

# GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

BY: \_\_\_\_\_ corporation incorporated under the laws of the province of \_\_\_\_\_ and having its registered office at \_\_\_\_\_ (the "Corporation")

IN FAVOUR OF: **GOULD LEASING LTD. ( the "Lender" )**

## RECITALS:

A: The Corporation has entered into a Lease Agreement with Gould Leasing Ltd., which has been assigned to the Lender.

B: It is a condition of the Lease Agreement that the Corporation enter in to this Agreement.

NOW THEREFORE in consideration of the sum of \$1.00 and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Corporation agrees with the Lender as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement:

**"Accessions"** means Goods that are installed in or affixed to other Goods;

**"Account"** means any monetary obligation not evidenced by Chattel Paper, an Instrument or a Security, whether or not it has been earned by performance:

**"This Agreement"** "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Agreement and any schedules hereto as may be amended or supplemented from time to time, and not to any particular Article, section or other portion hereof or thereof;

**"Business Day"** means any day, other than Saturdays, Sundays or any statutory holiday in the Province of Ontario:

**"Chattel Paper"** means one or more than one writing that evidences both a monetary obligation and a security interest in or a lease of specific Goods;

**"Collateral"** means all of the undertaking, property and assets of the Corporation subject to, or intended to be subject to, the Security Interest, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;

**"Document of Title"** means any writing that purports to be issued by or addressed to a bailee and purports to cover such Goods in the bailee's possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the Person in possession of it is entitled to receive, hold and dispose of the document and the Goods it covers;

**"Event of Default"** has the meaning attributed to such term in the Lease Agreement;

**"Goods"** means tangible personal property other than Chattel Paper, Documents of Title, Instruments, Money and Securities, and includes fixtures, growing crops, the unborn young of animals, timber to be cut, and minerals and hydrocarbons to be extracted;

**"Instrument"** means,

(i) a bill, note or cheque within the meaning of the Bills of Exchange Act ( Canada) or any other writing that evidences a right to the payment of Money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or

(ii) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder; but does not include a writing that constitutes part of Chattel Paper, a Document of Title or a Security;

**"Intangible"** means all personal property, including choses in action, that is not Goods, Chattel Paper, Documents of Title, Instruments, Money or Securities;

**"Inventory"** means Goods that are held by a Person for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract or service, or that are raw materials, work in process or materials used or consumed in a business or profession;

**"Lien"** means any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrances, including without limitations, any agreement to give any of the foregoing, or any conditional sale or other title retention agreement;

**"Lease Agreement"** means a lease agreement between the Corporation and the Lender or Gould Leasing Ltd., as nominee for and on behalf of the Lender dated as of even date herewith as amended or supplemented from time to time;

**"Money"** means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada or by foreign government as part of its currency;

**"Obligations"** means all of the obligations, liabilities and indebtedness of the Corporation to the Lender from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Corporation and the Lender or agreements or dealings between the Lender and any Person by which the Lender may be or become in any manner whatsoever a creditor of the Corporation, including without limitation under;

- (i) the Lease Agreement
- (ii) the Specific Assignment of Receivables; and
- (iii) this Agreement;

or any one or more of the foregoing as the same may be amended or supplemented from time to time; all of the obligations, liabilities and indebtedness of the Corporation to the Lender from time to time, whether present or future, absolute or contingent, liquidated, of whatsoever nature or kind, in any currency or otherwise, under or in respect of the Lease Agreements, the Specific Assignment of Receivables and this Agreement;

**"Person"** means any individual, partnership, limited partnership, joint venture syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

**"PPSA"** means the Personal Property Security Act (Ontario) as amended from time to time and any Act substituted therefor and all amendments thereto;

**"Proceeds"** means identifiable or traceable personal property in any form derived directly or indirectly from any dealing with property or the proceeds therefrom, and includes any payment representing indemnity or compensation for loss of or damage to property or proceeds therefrom;

**"Purchase-Money Security Interest"** means,

- (i) a Lien taken or reserved in Collateral to secure payment of all or part of its price, or
- (ii) a Lien taken by a Person who gives Value for the purpose or enabling the debtor to acquire rights in or to Collateral to the extent that the Value is applied to acquire the rights, but does not include a transaction of sale by and lease back to the seller;

**"Receiver"** means any of a receiver, manager, receiver-manager and receiver and manager;

**"Security"** means a document that is,

- (i) issued in a bearer, order or registered form,
- (ii) of a type commonly dealt in upon securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment,
- (iii) one of a class or series or by its terms is divisible into a class or series of documents, and
- (iv) evidence of a share, participation or other interest in property or in an enterprise or is evidence of an obligation of the issuer; and includes an uncertified security within the meaning of Part VI (Investment Securities) of the Business Corporations Act (Ontario);

**"Security Interest"** has the meaning attributed to such term in section 2.1;

**"Specific Assignment of Receivables"** means an agreement specifically assigning all receivables from the user of any equipment which is the subject matter of a Lease Agreement; and

**"Value"** means any consideration sufficient to support a simple contract and includes an antecedent debt or liability.

