collected or received by the Grantor in respect thereof will be received by the Grantor in trust for the *fondé de pouvoir* and will be remitted to the *fondé de pouvoir* in identical form as received.
- 6.4 Upon the occurrence of an Event of Default and whether or not the authorisation of the Grantor to collect the Claims has been withdrawn:
- 6.4.1 the *fondé de pouvoir* shall be entitled to give good and sufficient discharge for all Claims collected by the *fondé de pouvoir*, but the *fondé de pouvoir* 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 the Grantor of such non-collection or irregularity.

7. DEFAULTS AND RECOURSES

- 7.1 The Grantor shall be in default in each and every one of the following events:
- 7.1.1 upon the occurrence of a "Default" as defined in the Loan Agreement;
 - 7.1.2 if the Grantor fails to pay, when due, any amounts owing under the Bonds;
 - 7.1.3 if any or all other obligations secured under this Deed of Hypothec are not paid or performed when due;
 - 7.1.4 if any one of the declarations, representations or warranties made in Section 5 prove to have been erroneous or inaccurate in any material respect at the time it was made or deemed to have been made; or
 - 7.1.5 if the Grantor does not fulfil any one of its covenants hereunder.
- 7.2 Upon the Grantor's default under Section 7.1 hereof, *fondé de pouvoir* may exercise the remedies provided in the Loan Agreement. Upon such default, *fondé de pouvoir* may also exercise all other recourses available to it under the Loan Agreement or under applicable law and realise on its hypothec, namely by enforcing the hypothecary rights provided in the *Civil Code of Quebec* and hereunder and, at the option of the *fondé de pouvoir*, the Grantor will lose the benefit of any term for payment granted and all obligations of the Grantor under the Loan Agreement, the Bonds and hereunder will become immediately due and payable and the Grantor will, without the necessity of demand or notice (other than as may be strictly required by law) immediately pay and fulfil such obligations of the Grantor, failing which, in addition to all hypothecary rights and other remedies and recourses presently or in the future available under law:
- 7.2.1 the *fondé de pouvoir* may immediately take proceedings for the execution of all or any portion of the obligations of the Grantor hereunder; and
 - 7.2.2 upon demand by the *fondé de pouvoir*, the Grantor will surrender and abandon the Charged Property,

or the part thereof specified by the *fondé de pouvoir*, to the *fondé de pouvoir* or such person as may be designated by the *fondé de pouvoir*, or will consent in writing to turn such property over to the *fondé de pouvoir* or such person as may be designated by the *fondé de pouvoir* at the time and place specified by the *fondé de pouvoir*.

Administration after Surrender

7.3 In the event that the *fondé de pouvoir* 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 Grantor or, as regards any portion thereof, the *fondé de pouvoir* has concluded a recourse by way of taking in payment, sale by the *fondé de pouvoir*, sale under judicial authority or otherwise, or in the event that the *fondé de pouvoir* collects any Claims, then, notwithstanding any provision of law to the contrary which may apply as a result of the *fondé de pouvoir* having acquired or being deemed to have acquired simple, full or any other administration of the whole or any portion of the Charged Property:

7.3.1 the *fondé de pouvoir* 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 *fondé de pouvoir* may designate or re-designate in the *fondé de pouvoir's* sole discretion (any such person being herein referred to as an "Administrator");

7.3.2 the *fondé de pouvoir* 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 *fondé de pouvoir* or the Administrator in order to assist in such administration or any matter pertaining thereto), as well as all reasonable fees of the *fondé de pouvoir* and the Administrator incurred in such administration, all of which may be charged by the *fondé de pouvoir* against any fruits, revenues or proceeds of alienation of the whole or any portion of the Charged Property;

- 7.3.3 the *fondé de pouvoir* 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 *fondé de pouvoir* or the Administrator deems, in their respective discretion, appropriate, to alienate such Charged Property by onerous title;
- 7.3.4 the *fondé de pouvoir* 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;
- 7.3.5 in the event that the *fondé de pouvoir* or the Administrator acquires full administration of any Charged Property, neither the *fondé de pouvoir* 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 fulfilment of the obligations of the Grantor hereunder;
- 7.3.6 the *fondé de pouvoir* 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;
- 7.3.7 the *fondé de pouvoir* 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;
- 7.3.8 neither the *fondé de pouvoir* 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 *fondé de pouvoir* or the Administrator, in its 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 7.3.2 hereof;

