

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH LABORATORIES INC.
A CORPORATION INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF
ONTARIO AND CARRYING ON BUSINESS IN THE CITY OF MISSISSAUGA, IN THE
PROVINCE OF ONTARIO

MOTION RECORD
(Returnable February 8, 2013)

February 6, 2013

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TO: SERVICE LIST

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ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH LABORATORIES INC.
A CORPORATION INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF
ONTARIO AND CARRYING ON BUSINESS IN THE CITY OF MISSISSAUGA, IN THE
PROVINCE OF ONTARIO

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**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH LABORATORIES
INC., A CORPORATION INCORPORATED PURSUANT TO THE LAWS OF THE
PROVINCE OF ONTARIO AND CARRYING ON BUSINESS
IN THE CITY OF MISSISSAUGA

NOTICE OF MOTION

The Bankrupt, Diteba Research Laboratories Inc. (“Diteba”), will make a Motion to a Judge on Friday, February 8, 2013 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING:

The Motion is to be heard

- in writing under subrule 37.12.1(1) because it is ;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR *(State here the precise relief sought)*

- (a) An Order pursuant to s. 181(1) and s. 187 (5) of the *Bankruptcy and Insolvency Act* annulling or rescinding the Bankruptcy Order issued by Master Jean on

January 29, 2012 adjudging Diteba to be bankrupt and appointing BDO Canada Limited as its Trustee in Bankruptcy.

- (b) In the alternative, an Order pursuant to s. 43 (11) of the *Bankruptcy and Insolvency Act* and Rule 84.1 of the Bankruptcy and Insolvency Rules staying the application and effect of the Bankruptcy Order for a period of 45 days from the day of the issuance of the requested Order
- (c) The costs of this Motion; and,
- (d) Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

- (a) Diteba is a pharmaceutical contract research organization which operates a laboratory located at 1620 Tech Avenue, Unit 3, Mississauga, Ontario. Diteba's customers are comprised of, *inter alia*, pharmaceutical and biopharmaceutical companies. Among other things, Diteba acts as a third party researcher on behalf of its customers. Diteba is responsible for conducting the battery of testing required by Canada Health before new drug products developed can be approved for sale and distributed into the market. Diteba has sixteen employees, mostly scientists and lab personnel.
- (b) Diteba principally conducts "studies" of new drug products. Presently Diteba is conducting seven ongoing studies of various drugs, including two anti-cancer drugs, an anti-stroke drug and a variety of vitamins and supplements. These

studies generally occur over a period of 5-8 years as a continuous run of experiments and testing.

- (c) On January 29, 2013, Master Jean of the Toronto Bankruptcy Court issued a Bankruptcy Application against Diteba on an unopposed basis.
- (d) The Affidavit of Service in respect of the Application for Bankruptcy Order indicates that the Application was personally served on the Chief Executive Officer of Diteba at its business premises. The Chief Executive Officer of Diteba has no recollection of being served with these materials.
- (e) It is possible that the individual in question was served and, through inadvertence, did not appreciate the significance of the materials. Representatives of Diteba have searched its offices and a copy of the Application for Bankruptcy Order has not been located.
- (f) As a result, Diteba was not aware of the date of the return of the Bankruptcy Application on January 29, 2013 or the existence of the Bankruptcy Application. Diteba continue to operate after service of the Application under the assumption that it had additional time to formulate a plan for dealing with its principal creditors.
- (g) Had Diteba been aware of the return of the Application, it would have sought legal counsel and the application would not have proceeded on an uncontested basis.

- (h) Diteba acknowledges that it is insolvent. However, the bankruptcy process is not the appropriate process for dealing with its insolvency.
- (i) Given the nature of Diteba's business, it is in the best interest of all of Diteba's stakeholders, including management, employees, creditors, suppliers and customers that Diteba's operations not suffer a hard shutdown.
- (j) The Trustee in Bankruptcy has refused to operate the business of Diteba. The Trustee in Bankruptcy intends to proceed with a cessation of the business followed by a liquidation.
- (k) Diteba is in a position to put forward a viable proposal to its creditors. Had it been aware of the pending Application for Bankruptcy Order, Diteba would almost certainly have filed a Notice of Intention to File a Proposal before the return date of the Application. This did not happen through inadvertence.
- (l) The consequences to Diteba's stakeholders of a cessation of the business will be catastrophic. In particular, Diteba's customers may lose millions of dollars and have to restart long-term clinical trials of promising cancer and stroke treatment drugs. Years of highly beneficial medical research work will be lost. The damages that Diteba's customers will suffer as a result of the cessation of the business as well as the loss of highly beneficial cancer and stroke drug research studies far outweigh any prejudice that may be suffered by the Applicant Creditor if Diteba is given the opportunity to put forward a proposal to its creditors.

