

TAB E



167421-001
O - 1088372.07 \$

A modifier
[Signature]

PREUVE DE RÉCLAMATION - CRÉANCIER NON GARANTI
Loi sur la faillite et l'insolvabilité

Numéro de référence : 10457365
No du Bureau du surintendant : 43-148672

Dans l'affaire de la faillite de : IQT, LTD. de OSHAWA (ONTARIO) et de la réclamation du ministre du Revenu (ci-après appelé « le créancier »), veuillez expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Service des faillites et des propositions, 4, Place-Laval, bureau 500, secteur L461P5, Laval (Québec) H7N 5Y3.

Je, Josée Paquette, résidant à LAVAL dans la province de Québec, atteste ce qui suit :

1. Je suis à l'emploi de Revenu Québec et suis dûment autorisé à agir aux présentes.
2. Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire.
3. Le débiteur mentionné ci-dessus était, à la date de la faillite, à savoir le 20 décembre 2011, endetté envers le créancier et l'est toujours, pour la somme de 1 088 372,07 \$, comme l'indique l'annexe ci-jointe.
4. Le créancier ne détient aucun avoir du débiteur à titre de garantie et le créancier ne revendique pas de droit à un rang prioritaire.
5. Pour autant que je le sache, le créancier n'est pas lié au débiteur selon l'article 4 de la Loi sur la faillite et l'insolvabilité.

Fait à LAVAL, ce 17 mai 2012.

Gisèle Gache
Témoign

Joseph P. M.
Créancier

This is Exhibit E referred to in the affidavit of ANDREW J. ECKART

sworn before me, this 21st

day of September, 2012

[Signature]
A commissioner for taking affidavits

... verso



Direction générale du recouvrement

Le 17 mai 2012

RAYMOND CHABOT INC.
LES TOURS TRIOMPHE
2500, BOUL. DANIEL-JOHNSON, PORTE 300
LAVAL, QC H7T 2P6

Numéro de référence : 10457365

Débiteur : IQT, LTD.

Objet : Transmission de nouvelles preuves de réclamation

En vertu de la Loi sur la faillite et l'insolvabilité, vous trouverez ci-joint les nouvelles preuves de réclamation, ainsi que leur annexe, concernant la société mentionnée ci-dessus.

- Preuve de réclamation de 1 088 372,07 \$ soumise par un créancier non garanti. Cette preuve de réclamation remplace celle qui vous a été transmise le 16 mai 2012, de 1 000 664,21 \$.
- Preuve de réclamation de biens de 1 816,19 \$. Cette preuve de réclamation remplace celle qui vous a été transmise le 16 mai 2012, de 13,36 \$.

Veuillez noter que ces nouvelles preuves de réclamation peuvent faire l'objet de modifications.

Nous vous remercions de votre collaboration et vous prions d'agréer nos salutations distinguées.

Josée Paquette

p. j. Documents

ANNEXE AUX PREUVES DE RÉCLAMATION

Dans l'affaire de la faillite de IQT, LTD.,

Numéro de référence : 10457365
 No du Bureau du surintendant : 43-146672

Objet : État sommaire de la dette au 20 décembre 2011

Créance non garantie	PÉRIODES COTISÉES	CRÉANCE COTISÉE (\$)	PÉRIODES ESTIMÉES	CRÉANCE ESTIMÉE (\$)	CRÉANCE TOTALE (\$)
LOIS CONCERNÉES					
Loi sur les impôts (relativement aux sociétés)	200901 à 200912	4 791,62	201001 à 201012	3 564,54	8 356,16
Numéro de référence : 1212329068 C0001				0,00	971,09
Loi sur les impôts (relativement aux retenues à la source)	201000 à 201105	971,09			
Numéro de référence : 1212329068			201104 à 201112	295 887,20	1 079 044,82
Loi sur la taxe de vente du Québec	200910 à 201103	783 157,62			
Numéro de référence : 1212329068				299 451,74	1 088 372,07
Total selon les lois fiscales du Québec		788 920,33			
Créance de biens					
LOI CONCERNÉE					
Loi sur les impôts (relativement aux retenues à la source)	PÉRIODES COTISÉES	CRÉANCE COTISÉE (\$)	PÉRIODES ESTIMÉES	CRÉANCE ESTIMÉE (\$)	CRÉANCE TOTALE (\$)
Numéro de référence : 1212329068	201000 à 201105	1 816,19		0,00	1 816,19
Total selon une loi fiscale du Québec		1 816,19		0,00	1 816,19



Bordereau de transmission

Date : 17 mai 2012

Nombre total de pages : 5

Destinataire

Nom : RAYMOND CHABOT INC.
Adresse : LES TOURS TRIOMPHE
2500, BOUL. DANIEL-JOHNSON, PORTE 300
LAVAL, QC H7T 2P6

À l'attention de Mme Martine Robitaille

Téléphone :

Télécopieur : 450 682-6663

Expéditeur

Nom : Josée Paquette
Adresse : 4, Place-Laval, bureau 500
Laval (Québec) H7N 5Y3

Téléphone : 1 888 987-7747, poste 9676446
Télécopieur : 514 285-3838

Secteur : L461P5

Dossier : 10457385

Message

Bonjour, veuillez trouver ci-jointe de nouvelles preuves de réclamations dans le dossier de IQT LTD. Il y a eu tout récemment une nouvelle cotisation en retenue à la source (créance de biens). Pouvez vous modifier le relevé des recettes et débours afin de tenir compte de cette nouvelle preuve. Merci

Avls relatif aux renseignements confidentiels

Les renseignements contenus dans ce document peuvent être confidentiels. Ils sont destinés à l'usage du destinataire ci-dessus.

Si vous n'êtes pas le destinataire visé ou une personne autorisée à lui remettre ce document, vous êtes par la présente avisé qu'il est strictement interdit d'utiliser, de copier ou de distribuer ce document, d'en dévoiler la teneur ou de prendre quelque mesure fondée sur l'information qu'il contient. Vous êtes donc prié de détruire ce document et de communiquer immédiatement avec l'expéditeur pour l'aviser de cette erreur.

M
13/01/2012
13/01/2012
0-1000664.21\$
RP

PREUVE DE RÉCLAMATION - CRÉANCIER NON GARANTI
Loi sur la faillite et l'insolvabilité

Numéro de référence : 10457365
No du Bureau du surintendant : 43-146672

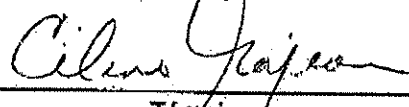
Dans l'affaire de la faillite de : IQT, LTD. de OSHAWA (ONTARIO) et de la réclamation du ministre du Revenu du Québec (ci-après appelé « le créancier »), veuillez expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Service des faillites et des propositions, 4, Place-Laval, bureau 500, secteur L461P5, Laval (Québec) H7N 5Y3.

Je, Josée Paquette, résidant à LAVAL dans la province de Québec, atteste ce qui suit :

1. Je suis fonctionnaire au sein du ministère du Revenu du Québec et suis dûment autorisé à agir aux présentes.
2. Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire en tant que fonctionnaire attribué à ce dossier.
3. Le débiteur mentionné ci-dessus était, à la date de la faillite, à savoir le 20 décembre 2011, endetté envers le créancier et l'est toujours, pour la somme de 1 000 664,21 \$, comme l'indique l'annexe ci-jointe.
4. Le créancier ne détient aucun avoir du débiteur à titre de garantie et le créancier ne revendique pas de droit à un rang prioritaire.
5. Pour autant que je le sache, le créancier n'est pas lié au débiteur selon l'article 4 de la Loi sur la faillite et l'insolvabilité.

Fait à LAVAL, ce 17 janvier 2012.


Témoïn


Créancier

... verso

TAB F

A

ATTACHMENT PAGE 1

TPS

mg.
[Handwritten signature]

IB 167421-001
13/01/12

Proof of Claim (Form 31)
Bankruptcy and Insolvency Act

0-136029.56

[Handwritten initials]

All notices or correspondence regarding this claim must be forwarded to the following address:

TORONTO EAST TAX SERVICES OFFICE
200 Town Centre Court
Suite 475
Scarborough ON M1P 4Y3
Attention: Mrs. L. Fagon (1261)

In the matter of the bankruptcy of
IQT, LTD. (SOMETIME CARRYING ON BUSINESS AS DURHAM CALL CENTRE) of
the City of OSHAWA in the Province of ONTARIO, and the claim of
Her Majesty the Queen in Right of Canada as represented by the
Minister of National Revenue, creditor.

I, Mrs. L. Fagon (1261), of the City of TORONTO in the Province of
ONTARIO, do hereby certify:

1. That I am a Collections Officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy namely the 20TH DAY OF DECEMBER, 2011, and still is, indebted to the creditor in the sum of \$136,029.56, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4. (X) UNSECURED CLAIM of \$136,029.56.

That in respect of this debt, I do not hold any assets of the debtor as security and

(X) Regarding the amount of \$136,029.56, I do not claim a right to priority.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Bankruptcy and Insolvency Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event

This is Exhibit F referred to in the affidavit of ANDREW J. ECKART

sworn before me, this 21st

day of September, 20 12

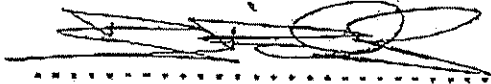
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A commissioner for taking affidavits

ATTACHMENT PAGE 2

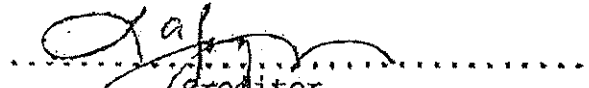
within the meaning of Section 2 of the Bankruptcy and Insolvency Act.

NIL

Dated at Scarborough, this 9TH day of JANUARY, 2012.



.....
Witness



.....
Creditor
(Signature of person completing this Proof of claim)

ATTACHMENT PAGE 3

SCHEDULE "A"

REGISTRANT: IQT, LTD. (SOMETIME CARRYING ON BUSINESS AS DURHAM CALL CENTRE)

GST/HST Account #: 855912937 RT0001

Date of Bankruptcy : DECEMBER 20, 2011

Filing Period		Net Tax	Interest	Penalty	Period Total
From - To	YMMDD - YMMDD				
090801 - 090831			8,238.65	1,221.01	9,459.66
090901 - 090930			7,724.84	1,012.42	8,737.26
091001 - 091031			6,604.05	753.55	7,357.60
091101 - 091130			6,341.42	606.63	6,948.05
091201 - 091231			4,722.01	00.00	4,722.01
100101 - 100131			5,768.09	00.00	5,768.09
100201 - 100228			4,880.66	549.15	5,539.81
100301 - 100331			3,909.18	00.00	3,909.18
100401 - 100430			4,988.14	610.40	5,598.54
100601 - 100630			3,441.91	707.29	4,149.20
100701 - 100731			12,995.87	1,595.45	14,591.32
100801 - 100831			4,446.26	698.80	5,145.06
100901 - 100930			16,428.05	2,780.78	19,208.83
101001 - 101031			6,704.54	00.00	6,704.54
101101 - 101130			635.66	1,285.56	1,912.22
101201 - 101231			5,322.93	00.00	5,322.93
110101 - 110131			6,108.57	00.00	6,108.57
110201 - 110228			4,900.08	00.00	4,900.08
110301 - 110331			4,167.81	00.00	4,167.81
110401 - 110430			3,790.26	00.00	3,790.26
000501 - 110531			1,979.54	00.00	1,979.54
TOTAL			124,208.52	11,821.04	136,029.56

A

ATTACHMENT PAGE 1

n.g.
(DFA portion employees) 13/01/12
ML
0-66298-99

Proof of Claim (Form 31)
Bankruptcy and Insolvency Act

AP

All notices or correspondence regarding this claim must be forwarded to the following address:

TORONTO EAST TAX SERVICES OFFICE
200 Town Centre Court
Suite 475
Scarborough ON M1P 4Y3
Attention: Mrs. L. Fagon (1261)

In the matter of the bankruptcy of
EQT, LTD. (SOMETIME CARRYING ON BUSINESS AS DURHAM CALL CENTRE) of
the City of OSHAWA in the Province of ONTARIO, and the claim of
Her Majesty the Queen in Right of Canada as represented by the
Minister of National Revenue, creditor.