## 1.2 Headings

The inclusion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

## 1.3 References to Articles and Sections

Whenever in this Agreement a particular Article, section or other portion thereof is referred to then, unless otherwise indicated, such reference pertains to the particular Article, section or portion thereof contained herein.

## 1.4 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian currency.

## 1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

## 1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

## 1.7 Amendment, Waiver

No amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.8 Governing Law, Attornment**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Corporation hereby irrevocably attorns to the jurisdiction of the courts of Ontario.

## **ARTICLE 2 SECURITY INTEREST**

### **2.1 Creation of Security Interest**

Subject to sections 2.2 and 2.3 hereof, the Corporation hereby grants to the Lender, by way of security interest, mortgage, pledge, charge, assignment and hypothec a security interest (the "Security Interest") in the undertaking of the Corporation and in:

- (a) all Goods (including without limitation all parts, accessories, attachments, additions and Accessions thereto) whether or not such Goods are now or hereafter become fixtures, all Accounts, all Chattel Paper, all Documents of Title (whether negotiable or not), all Instruments, all Intangibles, all Money and all Securities, and all other personal property, if any, in each case now owned or hereafter acquired by or on behalf of the Corporation or in respect of which the Corporation now or hereafter has any right, title or interest (including, without limitation, such as may be returned to or repossessed by the Corporation) and including, without limitation, all contracts, licenses, computer software, warranties, ownership certificates, manuals, publications, books, statements of account, bills, invoices, letters and other documents or records in any form evidencing or relating to any of the foregoing property and including without limitation the property described in Schedule A hereto;
- (b) all renewals of accretions to and substitutions for any of the property described in clause 2.1(a) and
- (c) all Proceeds (including Proceeds of Proceeds) of any of the property described in clauses 2.1(a) and 2.1(b).

including, without limitation a Purchase-Money Security Interest in the equipment and property set forth on Schedule B, the acquisition of which by the Corporation has been financed by the Lender.

### **2.2 Exception for the Last Day of Leases**

The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, the last day of the term of any lease or sub-lease, oral or written - or any agreement therefor, now held or hereafter acquired by the Corporation, but upon the sale of the leasehold interest or any part thereof the Corporation shall stand possessed of such last day in trust to assign the same as the Lender shall direct.

### **2.3 Exception for Contractual Rights**

The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, and agreement, right, franchise, license or permit (the "contractual rights") to which the Corporation is a party or of which the Corporation has the benefit, to the extent that the creation of the Security Interest therein would constitute a breach of the terms of or permit any Person to terminate the contractual rights, but the Corporation shall hold its interest therein in trust for the Lender and shall assign such contractual rights to the Lender forthwith upon obtaining the consent of the other party thereto. The Corporation agrees that it shall, upon the request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the Security Interest.

### **2.4 Attachment**

The attachment of the Security Interest has not been postponed and the security interest shall attach to any particular Collateral as soon as the Corporation has rights in such Collateral.

## **ARTICLE 3 OBLIGATIONS SECURED**

### **3.1 Obligations Secured**

The Security Interest granted hereby secures payment, performance and satisfaction of the Obligations.

## **ARTICLE 4 CERTAIN AGREEMENTS OF THE CORPORATION**

### **4.1 Restrictions on Dealing with Collateral**

The Corporation agrees that it shall not, without the prior consent in writing of the Lender:

- (a) sell assign, transfer, exchange, lease, consign or otherwise dispose of any Goods or all or any material part of the Collateral as a whole, other than the sale, lease or consignment of Inventory in the ordinary course of business of the Corporation;
- (b) create, assume or suffer to exist any Lien upon the Collateral ranking or purporting to rank in priority to or pari passu with the Security Interest, other than the Security Interest and any Lien which the Lender has expressly consented to in writing.

