



CIBC
Commercial Banking
Partnering with Canada's Best™

Dennis Kunde
 Senior Director
 Central Canada Real Estate Group

Central Canada Real Estate Group
 3700 Steeles Ave West, Suite 500
 Woodbridge, ON
 L4L 8K8

Retrocom Mid-Market Real Estate Investment Trust
 89 The Queensway West
 Suite 400
 Mississauga, Ontario
 L5B 2V2

March 1, 2004

Dear Sirs:

CREDIT AGREEMENT

Canadian Imperial Bank of Commerce ("CIBC") is pleased to confirm that subject to the acceptance of **Retrocom Mid-Market Real Estate Investment Trust** (the "Borrower" and/or "Retrocom"), CIBC has established in favour of the Borrower a revolving term credit facility (the "Facility") on the terms and conditions as set out below:

- Lender** Canadian Imperial Bank of Commerce ("CIBC" and/or the "Bank")
- Amount** C\$15,000,000, available on a revolving basis, limited to the amount of the Borrowing Base.
- Facility** Operating Loan
- Term** 364 days committed loan. The Lender will consider extension of this term provided it has received a written request from the Borrower within a period of not more than 60 days and not less than 30 days prior to maturity.
- Availability** Canadian Dollar Loan or Canadian Dollar Bankers' Acceptances, on a revolving basis. Canadian Dollar Bankers' Acceptances will be available in minimum draws of C\$1,000,000 and in multiples of C\$100,000 thereafter with maturities of 30, 60 or 90 days, subject to availability.
- Purpose** For the Borrower's general business purposes, including acquisition of future assets and adjustments.
- Borrowing Base** The Borrowing Base will be determined quarterly, or more often if requested by CIBC, based on the properties provided as security, or to be provided for security, for the Facility (the "Secured Properties"). The Secured Properties may consist of both those owned by Retrocom and those owned by corporations indirectly controlled and owned by the Borrower. The Borrowing Base will be limited to the aggregate lending values attached to each of the Secured Properties equal to the lesser of:
 - (a) 70% of the most recent appraised value, less prior encumbrances, marked-to-market, and
 - (b) The maximum amount of debt the NOI from the Properties, as agreed to by CIBC, will support based on an interest rate the greater of 7.00% and the current 5 year benchmark GOC plus 185 basis points, using a 25 year amortization and applying a 1.35:1 debt service coverage, less any mark-to-market penalty and prepayment penalty associated with the prior encumbrance.

The Borrowing Base will be subject to the following restrictions:

1. Only properties where the Borrower has not less than a 100% ownership interest are eligible to be included in the Secured Properties pool.

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2. Only properties encumbered by not more than 60% are eligible to be included in the Secured Properties pool.
3. The Secured Property pool is to consist of not less than 5 properties at all times (the Secured Property pool may consist of fewer than 5 properties until not more than 60 days following closing of the REIT).
4. Only those properties with a minimum lending value of C\$400,000, as calculated in accordance with the terms of this agreement will be used in the Borrowing Base.
5. Properties with occupancy of less than 85% will not be included as Secured Properties and will have no value under the Borrowing Base.
6. Secured Properties may be added or removed at the Borrower's option, subject to the Borrowing Base covering outstandings under this Facility at all times and the requirements of a Secured Property, as set out in this agreement, being met by the Borrower. Additions to the Borrowing Base will be subject to an appropriate due diligence fee being paid to the Lender.

Fees

A facility fee of 100 basis points of the Facility Amount is to be paid to the Lender as follows:

1. C\$25,000 upon the Borrower's written acceptance of the Summary of Indicative Terms and Conditions;
2. C\$25,000 upon the Borrower's written acceptance of this financing commitment; and
3. The balance upon initial drawdown of the Facility.

Annual Review Fee. Any such renewal will attract an Annual Review Fee to be negotiated at the time of the Facility review, subject to a Review Fee of 25 basis points of the Facility Amount.

Amendment Fee. If CIBC agrees, in its discretion, to any amendment to this agreement, including Security substitution, it is understood that the Borrower will pay an Amendment Fee to CIBC, as CIBC and the Borrower may agree, such fee to be a minimum of \$1,000 per occurrence.