I, Mrs. L. Fagon (1261), of the City of TORONTO in the Province of
ONTARIO, do hereby certify:

1. That I am a Collections Officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy namely the 20TH DAY OF DECEMBER, 2011, and still is, indebted to the creditor in the sum of \$66,298.99, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4. (X) UNSECURED CLAIM of \$66,298.99.

That in respect of this debt, I do not hold any assets of the debtor as security and

(X) Regarding the amount of \$66,298.99, I do not claim a right to priority.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Bankruptcy and Insolvency Act.

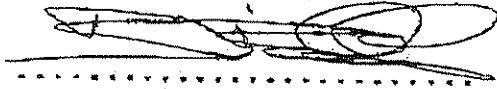
6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event

ATTACHMENT PAGE 2


within the meaning of Section 2 of the Bankruptcy and Insolvency Act.

NIL

Dated at Scarborough, this 9TH day of JANUARY, 2012.



Witness


Creditor
(Signature of person completing this Proof of Claim)

ATTACHMENT PAGE 3

"SCHEDULE A"
Unsecured Claim

Name : IQT, LTD. (SOMETIME CARRYING ON BUSINESS AS
DURHAM CALL CENTRE)
Account Number: 855912937RP0001

DATE OF ASSESSMENT (dd/mm/yyyy)	TAX YEAR	CPP EMPLOYER PORTION	EI EMPLOYER PORTION	PENALTY AND INTEREST	TOTAL
21/07/2011	2011	4,909.76	7,384.94	47,404.14	59,698.84
	ACCRUED INTEREST			6,600.15	6,600.15
				SUB TOTAL	\$ 66,298.99
				TOTAL	\$ 69,298.99

JFS. / Brews
167427-001
13/01/12
G-328753.347

ATTACHMENT PAGE 1

Account Number

85591 2937 RE0001

"PROOF OF CLAIM (PROPERTY)"
The Bankruptcy and Insolvency Act

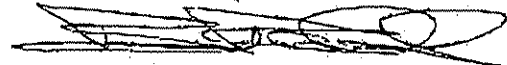
In the matter of the bankruptcy of IQT, LTD. sometime carrying on business as DURHAM CALL CENTRE of OSHAWA, ON, debtor, and the claim of Her Majesty the Queen in Right of Canada, as represented by the Minister of National Revenue, claimant and RAYMOND CHABOT INC., trustee.

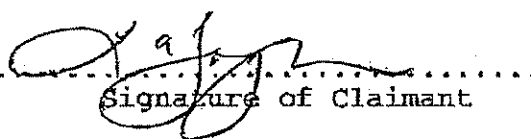
I, Mrs. L. Fagon (1261) of the city of TORONTO in the Province of ONTARIO

DO HEREBY CERTIFY:

1. That I am a Collection Officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to in this form.
3. That on DECEMBER 20, 2011, the debtor herein made an assignment in accordance with the Bankruptcy and Insolvency Act to the trustee.
4. That on the said date, the property enumerated in the statement of account attached hereto and marked Schedule "B" was in possession of the debtor and still remains in the possession of the debtor and (or) the trustee.
5. That the claimant hereby claims the said property, or interest there in, by virtue of attached Schedule "B".
6. That the claimant is entitled to demand from the trustee the return of the property enumerated in Schedule "B".
7. That I hereby demand that the trustee return to the claimant whom I represent the property enumerated in Schedule "B" within fifteen (15) days after the filing hereof or within fifteen (15) days after first meeting of the creditors of the debtor herein, whichever is later.

Sworn before me at the City of Scarborough, in the Province of ON this 9TH DAY OF JANUARY, 2012


.....
A Commissioner for Oaths


.....
Signature of Claimant

"AN OFFICER DESIGNATED UNDER SUBSECTION 220(5) OF THE INCOME TAX ACT, 106 OF THE CANADA PENSION PLAN, 97(2) OF THE EMPLOYMENT INSURANCE ACT, 275(4) OF THE EXCISE TAX ACT AND 102(6) OF THE PETROLEUM AND GAS REVENUE ACT, TO ADMINISTER OATHS, ETC."

ATTACHMENT PAGE 2

Account Number

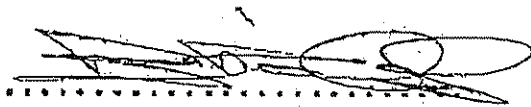
85591 2937 RP0001

SCHEDULE "B"
PROPERTY CLAIM

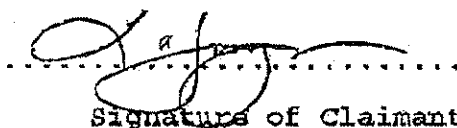
Name : IQT, LTD. (SOMETIME CARRYING ON BUSINESS AS
DURHAM CALL CENTRE)
Account Number: 855912937 RP0001

DATE OF ASSESSMENT YEAR	TAX YEAR	FEDERAL TAX	PROV TAX	CPP EMPLOYEE PORTION	EI EMPLOYEE PORTION	TOTAL
2011 07/21	2011	237,738.21	80,830.41	4,909.76	5,274.96	328,753.34
TOTAL						328,753.34

Sworn before me in the City of TORONTO, in the Province of ONTARIO this 9th DAY OF JANUARY, 2012.



A Commissioner of Oaths



Signature of Claimant

"AN OFFICER DESIGNATED UNDER SUBSECTION 220(5) OF THE INCOME TAX ACT, 106 OF THE CANADA PENSION PLAN, 97(2) OF THE EMPLOYMENT INSURANCE ACT, 275(4) OF THE EXCISE TAX ACT AND 102(6) OF THE PETROLEUM AND GAS REVENUE ACT, TO ADMINISTER OATHS, ETC."

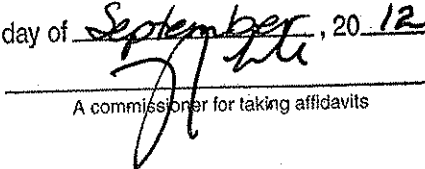
TAB G

November 19, 2010

Diane Leduc
Direction generale du centre de perception fiscale
Et des biens non reclaims, secteur L461P5
4, Place-Laval, bureau 500
Laval (Quebec) H7N 5Y3

Numero de reference: 5476140
Numero de poste certifiee: 3342646603377596

Ms. Leduc,

This is Exhibit G referred to in the
affidavit of ANDREW J. ECKART
sworn before me, this 21st
day of September, 20 12

A commissioner for taking affidavits

On behalf of IQT Laval Ltd. and IQT Ltd. (hereinafter collectively referred to as "IQT"), in an effort to resolve the outstanding tax obligations we discussed earlier this week, I am making the following offer for your consideration:

1. IQT Laval Ltd. is entitled to a minimum of \$250,000 and a maximum of \$350,000 from Emploi Quebec for training of new employees that were hired between October 2009 and November 2010. It is our expectation that IQT will be in receipt of the minimum payment of funds within 20 business days, which would immediately be applied in reduction of the outstanding balance. I propose to use 100% of those funds to pay down the outstanding tax balance so that the maximum amounts received from Emploi Quebec are applied to the reduction of IQT's balance.
2. Beginning in January 2011, IQT will remit all current tax obligations.
 - a. IQT will pay November tax obligation by 1/5/11
3. Beginning in January 2011, IQT will pay \$100,000 per month so that the balance owed is liquidated within 12 months.
 - a. IQT will provide 6 months of pre-dated checks, totaling \$100K per month.
 - b. Diane will apply \$50K per entity to reduce IQT's outstanding balance.
4. IQT will provide on a monthly basis, the following data:
 - a. A/R aging report, by entity
 - b. Bank Statement for Desjardin and BMO accounts
 - c. Example (January, IQT will pay November, and provide reports associated with November).
5. IQT Laval Ltd. is required to pay tax via the internet, and additionally, must provide proof of payment directly to Ms. Leduc.

The payment plan proposed provides IQT with the opportunity to fund it's current and outstanding Tax obligations in an aggressive manner, as well as fund our operation. Currently, IQT Laval Ltd. employs approximately 400 people in Laval, Quebec. Additionally, IQT Ltd. employs approximately 525 people in Oshawa, Ontario.

IQT, over the last several months has undergone significant management changes. The CFO was terminated and replaced by me and the financial staff of the company has been augmented with the

expectation that issues such as this one, will not be tolerated going forward and will cease to exist within our operation.

We appreciate your support in assisting IQT through this matter, and I look forward to hearing from you shortly.

Sincerely,

Alex Mortman
Chief Financial Officer

TAB H

13 167421-001

13/01/2012

0-12371743.71

PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1) and Paragraphs 51(1)(e) and 66.14(b) of the *Bankruptcy and Insolvency Act, Canada*)

G-5000 000

All Notices or correspondence regarding this claim must be forwarded to the following address:

This is Exhibit H referred to in the affidavit of ANDREW J. ECKART sworn before me, this 21st day of September 20 12

KUGLER KANDESTIN, L.L.P.
1 Place Ville Marie
Suite 2101
Montreal, Quebec
H3B 2C6

Attention: Me Gerald F. Kandestin
Facsimile: (514) 875-8424

A commissioner for taking affidavits

IN THE MATTER OF the bankruptcy of **IQT, LTD./IQT LIMITÉE** (the "Debtor"), of the City of Trois Rivières, Province of Quebec, and the claim of **WELLS FARGO BUSINESS CREDIT CANADA ULC** (the "Creditor").

I, **DOMENIC COSENTINO**, of the City of Toronto, Province of Ontario, do hereby certify:

1. **THAT** I am a Vice President and a duly authorized representative of the Creditor.
2. **THAT**, I have knowledge of all of the circumstances connected with the claim referred to below.
3. **THAT** the Debtor was, at the date of bankruptcy, namely the **20th** day of **December, 2011**, and still is, indebted to the Creditor in the sum of **\$17,371,743.71**, balance in capital and interest, plus all interest after said date and all accessories thereto, fees, expenses and charges as specified in the statement of account attached and marked **Schedule "A"**, after deducting any counterclaims to which the Debtor is entitled (the "**Debt**"), as a result of an "Account Purchase Agreement" dated May 6, 2009 between the Creditor and the Debtor and a "First Amendment to Account Purchase Agreement" dated June 7, 2010 between the same parties (collectively referred to as the "**Account Purchase Agreement**"), copies of which are attached as **Schedule "B"**.
4. (Check and complete appropriate category):

A. UNSECURED CLAIM OF AT LEAST \$12,371,743.71 representing the difference between the Debt and the Value (the "**Unsecured Claim**"), under reserve of the Creditor's right to increase or decrease the Value and to, accordingly, increase or decrease the Unsecured Claim.

THAT in respect of the Unsecured Claim, the Creditor does not hold any assets of the Debtor as security and (*check appropriate description*):

Regarding the Unsecured Claim, the Creditor claims a right to a priority under Section 136 of the *Bankruptcy and Insolvency Act*, Canada.

Regarding the Unsecured Claim, the Creditor does not claim a right to a priority.

(*Set out on an attached sheet details to support priority claim.*)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$•.