No provision hereof shall be construed as a subordination or postponement of the Security Interest to or in favour of any other Lien, whether or not such

Lien is permitted hereunder or otherwise.

#### **4.2 Verification of Collateral**

The Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Corporation agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to all premises occupied by the Corporation.

#### **4.3 Expenses**

The Corporation shall pay to the Lender on demand all the Lender's reasonable costs, charges and expenses (including, without limitation, legal fees on a substantial indemnity basis and Receiver's fees) in connection with the preparation, registration or amendment of this Agreement, the perfection or preservation of the Security Interest, the enforcement by any means of any of the provisions hereof or the exercise of any rights, powers or remedies hereunder, including, without limitations, all such costs, charges and expenses in connection with taking possession of Collateral, carrying on the Corporation's business, collecting the Corporation's accounts and taking custody of, preserving, preparing, processing, preparing for disposition and disposing of Collateral, together with interest on such costs, charges, and expenses from the dates incurred to the date of payment at the Prime Rate (as defined in the Lease Agreements) plus 2%.

#### **4.4 Further Assurances**

The Corporation shall at its own expense do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, pledges, charges, assignments, security agreements, hypothecs and assurance (including instruments supplemental or ancillary hereto) and such financing statements as the Lender may from time to time request to better assure and perfect its security on the Collateral.

### **ARTICLE 5 SECURITIES**

#### **5.1 Securities**

If Collateral at any time includes Securities, the Corporation authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear as the sole owner of record thereof; provided that, until the occurrence of an Event of Default, the Lender shall deliver promptly to the Corporation all notices or other communications received by the Lender or its nominee as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall grant to the Corporation or its nominee a proxy to vote and take all action with respect to such Securities. After the occurrence of an Event of Default, the Corporation waives all rights to receive any notices or communications received by the Lender or its nominee as such registered owner and agrees that no proxy granted by the Lender to the Corporation or its nominee as aforesaid shall thereafter be effective.

### **ARTICLE 6 COLLECTION OF DEBTS**

#### **6.1 Collection of Debts**

Before or after the occurrence of an Event of Default, the Lender may give notice of the Security Interest to any Person obligated to pay any debts or liability constituting Collateral and may also direct such Person to make all payments on account of any such debt or liability to the Lender. The Corporation acknowledges that any payments received by the Corporation from such Persons, whether before or after notification of the Security Interest to such Persons and whether before or after the occurrence of an Event of Default, shall be received and held by the Corporation in trust, or as agent in the Province of Quebec, for the Lender and shall be turned over to the Lender upon request.

### **ARTICLE 7 REMEDIES**

#### **7.1 Appointment of Receiver**

Upon the occurrence of an Event of Default, the Lender may appoint by instrument any Person, whether an officer or an employee of the Lender or not, to be a Receiver of Collateral and may remove any Receiver so appointed and appoint another in place of such Receiver in the same manner. Any such Receiver shall be deemed the agent of the Corporation and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the Corporation, and (ii) establishing liability for all acts or omissions of the Receiver while acting as such, and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents. The Corporation hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The Corporation hereby irrevocably waives any right it may have now or in the future under any applicable law, including, without limitation, the PPSA, to make application to a court for the removal, replacement or discharge of the Receiver or for directions on any matter relating to the duties of the Receiver (unless such duties are not being performed in a commercially reasonable manner) or in respect of the Receiver's account or remuneration or in respect of any other matter.

Subject to the provisions of the instrument appointing it, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value in such manner as it considers appropriate, to carry on or concur in carrying on all or any part of the business of the Corporation and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral in such manner and on such terms as it considers to be commercially reasonable. To facilitate the foregoing powers, any such Receiver may enter upon, use and occupy all premises owned or occupied by the Corporation wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the Corporation, maintain Collateral upon such premises, borrow money on a secured or unsecured basis, incur reasonable expenses in the exercise of the rights, powers and remedies set out in this Agreement and use Collateral directly in carrying on the Corporation's business or as security for loans or advances to enable the Receiver to carry on

the Corporation's business or otherwise, as such Receiver shall, in its discretion, determine. In addition, the Receiver shall have the following rights, powers and remedies:

(a) to make payments to Persons having prior rights or Liens on properties on which the Corporation may hold a Lien and to Persons having prior rights or Liens on the Collateral; and

(b) to demand, commence, continue or defend proceedings in the name of the Lender or of the Receiver or in the name of the Corporation for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral and to give effectual receipts and discharges therefore.