- (m) The Applicant Creditor is owed approximately \$400,000. Diteba acknowledges that it owes approximately \$200,000 (and perhaps more to CRA as the amount owed is currently a matter of some dispute) in respect of unremitted source deductions. These debts will obviously be dealt with in the proposal process.
- (n) Diteba has sufficient funds on hand to fund operations during the proposal period and to fund the “burn rate” in respect of professional fees including legal counsel and the proposal trustee related to the Proposal.
- (o) BDO Canada Ltd. has consented to act as proposal trustee in the event this Honourable Court sees fit to set aside the Bankruptcy Order.
- (p) Diteba has put forward in its Court material the kernel of a plan for dealing with its creditors.
- (q) No party will be materially prejudiced if the requested Order is granted.
- (r) Diteba and its stakeholders, however, will suffer enormous prejudice if the Order is not granted for disproportionate to any prejudice suffered by any party as a result of Diteba retaking control of its own assets.
- (s) Diteba is not in a position to make a proposal out of bankruptcy. The *Bankruptcy and Insolvency Act* contemplates that when a proposal is made by a bankrupt party, the existing Trustee in Bankruptcy remains in possession of the assets of the bankrupt party until such time as Court approval of the proposal is obtained. In the present case, this is not a workable situation given the refusal of the Trustee in Bankruptcy to operate the business.

- (t) Diteba's operations have been shut down since shortly after the date on which the Order was issued. Waiting until Court approval of a proposal to restart business operations is not a workable solution in this context.
- (u) Ss. 181(1), 187(5), 43(11) of the *Bankruptcy and Insolvency Act* and Rule 84.1 of the *Bankruptcy and Insolvency Act*.
- (v) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the

Motion: *(List the affidavits or other documentary evidence to be relied on)*

- (a) Affidavit of Dmitry Baranov sworn February 6, 2013.
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

February 6, 2013

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Barristers & Solicitors
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Lawyers for Diteba Research Laboratories Inc.

TO: SERVICE LIST

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH LABORATORIES INC., A CORPORATION INCORPORATED
PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO AND CARRYING ON BUSINESS IN THE CITY OF MISSISSAUGA

Court File No. BK-12-00207933-OT

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

TORKIN MANES LLP

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Toronto ON M5C 2W7

Jeffrey J. Simpson (396663M)

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Lawyers for Diteba Research Laboratories Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

In the Matter of the Bankruptcy of
DITEBA RESEARCH LABORATORIES INC., A CORPORATION INCORPORATED
PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO AND CARRYING ON
BUSINESS IN THE CITY OF MISSISSAUGA

AFFIDAVIT OF DMITRY BARANOV

I, Dmitry Baranov, of the City of Toronto, am the Chief Executive Officer of Diteba Research Laboratories Inc. (“Diteba”) and as such have knowledge of the matters to which I have hereinafter deposed except as where I have otherwise indicated and in which case I have indicated the source of my knowledge and belief.

Introduction

1. Diteba is a pharmaceutical contract research organization which operates a laboratory located at 1620 Tech Avenue, Unit 3, Mississauga, Ontario. Diteba’s customers are comprised of, *inter alia*, pharmaceutical and biopharmaceutical companies. Among other things, Diteba acts as a third party researcher on behalf of its customers. Diteba is responsible for conducting the battery of testing required by Health Canada and the US Food and Drug Administration before new drug products developed can be approved for sale and distributed into the market.

2. Diteba has sixteen employees, mostly scientists and lab personnel.

Corporate History

3. Diteba was incorporated in 2003. It presently has 2 directors (three directors are shown on the corporate profile for Diteba, but the third director Bakhodir Atakhodjaev has resigned). The startup capital for Diteba, approximately \$498,000, was provided by myself and Orion PSV Investments Inc. (“Orion”), an investment company owned by me.

