

DEED OF HYPOTHECARY LOAN

TWO THOUSAND AND TWENTY

On the ninth day of December

(2020-12-09)

BEFORE Me Shawn KUPFERT, the undersigned Notary in and for the province of Québec, practising in the City and District of Montréal.

APPEARED:

CAPITAL LENDING GROUP INC., a corporation established under the *Business Corporations Act* (R.S.Q., c. S-31.1), duly incorporated on the first day of March, Two thousand nineteen (01-03-2019) and registered at the Registre des entreprises (Québec), under number 1174363110, having its head office at 16 Malta Street, Dollard-des-Ormeaux, Québec, H9B 2J7, Canada, herein acting and represented by Michelle FRIDMAN, duly authorized by resolution of its board of directors passed on the fourth day of March, Two thousand nineteen (04-03-2019), certified copy of which is annexed to the minute number 891 of the undersigned notary;

Hereinafter called: "THE CREDITOR"

AND

9336-2390 QUÉBEC INC., a corporation established under the *Business Corporations Act* (R.S.Q., c. S-31.1), duly incorporated on the twenty-ninth day of January, Two thousand and sixteen (29-01-2016) and registered at the Registre des entreprises (Québec), under number 1171573554, having its head office at 272-3035 Saint-Antoine Ouest, in the City of Westmount, province of Québec, H3Z 1W8, Canada, herein acting and represented by Henry ZAVRIYEV, its President and Secretary, duly authorized by resolution of its board of directors passed on the fourteenth day of March, Two thousand nineteen (14-03-2019), a copy of such resolution is annexed to the minute number 896 of the undersigned Notary

Hereinafter called "THE DEBTOR"

WHICH SAID PARTIES HAVE ENTERED INTO THE FOLLOWING AGREEMENT, NAMELY:

LOAN, REIMBURSEMENT AND INTEREST:

The Debtor acknowledges to be indebted towards the Creditor for an amount of **FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00)** (the "**Loan**"), a loan which the Creditor has consented to make to the Debtor for a term of **six (6) months** commencing on the first day of January, Two thousand and twenty-one (01-01-2021) (the "**Interest Adjustment Date**"). The Creditor shall disburse the Loan in one or more advances to the Debtor or for the Debtor's benefit when all the relevant conditions have been fulfilled and the appropriate registrations have been made in the land registry and in the registry of personal and movable real rights.

The terms and conditions of the Hypothecary Loan Commitment by **CAPITAL LENDING GROUP INC.** dated the ninth day of December, Two thousand and twenty (09-12-2020) and accepted on the ninth day of December, Two thousand and twenty (09-12-2020) (referred to as the "**Hypothecary Loan Commitment**"), copy of which remains annexed to the minute hereof after having been acknowledge as true and signed for identification by the Parties herein in the presence of the undersigned Notary, form part hereof to the extent that they are not modified by this contract.

The terms and conditions of the Hypothecary Loan Commitment shall survive the execution and registration of this contract. In the event of any inconsistency or conflict between the provisions of the Hypothecary Loan Offer and this contract or any other document relating to this Loan, or any discrepancy between any such documents, the Lender shall, in its discretion, decide the provisions of which document shall prevail.

The proceeds of the present loan are not assignable nor transferable by the Debtor.

If the Debtor defaults in the performance of any of his obligation hereunder, prior to the full disbursement of the loan by the Creditor, then the Creditor shall be entitled, without notice, to cease any further disbursement and limit the loan to the amount already disbursed, without prejudice to any and all of its rights and recourses.

The said Loan shall bear interest at the rate of **twelve percent (12.00%)** per annum. Such interest shall be calculated on a daily basis and compounded monthly on each payment date on the total of the principal balance plus accrued interest outstanding on the payment date. The Debtor acknowledges that the aforementioned rate of interest was freely negotiated and agreed to and that such rate, given the risk being assumed by the Creditor and the circumstances of the loan, is fair and reasonable.

The Debtor binds and obliges itself to repay the capital sum of the loan or any remaining balance thereof on the **first (1st) day of July, Two thousand and twenty-one (01-07-2021)** (the "**Maturity date**"), with the obligation in the meantime of making equal, consecutive, monthly instalments of interest only, in the amount of **four thousand dollars (\$4,000.00)** each, the first payment of said interest becoming due and exigible on the **first (1st) day of February, Two thousand and twenty-one (01-02-2021)**, and monthly thereafter up to and including the **first (1st) day of July, Two thousand and twenty-one (01-07-2021)**, at which said date all capital remaining unpaid, with all accrued interest and accessories, if any, shall become due and exigible without notice or other formality of law.

It is expressly understood that the term of the loan will not be extended nor tacitly renewed, save and except by written instrument signed and executed by a duly authorized representative of the Creditor, and in no event will the acceptance by the Creditor, after the expiration of the term, of one or more monthly instalments or partial payment on account of the balance due in capital, interest, costs and accessories be construed or interpreted as a consent by the Creditor to the extension or renewal of the term of the loan.

All sums referred to herein and all sums to be paid to the Creditor herein shall be payable in lawful money of Canada.

All payments of capital, interest, costs and accessories, shall be made, without notice or mise-en-demeure, at the offices of the Creditor, 16 Malta Street, in the City of Dollard-des-Ormeaux, Province of Québec, H9B 2J7. All payments must be made prior to 1:00 P.M. on the day the payment is due and any payment made after 1:00 P.M. on the due date shall be conclusively deemed to have been received by the Creditor on the following business day.

The Debtor will be entitled to prepay the loan, in whole or in part, after three (3) months from the date of the presents with no prepayment penalty, upon giving the Creditor a thirty (30) day prior written notice of prepayment.

All overdue interest shall be capitalized and bear interest at the above-mentioned rate and is payable upon simple demand.

POSTDATED CHEQUES

The Debtor does hereby agree to furnish to the Creditor each year in advance a series of **three (3) post-dated cheques** representing the aforesaid monthly payments of interest only. The said post-dated cheques are given as a mode of collection only and to facilitate payment, the whole without novation nor derogation from any of the rights, priorities and hypothecs contained in these presents in favour of the Creditor.