Except as may be otherwise directed by the Lender all Proceeds received from time to time by such Receiver in carrying out its appointment shall be received in trust, or as agent in the Province of Quebec, for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

#### **7.2 Exercise of Remedies by Lender**

Upon the occurrence of an Event of Default, the Lender may, either directly or through its agents or nominees, exercise all the powers and rights available to a Receiver by virtue of Section 7.1. In addition to the rights granted in this Agreement and in any way other agreement now or hereafter in effect between the Corporation and the Lender and in addition to any other rights the Lender may have at law or in equity or otherwise, the Lender shall have, both before and after the occurrence of an Event of Default, all rights and remedies of a secured party under the PPSA.

#### **7.3 Possession of Collateral**

The Corporation acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Corporation agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

#### **7.4 Remedies Not Exclusive**

All rights, powers and remedies of the Lender under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Lender and any other rights, powers and remedies of the Lender however created or arising. No single or partial exercise by the Lender of any of the rights, powers and remedies under this Agreement or under any other security now or hereafter held by the Lender shall preclude any other and further exercise of any other right, power or remedy pursuant to this Agreement or any other security or at law, in equity or otherwise. The Lender shall at all times have the right to proceed against Collateral or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Lender may have with respect to this Agreement or any other security or at law, in equity or otherwise. No delay or omission by the Lender in exercising any right, power, or remedy hereunder or otherwise shall operate as a waiver thereof or of any other right, power or remedy.

#### **7.5 Corporation Liable for Deficiency**

The Corporation shall remain liable to the Lender for deficiency after the proceeds of any sale, lease or disposition of Collateral by the Lender.

#### **7.6 Exclusion of Liability of Lender and Receiver**

The Lender shall not, nor shall any Receiver appointed by it, be liable for any failure to exercise its rights, powers or remedies arising hereunder or otherwise, including without limitation any failure to take possession of, collect, enforce, realize, sell, lease or otherwise dispose of, preserve or protect the Collateral, to carry on all or any part of the business of the Corporation relating to the Collateral or to take any steps or proceedings for any such purposes. Neither the Lender nor any Receiver appointed by it shall have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of Collateral including without limitation any Instrument, Chattel Paper or Securities, whether or not in the Lender's or the Receiver's possession, and neither the Lender nor any Receiver appointed by it shall be liable for failure to do so. Subject to the foregoing, the Lender shall use reasonable care in the custody and preservation of the Collateral in its possession .

#### **7.7 Notice of Sale**

Unless required by law, neither the Lender nor any Receiver appointed by it shall be required to give the Corporation any notice of any sale, lease or other disposition of the Collateral, the date, time and place of any public sale of Collateral or the date after which any private disposition of Collateral is to be made.

### **ARTICLE 8 APPLICATIONS OF PROCEEDS**

#### **8.1 Application of Proceeds**

The Proceeds arising from the enforcement of the Security Interest as a result of the possession by the Lender or the Receiver of the Collateral or from any sale, lease or other disposition of, or realization of security on, the Collateral (except following acceptance of Collateral in satisfaction of the Obligations) shall be applied by the Lender or the Receiver in the following order; except to the extent otherwise required by law:

(a) first, in payment of the Lender's reasonable costs, charges and expenses (including legal fees on a substantial indemnity basis) incurred in the exercise of all or any of the rights, powers or remedies granted to it under this Agreement, and in payment of the reasonable remuneration of the Receiver, if any, and the reasonable costs, charges and expenses incurred by the Receiver, if any, in the exercise of all or any of the rights, powers or remedies granted under this Agreement;

(b) second, in payment of amounts paid by the Lender or the Receiver pursuant to clause 7.1(a);

(c) third, in payment of all money borrowed or advanced by the Lender or Receiver, if any, pursuant to the exercise of the rights, powers or remedies set out in this Agreement and any interest thereon;

(d) fourth, in payment of the remainder of the Obligations in such order of application as the Lender may determine;

(e) fifth, subject to sections 8.2 and 8.3 to any Person who has a security interest in Collateral that is subordinate to that of the Lender and whose interest,

- (i) was perfected by possession, the continuance of which was prevented by the Lender or the Receiver taking possession of Collateral, or
- (ii) was, immediately before the sale, lease or other disposition by the Lender or the Receiver, perfected by registration;

(f) sixth, subject to sections 8.2 and 8.3 to any other Person with an interest in such Proceeds who has delivered a written notice to the Lender or the Receiver of the interest before the distribution of such Proceeds; and

(g) last, subject to sections 8.2 and 8.3 to the Corporation or any other Person who is known by the Lender or the Receiver to be an owner of the Collateral.