THAT the Creditor hereby makes a claim under subsection 65.2(4) of the *Bankruptcy and Insolvency Act*, Canada, particulars of which are as follows:

(*Give full particulars of the claim, including the calculations upon which the claim is based.*)

C. SECURED CLAIM OF the difference between the Debt and the Unsecured Claim (the "Secured Claim").

THAT in respect of the Debt:

- (i) the Creditor holds assets of the Debtor valued at no greater than **\$5,000,000.00** as security (the "Value") pursuant to the Creditor's purchase of the Debtor's accounts receivable and the following security, copies of which are annexed hereto as **Schedule "C"** (the "Security"), namely:
 - (a) the ownership/assignment interests, hypothec and security interests created under the Account Purchase Agreement;
 - (b) publication of the above hypothec by registration of a notice thereof in the *Register of Personal and Movable Real Rights* on May 6, 2009 under number 09-0254053-0003;
 - (c) publication of the above security interest by registration of a notice thereof in the *Register of Personal and Movable Real Rights* on May 6, 2009 under number 09-0254053-0001; and
 - (d) publication of the above ownership/assignment interests by registration of a notice thereof in the *Register of Personal and Movable Real Rights* on May 6, 2009 under number 09-0254053-0002.

(ii) the Creditor files a claim as an unsecured creditor for the Unsecured Claim; and,

(iii) the Creditor expressly reserves the right to increase or decrease the Value and to, accordingly, decrease or increase the Unsecured Claim.

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$●.

THAT the Creditor hereby makes a claim under subsection 81.2(1) of the *Bankruptcy and Insolvency Act*, Canada, for the unpaid amount of \$●.

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$●.

That the Creditor hereby makes a claim under subsection 81.3(8) of the *Bankruptcy and Insolvency Act*, Canada, in the amount of \$●.

That the Creditor hereby makes a claim under subsection 81.4(8) of the *Bankruptcy and Insolvency Act*, Canada, in the amount of \$●.

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$●.

THAT the Creditor hereby makes a claim under subsection 81.5 of the *Bankruptcy and Insolvency Act*, Canada, in the amount of \$●.

THAT the Creditor hereby makes a claim under subsection 81.6 of the *Bankruptcy and Insolvency Act*, Canada, in the amount of \$●.

G. CLAIM AGAINST DIRECTOR \$●.

(To be completed when a proposal provides for the compromise of claims against directors.)

THAT the Creditor hereby makes a claim under subsection 50(13) of the *Bankruptcy and Insolvency Act*, Canada, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)



H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM §.

THAT the Creditor hereby makes a claim as a customer for net equity as contemplated by section 262 of the *Bankruptcy and Insolvency Act*, Canada, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

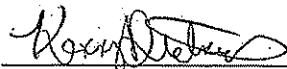
- 5. **THAT** to the best of my knowledge, the Creditor is not related to the Debtor within the meaning of Section 4 of the *Bankruptcy and Insolvency Act*, Canada, and has not dealt with the Debtor in a non-arm's-length manner.
- 6. **THAT** the following are the payments that the Creditor has received from, and the credits that the Creditor has allowed to and the transfers at undervalue within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, Canada, that the Creditor has been privy to or a party to with the Debtor within the three months *(or, if the Creditor and the Debtor are related within the meaning of Section 4 of the Bankruptcy and Insolvency Act, Canada, or were not dealing with each other at arm's length, within the 12 months)* immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, Canada: *(provide details of payments, credits and transfers at undervalue.)*

(Applicable only in the case of the bankruptcy of an individual.)



The Creditor requests that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the *Bankruptcy and Insolvency Act*, Canada, be sent to the above address.

Dated this *21* day of **December, 2011**.



WITNESS *Kerry Dietrich*

**WELLS FARGO BUSINESS CREDIT
CANADA ULC**

Per: 

Domenic Cosentino

Phone Number: (416) 775-2908
Facsimile: (416) 775-2990
E-mail: domenic.cosentino@wellsfargo.com

NOTES: *If an Affidavit is attached, it must have been made before a person qualified to take Affidavits.*

If a copy of this form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

WARNINGS: *A trustee may, pursuant to Section 128(3) of the Bankruptcy and Insolvency Act, Canada, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.*

Subsection 201(1) of the Bankruptcy and Insolvency Act, Canada provides severe penalties for making a false claim, proof, declaration or statement of account.

PROXY

**(Subsection 102(2) and Paragraphs 51(1)(e) and 66.15(3)(b)
of the *Bankruptcy and Insolvency Act*, Canada)**

IN THE MATTER OF the bankruptcy of **IQT, LTD./IQT LIMITÉE** (the
"Debtor")

WELLS FARGO BUSINESS CREDIT CANADA ULC (the "Creditor") of the City of Toronto, Province of Ontario, a creditor in the above matter, hereby appoints: **LEE ORIGONI** or any present or future attorney member of the law firm Kugler Kandestin, L.L.P., of the City of Montreal, Province of Quebec, acting alone, to be the Creditor's proxyholder for all purposes (including, without limitation all voting) in the above matter, except as to the receipt of dividends, with full power to appoint another proxyholder in his or her place.

Dated this 21 day of **December**, 2011.

**WELLS FARGO BUSINESS CREDIT
CANADA ULC**

Per:



WITNESS Kerry Dietrich



Domenic Cosentino

SCHEDULE "A"

Date	A/R	Non-Purchased	Gross A/R	Daily Interest	C/R
Beginning Balance				\$169,922.12	
24/05/2011	\$21,446,990.84	\$296,263.67	\$21,150,727.17	\$7,637.76	\$9,977.79
25/05/2011	\$21,446,990.84	\$296,263.67	\$21,150,727.17	\$7,637.76	\$9,977.79
26/05/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
27/05/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
28/05/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
29/05/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
30/05/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
31/05/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
01/06/2011	\$20,538,481.81	\$296,263.67	\$20,242,218.14	\$7,309.69	\$362,963.46
02/06/2011	\$20,423,779.78	\$296,263.67	\$20,127,516.11	\$7,268.27	\$347,344.25
03/06/2011	\$18,747,832.41	\$296,263.67	\$18,451,568.74	\$6,663.07	\$969,911.88
04/06/2011	\$18,747,832.41	\$296,263.67	\$18,451,568.74	\$6,663.07	\$969,911.88
05/06/2011	\$18,747,832.41	\$296,263.67	\$18,451,568.74	\$6,663.07	\$969,911.88
06/06/2011	\$18,747,832.41	\$296,263.67	\$18,451,568.74	\$6,663.07	\$969,911.88
07/06/2011	\$18,747,832.41	\$296,263.67	\$18,451,568.74	\$6,663.07	\$969,911.88
08/06/2011	\$18,747,832.41	\$296,263.67	\$18,451,568.74	\$6,663.07	\$969,911.88
09/06/2011	\$18,580,092.26	\$296,263.67	\$18,283,828.59	\$6,602.49	\$1,419,538.22
10/06/2011	\$18,580,092.26	\$296,263.67	\$18,283,828.59	\$6,602.49	\$1,419,538.22
11/06/2011	\$18,580,092.26	\$296,263.67	\$18,283,828.59	\$6,602.49	\$1,419,538.22
12/06/2011	\$18,580,092.26	\$296,263.67	\$18,283,828.59	\$6,602.49	\$1,419,538.22
13/06/2011	\$18,580,092.26	\$296,263.67	\$18,283,828.59	\$6,602.49	\$1,419,538.22
14/06/2011	\$18,580,092.26	\$296,263.67	\$18,283,828.59	\$6,602.49	\$1,419,538.22
15/06/2011	\$18,526,296.29	\$296,263.67	\$18,230,032.62	\$6,583.07	\$1,395,623.83
16/06/2011	\$18,526,296.29	\$296,263.67	\$18,230,032.62	\$6,583.07	\$2,150,623.83
17/06/2011	\$18,526,296.29	\$296,263.67	\$18,230,032.62	\$6,583.07	\$2,150,623.83
18/06/2011	\$18,526,296.29	\$296,263.67	\$18,230,032.62	\$6,583.07	\$2,150,623.83
19/06/2011	\$18,526,296.29	\$296,263.67	\$18,230,032.62	\$6,583.07	\$2,150,623.83
20/06/2011	\$18,526,296.29	\$296,263.67	\$18,230,032.62	\$6,583.07	\$2,150,623.83
21/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,087,535.88
22/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,722,535.88
23/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,722,535.88
24/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,722,535.88
25/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,722,535.88
26/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,722,535.88
27/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$2,722,535.88
28/06/2011	\$17,258,752.04	\$296,263.67	\$16,962,488.37	\$6,125.34	\$3,582,535.88
29/06/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
30/06/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
01/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
02/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
03/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
04/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
05/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
06/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$3,506,573.98
07/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$4,341,573.98
08/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$4,341,573.98
09/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$4,341,573.98
10/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$4,341,573.98
11/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$4,341,573.98
12/07/2011	\$15,814,273.93	\$296,263.67	\$15,518,010.26	\$5,603.73	\$4,341,573.98

12/12/2011	\$0.00	\$0.00
13/12/2011	\$0.00	\$0.00
14/12/2011	\$0.00	\$0.00
15/12/2011	\$0.00	\$0.00
16/12/2011	\$0.00	\$0.00
17/12/2011	\$0.00	\$0.00
18/12/2011	\$0.00	\$0.00
19/12/2011	\$0.00	\$0.00
20/12/2011	\$0.00	\$0.00
21/12/2011	\$0.00	\$0.00
22/12/2011	\$0.00	\$0.00
23/12/2011	\$0.00	\$0.00
24/12/2011	\$0.00	\$0.00
25/12/2011	\$0.00	\$0.00
26/12/2011	\$0.00	\$0.00
27/12/2011	\$0.00	\$0.00
28/12/2011	\$0.00	\$0.00
29/12/2011	\$0.00	\$0.00
30/12/2011	\$0.00	\$0.00
31/12/2011	\$0.00	\$0.00

TOTAL

\$981,497.96

\$0.00	0.00
\$0.00	0.00
\$0.00	0.00
\$0.00	0.00
\$0.00	0.00
\$0.00	0.00
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\$0.00	0.00
\$0.00	0.00
\$0.00	0.00
\$0.00	0.00

1,290,401.23

\$563,332.25 Total fees due
IQT total Balance owed

1,853,733.48
\$ 17,371,743.74

SCHEDULE "B"

ACCOUNT PURCHASE AGREEMENT

This Agreement is dated as of May 6, 2009 between Wells Fargo Business Credit Canada ULC ("WFBC"), and IQT, Ltd., an Ontario corporation ("Customer"). Customer and WFBC agree as follows:

ARTICLE I

Purpose of Agreement

- 1.01 **Purpose of Agreement.** Customer desires to sell, transfer and assign to WFBC acceptable accounts receivable as set forth herein and WFBC desires to purchase such accounts on the terms and conditions set forth herein. Except as provided herein, the purchase of accounts receivable hereunder shall be non-recourse and shall be on a notification of assignment basis. The purpose of this Agreement is commercial in nature and not for household, family and/or personal use. This Agreement sets forth the terms and conditions on which WFBC intends to purchase accounts receivable from Customer.