Should any of the above-mentioned post-dated cheques be dishonoured for any reason whatsoever when presented for payment, it shall be considered as a default hereunder on the part of the Debtor and the Debtor also agrees to pay to the Creditor on demand a handling fee of TWO HUNDRED AND FIFTY DOLLARS (\$250.00) per N.S.F. cheque, plus interest on the said amount at the aforementioned rate of interest.

PRINCIPAL HYPOTHECS

To secure the performance of its obligations under the terms of this loan, including without limiting the generality of the foregoing the repayment of the capital sum, interest thereon, the Fee, the Additional Fee, costs and accessories and the fulfilment of all of its obligations hereunder the Debtor hereby hypothecs specifically in favour of the Creditor, to the extent of the sum of **FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00)** plus interest at the rate of **twelve percent (12.00%)** per annum the following properties:

a) *Hypothec on Immovable*

The immovable described hereinbelow together with all buildings thereon erected or to be erected thereon, its improvements, replacements, additions and with all that is attached or joined to it and is considered immovable by virtue of the law (the "Immovable"):

DESCRIPTION

IMMOVABLE I

An immovable property fronting on Rachel street East, in the city of Montreal, Province of Quebec, known and described as being lot number **ONE MILLION FIVE HUNDRED EIGHTY-FIVE THOUSAND SEVEN HUNDRED EIGHTY-NINE (1 585 789)** upon the "CADASTRE DU QUÉBEC", in the registration division of Montréal.

With a building thereon erected bearing civic number 2477-2487 Rachel Street East, Montreal, Quebec, H2H 1R9.

IMMOVABLE II

An immovable property fronting on Hutchison Street, in the City of Montreal, Province of Quebec, known and described as being lot number **ONE MILLION EIGHT HUNDRED SIXTY-EIGHT THOUSAND SEVENTY (1 868 070)** upon the "CADASTRE DU QUÉBEC", in the registration division of Montréal.

With a building thereon erected bearing civic number 4688 Hutchison Street, in the city of Montreal, Province of Quebec, H2V 3Z9.

b) *Hypothec on Rents and Insurance Indemnities*

All rents, present and future, payable under all leases, offers to lease or other occupancy agreements, now or hereafter, affecting the Immovable or any part thereof, and all other revenues present and future from the Immovable, and all insurance indemnities payable under all insurance policies contracted for the purposes of providing coverage against loss of the said rents or other revenues deriving from the Immovable.

c) *Hypothec on Movable Property relating to the Immovable*

The universality of all movable property belonging to the Debtor, present and future, now in or on, or thereafter brought in, on or upon the Immovable and all rights and assets, present and future, connected with the Immovable and the said movable property or pertaining thereto, as well as all fruits and revenues from the Immovable and said movable property and those acquired in replacement thereof (the "Movables"), and, without limiting the generality of the foregoing, including the following:

- i) All movable property now or hereafter situated in or on

the Immovable and which will be used for the operation, administration, maintenance, management, cleaning, landscaping, snow removal, security, repairs and improvements to the Immovable or other business activities carried out in or on the Immovable including, without limitation, all heating, air-conditioning and cleaning equipment and all machinery, inventory, computer equipment, software, furniture, furnishings, tenant improvements together with all movable property acquired in substitution or replacement thereof, the proceeds of any sale, lease or other disposition.

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

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

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

v) any and all stock, names, trademarks, patents, licenses and permits and all other rights or intellectual property, present or future, used in connection with the Immovable or other business operated therein.

The property hereinbefore described in paragraph a) b) and c) are hereinafter collectively referred to as "Hypothecated Property".

INSURANCE

As additional security for the payment of the loan and performance of the Debtor's other obligations hereunder, the Debtor shall insure and keep insured the Immovable and its dependencies and appurtenances under policies providing for the following:

- A) Insurance against loss or damage to the buildings, structures, improvements and equipment of any type or kind pertaining to the Immovable by all hazards including fire, water, earthquake, collapse, flooding as are insurable under an all risk policy for its full insurable value. The amount of such insurance will in no event be less than the amount of the capital sum loaned and any other indebtedness secured by prior ranking hypothecs;

- B) Comprehensive broad form boiler and machinery insurance, including unfired pressure vessels and air-conditioning equipment, including use and occupancy coverage, in an amount at least equal to the replacement cost of the boiler and/or machinery belonging to the Debtor or operated by the latter with respect to the Immovable or servicing same;
- C) Insurance against loss of rentals covering potential loss of revenue from the Immovable for at least twelve (12) months from the date of any occurrence or any longer indemnity period that the Creditor may prescribe from time to time;
- D) Comprehensive general public liability insurance with respect to personal injury, death, and damage to property of third parties in an amount no less than \$1,000,000.00 per event or such other higher amount as would maintain from time to time a prudent owner;
- E) Such other insurance as the Creditor may personally request from time to time to cover insurable risks and in amounts equal to those which would be maintained by a prudent owner of a similar property.

The Debtor binds and obliges itself to transfer and assign, and does hereby transfer and assign as security to the Creditor, all insurance policies in force on the said Immovable, which insurance policies shall contain the standard mortgage clauses as approved by The Insurance Bureau of Canada and clauses usually contained in policies covering the same kind of risks, to maintain same in force until full repayment of the loan and to deliver to the Creditor at least fifteen (15) days prior to the expiration of a policy, the receipts evidencing the renewal thereof.

In the event of the failure by the Debtor to fulfil any of his obligations hereinabove mentioned, the Creditor, without prejudice to any of its other recourses hereunder, may, on the Debtor's behalf, take out any new insurance policies and claim immediate repayment of the premiums thereof with interest, from the date of their payment, at the rate hereinabove stipulated.

The proceeds of any such insurance shall be paid directly to the Creditor to the extent of the amount of its claim, and for this purpose, the Debtor hereby declares, that he transfers same to the Creditor as of the date hereof. The same shall apply to any proceeds paid out by any insurer when losses under the policy have been made payable to the Creditor; notice of their transfer may, at the request and dispatch of the Creditor and at the Debtor's expense, be given to any insurers concerned, and a copy or extract hereof may be used for service of this transfer if required.

