

## CANADIAN IMPERIAL BANK OF COMMERCE

### TERM SHEET

**DATE:** November 2, 2005

**BORROWER:** Minco-Division Construction Inc. and Sleb 1 Inc.  
(collectively, the "**Borrower**")

**LENDER:** Canadian Imperial Bank of Commerce (the "**DIP Lender**")

**AMOUNT:** Up to \$2.5 million of which \$1.1 million shall be immediately available for drawdown as at November 2, 2005. Further draws shall be subject to the DIP Lender's satisfaction, at its discretion, with the Cost to Complete Budget prepared by the Cost Consultant.

**PURPOSE:** Tranche 1 – To fund construction work, and soft costs related thereto, to be performed as and from November 1, 2005 on Phase I of the Project at 10 Ontario Street West, Montreal, Quebec (the «**Project**») in order to enable delivery in priority of the pre-sold condominium units, and to fund the ordinary course operations of the Borrower during the CCAA proceedings, including salaries, employee benefits, rent and other overhead expenses of the Borrower as outlined on Schedule "A".

Tranche 2 – To fund the restructuring costs of the Borrower including the costs, fees and disbursements of the Monitor and professionals engaged by the Borrower and the Monitor, limited to the maximum amount of \$250,000.

Tranche 3 – To fund the fees, costs and expenses of the DIP Lender, RSM Richter Inc. as Interim Receiver, the cost consultant and any other consultant engaged by the DIP Lender or the Interim Receiver for the purposes of this facility and the CCAA proceedings. To fund the interest payment due to CIBC for the month of October 2005 on its existing credit facility with Sleb 1 Inc.

**INTEREST:** The DIP Lender's Prime Rate plus 5% per annum.



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**TERM:** The outstanding balance of the advances made pursuant hereto, together with accrued interest, (the "Indebtedness") shall be due and payable on January 31, 2006, subject to any extensions as may be agreed by the DIP Lender in its sole discretion and authorized by the Court. Any proceeds received by the DIP Lender arising out of or from the Project including, without limitation, all deposits, tax refunds or other receipts from the sale of condominium units and parking spaces as provided in the Initial Order shall be applied in permanent reduction of this facility.

**SECURITY:** The Indebtedness shall be secured by a \$3 million first ranking hypothec and charge, ranking *pari passu* with the Administration Charge and in priority to all other charges, on the Project and all other present and future property, movable and immovable, tangible and intangible, of the Borrower pursuant to the Initial Order (as hereinafter defined) and a deed of hypothec to be executed by Borrower in favour of DIP Lender.

The Initial Order (as hereinafter defined) shall also provide that proceeds from sales of condominium units and parking spaces of Sleb-Phase I made from time to time shall be used in priority to pay down the Indebtedness and shall be paid directly into the account of the DIP Lender until the Indebtedness has been paid in full.

Mr. Luciano Minicucci shall be solidarily liable with the Borrower for the payment of the Indebtedness.

**CONDITIONS:** Commitment to disburse any funds under this facility is conditional upon obtaining an Initial Order of the Superior Court issued under the provisions of the *Companies' Creditors Arrangement Act* (the "Initial Order") and an interim receivership order (the "I.R. Order") declaring, *inter alia*, that:

- (a) the Indebtedness is secured by a \$3 million first ranking hypothec and charge, ranking *pari passu* with the Administration Charge and in priority to all other charges on the Project and all other present and future property, movable and immovable, tangible and intangible, of the Borrower;
- (b) the DIP Lender is an unaffected creditor in respect of the Indebtedness;

- (c) the Administration Charge is in the amount of \$250,000;
- (d) a Monitor is appointed under the CCAA; and
- (e) RSM Richter Inc. is appointed Interim Receiver with the power to (i) authorize disbursements by the Borrower, save in respect of charges secured by the Administration Charge, as defined in the Initial Order and (ii) hold jointly with the Monitor in a trust account opened in the names of both the Monitor and the Interim Receiver, the net proceeds and receipts arising out of or from the Project.

Commitment to disburse any funds under this facility is conditional upon obtaining from the Borrower, at the time of the initial advance, a 13 week rolling cash flow projection acceptable to the DIP Lender and thereafter an up-dated 13 week rolling cash flow projection on or before the 15<sup>th</sup> day of each month commencing on December 15, 2005 until repayment in full of the Indebtedness.

Commitment to continue disbursing funds from time to time under this facility is conditional upon the provisions of the Initial Order and the I.R. Order not being amended or rescinded without the DIP Lender's prior written consent.

Borrower must drawdown on this facility on or before November 15, 2005, otherwise the DIP Lender can terminate the facility.

Disbursements under Tranche 1 shall be supported by invoices for the work performed or to be performed and overhead costs related thereto following the issuance of the Initial Order, together with certificates of the cost consultant engaged by the DIP Lender and the Interim Receiver confirming the advancement of the work being in conformity with the Cost to Complete Budget.