Interest Rate

Canadian Dollar Loans: Prime + 100 basis points per annum

Banker's Acceptances: Banker's Acceptance Rate plus 260 basis points, with terms of maturity of 30, 60 or 90 days, subject to availability.

Standby Fee: The Borrower will pay to CIBC a Standby Fee equal to 30 basis points calculated on the undrawn portion of the Facility. The Standby Fee will be calculated monthly in arrears and charged to the Borrower's account maintained with CIBC.

Interest shall be calculated and payable monthly in arrears.

Repayment

The Facility may be borrowed and repaid within the limit as established by the Borrowing Base, subject to full repayment at maturity unless otherwise extended at the Review Date at the discretion of CIBC from time to time. Ultimate repayment will be derived from raising of mortgage financing, and/or debenture issues and/or raising of equity in the market and/or sale of assets.

Should the amount outstanding under this Facility exceed the Borrowing Base, the Facility will be considered in default. The Borrower will, within 3 business days following CIBC advising the Borrower of the default, repay such outstandings by the amount necessary to comply with the Borrowing Base.

Alternatively, the Borrower may provide additional mortgage security over further Secured Properties, acceptable to CIBC, which have a value sufficient to increase the amount of the Borrowing Base by the amount required to cover outstandings under this Facility.

Security

All security CIBC may now and from time to time hold and such other documents as deemed necessary by CIBC and/or their legal counsel, acting reasonably, including:

To be Granted by the Borrower and any Nominee Companies holding security on behalf of the Borrower:

1. C\$15,000,000 aggregate demand debentures providing second fixed and floating charges over selected property and assets owned by the Borrower and/or Nominee, as permitted under the terms of this agreement.
2. General Security Agreement providing a registered first security interest or registered second security interest, as permitted under the terms of this agreement, in all present and after acquired undertaking, personal and real property.
3. General Assignment of Rents and Leases registered against title to each of the Secured Properties in the same priority as CIBC's registered mortgage interest.
4. Assignment of "all perils" insurance coverage, including broad form Boiler & Machinery coverage where applicable, in an amount equal to the replacement cost of the Secured Property with CIBC named as first or second mortgagee and loss payee, in the same priority as CIBC's registered mortgage interest.
5. Comprehensive General Liability insurance in the amount of C\$5,000,000 any one occurrence with CIBC named as an additional insured arising out of the operations of the Borrower.

**Conditions
Precedent to
Initial Drawdown**

The usual conditions precedent will apply, including but not limited to the following:

1. Review of all documentation and agreements by CIBC legal counsel, such review to be satisfactory to CIBC;
2. Approval of Retrocom's Trustees,
3. CIBC and/or its legal counsel are satisfied that all requirements for the legal formation and operational capacity of Retrocom.
4. Receipt of opinions of counsel (including title opinions) in form, scope and substance satisfactory to CIBC,
5. Satisfactory review by CIBC and their legal counsel, if appropriate, of rent rolls, operating statements and material agreements for the Secured Properties, including land leases, as well as any other documentation that CIBC may reasonably require,
6. Satisfactory review of Retrocom's financial and corporate information,
7. Satisfactory review of Structural/Property Condition Report for the Secured Properties,
8. CIBC will use third party appraisals, Phase 1 Environmental Site Assessment reports and structural reports for the Secured Properties as provided by Retrocom, subject to receipt of the consultants' approval to use and rely upon the reports,
9. A Phase 1 Environmental Site Assessment, completed by an accredited engineer satisfactory to CIBC in its sole opinion will be provided on each Secured Property.
10. Independent insurance consultant, selected and approved by CIBC, to review and approve all insurance policies related to the Secured Properties,
11. No material adverse changes in the Secured Properties, since the date of the appraisals; or in the situation of Retrocom,
12. Payment of all fees owing,
13. Such other matters as CIBC determines is necessary to advance funds.

**Conditions
Precedent to Add
a Secured
Property**

Retrocom may add additional Secured Properties to obtain value under the Borrowing Base, subject to CIBC being satisfied with the following:

1. Appraisal Report.
2. Phase 1 Environmental Site Assessment.
3. Structural/Property Condition Report.
4. Site Inspection by CIBC, at CIBC's option.
5. There is no default by Retrocom under this agreement.