Attached hereto and marked as Exhibit “A” is a true copy of the corporate profile for Diteba

4. Diteba did not operate for the first 20 months of its existence, but set about securing the myriad of regulatory approvals and licenses necessary to conduct its intended business. In or around October 2005, Diteba began operating its laboratory and research facility.

5. Diteba principally conducts studies of novel/existing/generic drug products and natural health products. Presently, Diteba is conducting ten studies, including seven ongoing stability studies of various drugs. These studies include anti-cancer, anti-stroke, anti-viral, cardiovascular and steroidal drugs as well as a variety of vitamins and supplements. These studies generally occur over a period of 5-8 years as a continuous run of experiments and testing.

6. From 2005-2008 Diteba’s business grew steadily. In or around 2007 Diteba decided that it would benefit from taking on a “Canadian” company as a business partner. The founders of Diteba are all foreign-born immigrants to Canada and it was thought that a partner with more advanced knowledge of the Canadian marketplace for the research conducted by Diteba would be useful to growing Diteba’s business. As a result, in or around 2007, Diteba partnered with Cobalt Capital Partners LP (“Cobalt”), selling Cobalt an approximate 15% interest in Diteba for the price of \$1.2 million.

7. While the ownership structure of Diteba is somewhat complex (and unnecessary to go into it in great detail for present purposes), the three owners of Diteba, being myself, Cobalt and Dr. Tengiz (Theo) Kapanadze, each own approximately one-third of the company.

8. Diteba was adjudged bankrupt by the Order of Master Jean of the Toronto bankruptcy Court on January 29, 2013. The Application proceeded on an unopposed basis.

Attached hereto and marked as Exhibit "B" is a true copy of the Bankruptcy Order of Master Jean

Cobalt and Orion Capital Injection

9. Periodically, Cobalt and Orion made capital injections into Diteba. Several of these loans, mostly those made by Cobalt, were secured by senior secured convertible promissory notes and general security agreements and were registered pursuant to the *Personal Property Security Act*.

Attached hereto and marked as Exhibit "C" is a true copy of a PPSA registry search in respect of Diteba

10. The security documentation and loan documentation was prepared by Scott Dunlop. Scott Dunlop is, I believe, a lawyer licensed to practice in the province of Ontario. Mr. Dunlop acts as the Managing Director for Cobalt and was a director of Diteba from approximately November of 2007 to the fall of 2011. Mr. Dunlop also acted, I believed, as general legal counsel for Diteba in an unpaid capacity, providing legal services and advice to Diteba. Neither of Orion nor Diteba were separately represented on any of the loan transactions and I regard Mr. Dunlop to have acted for all parties in connection with the loans.

11. I have attached hereto copies of the two general security agreements in Diteba's possession, which were obtained from a copy of the Bankruptcy Application provided through our solicitors. Diteba is not in possession of any further loan documentation and believes same to be in the possession of Mr. Dunlop.

Attached hereto and marked as Exhibit "D" is a true copy of the General Security Agreements

12. A large portion of the amount of Cobalt's secured debt was repaid with the entirety of the return on Diteba's Scientific Research and Experimental Design tax credit for 2010 in September of 2011. The amount outstanding which remains owing, as stated in the Bankruptcy Application of Cobalt, is approximately \$400,000. No payments to Orion have been made despite that both Orion and myself have continued to make financial infusions to cover operating shortfalls of Diteba. Diteba admits the existence of this secured debt, that demand for repayment has been made and that the debt has not been paid. Diteba is insolvent.

Attached hereto and marked as Exhibit "E" is a true copy of the Statement of Affairs signed by Diteba

13. Through advances to the company made by me personally and Orion, I am owed approximately \$5,100,000 dollars by Diteba, not including interest.

Demand for Repayment

14. I admit that on or around November 23, 2012 Cobalt issued written demand for repayment of the debt outstanding to Cobalt.

15. In the period following demand, I had discussions with Scott Dunlop regarding the issue of the Cobalt indebtedness. On a phone call with Mr. Dunlop which took place on or around mid-January 2013, it was discussed that I would, on behalf of Diteba, seek to find alternate financing to replace Cobalt or come up with a payment plan acceptable to Cobalt. My understanding, following that conversation, was that Diteba and Cobalt would be meeting in mid-February to discuss options and the question of whether the matter could be settled.