ARTICLE II

Definitions

- 2.01 **"Account"** means any right of payment owing to Customer from the Account Debtors for goods sold or leased and delivered or services rendered in the ordinary course of Customer's business.
- 2.02 **"Account Assets"** means, in respect of an Account, the Property referred to in Sections 3.01(a), (b) and (c), other than the Account that relates to such Account.
- 2.03 **"Acceptable Account"** means an Account, in any amount acceptable to WFBC, which conforms to the representations, warranties and terms set forth herein in respect of Accounts and is not an Unacceptable Account.
- 2.04 **"Account Debtors"** means all the Persons which owe money to Customer with respect to their relevant Accounts and includes those listed on Exhibit D hereto (as amended from time to time),.
- 2.05 **"Advance Payment"** means, in respect of an Account, an amount equal to 90% of the gross face amount of such Account less stated trade discounts offered by Customer to the related Account Debtor. Such percentage may be adjusted by WFBC at any time at WFBC's sole discretion, by giving notice to such effect to Customer. Notwithstanding the foregoing, if such adjustment results in an advance payment amount equal to less than 80%, Customer shall have the option to terminate this Agreement, without payment of the Early Termination Payment, by giving notice to such effect to WFBC within 30 days of receipt of WFBC's notice, provided that such termination shall be effective within 90 days of the effective date of such adjustment. Any such adjustment shall be effective as of the Business Day on which such notice thereof is received by Customer.

- 2.06 **"Business Day"** means a day on which the branch of the Bank of Montreal located at 1 First Canadian Place, 100 King Street West, Toronto, ON, M5X 1A1 is open for business.
- 2.07 **"CAD" or "C\$"** means the lawful currency of Canada.
- 2.08 **"Canadian Taxes"** shall have the meaning ascribed to it in Section 12.18.
- 2.09 **"Closing Date"** means May 6, 2009.
- 2.10 **"Collateral"** means the Property given as security to WFBCC by Customer for any obligations and liabilities of Customer to WFBCC under this Agreement and includes the Property described in Section 5.01.
- 2.11 **"Collected Reserve"** means the internal general ledger accounting established by WFBCC for Customer to which, from time to time, credits will be made, debits taken and disbursements made, all in accordance with this Agreement. Provided there is no Event of Default hereunder, or any event which with the passage of time or giving of notice or both would become an Event of Default, WFBCC shall pay any available balance held in the Collected Reserve to Customer, or to any third party at Customer's written direction to WFBCC, on Tuesdays and Thursdays of each week. Upon the occurrence of an Event of Default (or an any event which with the passage of time or giving of notice or both would become an Event of Default), WFBCC shall have no obligation to pay any balance in the Collected Reserve to Customer and shall hold any balance in the Collected Reserve as Collateral for any obligations of Customer under this Agreement. Any fee, charge or other obligation of Customer to WFBCC under this Agreement may be charged against the Collected Reserve in WFBCC's sole discretion both before and after the occurrence of an Event of Default.
- 2.12 **"Collection Account"** shall have the meaning ascribed to it in Section 3.10.
- 2.13 **"Commercial Dispute"** means any dispute or claim, other than a Credit Loss, in any respect (including any alleged dispute as to price, invoice terms, quantity, quality or late delivery and claims of release from liability, counterclaim or any alleged claim of deduction, offset, compensation or counterclaim or otherwise) arising out of or in connection with an Account or any other transaction related thereto, which dispute or claim relates to an Account. Any dispute which is a combination of a Credit Loss and a Commercial Dispute shall be deemed to be a Commercial Dispute for purposes of this Agreement, unless prior to the expiry of the 75 day period referred to in the definition of "Credit Loss", the documentation required by Section 6.01 is provided to, and accepted by, WFBCC.
- 2.14 **"Customer"** means IQT, Ltd., a corporation validly existing under the laws of the Province of Ontario with its head office located at 199 Wentworth Street East, Oshawa, ON L1H 3V6.

- 2.15 **"Credit Loss"** means, as established by Customer in accordance with **Section 6.01**, that an Account is uncollectible solely because the Account Debtor is the subject of an Insolvency Proceeding within 75 days of the date of the related invoice.
- 2.16 **"Early Termination Payment"** means the amount immediately due and payable by Customer to WFBC in the event this Agreement is terminated as contemplated by **Section 10.01(c)** or **(d)**. Such amount shall be: (i) US\$1,200,000.00, if such termination occurs on or before the second anniversary of the Closing Date; (ii) US\$720,000.00, if such termination occurs after the second anniversary of the Closing Date and on or before the third anniversary of the Closing Date; (iii) US\$480,000.00, if such termination occurs after the third anniversary of the Closing Date and on or before the fourth anniversary of the Closing Date; and (iv) US\$240,000.00, if such termination occurs after the fourth anniversary of the Closing Date and on or before the fifth anniversary of the Closing Date. For greater certainty, no Early Termination Payment will be payable by Customer to WFBC in the case of Customer obtaining financing from another Wells Fargo business unit that is more favorable to Customer than this Facility, or where WFBC may elect to cease offering the type of financing employed by this Facility.
- 2.17 **"Event of Default"** means any of the events described in Article VII hereunder.
- 2.18 **"Facility"** means the accounts receivables purchase facility contemplated in this Agreement.
- 2.19 **"Facility Fee"** means the fee payable on closing of this Agreement, and on each renewal of this Agreement, as set forth in **Section 9.02**.
- 2.20 **"Facility Limit"** means, at any time, subject to the availability of Acceptable Accounts and the exercise of WFBC's discretion as provided herein, on or before Settlement Date for such Accounts, the aggregate limit of cash proceeds in respect of Accounts purchased by WFBC and advanced to Customer. Such limit shall be: (i) from the Closing Date until the first anniversary of such date, C\$12,000,000.00; (ii) thereafter, until the second anniversary of the Closing Date C\$15,000,000.00; (iii) thereafter, until the third anniversary of the Closing Date, C\$18,000,000.00; and (iv) thereafter, until the fourth and, thereafter, until the fifth anniversary of the Closing Date, respectively, such limit shall be mutually agreed between WFBC and Customer, both parties acting in a commercially reasonable manner. If on the third or fourth anniversary of the Closing Date at the latest, as applicable, the parties have failed to agree on the Facility Limit applicable with respect to the fourth or fifth contractual year hereunder, this Agreement shall terminate, as of such third or fourth anniversary of the Closing Date, as applicable, without payment of the Early Termination Payment.
- 2.21 **"Final Termination Date"** shall have the meaning ascribed to it in **Section 10.01**.
- 2.22 **"Guarantor"** and **"Guarantors"** shall have the meaning ascribed in **Section 11**.

- 2.23 **"Insolvency Proceeding"** means, in respect of any Person, any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its Property.
- 2.24 **"Lien"** means any lien (statutory or otherwise), prior claim, security interest, charge, mortgage, hypothec, assignment (whether absolute or by way of security), trust (including, without limitation, equipment trust), conditional sale or other title retention agreement, lease (whether operating/true or capital/financial), leasing (crédit-bail), bailment or deposit, security created under the *Bank Act* (Canada), or other encumbrances, interests or rights in the Customer's Property or any other agreement of any nature whatsoever and howsoever created or arising (whether fixed or floating, perfected or not), which secure payment or performance of an obligation including rights of offset, compensation, created or arising for the purpose of securing (whether directly or indirectly) the repayment of borrowed money or the payment of acquisition price (whether pursuant to purchase with a term, conditional sale or lease or leasing (crédit-bail)).
- 2.25 **"Net Purchase Price"** means, for any Acceptable Account, an amount equal to the gross face amount of such Account (including any applicable Goods and Services Tax, Harmonized Sales Tax, Ontario Provincial Sales Tax and Quebec Sales Tax) less (i) the WFBC Discount, (ii) any portion of such Account that constitutes advertising charges, finance charges, service charges or any other like charges, and (iii) any amount of any trade discounts, credits or allowances, or any other reductions or adjustments to such Account taken by the Account Debtor.
- 2.26 **"Payment Date"** means, in respect of an Account purchased hereunder, the date two (2) days after the related purchase date.
- 2.27 **"Permitted Liens"** means (i) Liens representing the interest of WFBC under the Transaction Documents including the Liens pursuant to **Section 5.01**; and (ii) any security on Property securing the payment of all or part of the price of such Property (including the balance of purchase price for shares purchased by Customer from third party sellers of shares in the capital of Supplemental Customers) or securing a loan, conditional sale, lease or any other facility extended for the purpose of acquiring such Property and provided that such facility has been applied to acquire such Property, other than, in any case, pursuant to a sale and lease back transaction.
- 2.28 **"Person"** means any individual, corporation, estate, partnership, trust, joint venture, association, joint stock company, unincorporated organization, government (or any agency or political subdivision thereof), or any other entity.
- 2.29 **"PPSA"** means, in respect of any jurisdiction, the personal property security legislation applicable in such jurisdiction and in particular, but without limitation, with respect to Ontario, means the Personal Property Security Act applicable in such

province, as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

- 2.30** "Prime Rate" means (a) for all Accounts denominated in CAD, the highest of the CAD Prime Rate published by the Bank of Montreal as the base rate on corporate loans denominated in CAD, with the acknowledgment of Customer that (i) in no event will the rate charged as the Prime Rate for Accounts denominated in CAD be less than two and one half percent (2.5%) per annum, and (ii) in the event the Bank of Montreal ceases publishing a CAD Prime Rate, WFBCC will substitute a comparable index; and (b) for all Accounts denominated in USD, the highest of the US Prime Rate published by Wells Fargo Bank, N.A. as the base rate on corporate loans denominated in USD, with the acknowledgment by Customer that (iii) in no event will the rate charged as the Prime Rate for Accounts denominated in USD be less than three and one quarter percent (3.25%) per annum, and (iv) in the event Wells Fargo Bank, N.A. ceases publishing a US Prime Rate, WFBCC will substitute a comparable. In the event of an error by Bank of Montreal or Wells Fargo Bank, N.A., the Prime Rate will be based upon the Prime Rate (for greater certainty, the CAD Prime Rate or US Prime Rate, as applicable), as corrected. Any increase or decrease in the Prime Rate shall be effective as of the next Business Day following such adjustment and such adjusted Prime Rate shall be the applicable Prime Rate in determining the rate of interest payable hereunder.
- 2.31** "Property" means any real and immovable, personal and movable, tangible or intangible (corporeal or incorporeal) property.
- 2.32** "Purchase Limit" means the limit WFBCC sets from time to time establishing the maximum gross face amount of purchased Accounts which WFBCC intends to purchase at any given time in respect of a particular Account Debtor. WFBCC may reduce the related Purchase Limit in its reasonable discretion, by giving notice to such effect to Customer. Notwithstanding the foregoing, if the reduced limit (whether as a result of one reduction or several cumulative reductions) is less than 75% of the original limit set hereunder by WFBCC in respect of the relevant Account Debtor, Customer shall have the option to terminate this Agreement, without payment of the Early Termination Payment, by giving notice to such effect to WFBCC within 30 days of receipt of WFBCC's notice, provided that such termination shall be effective within 90 days of the effective date of such reduction. Any such reduction shall be effective as of the Business Day on which such notice thereof is received by Customer.
- 2.33** "Purchased Amount" means, at any time, the aggregate Net Purchase Price paid by WFBCC to Customer for all outstanding Accounts purchased by WFBCC minus all amounts which at any time must be returned for any reason to Customer by WFBCC.
- 2.34** "Repurchase Price" means, for any Account that Customer is required to repurchase hereunder, the Net Purchase Price of such Account less any amounts collected from the Account Debtor by WFBCC on the Account plus the WFBCC Discount and all fees, costs or expenses associated with the repurchase or

collection of such Account. In any event where repurchase is required under this Agreement, WFBCC, in its reasonable discretion, may charge the Repurchase Price to Customer's Collected Reserve which may create a deficit balance under **Section 3.14**.