Covenants

Standard covenants and conditions for a transaction of this nature are to apply, including the following:

1. If at any time between quarterly reporting periods, the occupancy of a Secured Property is less than 85%, Retrocom will immediately inform CIBC and Retrocom will have 60 days to bring the occupancy of the Secured Property to or above 85% under bonafide, arms-length leases on market terms. During such 60-day period, the value assigned to the Secured Property in the Borrowing Base will be adjusted downward by an amount acceptable to CIBC to reflect the current NOI and increased un-recovered operating costs. Should the occupancy of the Secured Property not return to 85% or better within 60 days of notice to CIBC, the Secured Property will not be assigned any lending value under the Borrowing Base.
2. Appraisals for properties contained within the Secured Properties pool are not to be more than 3 years old.
3. There will be no increase in the loan amounts under the first mortgages on the Secured Properties over which CIBC holds a second mortgage and has assigned a lending value under the Borrowing Base, without CIBC's prior written consent, which such consent shall not be unreasonably withheld.
4. There will be no material lease terminations by Retrocom on the Secured Properties without CIBC's prior written consent.
5. The Borrower shall make distributions only in accordance with the Trust Deed dated December 15, 2003, as amended from time to time.

**Financial
Covenants**

Retrocom will ensure the following financial ratios are met at all times and which will be monitored on a quarterly basis, or more often should CIBC so request:

1. Total Debt to Gross Book Value. Retrocom will not exceed total indebtedness to gross book value of 60% (65% in the event convertible debentures are outstanding), where the Debt is the Borrower's total consolidated debt, including outstanding availments under the Operating Loan, and Gross Book Value is the Borrower's consolidated gross asset book value.
2. Total Debt Service Coverage. Retrocom will maintain a total debt service coverage ratio ("DSCR") of 1.35 times or better at all times. This DSCR will be calculated by dividing Retrocom's consolidated net income before interest, taxes, depreciation and amortization (EBITDA) by the total debt servicing requirements (principal and interest).
3. Interest Coverage. Retrocom will maintain a minimum interest coverage ratio of 1.75 times or better at all times. This interest coverage ratio will be calculated by dividing Retrocom's consolidated net income before interest, taxes, depreciation and amortization (EBITDA) by the total interest costs.
4. Minimum Shareholders' Equity. Retrocom will maintain a minimum Unit holders' Equity of C\$80,000,000.

- Reporting Requirements** Retrocom agrees to provide CIBC financial information and information on the Secured Properties as CIBC may reasonably request from time to time, including:
1. Within 60 calendar days of each fiscal quarter (including the 4th quarter):
 - a) Retrocom's in-house prepared income and expense statements for each Secured Property.
 - b) Calculation of the Borrowing Base and Financial Covenants.
 - c) The Chief Financial Officer's certificate confirming that the terms and conditions of the Loan Agreement are in order.
 - d) Retrocom's in-house financial statements.
 2. Within 120 days of the fiscal year end:
 - a) Retrocom's audited financial statements.
 - b) Accountant reviewed financial statements for each Secured Property.
 - c) Retrocom's annual budget, including the capital expense projection for each Secured Property.
 - d) Business Plan, Retrocom's rent roll, recording the name of tenant, unit leased, lease expiry date and annual rent, for each Secured Property.

Representations & Warranties Standard Representations & Warranties for a transaction of this nature are to apply.