Application for Bankruptcy Order

16. I have no recollection of being served with materials in connection with the Bankruptcy Application. I have seen a copy of an Affidavit of Service indicating that I was served personally, but do not recall receiving or reviewing the Bankruptcy Application.

Attached hereto and marked as Exhibit "F" is a true copy of the Application for Bankruptcy Order, without exhibits

17. I admit it is possible that I was served and, though inadvertence, did not appreciate the significance of the materials. Diteba is involved in other legal proceedings and I may have mistaken the documents for something else. In any event, I have no recollection of receiving or reading the Application for Bankruptcy Order in respect of Diteba. I have since searched my office for a copy of the Bankruptcy Application materials and have been unable to locate the relevant documents.

18. As a result, Diteba was not aware of the January 29, 2012 return date for the Bankruptcy Application or even of the existence of the Bankruptcy Application. I continued to operate under the assumption that Diteba was to come up with a plan for dealing with the Cobalt debt by February 15, 2013 and believed that the matter would be addressed at that time.

19. The Bankruptcy Application returned before Master Jean of the Toronto Bankruptcy Court on January 29, 2013 on an unopposed basis. Accordingly, a Bankruptcy Order was issued against Diteba.

20. Had Diteba known about the return date of the Application, it would have sought legal counsel and the Application would not have proceeded on an uncontested basis.

Appointment of the Trustee and shut down of Diteba

21. Diteba only became aware of the Bankruptcy Application and Order when the Trustee, BDO Canada Limited, arrived at the laboratory in Mississauga on Thursday, February 1, 2013. The Trustee advised that he was there pursuant to a Court Order and that he would be seizing Diteba's business and operations. The trustee sat down with myself and Dr. Kapanadze for approximately one and a half hours and advised us that we would need to call a meeting of the employees, who would be terminated that day, and explain the situation to them as well.

22. We complied and cooperated with the trustee's requests. Following the meeting in which we advised the employees of their termination, we accompanied the Trustee around the facility to meet with employees on a person-to-person basis as the trustee shut down the laboratory's equipment.

23. We implored the trustee that several of the machines could not be shut down without disastrous consequences. Diteba's laboratory equipment is highly sophisticated and must be professionally and properly shut down in order to prevent damage. Additionally, the research being conducted requires that certain systems be maintained and, if they are not, years of research and study will be lost. As indicated previously, many of the studies performed by Diteba occur over a period of many years. They cannot be interrupted and any break in

continuity would have the effect of requiring that the trial be restarted. The associated damage this would create in lost time, money and research is enormous.

24. Essential equipment which the trustee has agreed, on a temporary basis, to permit to remain on includes the following:

- (a) Ms/Ms Mass Spectrometer and Vacuum pump: used by the company to analyse drugs while immersed in biological fluid. The Ms/Ms Spectrometer creates a magnetic field in a high vacuum and must be professionally shut down or the vacuum will be broken and the sensitivity of the machine, and its value as a saleable piece of equipment, will be destroyed;
- (b) Nitrogen generator: similarly if improperly shut down will become contaminated and unusable;
- (c) Stability chambers and freezers: stability experiments conducted by Diteba involve the storage of drugs being studied at specific humidity and temperature levels over a period of years. These drugs must be regularly tested at defined intervals in order to record any changes or reaction by the drug to storage. If the stability chambers or freezers are turned off, the temperature will deviate from the prescribed storage environment and the entire study, some of which have been ongoing for several years already, would need to be restarted. In terms of financial loss for the customer and delay in getting the drug to market, this represents millions of dollars and years of lost time.

25. Notwithstanding that certain critical machines have been permitted to remain in operation for the preservation of both their value and the research they contain, the trustee is not prepared

to operate the business of Diteba and absent any Order of the court to the contrary, it is my understanding that Diteba will be permanently shut down and liquidated on an immediate basis.

26. Presently, the Diteba lab is functional only at a minimum level of machine operation. All of Diteba's employees have been locked out, including myself and Dr. Kapanadze.

The studies cannot be interrupted

27. There is an immediate concern, as discussed in some detail above, that the studies being conducted by Diteba cannot be interrupted, or they will fail and years of costly research done on behalf of the customers of Diteba will be rendered useless. The studies require that certain tasks be performed at prescribed intervals. If these tasks are not done or performed as prescribed and there arises a gap in the study, the effect is that the entire study must be restarted.