7.3.9 the *fondé de pouvoir* 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;

7.3.10 notwithstanding any provisions of law to the contrary, the *fondé de pouvoir* and the Administrator will only be obliged to render an account to the Grantor upon the written request of the Grantor and once the *fondé de pouvoir* or Administrator has determined, to its satisfaction, the details of such account.

Taking in Payment

7.4 In the event that the *fondé de pouvoir* exercises its right to become the absolute owner of the Charged Property or any part thereof, the Grantor, concurrently with the surrender or at any time thereafter at the request of the *fondé de pouvoir*, will sign a voluntary deed or agreement providing for the *fondé de pouvoir* to take in payment the Charged Property or any part thereof. In the event that the Grantor requires the *fondé de pouvoir* to sell any such Charged Property, the Grantor acknowledges that the *fondé de pouvoir* will not be required to abandon its recourse of taking in payment unless, before the expiration of the delay to surrender, the *fondé de pouvoir*: (i) shall have been furnished with security guaranteeing that the Charged Property in question will be sold at a sufficiently high price for the *fondé de pouvoir* 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.

7.5 All expenditures and improvements made by any holder of the Charged Property and all payments made on account of the obligations of the Grantor hereunder and the accessories thereof will belong to the *fondé de pouvoir*. The *fondé de pouvoir* will not be obliged to compensate or indemnify the Grantor or any other person for any cause whatsoever.

Sale of Charged Property

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

7.6.1 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 *fondé de pouvoir* or the Administrator sees fit and the *fondé de pouvoir* or the Administrator may, at any time, change or substitute any method of sale for any other method of sale of such Charged Property;

7.6.2 notwithstanding any provision of law to the contrary, in any call for tenders, the *fondé de pouvoir* 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;

7.6.3 the Grantor expressly agrees that the *fondé de pouvoir* 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

7.6.4 the *fondé de pouvoir* may purchase all or any portion of the Charged Property and the *fondé de pouvoir* is hereby expressly permitted to retain the purchase price of same, up to the amount of the obligations of the Grantor hereunder.

8. POWERS OF BONDHOLDERS

8.1 Subject to the provisions of the Loan Agreement, the Bondholders either directly or through an authorised agent or mandatary may exercise any on or more of the following powers:

8.1.1 power to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of the Bondholders and/or the *fondé de pouvoir* against the Grantor or against its

undertaking, property and assets or any part thereof, whether such rights arise under this Deed of Hypothec or the Bonds or otherwise, provided however that the *fondé de pouvoir* may decline to agree, in its discretion, to any modification, abrogation, alteration, compromise or arrangement which would adversely affect its rights;

- 8.1.2 power to direct or authorise the *fondé de pouvoir* to exercise any power, right, remedy or authority given to it by this Deed of Hypothec in any manner specified by the Bondholders or to refrain from exercising any such power, right, remedy or authority;
- 8.1.3 power to waive and direct the *fondé de pouvoir* to waive any default on the part of the Grantor in complying with any provision of this Deed of Hypothec or the Bonds either unconditionally or upon any conditions specified by the Bondholders, whether or not the security under this Deed of Hypothec shall have become enforceable by reason of such default; and
- 8.1.4 after the occurrence and during the continuance of an Event of Default, power to authorise the Grantor to sell or otherwise dispose of all or part of the Charged Property and to instruct the *fondé de pouvoir* to release the same free from the hypothecs created under this Deed of Hypothec, all upon such terms and conditions as may be specified by the Bondholders.