The Debtor shall advise the Creditor without delay of any loss or damage and shall not undertake any repairs or reconstruction until the premises have been examined by the Creditor and the proposed works approved by it. Notwithstanding any law, usage or custom to the contrary, the Creditor shall have the right to either impute the amount of the insurance proceeds to the Debtor's indebtedness, or apply it towards the payment, in whole or in part, of the cost of reconstruction or repair of the Immovable, without, in either case, any reduction or modification of any of the Creditor's privileges or hypothecs in any manner whatsoever, save by the signature of a

notarial deed of acquittance acknowledging a reduction in the amount of the present loan.

The Debtor does hereby irrevocably appoint each of the directors and officers of the Creditor as his Attorney with the specific power to endorse any cheques made to his order arising from any and all insurance claims relating to the Immovable hypothecated by these presents. This power of attorney shall endure until this loan is fully paid in its entirety.

As further security for the performance of its obligations, the Debtor hereby hypothecates to the extent of the same amount and for the same purposes as indicated at the clause entitled "Principal Hypothec", the insurance indemnity(ies) payable in virtue of all policies covering the Immovable.

MAINTENANCE OF IMMOVABLE

During the currency of the loan, the Debtor will maintain in good order and state of repair all building(s) which form part of the Immovable and the accessories thereof and he will carry out or cause to be carried out all repairs that the Creditor may require, the whole within the delay determined by the Creditor; the Creditor will have the right, at all times, to inspect the Immovable and all buildings forming part thereof in order to verify their state and condition. The Debtor warrants that the nature and destination of the Immovable will not be changed, altered or modified without the prior written consent of the Creditor.

If the Debtor vacates the Immovable or if same remains vacant or if the Creditor has reason to believe that the Debtor has vacated or does not maintain the Immovable in a good state of repair, the Creditor will at all times have the right to enter into the Immovable to inspect same, and for this purpose to enter into same with or without the assistance of a locksmith and to carry out all repairs which it may deem necessary and to make whatever arrangements it deems necessary for the restoration, preservation or maintenance of the Immovable, the whole at the Debtor's cost and expense. All sums disbursed by the Creditor are immediately payable by the Debtor to the Creditor without notice nor demand and will bear interest at the afore-stipulated rate. If the Immovable was used for agricultural, industrial or commercial activities, the Creditor will have the right to operate and administer same for the purpose for which it was used. The Creditor may use the revenues derived from the operation of the Immovable for the purposes provided for in the hypothec on rent clause and will not be responsible for any damage or loss resulting from its administration.

ADDITIONAL HYPOTHEC

Should the said Immovable be sold through a judicial sale, a licitation or any sale having the effect of a forced sale, or through any other sale or cession of like effect, or in the event of the exigibility of the loan according to any of the clauses of the present deed, the Creditor shall be

entitled, subject to any law to the contrary, to receive an indemnity of ten percent (10%) on any amount then remaining due to it in principal, interest, costs and accessories.

To secure payment of such indemnity, interest at the rate aforesaid, interest for a period of two (2) years and the current year and interest beyond a period of two (2) years and the current year, and of all other amounts expended by the Creditor for the protection of its hypothecary claim and preservation and maintenance of the Hypothecated Property or any part thereof, and without limiting the generality of the foregoing i) to secure the payment by the Debtor to the Creditor of the monetary difference, if any, between the interest rate provided for herein, and the interest rate provided for under the terms of any mortgage deed having priority over the present deed and which the Creditor may deem appropriate, without being obliged to do so, to pay or acquire with subrogation for the preservation of its loan and which the Debtor agrees and undertakes to pay to the Creditor on demand; ii) to secure the repayment to the Creditor of all sums disbursed by the Creditor the remedy any default of the Debtor under the term of any such mortgage deed; iii) to secure the payment of all expenses incurred by the Creditor, including but not limited to, insurance premiums, taxes, legal fees, costs incurred, notarial costs and other accessories; and iv) to secure the payment of the Fee and/or Additional Fee, as the case may be, an additional hypothec in an amount equal to twenty percent (20%) of the amount of the principal hypothecs, is hereby created by the Debtor upon the said Hypothecated Property.

HYPOTHEC ON RENTS

As provided for under the heading "Principal Hypothecs", as further security for the repayment of the capital sum, interest thereon, the Fee, the Additional Fee, costs and accessories and the fulfilment of all of its obligations hereunder, the Debtor hypothecates, in favour of the Creditor, to the extent of the same amount and for the same purposes as indicated at the clause entitled "Principal Hypothecs", all the rents, present and future, resulting from the rental of all or part of the Immovable, as well as the insurance indemnity payable in virtue of all policies covering or which may cover the rents, as the case may be.

The Debtor undertakes to deliver to the Creditor, on request, all the leases affecting the Immovable and all policies insuring the rent.

So long as the Creditor has not notified him of his intention to collect the rent, the Creditor authorizes the Debtor to continue to collect the rent as it falls due.

The Creditor may, without prejudice to his other rights and recourses, avail himself of this hypothec by notifying the Debtor and the tenants of his intention to do so. In such event, the Creditor shall be entitled:

- A) to cancel, accept surrender of, modify, make or renew any leases for or affecting the whole or any portion of the Immovable at such rentals for such periods and upon such terms and conditions as the Creditor, in its discretion, deems appropriate without any liability or responsibility of any nature whatsoever on the part of the Creditor to the Debtor or otherwise;

- B) to give good and sufficient discharge for all rents collected by the Creditor, but the Creditor 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 Debtor of such non-collection or irregularity;
- C) subject to the provisions contained under the heading "Administration after Surrender" of the present deed to deduct from any rents received by the Creditor:
 - i) if the Immovable is leased in its entirety, a monetary amount equal to ten percent (10%) of the gross rents received; or
 - ii) if the Immovable is only partially leased, a monetary amount equal to ten percent (10%) of the gross rents which would have been received had the Immovable been entirely leased;

as administration fees and the balance of the rents so received shall be received and applied by the Creditor, acting in its sole and absolute discretion, for anyone of the following purposes, namely:

1. the maintenance, operation and administration of the Immovable, 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 and reimbursements of expenses for any professional or agent engaged by the Creditor for the maintenance, operation and administration of the Immovable and/or collection of rents; and
2. the payment or reduction of the whole or any portion of the loan, whether principal, interest or any compound interest thereon, as the Creditor, in its sole discretion, deems appropriate, the whole whether or not an event of default shall have then occurred.