Disbursements under Tranche 2 shall be made pursuant to draw requests issued by the Monitor, each supported by a certificate of the Monitor that the administration charges in respect of which payment is being made were duly incurred and/or performed and an invoice for such charges was rendered and reviewed by the Monitor.



Disbursements under Tranche 3 shall be made pursuant to draw requests issued by the Interim Receiver, each supported by a certificate that the fees, costs and expenses in respect of which payment is being made were duly incurred and/or performed and an invoice for such charges was rendered and reviewed by the Interim Receiver. In the event that disbursements under Tranche 3 have the effect that the Indebtedness exceeds the amount of this facility, such excess shall be subject to the security herein granted.

No equity distributions by the Borrower nor bonuses to shareholders, directors, officers, employees, consultants or otherwise shall be funded or paid under this facility.

**FEES & EXPENSES:**

All legal costs, fees and out of pocket expenses incurred by the DIP Lender with respect to this facility, including:

- (a) DIP Lender's out of pocket travel costs;
- (b) fees of RSM Richter Inc. as Interim Receiver;
- (c) fees of a Cost Consultant designated from time to time by the DIP Lender; as well as
- (d) legal costs, fees and out of pocket expenses, incurred by the DIP Lender, in its capacity as DIP Lender under this facility including, without limitation, to defend against third party proceedings;

are all for the account of the Borrower.

A \$100,000, plus GST & QST, non-refundable Administrative Fee will automatically be earned by the DIP Lender upon the first disbursement under this facility. This fee will be payable out of the first proceeds of the facility.

**GOVERNING LAW:**

The laws of the Province of Québec and the federal laws of Canada applicable therein.



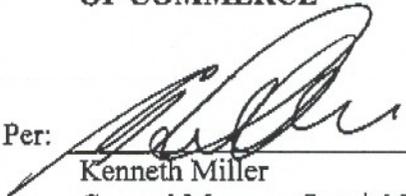
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If the terms of this offer are acceptable to you, please indicate your acceptance thereof by signing and returning a copy of this letter to us by 6 p.m. today, after which time this offer will automatically be null and void.

Yours truly,

**CANADIAN IMPERIAL BANK  
OF COMMERCE**

Per:   
Kenneth Miller  
General Manager Special Loans,  
Risk Management Division CIBC



AGREED TO AND ACCEPTED on November 2, 2005.

**SLEB 1 INC.**

Per:   
\_\_\_\_\_  
Luciano Minicucci  
President

**MINCO-DIVISION  
CONSTRUCTION INC.**

Per:   
\_\_\_\_\_  
Luciano Minicucci  
President

  
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**LUCIANO MINICUCCI**



**SCHEDULE "A"**

**2005 ADMINISTRATIVE COSTS-MINCO DIVISION CONSTRUCTION INC.**

<b>Salaries: 1</b>	
Anna Horeczko - Accounting	740.00
Diane Baron - Reception	540.00
Sylvie Kulegoc - Sales Co-ordinator	770.00
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	2,050.00
<b>Consulting Fees ( Including GST/QST )</b>	
6004059 Canada Inc. (David Klugerman) Controler	1,380.00
Gestion Santco ( Sergio Santangelo) Sales Mangement	2,300.00
KNK Construction (Pascal Thouin) Project Management	2,650.00
Mark Krakower Consultants Inc.(Mark Krakower)- CFO.	5,178.00
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	11,506.00
<b>Management Fee</b>	
L. Minicucci Investments Inc. (Luigiano Minicucci) - President	6,000.00
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<b>Salaries Sales</b>	
Marie Lynn Paradis ( Including GST/QST )	920.00
Sandra Klein	580.77
Christaln Doucet	588.00
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	2,088.77
<b>Site Wages</b>	
Carl Poirier	988.00
Mauro Meillio	1,054.00
Tony Marino	1,055.00
Sylvain Hebert	1,243.00
Gestion D'Inspection Claude Fafard (Claude Fafard) ( Including GST/QST )	1,771.00
Steve Dertiz ( Including GST/QST )	2,350.00
Michael Minicucci	421.00
Bar - M SST 143 (Mike Barretta) ( Including GST/QST ) plus expenses	1,700.00
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	10,582.00
<b>Total Salaries</b>	<b>32,226.77</b>
<b>DAS 10%</b>	<b>763.58</b>
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<b>Total Wages</b>	<b>33,010.35</b>
<b>Rent Office</b>	
Promotion Expenses	2,200.00
Parking Expenses	1,000.00
Communications / Telephone, Internet	500.00
Office equipment Rental / Fax etc...	800.00
Office Supplies / bureau en gros & Petty cash etc...	100.00
	500.00
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<b>Total Administrative Expenses</b>	<b>5,100.00</b>
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<b>Total Expenses per Week</b>	<b>38,110.35</b>