Events of Default All the usual events of default described in the attached Schedule 6327 hereto will apply, including but not limited to the following:

1. Failure to pay principal, interest and other costs within 5 days from written notice thereof;
2. Failure to cure non-monetary defaults within 10 days from written notice thereof;
3. Failure to adhere to any provision contained herein or in any documents delivered pursuant hereto within 15 days from written notice hereof;
4. Failure to pay property taxes;
5. An event which in the opinion of the Bank has caused a material adverse change in the financial condition, ownership, or operation of the Customer, which in the opinion of the Bank, would have a material adverse effect on the Customer's ability to perform its obligations hereunder, or under any document delivered pursuant;
6. Existence of undischarged construction liens not being disputed or contested and for which security satisfactory to CIBC has not been provided;
7. If the security ceases to constitute a charge in favour of CIBC of the nature or rank contemplated hereby;
8. The commencement of proceedings for the dissolution, liquidation or winding-up of the Customer or for the suspension of the operations of the Customer or the commencement of other similar proceedings by or against the Customer;
9. Breach of any applicable law including, but not limited to, environmental laws which is not brought into material compliance within a reasonable period of time in the circumstance.

Expenses All out-of-pocket costs and expenses incurred by the Lender including, without limitation, fees and disbursements of legal counsel will be for the account of the Borrower, whether or not the transaction contemplated herein is completed.

Other Standard Provisions The provisions as outlined in the attached Schedule - Standard Credit Provisions - Form 6327 forms part of this Agreement.

Assignment

CIBC reserves the rights to sell, assign, transfer or grant participation in (collectively referred to as a "Syndication") its interest in the Facility, in whole or in part, to one or more persons ("Additional Lenders"), subject to the consent of the Borrower, such consent not to be unreasonably withheld. The Borrower authorizes CIBC to disclose, on a confidential basis, information to potential Additional Lenders. The Borrower also agrees to execute and deliver such additional documentation as CIBC considers necessary or advisable in order to effect such Syndication. In addition, the Borrower and their management agree to meet with potential Additional Lenders at mutually agreeable times to discuss the business and operations of the Borrower.

All costs, fees and out-of-pocket expenses incurred by CIBC and any Additional Lender in respect of any Syndication shall be for the account of CIBC and/or the Additional Lender(s).

Governing Law

Governed by the laws of the Province of Ontario.

Please indicate acceptance of the above proposed terms and conditions by signing and returning one copy of this letter to the undersigned with a cheque in the amount of C\$25,000 representing fees in addition to the C\$25,000 previously paid by the borrower to CIBC in connection with the Borrower's written acceptance of the Summary of Indicative Terms and Conditions.

If you wish to discuss or have any further questions concerning any aspect of this Credit Agreement, please do not hesitate to contact the writer.

Yours truly,

Canadian Imperial Bank of Commerce

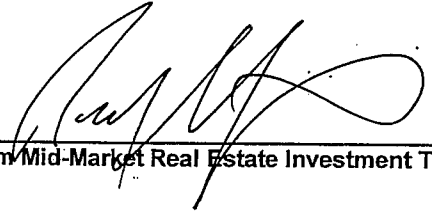


Dennis Kunde
Senior Director

ACCEPTED, this _____ day of _____ 2004.

Borrower:

Per:


Retrocom Mid-Market Real Estate Investment Trust



SCHEDULE - STANDARD DEMAND CREDIT PROVISIONS
[For Use with One or More Demand C\$ Facilities]

This Schedule is part of the Credit Agreement, dated March 1, 2004, between Canadian Imperial Bank of Commerce ("CIBC") and Retrocom Mid-Market Real Estate Investment Trust (the "Customer").

1. **Facility Use.** The Customer will draw down or otherwise use each Facility only for the applicable Purpose. The Customer will confine overdrafts (if allowed under a Facility) to one or more of the Customer's CIBC accounts acceptable to CIBC. The Customer will ensure that the Credit Usage of any Facility does not at any time exceed the relevant Credit Limit.
2. **Interest Rate.** The Customer will pay to CIBC interest at variable nominal rates per year equal to:
 - a) in respect of loans and overdrafts under a Facility (other than overdue amounts) to the extent that the Credit Usage of that Facility does not exceed the relevant Credit Limit, the applicable Interest Rate; or
 - b) (i) in respect of overdue amounts, and (ii) to the extent that the Credit Usage of a Facility exceeds the relevant Credit Limit, the Default Interest Rate.Each such variable nominal rate will change automatically without notice whenever the Prime Rate or the Standard Overdraft Rate (as may be applicable) changes.