- 2.35** "Settlement Date" means, for any Account purchased by WFBCC hereunder, 70 days from the invoice date. Provided there are no Events of Default hereunder, Customer may by notice to WFBCC request in writing, at least 10 Business Days before the Settlement Date otherwise applicable to a particular Account, that such Settlement Date be extended for a period not to exceed 15 days. The Settlement Date for such Account shall be extended as requested in such notice unless WFBCC refuses such request by notice to Customer within three (3) days after WFBCC receives such request.
- 2.36** "Supplemental Customer" means any subsidiary or affiliated corporation which may be incorporated or acquired by Customer or its shareholders from time to time after the date hereof.
- 2.37** "Tax Indemnity Amount" shall have the meaning ascribed to it in **Section 12.18**.
- 2.38** "Term" shall have the meaning ascribed to it in **Section 10.01**.
- 2.39** "Unacceptable Account" means an Account which is not acceptable in WFBCC's sole discretion including the following:
- 2.39(a)** Accounts owed by any unit of government, whether foreign or domestic (provided, however, that there shall be included in Acceptable Accounts that portion of Accounts owed by such units of government for which Customer has provided evidence satisfactory to WFBCC that (i) WFBCC has a first priority perfected security interest or, if Customer is domiciled in the Province of Quebec, a first priority published (registered) hypothec, and (ii) such Accounts may be enforced by WFBCC directly against such unit of government under all applicable laws);
 - 2.39(b)** Accounts not payable in CAD or USD;
 - 2.39(c)** Except if the Customer is domiciled in the Province of Quebec and all steps have been taken to the satisfaction of WFBCC to create and publish by registration a first priority hypothec in respect of the Accounts pursuant to the sales contemplated hereby in Quebec, Accounts payable by Account Debtors located in the Province of Quebec;
 - 2.39(d)** Accounts which would cause the Purchase Limit for an Account Debtor to be exceeded;
 - 2.39(e)** Accounts which would cause the Facility Limit to be exceeded;
 - 2.39(f)** Accounts owed by an Account Debtor located outside Canada or the United States of America that are not (i) supported by a bank letter of credit naming WFBCC as beneficiary, which bank letter of credit must be

- in WFBCC's possession and acceptable to WFBCC in all respects, in its sole discretion, or (ii) covered by a foreign receivables insurance policy acceptable to WFBCC in its sole discretion;
- 2.39(g)** Accounts owed by an Account Debtor that, at the time the Account is created, is insolvent, the subject of an Insolvency Proceeding or has ceased to carry out its business;
- 2.39(h)** Accounts owed by an owner, shareholder, partner, subsidiary, affiliate, officer or employee of Customer;
- 2.39(i)** Accounts which are not subject to a duly perfected security or ownership interest or, if the Customer is domiciled in the Province of Quebec, a duly published by registration hypothec, in WFBCC's favor or which are subject to any Lien in favor of any entity or Person other than WFBCC, including any payment or performance bond;
- 2.39(j)** Accounts that have been restructured, extended, amended or modified, except as permitted pursuant to **Section 2.35**;
- 2.39(k)** Any Account the sale, transfer or assignment (whether absolutely or by way of security) of which is limited or restricted by the terms of the contract evidencing or relating to such Account (unless such limitation or restriction has been complied with and WFBCC is satisfied in its sole discretion that the sale, transfer and assignment of such Account hereunder is valid and effective);
- 2.39(l)** That portion of Accounts that constitutes allowances, finance charges, service charges or sales taxes, including Goods and Services Tax, Harmonized Sales Tax, Quebec Sales Tax or any other excise taxes;
- 2.39(m)** Accounts that have been invoiced, paid or partially paid in advance of the full delivery and acceptance of goods or the full performance of services by Customer and acceptance thereof by the Account Debtor;
- 2.39(n)** Accounts that have been paid or partially paid in advance of the submission of the Account to WFBCC;
- 2.39(o)** Accounts, or portions thereof, that fail to conform to the representations and warranties contained in Article IV hereof or are otherwise deemed unacceptable by WFBCC in its sole discretion;
- 2.39(p)** Accounts in respect of which there is any personal information that is protected by the Personal Information Protection and Electronic Documents Act (Canada) or any other applicable privacy laws in Canada, included in any of the related Account Assets, unless the related Account Debtor has granted, and there remains in effect, a valid consent to the assignment, transfer, disclosure and use of such personal information pursuant to this Agreement;
- 2.39(q)** Accounts that do not arise in the ordinary course of Customer's business or that are evidenced by an instrument or chattel paper, as defined by PPSA for Accounts Debtors domiciled in Canada; and

- 2.39(r) Accounts that are subject to any Commercial Dispute or Credit Loss.
- 2.40 "United States Taxes" shall have the meaning ascribed to it in Section 12.18.
- 2.41 "Unused Fee" shall have the meaning ascribed to it in Section 9.03.
- 2.42 "USD" or "US\$" means the lawful currency of the United States of America.
- 2.43 "WFBC" means Wells Fargo Business Credit, a division of Wells Fargo Bank, National Association.
- 2.44 "WFBCC Discount" means the amount determined by (a) for Accounts denominated in CAD, the Prime Rate plus five and one half percent (5.50%) per annum, calculated on the basis of a 360-day year, (b) for Accounts denominated in USD, the Prime Rate plus five and one half percent (5.50%) per annum, calculated on the basis of a 360-day year, provided that if any Event of Default exists, WFBCC may in its sole discretion determine the WFBCC Discount by utilizing a percentage equal to the Prime Rate plus ten percent (10%) per annum. Before or after an Event of Default, WFBCC may, upon prior notice to Customer, change the amount of any fee or charge provided for in this Agreement, excluding for greater certainty the WFBCC Discount, at its sole discretion. For greater certainty, the terms "fee" and "charge" as used in this Section 2.43 are used to refer to charges, such as and including, wire transfer fees and security registration fees for which WFBC will charge Customer on a pass-through basis as and when they are incurred in connection with the establishment and ongoing administration of the Facility.

ARTICLE III

Purchase and Assignment of Accounts

3.01 Assignment of Accounts: Pursuant to the terms herein, Customer hereby sells, transfers and assigns to WFBCC, its successors and assigns, as absolute owner, and WFBCC hereby accepts from the Customer, all of the Customer's right, title and interest in and to:

3.01(a) All of Customer's Accounts which are approved for purchase hereunder, together with all collections and payments in respect thereof and all rights of action accrued or to accrue thereon, including full power to collect, sue for, compromise, assign, in whole or in part, or in any other manner enforce collection thereof in Customer's name or otherwise; and

3.01(b) All right, title and interest of the Customer in and to the contracts, instruments, documents, books and records or other writings evidencing or relating to such Accounts or the related Account Debtor, all rights under guarantees and other agreements or arrangements (including indemnities and insurance policies) under which any Person is obligated in respect of all or any part of such Accounts, all deposits, or other security for the obligation of any Person under or relating to such Accounts and the Property subject to such security, all goods relating to, or which by sale have resulted in, such Accounts, including goods returned by any Account Debtor, debtor or obligor in any way obligated on or in connection with

such Accounts including the Account Debtor, all rights of stoppage in transit, replevin, repossession and reclamation and all other rights of action of an unpaid vendor or lienor; and

3.01(c) all proceeds of any of the foregoing in any form.

The sale, assignment and transfer of Accounts or Account Assets to WFBCC pursuant to this Agreement shall not constitute or result in the assumption by WFBCC of any obligation of Customer or any other Person in connection with such Accounts or Account Assets, or under any agreement, instrument or other document relating thereto.

3.02 Approval: WFBCC shall not purchase an Account unless such Account is first submitted to WFBCC by Customer for approval. WFBCC is not obligated to buy any Account from a Customer that WFBCC does not deem acceptable in its sole discretion.

3.03 Required Forms: When Customer offers an Account to WFBCC for sale, WFBCC shall receive (a) an assignment of Accounts, in a form satisfactory to WFBCC and signed by an authorized representative of Customer, (b) an original invoice or an electronic equivalent thereof, either of which must be in a form acceptable to WFBCC in its sole discretion, (c) proof of acceptance by the Account Debtor, in a form acceptable to WFBCC in its sole discretion, (d) a copy of the Bill of Lading, if applicable, (e) proof of delivery, (f) contract, purchase order, or purchase order number which corresponds with such invoice, as appropriate to the business of Customer, and (g) any other document which WFBCC may require.

3.04 Purchase: Upon approval and acceptance by WFBCC of an Account for the sale, transfer and assignment of such Account to WFBCC, WFBCC shall purchase and Customer shall sell, transfer and assign sell to WFBCC such Account.

3.05 Reassignment: In the event that, on or before the Payment Date in respect of a particular account that WFBCC has purchased pursuant to the provisions hereof, WFBCC determines that such Account was not an Acceptable Account on the date of such purchase, WFBCC shall so notify Customer. Upon such notification, WFBCC shall be deemed to have sold, transferred and assigned back such Account and all related Account Assets to Customer who shall be deemed to have purchased back, without any express or implied representation, warranty (including any legal warranty of quality, any implied warranty of merchantability or fitness for a particular purpose) or liability of, or recourse against, WFBCC with respect to such Accounts and related Account Assets, whether legislative or statutory (including applicable sales of goods legislation and the Civil Code of Quebec), contractual, conventional or by use or trade, and WFBCC shall have no obligation to pay the purchase price for such Account as otherwise required by **Section 3.04**.

3.06 Purchase Price: As consideration for the sale, transfer and assignment of an Account and the related Account Assets to WFBCC, WFBCC shall, unless it shall have sold, transferred and assigned such Account to Customer pursuant to **Section 3.05**, pay to Customer the Net Purchase Price for such Account on the terms and conditions as stated in **Section 3.07**.

3.07 Payment of Purchase Price: If no Event of Default exists hereunder, WFBCC shall pay for each Account purchased hereunder the Net Purchase Price for such Account to Customer as follows:

3.07(a) Upon assignment, transfer or sale of an Account to WFBCC, and receipt of all documents and forms described in **Section 3.03** and upon fulfillment of all terms precedent to such sale, transfer or assignment as more fully set forth herein, WFBCC shall (i) pay to the Customer, or (ii) pay to any third party at Customer's written direction to WFBCC, or (iii) advance to the Collected Reserve, the Advance Payment with respect to such Account.

3.07(b) After collection of an Account by WFBCC, WFBCC shall credit the Customer's Collected Reserve with the amount collected on the Account less: (i) the Advance Payment, (ii) the WFBCC Discount, and (iii) any fees, expenses or charges owed to WFBCC as more fully described herein.

3.07(c) In the event WFBCC receives payment on an Account which has not been purchased by WFBCC, such payment will be credited to the Customer's Collected Reserve and released in accordance with this Agreement.

3.08 Sole Property: Once WFBCC has purchased an Account, any and all payments from the Account Debtor as to that Account are the sole property of WFBCC.

3.09 Book Entry: Customer shall, immediately upon sale, transfer and assignment of any Account to WFBCC, make proper entries on its books and records disclosing the absolute sale of said Account and the related Account Assets to WFBCC on said books and records and other documents as so directed by WFBCC.

3.10 Collection Account: WFBCC shall establish at the Bank of Montreal one bank account denominated in CAD and one bank account denominated in USD, to be designated collectively as the "Collection Account". Customer shall, prior to the first purchase of an Account hereunder, and until the termination of this Agreement or such time as WFBCC may designate, direct all Account Debtors to make payments in respect of all Accounts owing by such Account Debtors by way of direct deposit into the Collection Account. Customer hereby covenants and agrees that to the best of its ability, it will cause all Account Debtors to make payments in respect of Accounts in accordance with the preceding sentence.