Neither the receipt nor the application of any rents by the Creditor shall reduce, novate or otherwise affect the hypothecs, security and rights hereby created in favour of the Creditor, all of which shall remain in full force and effect for the full amount thereof unless reduced or discharged in writing by the Creditor.

The Debtor hereby ratifies in advance all acts of administration performed by the Creditor and accepts all statements submitted by him as being equivalent to the rendering of account. The Creditor shall not be liable for any loss or damage incurred as a result of his administration.

In addition, if the Creditor exercises its rights hereunder, the Debtor hereby irrevocably consents, without reserve, to the Creditor securing from any public utility the provision of services such as electricity, water and gas.

The Debtor agrees and undertakes not to hypothecate in whole or in part his rights in and to the leases in favour of any third party other than the Creditor.

Furthermore, the Debtor agrees and undertakes that during the term of the present loan, it will not renew the leases at rents lower than those provided for in the existing leases, nor for terms extending beyond the terms originally agreed to.

TAXES

The Debtor, at the request of the Creditor, hereby binds and obliges himself to pay to the latter at the date of maturity of each of the monthly instalments hereinabove mentioned and in addition thereto, an amount equivalent to one-twelfth (1/12) of the estimate made by the Creditor, which he may revise from time to time, of all taxes and assessments whatsoever, general and special, municipal, school, or otherwise, which may affect the Immovable hereby hypothecated (hereinafter called "the taxes") and which, in the opinion of the Creditor, may become due and exigible during the course of any twelve month period during the term of the present loan. If, on the date on which the taxes shall effectively become due and exigible, the total of the sums already paid for taxes and not yet used for that purpose is less than the actual amount of these taxes, the Debtor shall immediately pay to the Creditor any additional sum necessary to make up the difference.

All sums paid to the Creditor in virtue of the preceding paragraph shall be accumulated by it and shall constitute a pledge for the execution of all obligations in its favour arising out of the present deed; consequently, in the event of any default on the part of the Debtor, the Creditor shall have the right to apply said sums, in whole or in part towards the payment of any amount which may be owing to it in virtue of these presents. The Creditor nevertheless agrees to apply any sums so accumulated and not otherwise applied, towards the payment of the taxes which shall become due and exigible, provided that the Debtor be not then in default.

The Debtor shall furnish to the Creditor without delay all notices, bills and other documents sent to him.

Notwithstanding anything mentioned to the contrary herein, the Creditor will have the right to require the Debtor to pay such taxes as they become due and to require that it be provided with proof of payment thereof within ten (10) days of their due dates.

In no event will the Debtor agree or allow the taxes to be paid with subrogation by a third party other than the Creditor.

Without limiting the generality of the foregoing, the Creditor may, without however being obliged to do so, from the proceeds of the Loan, pay all unpaid and outstanding taxes as of the date of execution of the present deed or withhold from such proceeds an amount sufficient to pay such taxes.

The Debtor hereby irrevocably agrees and consents that if he fails to pay all such taxes on their due dates, the Creditor will have the right, although not obliged to do so, to pay in whole or any part such taxes with subrogation. In such case, the Debtor agrees and undertakes to reimburse to the Creditor on demand the amount of the taxes thus paid by the Creditor together with interest thereon at the rate payable in respect of the loan.

CHARGES AND CONDITIONS

1. The Debtor shall pay all taxes, assessments and rates, federal, provincial and municipal, ecclesiastical and school, whether general or special, which may or might at any time affect and represent an encumbrance on the said Immovable, having priority over the rights of the Creditor, and he shall deliver to the Creditor, within ten (10) days after such taxes, assessments and rates become due, receipts evidencing full payment of same, without subrogation in favour of any third party.

2. Notwithstanding anything to the contrary contained herein or at law, the Debtor shall assume all of the professional fees and expenses incurred in the preparation, execution and publication of this Deed of Loan and of any deed of acquittance and/or mainlevée and all costs incurred with respect to the publication and/or renewal, when necessary, together with the cost of the filing and publication of the notice of address and all appraisal costs including the cost of a certificate of location or updating of such certificate if so required by the Creditor. If the Debtor requires that such deeds of acquittance and/or mainlevée be prepared by the Creditor's notary and/or attorney, the Creditor shall be under no obligation to execute and deliver such deeds until such time as it will have received from the Debtor a monetary amount sufficient in order to pay and satisfy all of the professional fees and disbursements which will be incurred by the Creditor and its notaries and/or attorneys.

3. Every tax that may be imposed in respect of this loan and/or of any interest payable under this deed or in respect of any claim of the Creditor hereunder, other than general taxes on profits and income, shall be borne by the Debtor so that the Creditor will receive and retain principal and interest without any reduction or attrition.

4. The Debtor shall pay to the Creditor, on demand, all sums expended by the Creditor for the payment of insurance premiums, taxes, electricity, gas, professional fees and disbursements (including extra-judicial fees) and other costs paid and/or incurred by the Creditor for the purpose of exercising its rights under the hypothec on rents granted to it hereunder, recovering rents from delinquent tenants, instituting proceedings in recovery of rent and/or resiliation of leases against delinquent tenants and to obtain their eviction, or any other costs in connection with the loan or to preserve its security, or for the fulfilment of any obligation of the Debtor hereunder, with interest on all such sums at the rate aforesaid from the date of payment thereof by the Creditor.

5. The Debtor will not have the right to sell, transfer encumber or alienate in whole or in part the Hypothecated Property presently hypothecated, and if the Debtor contravenes the present provision the present loan shall become immediately due and exigible, without notice nor mise-en-demeure on the part of the Creditor.

6. The Debtor shall deliver all title deeds to the Creditor, who may retain them until repayment in full of the present loan.

7. If the Debtor fails to pay at maturity a sum of money due to the Creditor and that as a result the Creditor must retain the services of an attorney to recover such amount, the Debtor agrees and consents that an amount equal to fifteen percent (15%) of the then outstanding amount will be added to such amount, in order to compensate the Creditor for the increase in

its cost of administration.

8. The Debtor binds itself not to give discharge for more than one month's rental in advance, without the written consent of the Creditor and further not to collect rent due or to become due for any period of time in advance other than the rent for the current month.