9. GENERAL PROVISIONS

- 9.1 The hypothec created hereby is in addition to and not in substitution for any other hypothec or security held by the *fondé de pouvoir*, the Creditors or the Bondholders.
- 9.2 This hypothec is a continuing security and shall subsist notwithstanding the payment from time to time, in whole or in part, of any of the obligations secured hereunder. The Grantor shall not, without the *fondé de pouvoir's* written consent, subrogate a third party in the hypothec and the *fondé de pouvoir's* right hereunder.

- 9.3 Any sum collected by the *fondé de pouvoir* in the exercise of its rights may be held by the *fondé de pouvoir* as Charged Property or may be applied to the payment of the obligations secured hereunder, whether or not yet due. The *fondé de pouvoir* shall have discretion as to how any such collected sum shall be applied.
- 9.4 The *fondé de pouvoir* shall not be bound to exercise its rights resulting from the present Deed of Hypothec and shall not be responsible for the non-exercise of such rights.
- 9.5 The exercise by the *fondé de pouvoir* of any of its rights shall not preclude the *fondé de pouvoir* from exercising any other right; all the rights of the *fondé de pouvoir* are cumulative and not alternative. The failure of or forbearance by the *fondé de pouvoir* to exercise any of its rights arising from these presents shall not constitute a renunciation to the later exercise of such right. The *fondé de pouvoir* may exercise the rights arising from these presents without being required to exercise any right against the Grantor or against any other person liable for the payment of the obligations secured hereunder and without being required to realise on any other security held for the payment of such obligations.
- 9.6 The *fondé de pouvoir* shall only be required to exercise reasonable care in the exercise of its rights or the performance of its obligations hereunder. Moreover, the *fondé de pouvoir* shall only be liable for its intentional fault or gross negligence.
- 9.7 The *fondé de pouvoir* may delegate to another person the exercise of its rights or the performance of its obligations resulting under this Deed of Hypothec. In such a case, the *fondé de pouvoir* may provide that person with any information it may have concerning the Grantor or the Charged Property.
- 9.8 The present Deed of Hypothec shall bind the Grantor towards the *fondé de pouvoir* and towards any successor thereof, by means of amalgamation or otherwise.
- 9.9 The rights and recourses of the *fondé de pouvoir* may be exercised against all the Charged Property or separately against any portion thereof.

9.10 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*, R.S.Q., c. P-16 and of Articles 1310 and 2147 of the Civil Code of Quebec.

10. POWER OF ATTORNEY

10.1 The Grantor hereby absolutely and irrevocably constitutes and appoints the *fondé de pouvoir* as the Grantor's true and lawful agent and attorney-in-fact, with full power of substitution, in the name of the Grantor upon the occurrence of an Event of Default:

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

10.1.2 to take any and all such action as the *fondé de pouvoir* 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 of Hypothec or any of the rights, remedies, powers or privileges of the *fondé de pouvoir* under this Deed of Hypothec; and

10.1.3 generally, in the name of the Grantor, to exercise all or any of the powers, authorities, and discretions conferred on or reserved to the *fondé de pouvoir* by or pursuant to this Deed of Hypothec, 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 *fondé de pouvoir* may deem proper in or for the purpose of exercising any of such powers, authorities or discretions. The Grantor hereby ratifies and confirms, and hereby agrees to ratify and confirm, whatever lawful acts the *fondé de pouvoir* or any of the *fondé de pouvoir's* sub-agents or attorneys shall do or purport to do in the exercise of the power of attorney granted to the *fondé de pouvoir* pursuant to this Section 10, which power of attorney, being given for security, is irrevocable.

11. INTERPRETATION

- 11.1 This deed shall be governed and interpreted by the law in force in the Province of Quebec. It must also be interpreted so that Charged Property located in another jurisdiction be affected by a valid security under the applicable law of this other jurisdiction. The Grantor irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Quebec, Canada, with respect to any matter arising hereunder or in relation herewith.
- 11.2 Where there is a conflict between the provisions of this Deed of Hypothec and the Loan Agreement, the terms of the Loan Agreement shall prevail, unless as a result thereof the hypothecs created herein or any of the hypothecary remedies of the *fondé de pouvoir* hereunder would be in any way diminished or invalidated, in which case the provisions of this Deed of Hypothec shall prevail.
- 11.3 The parties hereto have expressly agreed that this Deed of Hypothec be executed in the English language. *Les parties ont expressément convenu que le présent acte d'hypothèque soit rédigé dans la langue anglaise.*