3.11 WFBCC Reporting and Statement of Account: On a weekly basis, or as otherwise determined by WFBCC at its sole discretion, WFBCC shall prepare, and make available to Customer, an accounting of the purchases, collections, and amounts credited to and/or charged against the Collected Reserve during that week or other period. Should such a statement of account indicate a deficit balance, such balance shall be due and payable and Customer shall immediately pay to WFBCC the amount of such deficit plus accrued interest on such deficit balance unless such a deficit caused by late paid invoices is cured within 5 Business Days by replacing same with new invoices. Interest shall accrue on any deficit balance at the lesser of an annual rate of eighteen percent (18%), calculated and the maximum rate permitted by applicable law, compounded on a daily basis until such deficit is paid in full.

3.12 Notation of Assignment: Customer shall make a notation on each original invoice (or the electronic equivalent of an invoice) or other such documentation accepted by WFBCC for each Account purchased hereunder which indicates that the Account has been assigned and/or sold to WFBCC. The notation shall be as follows:

This invoice has been sold, transferred and assigned to and is payable to:

**Wells Fargo Business Credit Canada ULC
P.O. Box 57767
Postal Station A
Toronto, Ontario M5W 5M5**

ARTICLE IV

Customer's Representations, Warranties and Covenants

4.01 Representations and Warranties. Customer hereby represents and warrants and agrees as follows:

4.01(a) Customer is and shall continue to be properly licensed, qualified and authorized to operate its business in every jurisdiction in which it carries on business except where failure to do so would not have an adverse effect on the enforceability or collectability of any Account purchased by WFBCC hereunder, and Customer's trade name(s), all of which are disclosed on Customer's application provided to WFBCC, have been and will continue to be properly filed and published as required by applicable law. Customer, and the Persons executing this document on its behalf, are duly authorized to execute and deliver this Agreement and all other documents required to be executed and delivered hereunder. Each of Customer's principal place of business, registered office, domicile, chief executive office, and the location of the Collateral and the office where all of the books and records concerning Accounts and the Collateral are kept is at the location(s) set out under Customer's name on the signature pages to this Agreement. All other places of business have been disclosed on the application provided to WFBCC.

4.01(b) Customer is solvent, and is not subject to any Insolvency Proceedings and Customer has made and shall continue to make timely payment and remittance to applicable governmental authorities of all taxes and other amounts required to be paid and remitted by Customer pursuant to applicable law.

4.01(c) Customer is, at the time of purchase of each Account and the related Account Assets by WFBCC, the lawful owner of and has good, legal, valid and undisputed title to such Account and the related Account Assets. Each Account and the related Account Assets, at the time of purchase is free from any Liens that have not been previously disclosed to WFBCC. Each Account offered for sale to WFBCC is an Acceptable Account as defined in Section 2.03.

4.01(d) To the Customer's knowledge, at the time the Account is created and at the time of this Agreement, each Account Debtor is solvent and not subject to an Insolvency Proceeding.

4.01(e) Each Account offered for sale to WFBCC (i) is an accurate and undisputed statement of indebtedness owed by the related Account Debtor for the face amount thereof (as stated in the related invoice transmitted by Customer to WFBCC), which is due and payable in 60 days or less, or within such term time as is agreed to in writing by WFBCC and Customer and (ii) represents a legal, valid and binding obligation of the Account Debtor to Customer for a bona fide sale, delivery and acceptance of merchandise or performance of services which have been received and finally accepted by the Account Debtor. Customer at all times has all rights to assign, transfer and sell such Account and the related Account Assets to WFBCC and such Account is payable by the Account Debtor without offset, compensation, deduction or counterclaim.

4.01(f) All financial records, statements, books or other documents shown to WFBCC by Customer at any time, either before or after the signing of this Agreement, are and will be true and accurate in all material respects.

4.01(g) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or authority or other agency now either pending, or to the knowledge of Customer, threatened against or affecting Customer, which, if adversely determined, would have a material and adverse effect on the business, operations, Property, or condition, financial or otherwise, of Customer or have an adverse effect on the collectability or enforceability of any right or remedy with respect to any Account or Account Assets.

4.01(h) The execution and performance by Customer of the terms and provisions of this Agreement, and the execution and delivery of any other documents required to be executed and delivered hereunder, have been duly authorized by all requisite company action, and neither the execution nor the performance of this Agreement or any other documents required to be delivered hereunder, will violate any provision of law, any order of any court or other agency of government, the governing documents of Customer, or any agreement or other instrument to which Customer is a party, or by which Customer is bound, or be in conflict with, result in breach of, or constitute (with due notice or lapse of time or both) a default under, or result in the creation or imposition of any Lien upon any of the Property of Customer, or the Collateral pursuant to, any such agreement or instrument, except as provided hereunder. Customer agrees that it will execute and perform all terms hereunder.

4.01(i) Customer does not own, control or exercise dominion over, in any way whatsoever, the Account Debtor or the business of any Account Debtor for whom Accounts are to be sold by Customer to WFBCC.

4.01(j) In consideration of the Facility hereunder, Customer shall offer to WFBCC, in priority to any other Person, the right to purchase all Accounts owed by all the Account Debtors (as the list of the Account Debtors in **Exhibit D** may be amended from time to time after the date hereof) by notice to such effect and, within 10 Business Days of receipt of such notice, WFBCC shall notify Customer whether or not it intends to purchase Accounts owed by any such Account Debtor, failing

which WFBCC shall be deemed to have elected not to purchase any Account owed by any such Account Debtor.

4.01(k) Customer shall not be a party to any dispute, litigation, arbitration or other legal, administrative or arbitration procedure with any Account Debtor which, if adversely determined, would have a material and adverse effect on the business, operations, Property or condition, financial or otherwise, of Customer or have an adverse effect on the collectability or enforceability of any right or remedy with respect to any Account or Account Assets.

4.01(l) At the time Customer offers for sale to WFBCC hereunder any Account of any Account Debtor, (i) all the representations, warranties and agreements set out in this Section 4.01 shall be deemed to be made again by Customer and to be still true and correct in all respects, as at such time; (ii) no default or Event of Default shall have occurred and is continuing; and (iii) there shall have been no material adverse change in the financial condition of Customer which would impair its ability to perform its obligations under this Agreement.

4.01(m) The sale of Accounts does not constitute a "sale in bulk" within the meaning of the Ontario Bulk Sales Act.

4.02 Negative Covenants. Customer agrees as follows:

4.02(a) Customer shall not under any circumstances, or in any manner whatsoever, interfere with any of WFBCC's rights under this Agreement.

4.02(b) For the duration of this Agreement and for any period thereafter for as long as (i) Customer has any obligation to repurchase any Account hereunder, (ii) any Account purchased by WFBCC hereunder has not been paid in full, or (iii) any indebtedness whatsoever remains owing by Customer to WFBCC, Customer shall not assign, transfer or sell any Account owed by any of the Account Debtors to any party other than WFBCC, except that if WFBCC notifies or is deemed to have notified Customer, pursuant to the provisions of **Section 4.01(j)**, that it does not intend to purchase any Account owed by a specific Account Debtor (the "**Excluded Account Debtor**") Customer shall be entitled to then assign, transfer or sell to any Person the Accounts owed by such Excluded Account Debtor, and WFBCC will subordinate its security in respect of such Accounts.

4.02(c) Customer shall not, without the written consent of WFBCC, create, grant or permit to be created any Lien in any Account, Account Assets or, except for Permitted Liens, any other Collateral, nor shall Customer consent to any such Lien be created by or in favour of any other party on any Account, Account Assets or, except for Permitted Liens, any other Collateral, both during the term of this Agreement and for as long as (i) Customer has any obligation to repurchase any Account hereunder, (ii) any Account purchased by WFBCC hereunder has not been paid in full, or (iii) any indebtedness whatsoever remains owing by Customer to WFBCC. Customer shall provide notice to WFBCC immediately upon obtaining any knowledge, from any source, of the existence, assertion, filing, recording,

registration or perfection or publication by any means, of any Lien or Permitted Lien against the Collateral.

4.02(d) Customer has not created, granted, or permitted to be created any Lien in any Account, Account Assets or, except for Permitted Liens, any other Collateral to any Person other than WFBCC, which Customer has not fully disclosed in writing to WFBCC.

4.02(e) Customer shall not change or modify the terms of the original invoice or agreement relating to an Account Debtor sold to WFBCC hereunder or the order of payment of any such Account unless WFBCC first consents to such change or modification in writing.

4.02(f) Customer shall not breach any representations, warranties, agreements, covenants or undertakings in this Agreement.

4.02(g) Customer shall not intentionally contribute to, or aggravate any risk of the existence of a Credit Loss in respect of any Account Debtor.

4.03 Affirmative Covenants. Customer agrees as follows:

4.03(a) With respect to misdirected payments, whenever any payment on any Account comes into Customer's possession, Customer shall hold such payment in trust and safekeeping for the benefit and as the property of WFBCC, and immediately turn over to WFBCC such payment in the same form as it was received by Customer to WFBCC. Customer shall pay a misdirected payment fee in the amount of fifteen percent (15%) of the amount of any payment on account of an Account purchased by WFBCC herein which has been received by Customer and not delivered in kind to WFBCC within 3 business days following the date of receipt by Customer. Further, Customer shall segregate and hold in trust and safekeeping for the benefit and as the property of WFBCC, and immediately turn over to WFBCC, any goods or inventory returned to, reclaimed or repossessed by the Customer which are covered by an Account purchased by WFBCC.

4.03(b) Customer shall maintain such insurance covering Customer's business and/or the Property of the Account Debtors as is customary and adequate for businesses similar to the business of Customer in an amount as is sufficient to compensate for reasonably foreseeable loss, and promptly pay all premiums with respect to the policies covering such insurance. Further, the Customer shall have WFBCC named as loss payee for such insurance.

4.03(c) Customer shall immediately notify WFBCC of any material disputes between any Account Debtor and Customer, or the return of any material amount of product by an Account Debtor to Customer.

4.03(d) Customer shall immediately notify WFBCC in writing 10 days prior to any change in the location of any of its places of business, including the location of the Customer's inventory, or any acquisition of any additional place of business. ~~Customer shall not change its principal place of business, registered office, domicile, chief executive office, the location of the Collateral or the office where all of the books and records concerning Accounts and the Collateral are kept without 10 days prior notice to WFBCC. Customer shall not remove any Collateral from the~~

jurisdiction in which such Collateral is located on the Closing Date without 10 days prior written consent of WFBC.

4.03(e) Customer shall immediately notify WFBC in writing prior to any proposed change of Customer's name (including the addition of any French name), identity, legal status or corporate structure, of any proposed business dissolution, or use of any additional trade name, or any proposed change in any of the officers identified in any certificate of incumbency provided to WFBC, or the principals, partners, shareholders and/or owners of Customer and Customer shall not effect any such change or activity without WFBC's prior consent.

4.03(f) Customer shall immediately notify WFBC in writing of the commencement of any material legal proceeding or service of any legal document affecting Customer including any complaints, judgments, Liens, attachments, garnishments, seizures or the commencement of any Insolvency Proceeding against Customer. Customer shall notify WFBC in advance of the commencement of any Insolvency Proceeding by Customer.

4.03(g) At least once per quarter, or once per month if Customer is in default, Customer shall furnish to WFBC financial statements including a statement of profit and loss, a balance sheet, and satisfactory proof of payment and compliance with all federal, provincial, territorial, municipal and local tax requirements and any other information requested by WFBC. On a yearly basis, within 120 days of Customer's fiscal year end, Customer shall furnish to WFBC audited financial statements, including a statement of profit and loss, a balance sheet, and any other information requested by WFBC.

4.03(h) At least once per month, Customer shall furnish to WFBC a detailed aging of all accounts receivable and accounts payable of Customer.

4.03(i) Customer shall immediately notify WFBC of any material claim, loss, compensation or offset of any kind against Customer or WFBC asserted by any Account Debtor during the Term of this Agreement.