9. Within seven (7) days of the receipt by the Debtor of any notice of expropriation or of taking of possession of the whole or any part of the Immovable, the Debtor undertakes to notify the Creditor of same in writing. Moreover, the Debtor hereby cedes and transfers unto the Creditor, as additional security, the sums of money and/or indemnities payable to it pursuant to such expropriation and/or taking of possession and the Debtor consents that all such sums be paid directly to the Creditor on account and reduction of the loan in capital, interest and cost. In the event of any such the expropriation or taking of possession, the Debtor hereby binds and obliges itself to pay to the Creditor, upon demand, an indemnity equal to six (6) months' interest calculated on the outstanding capital amount of the loan.

10. The present indebtedness is indivisible and may be claimed in its entirety from each of the Debtor's heirs and/or legatees, in accordance with Article 1520 of the Civil Code of Québec.

11. The Creditor is hereby authorized, without however being obliged to do so, at the Debtor's expense and out of the proceeds of the present loan, to have any hypothecary inscriptions, charges and encumbrances which may affect any part of the said Hypothecated Property radiated therefrom, and, should the proceeds be insufficient for this purpose, to make no further advances and, despite the term herein stipulated, to exact repayment of the sums already disbursed, without prejudice to its recourse for damages against the Debtor.

12. The mere lapse of time for the fulfilment by the Debtor of any of his obligations herein stipulated shall put him in default, without the necessity of any notice or mise-en-demeure. In addition, time is of the essence of the present Deed of Loan.

13. Should the Immovable hereby hypothecated be a multiple dwelling property for which the consumption of electricity or gas is metered and billed for the whole property as a Unit, and of which at least one of these premises is occupied by a residential tenant in virtue of a lease where the cost of electricity or gas service is included in the amount payable to the present Debtor, the latter shall be obliged to defray the cost of the electricity or gas service and to himself pay the bills of the suppliers not more than forty-five (45) days after receipt of the bill. He shall also be obliged to submit to the Creditor, should the latter so require, the receipts for these various payments.

14. If the Creditor, in its sole discretion, deems it necessary or in its interest, for the preservation of its security, to satisfy any debt secured on the Immovable, the monies thus paid and/or disbursed by the Creditor shall constitute an additional advance by the Creditor on behalf of the Debtor and the amount of the revolving Credit Facility and/or loan, as the case may be, will be increased accordingly. Such additional advance shall bear interest at the rate provided for hereunder, be repayable on a demand basis and also be secured under the Additional Hypothec provided for in the section entitled "Additional Hypothec".

15. If prior to the complete repayment of the loan in capital, interest and costs, the Creditor receives or is in possession of a cheque, bank draft or negotiable instrument made payable to the order of the Debtor, the Creditor will be entitled to negotiate and/or cash any such cheque, bank draft or negotiable instrument and to apply the proceeds thereof on account and in reduction of the present loan and for this purpose, the Debtor hereby irrevocably constitutes the Creditor and each of its directors and officers, its irrevocable mandatary and attorney with power and authority to endorse any cheque, bank draft or negotiable instrument made payable to its order and representing moneys which would otherwise be payable to it, no matter what the source of these moneys are. The present mandate and proxy will remain in effect until complete repayment of the loan in capital, interest, cost and accessories.

DEFAULTS

In the event:

- (a) The Debtor or the Surety fails to pay, on their respective due dates, any of the instalments of principal, interest, or taxes due under this or any other mortgage affecting any of the Hypothecated Property; or
- (b) The Debtor or the Surety fails to fulfil any of their obligations or undertakings hereunder or under any other mortgage affecting any of the Hypothecated Property whether such mortgage has priority or not over the hypothecary rights constituted hereunder in favour of the Creditor; or
- (c) The Debtor or Surety fails to comply with and fully execute and fulfil all of their obligations under the terms of any other agreement evidencing the present loan or security instrument securing the repayment of the present loan in capital, interest, costs and accessories; or
- (d) The Immovable does not comply with and respect all laws, by-laws and regulations affecting the Immovable; or
- (e) The Debtor or the Surety makes an authorized assignment of its assets or becomes bankrupt or makes a proposal under the Bankruptcy act; or
- (f) A priority or legal hypothec is published against any of the Hypothecated Property and the radiation thereof is not obtained within thirty (30) days of its publication; or
- (g) Any part of the Hypothecated Property is sold, alienated or encumbered without the Creditor's prior written consent; or
- (h) Any part of the Hypothecated Property hereunder is seized in execution of a judgement, given in payment, sold by its judicial authority, expropriated or if a judgement is published against any part of the Hypothecated Property; or
- (i) Any of the declarations made by the Debtor is or becomes false or inaccurate in any respect; or
- (j) Any of the Hypothecated Property hereunder is taken over for

the purposes of administration by an administrator, trustee or sequestrator; or

(k) A hypothecary recourse is exercised against any part of the Hypothecated Property, a priority published against same, an action in resolution of sale instituted in respect of same, a prior notice of the exercise of a hypothecary right is given or published against same or a legal construction hypothec published against same; or

(l) A surety or guarantor of the obligations of the Debtor terminates or resiliates its suretyship or guarantee pursuant to the terms of article 2362 of the *Civil Code of Quebec*;

then, the occurrence of anyone or more of the foregoing events, by the mere lapse of time for performance and, unless expressly otherwise provided, without the necessity of any notice or proceedings, shall constitute an event of default ("Event of Default").

Upon the occurrence of any Event of Default (and without prejudice to the demand nature of any of the loan which is payable on demand), the Debtor will lose the benefit of any term for payment granted by the Creditor and the entire loan in capital and interest will become immediately due and payable and the Debtor will, without the necessity of demand or notice (other than as may be strictly required by law) repay the loan to the Creditor, failing which, in addition to all hypothecary rights and other remedies and recourses presently or in the future available under law:

- a) The Creditor may immediately take proceedings for the recovery of all or any portion of the loan; and/or
- b) The Creditor may, without being obligated to do so, execute any obligation which has not been fulfilled by the Debtor, in the place and at the expense of the latter; and/or
- c) The Debtor will surrender and abandon the Hypothecated Property, or the part thereof specified by the Creditor to the Creditor or such person as may be designated by the Creditor, and will consent in writing to turn such property over to the Creditor or such person as may be designated by the Creditor at the time and place specified by the Creditor.