### **8.2 Proof of Interest**

The Lender or the Receiver may require any Person mentioned in clauses 8.1(e) , 8.1(f) or 8.1(g) to furnish proof of that Person's interest, and unless the proof is furnished within ten days after demand by the Lender or the Receiver, the Lender or the Receiver need not pay over any portion of the Proceeds referred to therein to such Person.

### **8.3 Payment Into Court**

Where there is a question as to who is entitled to receive payment under clauses 8.1(e), 8.1(f) or 8.1(g), the Lender or the Receiver may pay the Proceeds referred to therein into the court.

### **8.4 Monies Actually Received**

The Corporation shall be entitled to be credited only with the actual Proceeds arising from the possession, sale, lease or other disposition of, or realization of security on, the Collateral when received by the Lender or the Receiver and such actual Proceeds shall mean all amounts received in cash by the Lender or the Receiver upon such possession, sale, lease or other disposition of, or realization of security on, the Collateral.

## **ARTICLE 9 GENERAL**

### **9.1 Power of Attorney**

The Corporation hereby appoints the Lender as the Corporation's attorney, with full power of substitution, in the name and on behalf of the Corporation, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands conveyances, assignments, contracts, assurances, consents, financing statements and things as the Corporation has herein agreed to execute, deliver and do or as may be required by the Lender or any Receiver to give effect to this Agreement or in the exercise of any rights, powers, or remedies hereby conferred on the Lender, and generally to use the name of the Corporation in the exercise of all or any of the rights, powers, or remedies hereby conferred on the Lender. This appointment, coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Corporation or for any other reason.

### **9.2. Set-Off**

The Lender may at any time from time to time, without notice to the Corporation or to any other Person, set-off, appropriate and apply any and all deposits, general or special, matured or unmatured, held by or for the benefit of the Corporation with any branch of the Lender, and any other indebtedness and liability of the Lender to the Corporation, matured or unmatured, against and on account of the Obligations when due, in such order of applications as the Lender may from time to time determine.

### **9.3 Dealings with Others**

The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the Corporation, debtors of the Corporation, sureties and other Persons and with Collateral and other security as the Lender sees fit, without prejudice to the liability of the Corporation to the Lender or the rights, powers and remedies of the Lender under this Agreement.

### **9.4 No Obligation to Advance**

Nothing herein contained shall in any way obligate Lender to advance any funds, or otherwise make or continue to make any credit available, to the Corporation.

### **9.5 Perfection of Security**

The Corporation authorizes the Lender to file such financing statements and other documents and do such acts, matters and things as the Lender may consider appropriate to perfect and continue the Security Interest, to protect and preserve the interest of the Lender in Collateral and to realize upon the Security Interest.

9.6 **Communications**

Any notice or other communications, including a demand or a direction, required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communications or by hand delivery as hereinafter provided. Any such notice or other communications, if mailed by prepaid first-class mail at any time other than during or within three Business Days prior to a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communications, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates and, in the case of the Lender, in the same department noted below. Notice of change of address shall be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communications and shall be deemed to have been received in accordance with foregoing. Notice and other communications shall be addressed as follows:

(a) if to the Lender:

GOULD LEASING LTD.  
1220 Yonge Street, Suite 201,  
Toronto, Ontario.  
M4T 1W1

Attention: Tim Gould  
Facsimile: 416-925-7095

(b) if to the Corporation:

Attention:  
Facsimile:

Notwithstanding the foregoing, if the PPSA requires that a notice or other communications be given in a specified manner, then any such notice or communication shall be given in such manner.

9.7 **Successors and Assigns**

This Agreement shall be binding on the Corporation and its successors and shall enure to the benefit of the Lender and its successors and assigns. This Agreement shall be assignable by the Lender free of any set-off, counter-claim or equities between the Corporation and the Lender, and the Corporation shall not assert against an assignee of the Lender any claim or defence that the Corporation has against the Lender.

9.8 **Copy Received**

The Corporation hereby acknowledges receipt of a copy of this Agreement.

9.9 **Joint Liability**

If this Agreement has been executed by more than one debtor, the obligations of each shall be joint and several.

**IN WITNESS WHEREOF** the Corporation has executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
By: \_\_\_\_\_