4.03(j) Upon the occurrence of a Commercial Dispute with respect to an Account purchased by WFBC hereunder Customer shall immediately pay WFBC the Repurchase Price for such Account. Upon receipt by WFBC of such Repurchase Price, WFBC shall be deemed to have sold, transferred and assigned back such Account and all related Account Assets to Customer who shall be deemed to have purchased back, without any express or implied representation, warranty (including any legal warranty of quality, any implied warranty of merchantability or fitness for a particular purpose) or liability of, or recourse against, WFBC with respect to such Accounts and related Account Assets, whether legislative or statutory (including applicable sales of goods legislation and the Civil Code of Quebec), contractual, conventional or by use or trade.

4.03(k) Customer shall pay to WFBC, in immediately available funds, when due and payable, all fees and expenses payable to WFBC when due pursuant hereto.

ARTICLE V

Security Interest and Hypothec

5.01 Security Interest and Hypothec/Collateral: As further inducement for WFBCC to enter into this Agreement, Customer grants to WFBCC, as general and continuing collateral security for the due payment and performance of any and all obligations and liabilities whatsoever of Customer to WFBCC, whether hereunder or otherwise, a security interest in and hypothecates for an amount of C\$ 50,000,000, bearing interest at a rate of fifteen percent (15%) per annum, the following described Property (the following terms having, for the purposes of the security interest created herein, the meanings (if any) accorded thereto by the PPSA, for Accounts Debtors domiciled in Canada, or the UCC, for Accounts Debtors domiciled in the United States of America): All presently existing or hereafter arising, now owned or hereafter acquired Property including accounts receivable, and all intangibles (incorporeal), goods, contract rights, investment property, deposit accounts, inventory, instruments, documents, insurance proceeds and chattel paper related to such accounts receivable, all rights and other personal (movable) property of the nature described in Sections 3.01(a), (b) and (c) that relate to any such accounts receivable, all right, title and interest of Customer in the Collected Reserve established hereunder, and, all books and records of Customer pertaining to any Collateral and all proceeds and products of any of the foregoing property

5.02 Security Documents: Customer shall execute all and deliver to WFBCC any and all documents and instruments as WFBCC may request from time to time for the purpose of evidencing, filing, recording, registering or perfecting or publishing the security interest and hypothec provided for in Section 5.01 including financing statements, registration forms or other similar instruments or amendments thereto. Customer authorizes WFBCC to file a financing statement, registration form or other similar instrument with any appropriate authority reflecting its security interest and hypothec and further authorizes WFBCC to file other filings including amendments or terminations (other than amendments adding collateral), as WFBCC deems appropriate.

ARTICLE VI

Operational Provisions

6.01 Credit Problems: If Customer asserts that nonpayment of an Account is due to a Credit Loss, then Customer shall provide documentation satisfactory to WFBCC, in its reasonable discretion, establishing that such nonpayment is due solely to a Credit Loss. If WFBCC is not satisfied, in its reasonable discretion, that nonpayment is solely due to a Credit Loss, then Customer shall be obligated to pay the Repurchase Price for such Account to WFBCC. The documentation required under this section shall be provided by Customer at any time prior to the Account being charged back to Customer's Collected Reserve at the Settlement Date with respect to such Account, after which time, if such documentation has not been so provided, nonpayment shall be irrefutably deemed to be due to a Commercial Dispute.

6.02 Power of Attorney: In order to carry out this Agreement, Customer irrevocably appoints WFBCC, or any Person designated by WFBCC, as its special attorney in fact, or agent, and grants it an irrevocable power of attorney to:

6.02(a) strike through Customer's remittance information on all invoices relating to Account Debtors and Accounts that have been purchased by WFBCC, note WFBCC's remittance information on all such invoices, and send such invoices to the applicable Account Debtors.

6.02(b) receive, open and dispose of all mail addressed to Customer (including any trade name of Customer) sent to WFBCC's address. Any payments received shall be processed in accordance with this Agreement.

6.02(c) endorse the name of Customer or Customer's trade name on any cheques or other evidences of payment that may come into the possession of WFBCC with respect to any Accounts, and on any other documents relating to any of the Accounts or to Collateral.

6.02(d) in Customer's name, or otherwise, demand, sue for, and collect, and give releases for any and all monies due to or become due on any Account, and in particular, but without limitation, give notice to any or all Account Debtors of the purchase of the related Accounts hereunder by WFBCC and require such Account Debtors to make payment of such Accounts to WFBCC.

6.02(e) compromise, prosecute, or defend any action, claim or proceeding with respect to any of the Accounts.

6.02(f) following the occurrence of an Event of Default, offer a trade discount to any Account Debtor in addition to Customer's normal business custom with said Account Debtor.

6.02(g) following the occurrence of an Event of Default, initiate electronic debit or credit entries through any electronic debit or credit system to Customer's account or any other deposit account maintained by Customer wherever located.

6.02(h) sign Customer's name on any notice of assignment, financing statement, registration forms, amendment to any financing statement or registration forms or other similar instrument and on any notices to Account Debtors.

6.02(i) do any and all things necessary and proper to carry out the purposes intended by this Agreement.

The authority granted to WFBCC under this provision shall remain in full force and effect until all assigned Accounts are paid in full and any and all indebtedness of Customer to WFBCC is discharged. The foregoing power of attorney is irrevocable and is coupled with an interest.

6.03 Miscellaneous Payments: Should WFBCC receive a duplicate payment on an Account or other payment which is not identified, WFBCC shall carry these sums as open items in its accounting and shall return any duplicate payment to the Account Debtor or apply such unidentified payment pursuant to the terms hereof upon proper identification and documentation. In the event WFBCC receives payment on an Account which has not

been purchased hereunder and can be identified as being the property of the Customer, such payment will be credited to Customer's Collected Reserve and dealt with in accordance with this Agreement.

6.04 Hold Harmless: Customer shall hold WFBCC, its shareholders, directors, officers, employees and agents harmless against any Account Debtor ill will arising from WFBCC's collecting or attempting to collect on any Account, provided that WFBCC acts in a commercially reasonable manner.

6.05 Taxes: Should any Goods and Services Tax, Harmonized Sales Tax, Quebec Sales Tax or any other excise, sale, use or other tax or impost whatsoever (whether similar to or dissimilar from the foregoing) be imposed by any federal, provincial, territorial, municipal or local authority requiring a deduction or withholding from the proceeds of sale of any Account, or if any Account Debtor is authorized to withhold or deduct any such tax or impost from amounts payable by it under any Account purchased by WFBCC hereunder, then Customer shall immediately pay WFBCC the amount of the tax or impost so deducted or withheld (and any additional amount so that WFBCC receives the full amount it would have received if no such tax or impost had been withheld or deducted), and Customer shall indemnify and hold WFBCC harmless from any loss or expense on account of any such tax or impost.

6.06 Unpaid Accounts: Any Account purchased by WFBCC hereunder which remains unpaid 90 days after the invoice date for such Account shall be irrebuttably deemed to be unpaid due to a Commercial Dispute unless prior to such time the documentation required by Section 6.01 is provided to, and accepted by, WFBCC.

6.07 Reports: Except as provided by Section 3.11, and in the event Customer requests information from WFBCC regarding Customer's account hereunder, such requests shall be subject to the schedule of fees provided by WFBCC which schedule may be adjusted by WFBCC from time to time in its discretion.

6.08 WFBCC Settlement of Accounts: WFBCC may settle any Commercial Dispute with any Account Debtor. Such settlement does not relieve Customer of any obligation (including any repurchase obligation) under this Agreement with respect to any Accounts.

6.09 Documents: If documents submitted by Customer to WFBCC in connection with the purchase of any Account are materially mistaken, fraudulent, materially incorrect or erroneous, or if Customer fails to submit any document reasonably required by WFBCC under this Agreement in connection with the purchase of any Account, then such Account shall be deemed to be subject to a Commercial Dispute and Customer shall upon request of WFBCC repurchase such Account and pay to WFBCC the Repurchase Price applicable thereto. Upon payment by Customer to WFBCC of the Repurchase Price for any Account, WFBCC shall be deemed to have sold, transferred and assigned to Customer, without representation, warranty or recourse of any kind, such Account and all related Account Assets.

6.10 Information: In the event WFBCC provides financial information to Customer regarding any third party, including by setting Purchase Limits, at the request of Customer or otherwise, Customer understands that WFBCC is not making any representations or warranties or expressing an opinion as to the creditworthiness of any such third party.

**ARTICLE VII
Events of Default**

7.01 Any one or more of the following shall be an Event of Default hereunder:

7.01(a) Customer shall fail to pay any indebtedness to WFBCC when due, or to repurchase any Account when required hereunder, unless such failure is cured within 5 Business Days of the due date pursuant hereto, without any additional notice from WFBCC being required.

7.01(b) Customer shall misstate or breach any term, provision, warranty, representation, agreement, covenant or undertaking in this Agreement or in any other contract, certificate or document (other than pursuant to Sections 7.01(g) and (h)) between Customer and WFBCC or delivered by Customer to WFBCC pursuant or in connection herewith, where such misstatement or breach is capable of being cured and continues for 10 Business Days after WFBCC's notice to such effect is received by Customer.

7.01(c) The appointment of any receiver or trustee or other similar official of all or a substantial portion of the assets of Customer.

7.01(d) Customer shall become insolvent or unable to pay debts as they mature, or Customer shall voluntarily commence any Insolvency Proceeding affecting Customer.

7.01(e) Any involuntary Insolvency Proceeding shall be filed against Customer and is not dismissed within 60 days.

7.01(f) Any remedial action under a Lien (other than pursuant to Section 7.01(c)) or any attachment, seizure, execution or similar process shall be commenced, issued or enforced against any of the Collateral, unless set aside or discharged within 5 Business Days of the date of the commencement, issuance of enforcement of such action or process.

7.01(g) Any financial statements, profit and loss statements, or schedules, other statements or documents furnished by Customer to WFBCC are false or incorrect in any material respect.

7.01(h) Any documents submitted by Customer to WFBCC in connection with the purchase of an Account are fraudulent or erroneous, or if Customer fails to submit any document required by WFBCC under this Agreement in connection with the purchase of that Account.

7.01(i) There shall exist any claim, compensation or offset by one or more Account Debtors against Customer or WFBCC during any time period covered by this

Agreement which may have a material adverse impact on payment of any one or more Accounts and which results in the creation of a deficit balance which is not remedied by Customer as provided for in **Section 3.11**.

7.01(j) Any guarantor of Customer's obligations hereunder is in default under the guarantee or if any guarantor withdraws or revokes the guarantee.

7.02 The Events of Default pursuant to **Section 7.01** are for the benefit of, and may be waived by, WFBCC in its sole discretion.

ARTICLE VIII Remedies on Default

8.01 Remedies on Default: Upon the occurrence of an Event of Default (unless cured pursuant to the applicable provisions of **Section 7.01**, if any, or unless waived by WFBCC pursuant to the provisions of **Section 7.02**) WFBCC may do any one or more of the following from time to time and in any order:

8.01(a) Accelerate and declare immediately due and payable all indebtedness of Customer to WFBCC, whether mature, contingent or otherwise, including (i) any unpaid amounts in connection with outstanding purchased Accounts, (ii) any unpaid Facility Fees, Unused Fees, Structuring Fees and applicable Early Termination Payment and (iii) all other fees, costs and expenses as required hereunder, and Customer shall immediately pay all such amounts to WFBCC.