Interest Payment. The Customer will pay interest monthly in arrears in accordance with CIBC's then prevailing usual requirements, except that interest on overdue amounts will be payable immediately on demand. Interest will be calculated on the daily balance for the actual number of days elapsed and compounded monthly on overdue interest, both before and after demand, default and judgment.

Fee Payment. The Customer will pay:

 - a) The Administration Fee, monthly in arrears in accordance with CIBC's then prevailing usual requirements.
 - b) The Late Reporting Fee, immediately upon each failure to provide when due a document pursuant to the Reporting Requirements or otherwise under this Agreement (whether or not such failure is rectified after that date).

Pre-conditions. The Customer may draw down or otherwise use a Facility only if:

 - a) CIBC has received evidence of the Customer's authority to enter into and perform under this Agreement and the authority of each Security Provider to give and perform under the Security (if any), all in form and substance acceptable to CIBC.
 - b) The Security (if any) has been provided and, if necessary, registered, all in form and substance acceptable to CIBC, and all as general and continuing security for the due payment and performance of all of the Customer's present and future debt and liability of every kind, nature and description to CIBC, wherever and however incurred.
 - c) All Special Provisions/Conditions (if any) and other obligations of the Customer under this Agreement have been complied with to CIBC's reasonable satisfaction.
 - d) The Customer has given CIBC such number of days prior notice of the Customer's request drawdown as CIBC may require.

Other Information. In addition to the Customer's obligations set out under Reporting Requirements, the Customer will promptly provide to CIBC such other information, approvals, opinions or documentation as CIBC may from time to time request.

Insurance. The Customer will keep all the property subject to the Security (if any) insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for assets similar to that property (and against such other risks as CIBC may reasonably require). At CIBC's request, all policies will contain a loss payable clause and, if that property includes real property, a mortgagee clause in CIBC's favour. In any event, the Customer assigns all proceeds of insurance to CIBC. The Customer will from time to time at CIBC's request deliver such policies (or satisfactory evidence of such policies) to CIBC. If the Customer does not obtain or maintain that insurance, CIBC may (but is not obliged to) do so and require the Customer to reimburse it immediately on demand. The Customer will promptly give CIBC written notice of any loss or damage to that property.
8. **Environmental Matters.** The Customer will conduct its business and maintain all the property of the Customer in compliance with all federal, provincial and municipal environmental statutes, regulations and by-laws. The Customer will indemnify and hold harmless each of CIBC and its directors, officers, employees and agents in respect of any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (including any costs or expenses of defending or denying the same and including the costs or expenses of preparing any necessary environmental assessment report or other such reports) arising out of, or in respect of (i) any release, deposit, discharge or disposal of any hazardous or toxic materials, pollutants, contaminants, waste or other substances in connection with the Customer's property or business, and (ii) the remedial action (if any) taken by CIBC in respect of any such release, deposit, discharge or disposal. This indemnity will survive the repayment or cancellation of any Facility or any termination of this Agreement.
9. **Charges and Payments.** Unless proved otherwise and except for obvious error, CIBC's records concerning principal, interest, fees and other amounts outstanding, accrued or otherwise payable under this Agreement are conclusive evidence of the Customer's debt and liability under this Agreement. CIBC may debit any of the Customer's accounts with amounts of interest and other charges payable to CIBC. CIBC may apply any amounts from time to time paid by or credited in favour of the Customer to such parts of the Customer's debt or liability to CIBC as CIBC in its discretion determines. The Customer will make all payments to CIBC in immediately available funds in the applicable currency on the due date and in the manner that CIBC may direct from time to time. Whenever any payment under this Agreement is due on a day that is not a Business Day, that due date will be considered to be the immediately preceding Business Day.
10. **Existing Agreements.** Except as changed by this Agreement, the provisions of existing agreements (as revised from time to time) governing the operation of the Customer's accounts continue to apply. If there is any conflict, the provisions of this Agreement govern. The Customer will sign CIBC's standard form of current account authority in respect of each such account. Without limiting the generality of the foregoing, the Customer agrees it will be conclusively settled that (i) the amount of the balance shown in any statement of an account provided to the Customer is correct, and (ii) each amount shown in that statement as a charge to that account is properly chargeable to the Customer, unless the Customer has notified CIBC of errors, irregularities or omissions in or from that statement within 30 days of the date of mailing (as shown by CIBC's records) or delivery of such statement to the Customer.
11. **Fixed Rate Provisions.** The Customer may not voluntarily prepay any Fixed Rate Loan before the end of its scheduled term without CIBC's prior consent, which consent may be conditional upon the Customer paying CIBC an additional amount as CIBC may in its absolute discretion determine at the time of such prepayment. The Customer will compensate CIBC on demand for all costs and losses (including any loss of bargain or any loss or cost as a result of terminating, liquidating or reestablishing any hedge, trading or lending position) incurred by CIBC in connection with any repayment of all or part of any Fixed Rate Loan required as a result of demand having been made by CIBC after default by the Customer under this Agreement.