If after the occurrence of an Event of Default, the Creditor gives prior notice of the exercise of an hypothecary right or exercises an hypothecary right, the Debtor may only remedy its default and may only defeat the exercise of the right of the Creditor by paying to the Creditor the amount due to him or, where that is the case, by remedying the omission or breach set forth in the prior notice and any subsequent omission or breach, and, in either case, by paying the costs incurred, the whole in accordance with articles 2761 and 2762 of the Québec Civil Code. In addition, the Debtor acknowledges that the "costs incurred" as this expression is defined by law, will be added to all sums due to the Creditor in the context of the exercise by the Creditor of the hypothecary right of the taking in possession for purposes of administration or that of the sale by the Creditor or that of sale by judicial authority, or that of taking in payment and that the payment of the costs incurred is guaranteed and secured pursuant to the terms of the Additional Hypothec clause contained in the present deed.

Administration after Surrender

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

- a) The Creditor will be entitled to generally delegate the whole or any part of the administration of the Hypothecated Property (including without limitation, the exercise of all discretionary powers) to such person(s) as the Creditor may designate or re-designate in the creditor's sole discretion (any such person being herein referred to as an "Administrator");
- b) The Creditor and any Administrator will be entitled to the reimbursement of all costs and expenses incurred in the maintenance, operation and administration of the Hypothecated Property (including, without limitation, all costs, expenses and fees incurred by any attorneys or other persons engaged by the Creditor or the Administrator in order to assist in such administration or any matter pertaining thereto), as well as all fees of the Creditor and the Administrator incurred in such administration, all of which may be charged by the Creditor against any fruits, revenues or proceeds of alienation of the whole or any portion of the Hypothecated Property;
- c) The Creditor or the Administrator shall be entitled, under any circumstances (even if they have only simple administration of the Hypothecated Property) and in such manner as the Creditor or the Administrator deems, in their respective discretions, appropriate, to alienate the Hypothecated Property by onerous title;
- d) The Creditor will be entitled to acquire the whole or any portion of the Hypothecated Property alienated by onerous title in the course of any administration thereof;
- e) In the event that the Creditor or the Administrator acquires full administration of the Hypothecated Property, neither the Creditor nor the Administrator will be under any obligation whatsoever to make the Hypothecated Property productive, increase the Hypothecated Property or the value thereof or appropriate any of the Hypothecated Property to any purpose other than payment of the loan;
- f) The Creditor 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 Hypothecated Property;
- g) The Creditor 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 the Hypothecated Property administered by either of them;

- h) Neither the Creditor nor the Administrator will be obliged, in any manner whatsoever, to prepare any inventory of the Hypothecated Property, insure the Hypothecated Property or give any security for the Hypothecated Property or its administration thereof. Should the Creditor or the Administrator, in its discretion, insure the whole or any portion of the Hypothecated Property, the costs and expenses of any insurance shall form part of the costs and expenses referred to in paragraph (b) hereof;
- i) The Creditor and the Administrator may change the destination of the whole of any portion of the Hypothecated Property under their administration and will not be bound to continue the use or operation of any part of the Hypothecated Property under their administration which produces fruits or revenues;
- j) Notwithstanding any provisions of law to the contrary, the Creditor and the Administrator will only be obliged to render an account to the Debtor upon the written request of the Debtor and once the Creditor or Administrator has determined, to its satisfaction, the details of such account;
- k) For the purposes of the application of sub-paragraph b) above, the fees of the Creditor and the Administrator will consist of:
 - i. if the Immovable is leased in its entirety, a monetary amount equal to ten percent (10%) of the gross income; or
 - ii. if the Immovable is only partially leased, a monetary amount equal to ten percent (10%) of the gross income which would have been received had the Immovable been entirely leased; or
 - iii. if the Immovable is vacant, a monetary amount payable monthly equal to one twelfth (1/12) of the product obtained when the municipal evaluation of the Immovable is multiplied by a two percent (2%) factor.

Taking in payment

In the event the Creditor exercises the hypothecary recourse of taking in payment, it will be entitled to become the absolute owner of all of the Hypothecated Property, just as if all of it constituted one and same Property and in the event where the Hypothecated Property is hypothecated by more than one Debtor, just as if the Debtors, were and constituted one and same person and debtor, so as to allow the Creditor to simultaneously become the absolute owner of all of the Hypothecated Property pursuant to the terms hereof. In the event of the exercise by the Creditor of its right to become the owner of the Hypothecated Property, each of the Debtors, agrees and undertakes to simultaneously execute deeds of voluntary surrender authorising the Creditor to take in payment all of the Hypothecated Property and not only part thereof. Each of the Debtors agrees and undertakes not to execute a deed of voluntary surrender in favour of the Creditor without the other also simultaneously executing such a deed of voluntary surrender and they acknowledge that if only one of them executes a deed of voluntary surrender in favour of the Creditor, then and notwithstanding its execution and delivery to the Creditor, such deed of voluntary surrender shall not be opposable to nor

binding upon the Creditor and shall not result in the extinction of the debt, the payment of which is guaranteed by the Hypothecated Property. In such event, the Creditor may institute a motion in forced surrender with respect to all of the Hypothecated Property, or abandon the exercise of the hypothecary recourse of taking in payment and exercise with respect to such Hypothecated Property any other hypothecary recourse including the recourse of sale under judicial authority. All expenditures and improvements made by any holder of the Hypothecated Property and all payments made on account of the loan and the accessories thereof will belong to the Creditor without return or compensation. The Creditor will not be obliged to compensate or indemnify the Debtor(s) or any other person for any cause whatsoever.

Sale of the Hypothecated Property

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

- a) The Hypothecated 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 public auction or combinations thereof as the Creditor or the Administrator sees fit and the Creditor or the Administrator may, at any time, change or substitute any method of sale for any other method of sale of the Immovable;
- b) Notwithstanding any provision of law to the contrary, in any call for tenders, the Creditor 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 the Hypothecated Property by any other method; and
- c) The Debtor expressly agrees that the Creditor will not be required to obtain or present to the Court any appraisals of the Hypothecated Property and that the Hypothecated Property may be sold without any upset price therefore.

If the Hypothecated Property consists of more than one Immovable, the Creditor will be entitled, at its sole and absolute discretion, to proceed simultaneously to the sale of all of the Immovables or if it so elects, to proceed successively to the sale of the Immovables such that it may proceed to the sale of one of the Immovables prior to initiating the process of sale with respect to other or others, as the case may be.