8.01(b) Require the Customer to repurchase any and all Accounts (if outstanding and unpaid as of the date of such Event of Default), whether disputed or undisputed, and pay the Repurchase Price for those Accounts as provided herein, and, in the event the Repurchase Price is not promptly paid, WFBCC may continue to collect such Accounts and charge Customer reasonable expenses (including legal fees and disbursements) incurred in connection with such collection activities in addition to any other fees or charges provided for herein

8.01(c) Cease purchasing any Accounts under this Agreement.

8.01(d) Notify any Account Debtor and take possession of Collateral and collect any Account without judicial process.

8.01(e) Settle any disputed Account directly with the Account Debtor without relieving Customer of its obligations with respect to such Account under this Agreement.

8.01(f) Require Customer to assemble the Collateral (including the records pertaining to Accounts) and make them available to WFBCC at a place designated by WFBCC, and Customer hereby agrees to do so as required by WFBCC.

8.01(g) Enter the premises of Customer and take possession of the Collateral (including the records pertaining to the Accounts and any other Collateral).

8.01(h) Grant extensions, compromise claims and settle an Account for less than face value, all without prior notice to Customer.

8.01(i) Use, in connection with any assembly or disposition of the Collateral, any trademark, trade name, trade style, copyright, patent right or technical process used or utilized by Customer.

8.01(j) Initiate electronic credit or debit entries through any electronic debit or credit system to and from Customer's deposit any account maintained by Customer wherever located.

8.01(k) Hold Customer liable for any deficiency for any amounts due and owing to WFBCC.

8.01(l) Cease making reports or accountings to Customer as otherwise required by this Agreement.

8.01(m) Appoint by instrument in writing one or more receivers, managers or receivers and managers of Customer or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of WFBCC under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such receiver, manager or receiver and manager from time to time and, to the extent permitted by applicable law, any receiver, manager or receiver and manager appointed by WFBCC will (for purposes relating to responsibility for the receiver's, manager's or receiver and manager's acts or omissions) be considered to be the agent of Customer and not of WFBCC.

8.01(n) Apply to a court of competent jurisdiction for an order for the appointment of a receiver, manager or receiver and manager of Customer or of any or all of the Collateral.

8.01(o) Exercise all of the rights and remedies granted to secured parties under applicable personal (movable) property security legislation, or otherwise available to WFBCC at law or in equity.

ARTICLE IX Fees and Expenses

9.01 Structuring Fee: A Structuring Fee of US\$ 150,000 will be paid in cash by Customer to WFBCC upon the Closing Date. Customer and WFBCC acknowledge that, as a show of good faith, Customer remitted to WFBCC a deposit toward the Structuring Fee of US\$25,000 on March 12, 2009, and further acknowledge that the balance of the Structuring Fee, (for greater certainty US\$125,000), will be paid in cash by Customer to WFBCC on the Closing Date.

9.02 Facility Fee: Upon the initial funding of receivables through the Facility, an annual fee equal to two percent (2%) of the numeric value of the Facility Limit (it being acknowledged by both Customer and WFBCC that, for the purposes of the calculation of the Facility Fee pursuant to this Section 9.02, one CAD equals one USD) will be assessed and payable in USD by Customer to WFBCC in equal monthly payments (for greater certainty, each monthly payment being equal to one twelfth of the Facility Fee in respect of the first year of the Term, or US\$20,000 per month) until such time as Customer (or a related party) completes its acquisition of Nordia Inc., at which time the remainder of the

Facility Fee in respect of the first year of the Term of the Facility will become immediately due and payable in cash by Customer to WFBCC. Both Customer and WFBCC acknowledge that (a) under no circumstances will the arrangement allowing for monthly payments of the Facility Fee, described in the first sentence of this **Section 9.02**, extend longer than the first twelve months of the Term; and (b) thereafter, for the remainder of the Term, the annual Facility Fee will become due and payable in cash by Customer to WFBCC upon each remaining anniversary of the Closing Date. For greater certainty, the Facility Fee in respect of the second year of the Term will be US\$300,000.00 and due and payable in cash by Customer on the first anniversary of the Closing Date, the Facility Fee for the third year of the Term will be US\$360,000.00 and due and payable in cash by Customer on the second anniversary of the Closing Date. The Facility Fee for each of the fourth and fifth years of the Term will be calculated as two percent (2%) annually of the respective numeric values of the Facility Limits for the fourth and fifth years of the Term that are agreed upon by WFBCC and Customer, as described in the last sentence of **Section 2.20**, and will become due and payable in cash by Customer on the third and fourth anniversaries of the Closing Date, respectively.

9.03 Unused Fee: From the Closing Date until and including the Final Termination Date, Customer shall pay WFBCC an unused fee (the "Unused Fee") in the amount of (a) one half of one percent (0.50%) per annum multiplied by (b) (i) the Facility Limit less (ii) the average daily Purchased Amount during the preceding month. The Unused Fee shall be calculated monthly in arrears and payable in cash on the 15th day of the next following month, and on the Final Termination Date.

9.04 Fees Not Payable by Customer: WFBCC agrees that (a) if, Customer obtains financing from any Wells Fargo & Co. entity and such financing is utilized for paying off all obligations to WFBCC hereunder, including the repurchase of all Accounts, and Customer ceases selling Accounts hereunder, or (b) should WFBCC cease offering receivables purchase facilities that allow Customer to finance its receivables in a manner substantially similar that contemplated by this Agreement, any Facility Fees and Unused Fees for the remainder of the then current Term shall be waived from the date of the full pay off to WFBCC or the date selling of Accounts ceases, whichever is later, and in each case, without Early Termination Payment. Should the event contemplated in **clause (a)** of this **Section 9.04** occur on a date that is not an anniversary of the Closing Date, WFBCC will not refund to Customer pro-rated Facility Fees for any portion of the then-current Facility year.

ARTICLE X Term and Termination

10.01 Term and Termination: This Agreement shall continue in full force and effect until the earliest of:

(a) ~~subject to the provisions of Sections 2.05 or 2.32, the date after the fifth (5th) anniversary of the Closing Date, provided that Customer gives WFBCC, at least 60 days~~

prior to such anniversary date, notice of its intention not to have this Agreement extended for one additional term of 12 months;

(b) any date agreed to in writing by the parties hereto;

(c) if notice of earlier termination is given by Customer, the date after the expiry of at least 60 days after such notice is received by WFBC or

(d) the date of the occurrence of an Event of Default (unless cured pursuant to the applicable provisions of **Section 7.01**, if any, or unless waived by WFBC pursuant to the provisions of **Section 7.02**) or, at WFBC's sole option, any other date set by WFBC upon the occurrence of such Event of Default.

If the notice referred to in **Section 10.01(a)** is not given pursuant thereto, this Agreement shall, subject to the provisions of **Section 10.01(b), (c)** and **(d)** be automatically extended for one (1) additional year on the same terms and conditions hereof, including the provisions of **Sections 10.01(b), (c)** and **(d)**.

On the day prior to any expiration or termination of this Agreement, (i) all indebtedness and obligations owing by Customer to WFBC shall become immediately due and payable in full without further notice or demand (including any Facility Fees remaining for the then-current Term, any applicable Unused Fees for the then-current month, any portion of the Structuring Fee then remaining unpaid by Customer, and the Early Termination Payment Repurchase Price for those Accounts as provided herein as well as any other indebtedness or obligations owed to WFBC by Customer, and Customer shall immediately pay the amount of such indebtedness and obligations to WFBC; and (ii) if such termination resulted from Customer giving the notice contemplated by **Section 10.01(c)** or from WFBC setting the date of termination as contemplated by **Section 10.01(d)**, Customer shall immediately pay the Early Termination Payment to WFBC.

The parties confirm that, in the event this Agreement is terminated by WFBC on or after an Event of Default, the Early Termination Payment is a reasonable and equitable estimate of the amount of the anticipated damages to be suffered by WFBC as a result of or in connection with such termination and that it does not constitute and it should not be construed to be a penalty or limitation of liability, given the terms and circumstances of this Agreement and that the amount of the applicable Early Termination Payment has been expressly agreed to in consideration of the payment of the Net Purchase Price and other provisions of this Agreement. WFBC hereby agrees that, notwithstanding the other provisions of this Agreement, no Early Termination Payment shall be payable in the event that (i) WFBC sets a date for termination of this Agreement as contemplated by **Section 10.01(d)** and (ii) such date is not more than 180 days prior to the third (3rd) anniversary of the Closing Date. Notwithstanding any other provision in the **Section 10.01**, this Agreement shall terminate on the first date following the date on which all other amounts due to WFBC under this Agreement have been indefeasibly paid in full and WFBC has no further obligations hereunder (the "**Final Termination Date**").

10.02 Payment of Repurchase Price: On the day preceding the termination of this Agreement, Customer shall pay to WFBCC the Repurchase Price in respect of each Account that WFBCC had purchased hereunder, whether disputed or undisputed, that is specified in a notice sent by WFBCC to Customer, other than any Account that Customer establishes, in the manner contemplated by **Section 6.01**, is subject to an Insolvency Proceeding on the date such notice is sent to Customer. Upon such payment of the Repurchase Price for an Account, WFBCC shall be deemed to have sold, transferred and assigned back such Account and all related Account Assets to Customer who shall be deemed to have purchased back, without any express or implied representation, warranty (including any legal warranty of quality, any implied warranty of merchantability or fitness for a particular purpose) or liability of, or recourse against, WFBCC with respect to such Accounts and related Account Assets, whether legislative or statutory (including applicable sales of goods legislation and the Civil Code of Quebec), contractual, conventional or by use or trade. Notwithstanding the termination of this Agreement, WFBCC shall continue to have a security interest and hypothec in the Collateral of Customer until all amounts owed to WFBCC by Customer are paid in full or are satisfied.

10.03 Repayment of an Account Debtor: In the event WFBCC is required to repay any Account Debtor for a payment received by WFBCC on an Account, and non-payment of that Account would have required repurchase by Customer under this Agreement, the amount of the repayment by WFBCC shall be an obligation of Customer to WFBCC notwithstanding the termination of this Agreement. In the event Customer receives a payment from WFBCC to which Customer has no rights, repayment of the funds to WFBCC is an obligation of Customer to WFBCC whether or not the Agreement has been terminated. In either event, if the obligation is not paid upon five (5) days notice of the obligation to pay from WFBCC to Customer and, without limiting the last sentence of **Section 10.02**, WFBCC may file a financing statement in connection with the security interest granted herein (if necessary) or a notice of exercise of hypothecary rights in connection with the hypothec granted herein (if necessary), or otherwise perfect its interest in the Collateral and exercise any and all rights it has under this Agreement to collect the amounts due, including any such rights under any security granted hereby, and such security interest and hypothec shall have such effect as if this Agreement had not terminated.

10.04 Survival: Termination of this Agreement shall have no effect on any liability or obligation of the parties that existed on the date of termination, and such liabilities and obligations shall remain in effect until fully satisfied and performed.

ARTICLE XI Guarantees

Guarantors: As an inducement for WFBCC's entering into this Facility, Customer shall cause each of John Albert Fellows (presently President and Chief Executive Officer of Customer); Alexander Scott Mortman (presently a Director of Customer); and David Andrew Mortman (presently a Director of Customer), (each, individually a "Guarantor" and, collectively, the "Guarantors") to provide, severally, a Validity Guarantee executed

Court File No.: CV-11-43291900CP

**IQT, et al.
Defendants**

v.

**BRIGAITIS, et al.
Plaintiffs**

Ontario

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

**AFFIDAVIT OF ANDREW J. ECKART
Sworn September 21, 2012**

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Court File No.: CV-11-432919 00CP

IQT, LTD., et al.
Defendants

-and-

BRIGAITIS, et al.
Plaintiffs

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced in TORONTO

MOTION RECORD

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