12. **Consent to Release of Information.** The Customer consents to the receipt and exchange of credit or other information from time to time by CIBC, including such receipt from and exchange with any financial institution, credit bureau or credit reporting agency or any person, firm or corporation with which the Customer has or proposes to have financial relations. The Customer understands that this information may be used for the purposes of establishing and maintaining the Customer's relationship with CIBC and of offering and providing products and services as permitted by law.

13. **Notices.** Any notice or communication in respect of this Agreement may be given in any manner set forth below to the address or number set out in the letter portion of this Agreement and will be deemed effective as indicated:

- a) if in writing and delivered in person or by courier, on the date it is delivered;
- b) if sent by fax transmission, on the day that transmission is confirmed by telephone or in writing (other than a writing generated by fax machine) as received by the recipient; or
- c) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted;

unless the date of that delivery or receipt, as applicable, is not a Business Day or that notice is delivered or received, as applicable, after the close of the CIBC Branch/Centre's normal banking hours on a Business Day, in which case that notice shall be deemed given and effective on the first following day that is a Business day. CIBC may rely upon any such notice or communication purporting to be from the Customer as long as CIBC believed in good faith that it was given by an officer/representative of the Customer. Either the Customer or CIBC may by notice to the other change the address or number at which notices or communications are to be given to it.

Miscellaneous. (i) The Customer has received a signed copy of this Agreement. (ii) If more than one person, firm or corporation signs Agreement as the Customer, CIBC may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but CIBC is released from any of its obligations by performing of that obligation to any one of them. (iii) The Customer may not assign any of the Customer's rights or obligations in connection with this Agreement without CIBC's consent. (iv) The Customer will pay to CIBC all reasonable fees and out-of-pocket expenses of CIBC in respect of the registration and enforcement of this Agreement and the Security. (v) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor), consistently applied, and all financial statements and information provided to CIBC will be prepared in accordance with those principles. (vi) This Agreement is governed by the law of the Province or Territory where the CIBC Branch/Centre is located.

Definitions. Each margin heading in the letter portion of this Agreement is a defined term having the meaning set out opposite that heading. All capitalized terms not defined in this Schedule have the respective meanings given to them elsewhere in this Agreement. Also, in this Agreement: "**Business Day**" means any day (other than a Saturday or a Sunday) that the CIBC Branch/Centre is open for business.

"**Business Plan/Forecast**" means, for any fiscal year, a business plan and financial forecast in respect of the Customer for that fiscal year in form reasonably acceptable to CIBC and certified by a senior officer/ representative of the Customer.

"**CIBC Branch/Centre**" means the CIBC branch or banking centre noted on the letterhead of this Agreement, or such other branch or centre as may from time to time be agreed upon by CIBC and the Customer.

"**Credit Usage**" means, at any time in respect of a Facility, the total

(including, the extent established under that Facility, the maximum credit limit for any Corporate Visa line, the total face amount of any outstanding Letters of Credit and outstanding drafts accepted by CIBC in connection with Letters of Credit and a percentage (as CIBC may from time to time determine) of outstanding obligations of the Customer under foreign exchange contacts or other derivative product transactions).