28. The first scheduled task to have been missed occurred on Monday February 1, 2013. Under the guidelines of that particular study there is a window within which testing must be performed, which window will expire on Saturday February 9, 2013. As a result, if lab personnel are not permitted to return to Diteba to conduct the necessary testing my no later than Saturday, February 9, 2012, the study will fail. Within two weeks, all of the ongoing studies will have failed and all data collected over years of research will be useless.

29. Should this happen, I estimate that the losses for Diteba's customers would be in the range of dozens of millions of dollars.

30. A further effect of great concern to me is that some of the studies being undertaken by Diteba at the present time involve potentially life-saving cancer and cardiac drugs showing

promising test results which could, if the studies are to fail as a result of a shutdown, be delayed in their release to the public for several years.

Intention to make a proposal

31. Diteba requests on this motion that the Bankruptcy Order against it be rescinded, annulled or set aside and that Diteba be permitted to file a Notice of Intention to make a proposal to its creditors. Had Diteba been aware of the Bankruptcy Application, this would have been done prior to its return.

32. Diteba believes that it is fair in the circumstances that it be permitted the opportunity to attempt to preserve the business of Diteba and the employment of its employees. It is furthermore critical that Diteba have the ability to take the necessary steps to preserve the research presently being conducted, which can most efficiently be done by allowing Diteba to regain possession of its facility while it goes through the proposal process.

33. I believe that it is likely that Diteba will be able to make a viable proposal. I believe that the value of Diteba, as an operating business, is substantially more than the value of Diteba's equipment on a liquidation and believe that if marketed as a going concern it could potentially be sold for an amount sufficient to discharge Diteba's existing obligations. Diteba is a global leader in various laboratory techniques and methods and there is considerable value to the knowledge and skill set of its employees, as well as its customer relationships and licenses, which are difficult to obtain.

Kernal of a plan

34. If the order herein sought is granted, the kernel of a plan for a proposal which I am able to offer at this stage is as follows:

- (a) Diteba will immediately retain an experienced and qualified accountant to assist in the preparation of cash flows and any and all required financial information;
- (b) Diteba is prepared to engage BDO as proposal trustee and is able to fund BDO's initial retainer;
- (c) Any operating shortfalls during the proposal period will be funded by myself or Orion;
- (d) Efforts will be undertaken immediately to secure funding for a proposal through:
 - (i) investment and/or financing sufficient to permit Diteba to make a proposal acceptable to its existing creditors and continue its operations. To this end, I have already spoken with three of Diteba's customers and am in the process of arranging meetings with them to discuss potential funding of a proposal; and
 - (ii) investigate the viability of a sale of Diteba's business and assets to various industry players.

35. Diteba states that no prejudice would be suffered if such an order were granted. In the worst case scenario, if the creditors of Diteba are not prepared to accept the proposal prepared by the company, Diteba will again be bankrupt.

Alternative relief: temporary stay of the bankruptcy order

36. In the alternative, Diteba submits that the Bankruptcy Order should be stayed for a period of 45 days and Diteba be permitted to regain possession of its laboratory in order to both:

- (a) take those steps necessary to preserve the research/studies during the 30-day period using its own personnel; and
- (b) facilitate the transition of the research to another laboratory without compromising the integrity of same.

37. If, at a minimum, the above steps are not taken, the damage to Diteba's customers will be catastrophic, relative to the debts owing by Diteba to its creditors. As such, Diteba submits that it should be permitted to take those steps necessary to prevent such damage from occurring.

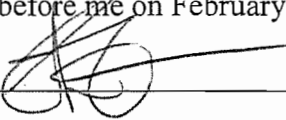
38. To date, Diteba has been fully cooperative with the Trustee and there is no reason to believe that Diteba is motivated by anything but a genuine desire to prevent the damage to innocent third parties which will result from an untrained and unplanned shut down of its laboratory operations and research facility.

39. Diteba again states that no prejudice would be suffered if such an order were granted whereas, if not granted, I believe that severe prejudice and potentially irreparable harm will result for both Diteba's customers and those who would benefit from the early release of the drugs in development at Diteba.