FIRST SCHEDULE OF THE DEED OF HYPOTHEC

EQUIPMENT AND INTANGIBLE PROPERTY

SCHEDULED EQUIPMENT

- (a) Motor vehicles
NIL
- (b) Other equipment
NIL

SCHEDULED INTANGIBLE PROPERTY

(a) Trademarks, patents and copyrights

Trademarks

Name	Registration number (Canada)
Hi-Dur	TMA338571
Invincible	TMA304444
Intrepid	TMA304443
Survivor	TMA304442
Challenger	TMA304441
Durazorb	TMA308283
Canzorbit	TMA304440
Autosorb	TMA303562
Multi-wipes	TMA279721
Canzorb	TMA237840
Saralan	TMA162579
"Tip-Top"	TMDA032602

Patents

Name	Application number
Mop holder	CA 1314363

(b) Tradenames and styles

NIL

SECOND SCHEDULE OF THE DEED OF HYPOTHEC

FORM OF BOND

CANADA
PROVINCE OF QUEBEC

**LES INDUSTRIES CANCOT INC. (ENGLISH VERSION : CANCOT
INDUSTRIES INC.)**

(a company established under the laws of the Province of Quebec)
25% Collateral Bond

NO. •

\$ •

**LES INDUSTRIES CANCOT INC. (ENGLISH VERSION : CANCOT
INDUSTRIES INC.)** (hereinafter called "Issuer"), for value received,

promises to pay upon presentation of this Bond to Peter Klauber & Associates Inc. - Peter Klauber & Associés Inc. ("Agent") in its capacity as custodian and agent (with the powers set forth in the Loan and Intercreditor Agreement dated on or about the date hereof between the Grantor (as such expression is defined in the Deed of Hypothec to which reference is made hereinafter), as borrower, the Lenders (as such expression is defined in the Deed of Hypothec to which reference is made hereinafter), Peter Klauber & Associates Inc. - Peter Klauber & Associés Inc., as agent for the Lenders, and Joe Havas, as distribution agent for the Lenders (as the same may from time to time be modified, extended, replaced, amended, renewed, supplemented, restated and continued) on behalf and for the benefit of the Creditors (as such expression is defined in the Deed of Hypothec to which reference is made hereinafter) or their registered assigns, at the Agent's office situated at at 33 Fountain Street, Dollard-des-Ormeaux, Quebec, H9B 1X9, on demand, Four Hundred and Seventy Five Thousand dollars (\$475,000.00) 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 thereof, from the date that the interest becomes due to the actual date of payment.

This Bond is issued under and secured by a deed of hypothec dated the date hereof, executed by the Issuer in favour of Peter Klauber & Associates Inc. - Peter Klauber & Associés Inc., as the person holding the power of attorney (*fondé de pouvoir*) of the Creditors for all purposes of Article 2892 of the *Civil Code of Quebec*, as same may from time to time be modified, extended, replaced, amended, renewed, supplemented, restated and continued (herein called 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.

As of the date hereof, the aggregate principal amount of Bonds which may be issued under and secured by the Deed of Hypothec from time to time is limited to Five Hundred and Fifty Thousand dollars (\$550,000.00) in lawful money of Canada dollars. All Bonds at any time outstanding rank *pari passu* and are equally and rateably secured by the Deed of Hypothec.

This Bond is subject to the terms and conditions of the Deed of Hypothec, to all of which the holder of this Bond by its acceptance hereof assents, and to the terms and conditions of that certain movable hypothec entered into concurrently herewith between the Issuer and the holder hereof pursuant to

which this Bond is pledged in favour of the Creditors therein represented by the Agent, and the Agent.

This Bond is fully registered and may only be transferred by the holder hereof upon compliance with the provisions of the Deed of Hypothec in that respect. This Bond shall not become obligatory until it shall have been certified by the Agent under the Deed of Hypothec.