"**Financial Statements**" means financial statements in respect of the Customer and, at CIBC's request, financial statements in respect of any Security Provider, in each case on an unconsolidated and/or consolidated basis (as CIBC may direct), such statements for any fiscal period to include a balance sheet as of the end of that fiscal period and a statement of income and retained earnings over that period, certified by the chief financial officer of the Customer and, where audited, certified in a manner acceptable to CIBC by an independent firm of chartered accountants acceptable to CIBC.

"**Fixed Rate Loan**" means any loan drawn down, converted or extended under a Facility at an interest rate which was fixed for a term, instead of referenced to a variable rate such as the Prime Rate, at the time of such drawdown, conversion or extension.

"**Inventory Value**" means, at any time of determination, the total value (based on the lower of the cost or market) of the Customer's inventories that are subject to the Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid therefor and would have a right to repossess all or part of such inventories if the Customer were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories CIBC may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over CIBC.

"**Letter of Credit**" means, unless specifically limited elsewhere in this Agreement, a documentary or stand-by letter of credit, letter of guarantee or similar instrument in form and substance satisfactory to CIBC.

"**Prime Rate**" means the variable reference interest rate per year declared by CIBC from time to time to be its prime rate for Canadian dollar loans made by CIBC in Canada.

"**Receivable Value**" means, at any time of determination, the total value of those of the Customer's trade accounts receivable that are subject to the Security (other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by persons, firms or corporations affiliated to the Customer and (iii) those accounts that CIBC may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on or claims of set-off against those accounts having or purporting to have priority over CIBC.

"**Receivables/Inventory Summary**" means a summary of the Customer's trade account receivables and inventories plus a list of such aged receivables, all in form reasonably acceptable to CIBC and certified by a senior officer/ representative of the Customer.

"**Security Provider**" means a person, firm or corporation which is a party to or obliged under or has otherwise signed or provided any of the Security.

"**Standard Overdraft Rate**" for Canadian dollar overdrafts means the variable reference interest rate per year declared by CIBC from time to time to be its standard overdraft rate on overdrafts in Canadian dollar accounts maintained in Canada with CIBC.



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dennis.kunde@cibc.com

Retrocom Mid-Market Real Estate Investment Trust
89 The Queensway West
Suite 400
Mississauga, Ontario
L5B 2V2

Dear Sirs:

Re: Amendment No. 1 to the Credit Agreement dated March 1, 2004 between Canadian Imperial Bank of Commerce ("CIBC") and Retrocom Mid-Market Real Estate Investment Trust (collectively, the "Agreement")

Amendment: The Agreement is amended as follows:

1. References to "Retrocom Mid-Market Real Estate Investment Trust" as the Borrower will be deleted and substituted in its place is "Retrocom Limited Partnership".
2. Under **Security**, the paragraph starting with "C\$15,000,000 aggregate demand debentures....." will be deleted and substituted in its place by the following:

"C\$15,000,000 aggregate collateral charges/mortgages of land providing second fixed charges over the Secured Properties owned by the Borrower and/or Nominee, as permitted under the terms of this Agreement."
3. Under **Security**, insert the following:

"Guarantees and Postponements of Claim from nominee companies for full liability."
4. Under **Covenants**, item number 2 starting with "Appraisals for properties" will be deleted and substituted in its place by the following:

“Current appraisals for a property or properties contained within the Secured Properties pool shall be provided before initial drawdown pertaining to such property or properties.”


Other Matters.

1. Except as revised by this Amendment, the Agreement remains in full force and effect, unmodified and unrevoked.
2. This Amendment is governed by the laws of the Province of Ontario.
3. The term “The Agreement” means the Credit Agreement referred to above, as it may have been amended up to the date of this Amendment.

Acceptance of this Amendment: By each of the Customer and CIBC through respective authorized officer signing below and returning a signed copy to the other, the Customer and CIBC agree to revise the Agreement in accordance with the provisions set out above under Amendments and Other Matters, as of the following date:

Yours truly,

Canadian Imperial Bank of Commerce


Per: 
Dennis Kunde, Senior Director

ACCEPTED this _____ day of March, 2004

Borrower:

Retrocom Limited Partnership
by its General Partner, GP Trust, by its Trustee
1606906 Ontario Inc.

Per: 
Name: _____
Title: _____

Per: 
Name: _____
Title: _____