Minimum operational requirements

40. The necessary testing and laboratory work required in order to preserve the research presently being conducted could be done with a 12 person crew. Dr. Kapanadze and I have

This is Exhibit "A" to the Affidavit of
DMITRY BARANOV
sworn before me on February 6, 2013



Request ID: 015025860
Transaction ID: 49917976
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/02/01
Time Report Produced: 10:22:18
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1596763	DITEBA RESEARCH LABORATORIES INC.	2003/11/21	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
1620 TECH AVENUE	NOT APPLICABLE	NOT APPLICABLE	
Suite # UNIT 3 MISSISSAUGA ONTARIO CANADA L4W 5P3	New Amal. Number	Notice Date	
	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address		Letter Date	
1620 TECH AVENUE		NOT APPLICABLE	
Suite # UNIT 3 MISSISSAUGA ONTARIO CANADA L4W 5P3	Revival Date	Continuation Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Transferred Out Date	Cancel/Inactive Date	
	NOT APPLICABLE	NOT APPLICABLE	
	EP Licence Eff.Date	EP Licence Term.Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
Activity Classification	00001 00010	NOT APPLICABLE	NOT APPLICABLE
NOT AVAILABLE			

Request ID: 015025860
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Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1596763

DITEBA RESEARCH LABORATORIES INC.

Corporate Name History

Effective Date

DITEBA RESEARCH LABORATORIES INC.

2003/11/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

Address

BAKHODIR
ATAKHODJAEV

65 HIGH PARK AVENUE
Suite # 1511
TORONTO
ONTARIO
CANADA M6P 2R7

Date Began

First Director

2004/11/19

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 015025860
Transaction ID: 49917976
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/02/01
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1596763	DITEBA RESEARCH LABORATORIES INC.

Administrator: Name (Individual / Corporation)	Address
BAKHODIR ATAKHODJAEV	65 HIGH PARK AVENUE Suite # 1511 TORONTO ONTARIO CANADA M6P 2R7

Date Began	First Director	Resident Canadian
2004/11/19	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Administrator: Name (Individual / Corporation)	Address
DMITRY BARANOV	10 DELISLE AVENUE Suite # 1114 TORONTO ONTARIO CANADA M4V 3C6

Date Began	First Director	Resident Canadian
2003/11/21	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 015025860
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Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1596763

DITEBA RESEARCH LABORATORIES INC.

Administrator:
Name (Individual / Corporation)

Address

DMITRY
BARANOV

10 DELISLE AVENUE
Suite # 1114
TORONTO
ONTARIO
CANADA M4V 3C6

Date Began

First Director

2004/11/19

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Administrator:
Name (Individual / Corporation)

Address

DMITRY
BARANOV

10 DELISLE AVENUE
Suite # 1114
TORONTO
ONTARIO
CANADA M4V 3C6

Date Began

First Director

2004/11/19

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

CHAIR

Y

Request ID: 015025860
Transaction ID: 49917976
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/02/01
Time Report Produced: 10:22:18
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1596763

Corporation Name

DITEBA RESEARCH LABORATORIES INC.

Administrator:
Name (Individual / Corporation)

TENGIZ
KAPANADZE

Address

65 HIGH PARK AVENUE
Suite # 1511
TORONTO
ONTARIO
CANADA M6P 2R7

Date Began

2004/11/19

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

TENGIZ
KAPANADZE

Address

65 HIGH PARK AVENUE
Suite # 1511
TORONTO
ONTARIO
CANADA M6P 2R7

Date Began

2004/11/19

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 015025860
Transaction ID: 49917976
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/02/01
Time Report Produced: 10:22:18
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1596763

DITEBA RESEARCH LABORATORIES INC.

Last Document Recorded

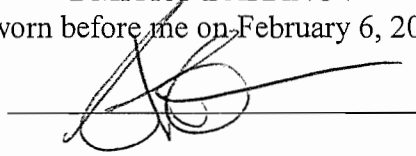
Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2011/03/14 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "B" to the Affidavit of
DMITRY BARANOV
sworn before me on February 6, 2013

A handwritten signature in black ink, appearing to be "DB", is written over a horizontal line. The signature is stylized and somewhat illegible.

Court File No. BK-12-00207933-OT

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

MASTER JEAN

) TUESDAY, THE 29th DAY OF
)
) JANUARY, 2013

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH
LABORATORIES INC. A CORPORATION INCORPORATED PURSUANT TO THE LAWS
OF THE PROVINCE OF ONTARIO AND CARRYING ON BUSINESS IN THE CITY OF
MISSISSAUGA, IN THE PROVINCE OF ONTARIO

BANKRUPTCY ORDER

UPON the Application of COBALT CAPITAL GP INC. as general partner of COBALT
CAPITAL MANAGEMENT GP, L.P., the general partner of COBALT CAPITAL PARTNERS L.P.
of the Town of Oakville in the Province of Ontario, a Creditor, issued on the 13th day of December,
2012.