CONTINUING SECURITY

The rights, recourse and other security which the Creditor now has or possesses, as well as any priorities, security or recourse it may hereafter have and possess as security for the reimbursement of the present loan, shall in no way be affected or modified by the present security, which in turn will not be reduced or affected in any way by such other security, it being

understood and agreed that the rights, recourse and hypothecs of the Creditor created hereunder shall remain in full force and effect until the execution by the Creditor of a deed of Acquittance and Mainlevée ordering radiation of the present deed. Furthermore, all rights, recourses, priorities and hypothecs of the Creditor, hereunder or under any other security instrument securing the repayment of the present loan shall be cumulative and not alternative such that the fact that the Creditor has not exercised a right does preclude the Creditor of the right to exercise his other rights. The fact that the Creditor does not exercise a right or recourse does not constitute a waiver or renunciation to such right or recourse.

Should the indebtedness due by the Debtor to the Creditor at any time be fully extinguished without an express discharge of the security created hereunder having been granted, and should new indebtedness arise, the security created hereunder will secure the new indebtedness in the same manner and to the same extent as if there had never occurred an extinction of the old indebtedness and the Debtor is and will be obligated under the provisions hereof. The Debtor will be deemed to have obligated itself for the new indebtedness pursuant to the provisions hereof and the security herein created will secure such new indebtedness.

DECLARATIONS OF THE DEBTOR

The Debtor hereby makes the following declarations, which he warrants to be entirely true, and which are essential to the present loan, namely:

- a) that all taxes, assessments and rates, whether municipal, school, or ecclesiastical, imposed on the said Immovable, have been paid up to date;
- b) that none of the permanent accessories of the Immovable, and especially none of the heating, ventilation, refrigeration, cleaning and lighting equipment, and none of the elevators or other services in the property are subject to a conditional sales contract or to any contract creating a hypothec or real rights in favour of the vendor thereof; that all such accessories are the property of the Debtor and that any of them which are not immoveable by nature have been placed in the buildings for a permanency and are immoveable and will not be removed without the prior written consent of the Creditor;
- c) that the information supplied to the Creditor prior to this day is true and correct;
- d) (i) that the immovable is clear and free of all priorities, hypothecs and other charges whatsoever, except for:

IMMOVABLE 1

- A Deed of Immovable Hypothec in favour of LA CORPORATION D'HYPOTHEQUE WESTMOUNT CAPITAL INC. / WESTMOUNT CAPITAL MORTGAGE CORPORATION INC, received before the undersigned notary, on the first day of September, Two thousand

and twenty (01-09-2020) and published in the Land Registry Office of Montreal under number 25 654 393;

- A Deed of Immovable Hypothec in favour of LA CORPORATION D'HYPOTHEQUE WESTMOUNT CAPITAL INC. / WESTMOUNT CAPITAL MORTGAGE CORPORATION INC, received before the undersigned notary, on the sixteenth day of July, Two thousand and twenty (16-07-2020) and published in the Land Registry Office of Montreal under number 25 546 222;
- A Deed of Immovable Hypothec in favour of LA CORPORATION D'HYPOTHEQUE WESTMOUNT CAPITAL INC. / WESTMOUNT CAPITAL MORTGAGE CORPORATION INC, received before the undersigned notary, on the fifth day of October, Two thousand and twenty (05-10-2020) and published in the Land Registry Office of Montreal under number 25 739 600,

Which said hypothecs shall remain on title hereby constituting the present hypothec a FOURTH (4th) RANKING hypothec.

IMMOVABLE II

- A Deed of Immovable Hypothec in favour of LA CORPORATION D'HYPOTHEQUE WESTMOUNT CAPITAL INC. / WESTMOUNT CAPITAL MORTGAGE CORPORATION INC, received before the undersigned notary, on the eleventh day of September, Two thousand and twenty (11-09-2020) and published in the Land Registry Office of Montreal under number 25 679 039;
- A Deed of Immovable Hypothec in favour of LA CORPORATION D'HYPOTHEQUE WESTMOUNT CAPITAL INC. / WESTMOUNT CAPITAL MORTGAGE CORPORATION INC, received before the undersigned notary, on the fifth day of October, Two thousand and twenty (05-10-2020) and published in the Land Registry Office of Montreal under number 25 739 600,

Which said hypothecs shall remain on title hereby constituting the present hypothec a THIRD (3rd) RANKING hypothec.

- e) that the Matrimonial Status of the Debtor is as follows: N/A
- f) that with respect to environmental matters :
 - i) the Immovable has not violated and will not violate at any time or in any manner whatsoever, any applicable environmental law, by-law, rule or regulation and have not created and will not create in any manner whatsoever, any environmental hazard;
 - ii) no act, enterprises or activity carried on from or at the Immovable has been or will be conducted at any time in a manner which violates any applicable environmental law, by-law, rule or regulation or creates in any manner whatsoever, any environmental hazard;

- iii) no contaminant, pollutant, toxic substance or dangerous material has been or will be emitted at any time by or from the Immovable into the environment;
- iv) no part of the Immovable has been or will be used at any time as a waste disposal site or for storage or production of any hazardous materials, including, without limitation, asbestos and PCB's;
- v) no underground storage reservoir has been or will be located at any time on or under the Immovable;
- vi) none of the Immovable is, or has ever been, insulated with a urea formaldehyde or asbestos product;
- vii) if the Debtor becomes aware, or receives any notification, of the violation of any of the foregoing, matters, it will promptly notify the Creditor thereof in writing and, immediately upon such occurrence, properly and diligently commence and complete all operations or other matters necessary in order to completely remedy and rectify such occurrence.

g) that the Immovable does not form part of a "housing complex" as that term is defined in the Loi sur La Régie du Logement, being chap. R-8.1 Lois Refondues du Québec.

h) if the Creditor becomes the owner of the Immovable as a result of taking in payment or if the Immovable is adjudicated to the Creditor or a third party by judicial sale, sale for taxes, or any other sale having the same effect, the Creditor or any third person shall become the owner of the Immovable, free and clear of any and all rights which the Debtor might have against the Immovable as a result of the use of same as the principal residence of the family under the law, the publication of a declaration of family residence or the judicial award of a right of use, habitation or ownership.