All capitalised terms and expressions used herein, unless otherwise defined, shall have the same meaning as that ascribed to them in the Deed of Hypothec.

The Issuer by its signature, on the one hand, and the holder and any transferee of this Bond by their acceptance of this Bond, on the other hand, acknowledge that they have expressly required it to be drawn up in the English language. *L'Émetteur, par sa signature, d'une part, et le détenteur et tous cessionnaires de cette obligation par leur acceptation, d'autre part, déclarent qu'ils ont expressément exigé qu'elle soit rédigée en anglais.*

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its authorised signatory, and to be dated the day of .

LES INDUSTRIES CANCOT INC. (English version: CANCOT INDUSTRIES INC.)

per: _____

AGENT'S CERTIFICATE

This Bond is the 25% Collateral Bond number issued under the Deed of Hypothec within mentioned.

Date of Certification: , .

**PETER KLAUBER & ASSOCIATES INC. -
PETER KLAUBER & ASSOCIÉS INC.**

per: _____

FORM OF TRANSFER¹

FOR VALUE RECEIVED, _____
by these presents cedes and transfers to _____
the present Bond with full power of substitution, all its rights, the principal
amount and outstanding interest on the present Bond and irrevocably
appoints _____
as its attorney to complete the transfer on the books of the Issuer.

Dated: _____

Transferor

Signature guaranteed by: _____

THIRD SCHEDULE OF THE DEED OF HYPOTHEC

MISCELLANEOUS

INSURANCE POLICIES

(a) **INSURANCE OF PERSONS**

Name and Address of Insurer	Policy No.
Sun Life Assurance Company	D007897504

Name and Address of Broker

Hier Brainin McEwan Cons Ltd.
2155 Guy Street
Suite 1280
Montreal, Quebec
H3H 2R9

(b) **DAMAGE INSURANCE**

¹ The signature of the Transferor must be guaranteed by a bank, trust company or a member of a recognised stock exchange or otherwise guaranteed to the satisfaction of the Agent. If this form is signed by a trustee, executor, administrator, tutor, curator, guardian, attorney, mandatary, officer of a corporation or any person acting in a fiduciary or representative capacity, the form should be accompanied by satisfactory evidence of authority.

Name and Address of Insurer	Policy No.
The Citadel Assurance 1075 Bay Street Toronto, Ontario M5S 2W5	A05353565
The Citadel Assurance 1075 Bay Street Toronto, Ontario M5S 2W5	7-5077029
The Citadel Assurance 1075 Bay Street Toronto, Ontario M5S 2W5	4-25537
The Boiler Inspection and Insurance Company of Canada 18 King Street East Toronto, Ontario M5C 1C4	02250067

Name and Address of Broker

Hier Brainin McEwan Cons Ltd.
2155 Guy Street
Suite 1280
Montreal, Quebec
H3H 2R9

WHEREOF ACTE:

THUS DONE AND PASSED at the City of Montreal and remains of record under the minute Ten Thousand and one hundred Twenty-five (10,125) of the undersigned Notary.

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.

**PETER KLAUBER &
ASSOCIATES INC. - PETER
KLAUBER & ASSOCIÉS**

Per: 

Peter Klauber

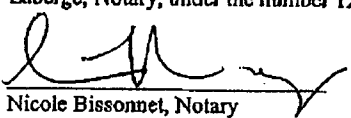
**LES INDUSTRIES CANCOT INC.
(ENGLISH VERSION: CANCOT
INDUSTRIES INC.)**

Per: 

Mark A. Friedman


Michael L. Garmaise, Notary

CERTIFIED COPY of the minute being part of the repertoire of Mtre. Michael Lyon GARMAISE, Notary, of the City of Montreal, of which I, Nicole BISSONNET, Notary, am Attorney for a period of two (2) years, starting from the ninth day of January Two thousand and two (2002) up to and including the ninth day of January Two thousand and four (2004); in virtue of a Power of Attorney passed before Mtre. Paul Anthony Laberge, Notary, under the number 12,614 of his minutes.


Nicole Bissonnet, Notary
Date: September 16th, 2003