AND UPON hearing submissions of counsel for the said Applicant Creditor;

AND IT APPEARING to the Court that the following act of bankruptcy has been committed,
namely:

- a) that DITEBA RESEARCH LABORATORIES INC. has ceased to meet its
liabilities generally as they become due.

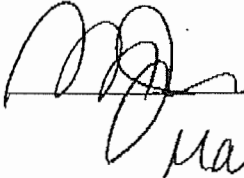
2

1. **THIS COURT ORDERS** that DITEBA RESEARCH LABORATORIES INC., of the City of Mississauga, in the Province of Ontario, is hereby adjudged bankrupt and that a Bankruptcy Order be and is hereby made against DITEBA RESEARCH LABORATORIES INC.;

2. **THIS COURT ORDERS** that BDO CANADA LIMITED of the City of Mississauga, in the Province of Ontario be and is hereby appointed Trustee of the Estate of the said bankrupt;

3. **THIS COURT ORDERS** that the said Trustee give security pursuant to subsection 16(l) of the *Bankruptcy And Insolvency Act* in an amount satisfactory to the Official Receiver;

4. **THIS COURT ORDERS** that the costs of the Applicant incidental to this Application and this Order be paid to the Applicant out of the assets of the Estate upon taxation thereof.



Markman

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH
LABORATORIES INC. A CORPORATION INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO AND CARRYING
ON BUSINESS IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. BK-12-00207933-OT

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

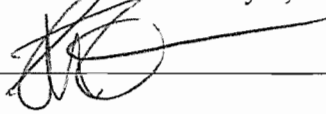
BANKRUPTCY ORDER

Lipman, Zener & Waxman LLP
Barristers and Solicitors
1220 Eglinton Avenue West
Toronto, Ontario
M6C 2E3

Ian Klaiman
LSUC # 58955G
Tel: (416) 789-0652
Fax: (416) 789-9015

Lawyers for the Applicant

This is Exhibit "C" to the Affidavit of
DMITRY BARANOV
sworn before me on February 6, 2013

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right, positioned above a horizontal line.



PERSONAL PROPERTY SECURITY
REGISTRATION SYSTEM (ONTARIO)
ENQUIRY RESULTS

Prepared for : TORKIN MANES LLP (K. LINDSAY)
Reference : 037-0675
Docket : 22222.0002
Search ID : 477920
Date Processed : 2/6/2013 8:14:49 AM
Report Type : PPSA Electronic Response
Search Conducted on : DITEBA RESEARCH LABORATORIES INC.
Search Type : Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.

FILE CURRENCY: February 5, 2013

RESPONSE CONTAINS: APPROXIMATELY 11 FAMILIES and 20 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 11 ENQUIRY PAGE : 1 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 606696345 EXPIRY DATE : 23JUN 2014 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20040623 1944 1531 6935 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC
OCN :
04 ADDRESS : 10 DELISLE AVE, SUITE 207
CITY : TORONTO PROV: ON POSTAL CODE: M4V 3C6
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE TORONTO-DOMINION BANK - BLOOR WEST & BAY 11042 CAS 3472
09 ADDRESS : 77 BLOOR STREET WEST & BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1M2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.
11
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GENERAL COLLATERAL DESCRIPTION

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14
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16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS
17 ADDRESS : SUITE 180-13571 COMMERCE PARKWAY
CITY : RICHMOND PROV: BC POSTAL CODE: V6V2L1

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 11 ENQUIRY PAGE : 2 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.
FILE NUMBER 606696345

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20090507 1944 1531 0720
21 REFERENCE FILE NUMBER : 606696345
22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: DITEBA RESEARCH LABORATORIES INC