INTERVENTION

Guarantor

Henry ZAVRIYEV, domiciled and residing at 3035 Saint-Antoine West Street, Apartment 272, in the City of Westmount, Province of Québec, H3Z 1W8, Canada.

(hereinafter called the "Surety"), who:

- a) undertakes as solidary with the Debtor to pay the principal, interest, interest on interest and incidental costs, and perform all the obligations of the Debtor herein and under the existing Hypothecary Loan Commitment, waiving the benefits of discussion and division, and agrees to perform all the obligations of the Debtor should the latter be in default;
- b) acknowledges that the Creditor may extend the term granted for repayment of the loan or any part thereof, or even renounce any default on the part of the Debtor or any other person bound hereunder, without thereby limiting or reducing his liability;

c) concurs with the Debtor for the purposes hereof

ELECTION OF DOMICILE

For the purpose of the present deed and any and all legal proceedings arising and/or resulting therefrom the parties elect domicile as follows: the Creditor at its legal office located at 16 Malta Street, in the City of Dollard-des-Ormeaux, Province of Québec, H9B 2J7, and the Debtor at the office of the Prothonotary of the Superior Court of the District of Montréal, the whole in accordance with article 83 of the Civil Code of Québec.

However, the Creditor will have the right, although not obliged to do so, to serve an additional copy of any demand at the Debtor's domicile, the whole at the Debtor's expense.

INTERPRETATION AND DEFINITIONS

1. - **Interpretation Clause:** Whenever the context so requires, the singular shall be interpreted as plural, and vice-versa, and the masculine gender as feminine or neuter. In particular, the term "Immovable" when used herein without any qualifier means each and every immoveable hypothecated hereinabove, and includes, for each of them, the land, the buildings which are or will be erected thereon, and the property which is or will be, be accession, incorporated or united therewith, or attached or joined thereto.

2. - **Solidarity:** Should several persons in the present deed be designated as the "Debtor", each one of them is solidarily liable to the Creditor for the obligations herein stipulated. If more than one person is designated as the "Debtor", and if the instalments and/or payments payable hereunder are made by only one of the persons, nothing herein contained is to be construed nor interpreted as constituting a waiver and/or renunciation against the other(s), no such waiver and/or renunciation being intended, the persons constituting the "Debtor" remaining solidarily liable for all of the obligations of the Debtor hereunder, even if the instalments and/or payments are only made by one of them and not all of them.

3. - **Debtor:** The word "Debtor" may denote one or more persons of the male or female sex, as well as one or more physical or moral persons. In addition, the word "Debtor" as used in this deed, includes, in addition to the Debtor in virtue of the present deed, all purchasers, assignees or subsequent holders of the Immovable.

4. - **Transfer or alienation:** Without prejudice to the generality of the prohibition to cede and alienate contained in the present deed, these words include all deeds whereby the whole or any part of the right of ownership is transmitted, by way of emphyteusis, bare ownership, usufruct, right of use, servitude or other rights of similar nature.

5. - **Liability:** Without prejudice nor waiver to the generality of the prohibition to cede and alienate contained in the present deed, no transfer and no alienation by the Debtor of the Hypothecated Property will result in/or create any type of novation and the Debtor will continue to be bound and liable

towards the Creditor. The Debtor will remain liable for all of his obligations assumed hereunder even in the event an extension as to delay is granted by the Creditor for the repayment of the loan or any part thereof to any subsequent holder of the immovable or in the event of any agreement which the Creditor may have concluded with a subsequent holder. The assumption by a purchaser or a subsequent holder of the immovable of the obligations mentioned in the present deed will be interpreted as an obligation to respect all subsequent agreements entered into between the Creditor and the Debtor or any purchaser or subsequent holder of the Immovable.

6. - **Imputation:** Notwithstanding any imputation which the Debtor may claim to make, any repayment or payment made by the Debtor, may be applied by the Creditor firstly against costs and accessories, then against interest and finally against the capital.

7. - **Discussion:** It is understood between the parties that the Creditor will have the right to proceed to the sale of the Immovable without having the prior obligation to discuss the movable effects of the Debtor.

8. - **Date of disbursement of an advance:** It is the date on which a cheque in an amount corresponding to the disbursement of an advance is mailed or transmitted by registered mail, certified mail or ordinary mail to the attention of the Debtor, its representative, its creditor, or the instrumental notary, or the date on which the cheque is remitted by hand to the Debtor, its representative, its creditor, or to the instrumental notary, as the case may be.

9. - **Receipt of an advance:** For the purposes of the present loan, the Debtor hereby appoints and constitutes the instrumental notary its (his) irrevocable mandatary and agent for the purpose of receiving, for its (his) account and benefit, any advance or proceeds of loan payable to it (him) by the Creditor hereunder such that receipt of an advance or of the proceeds of loan by the instrumental notary shall be conclusively deemed to be and constitutes receipt of such advance and proceeds by the Debtor itself (himself).

10. - **Invalidity of a provision:** If a provision, clause or stipulation of the present deed is determined to be invalid, illegal or unenforceable, then such invalidity, illegality, or unenforceability shall not affect the validity, legality or enforceability of the other provisions, clauses or stipulations of the present deed and in such event such invalid, illegal or unenforceable provision, clause or stipulation will be severed from the present deed and deemed not to be included in or form part of the present deed.

11. - **Failure to exercise a right:** Any failure by the Creditor to exercise any right or recourse will not be considered as a waiver or renunciation of said right or recourse by the Creditor.

LANGUAGE CLAUSE

Les parties aux présentes déclarent qu'elles ont exigé que le présent acte soit rédigé en anglais. The parties hereto declare that they have required that the present deed be drawn up in English.

WHEREOF ACTE EXECUTED at the City of Montreal (Saint-Laurent), on the date aforementioned and remains of record in the Office of the undersigned Notary under the number ONE THOUSAND SEVEN HUNDRED AND EIGHTY-FOUR (1784).

AND AFTER DUE READING HEREOF, signed by the parties hereto and in the presence of the undersigned Notary.

CAPITAL LENDING GROUP INC.

Per: Michelle FRIDMAN

9336-2390 QUÉBEC INC.

Per: Henry ZAVRIYEV

Henry ZAVRIYEV

Mtre Shawn KUPFERT, Notary

TRUE COPY OF THE ORIGINAL REMAINING IN MY OFFICE