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY

PROV : BC

POSTAL CODE : V5G 3S8

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 11 ENQUIRY PAGE : 3 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 620575092 EXPIRY DATE : 17NOV 2015 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20051117 1447 1530 8085 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC
OCN :
04 ADDRESS : 1620 TECH AVE
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE TORONTO-DOMINION BANK - BLOOR WEST & BAY 11042 CAS 3472
09 ADDRESS : 77 BLOOR STREET WEST & BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1M2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13
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16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS
17 ADDRESS : SUITE 200 - 4126 NORLAND AVENUE
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 11 ENQUIRY PAGE : 4 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.
FILE NUMBER 620575092

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20100929 1945 1531 0204
21 REFERENCE FILE NUMBER : 620575092
22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: DITEBA RESEARCH LABORATORIES INC

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

10

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16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY

PROV : BC

POSTAL CODE : V5G 3S8

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 11 ENQUIRY PAGE : 5 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 649737018 EXPIRY DATE : 05NOV 2013 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20081105 1432 2080 2688 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN :
04 ADDRESS : 1620 TECH AVENUE, UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
COBALT CAPITAL PARTNERS, L.P.
09 ADDRESS : 1464 CORNWALL ROAD, SUITE 7
CITY : OAKVILLE PROV: ON POSTAL CODE: L6J 7W5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT

14

15

16 AGENT: LOOPSTRA NIXON LLP [SMD]

17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600

CITY : TORONTO PROV: ON POSTAL CODE: M9W 6V7

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 11 ENQUIRY PAGE : 6 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 655014492 EXPIRY DATE : 20JUL 2013 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20090720 1221 1616 9037 REG TYP: P PPSA REG PERIOD: 04
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC
OCN :
04 ADDRESS : 1620 TECH AVE., UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
BODKIN CAPITAL CORPORATION
09 ADDRESS : 2150 DUNWIN DR, UNIT 1
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5L 5M8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 PLUS ANCILLIARY EQUIPMENT, SOFTWARE AND ATTACHMENTS THERETO AND
14 PROCEEDS IN ANY FORM WHATSOEVER THEREFROM, INCLUDING BUT NOT LIMITED
15 TO INSURANCE PROCEEDS. THE ASSETS ALSO SECURE OTHER OBLIGATIONS OF
16 AGENT: JCLD ONLINE
17 ADDRESS : 16-1375 SOUTHDOWN RD STE 322
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5J 2Z1

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 11 ENQUIRY PAGE : 7 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 655014492 EXPIRY DATE : 20JUL 2013 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20090720 1221 1616 9037 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION

13 THE DEBTOR TO THE SECURED PARTY UNDER CROSS COLLATERAL PROVISIONS IN
14 SECURITY AGREEMENTS.

15

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 11 ENQUIRY PAGE : 8 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 658614681 EXPIRY DATE : 08JAN 2015 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20100108 1027 2080 2944 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN :
04 ADDRESS : 1620 TECH AVENUE, UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
COBALT CAPITAL PARTNERS, L.P.
09 ADDRESS : C/O 1464 CORNWALL ROAD, SUITE 7
CITY : OAKVILLE PROV: ON POSTAL CODE: L6J 7W5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT

14

15

16 AGENT: LOOPSTRA NIXON LLP

17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600
CITY : TORONTO PROV: ON POSTAL CODE: M9W 6V7

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 11 ENQUIRY PAGE : 9 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 658614681 EXPIRY DATE : 08JAN 2015 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20100108 1027 2080 2944 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ORION PSV INVESTMENTS INC.
09 ADDRESS : 10 DELISLE AVENUE, SUITE 1114
CITY : TORONTO PROV: ON POSTAL CODE: M4V 3C6
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 11 ENQUIRY PAGE : 10 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 659675259 EXPIRY DATE : 08MAR 2015 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20100308 1110 2080 2977 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN :
04 ADDRESS : 1620 TECH AVENUE, UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
COBALT CAPITAL PARTNERS, L.P.
09 ADDRESS : 1464 CORNWALL ROAD, SUITE 7
CITY : OAKVILLE PROV: ON POSTAL CODE: L6J 7W5
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT: LOOPSTRA NIXON LLP
17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600
CITY : TORONTO PROV: ON POSTAL CODE: M9W 6V7

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 11 ENQUIRY PAGE : 11 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 659675376 EXPIRY DATE : 08MAR 2015 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20100308 1115 2080 2978 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN :
04 ADDRESS : 1620 TECH AVENUE, UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
1687806 ONTARIO INC. C/O COBALT CAPITAL INC.
09 ADDRESS : 1464 CORNWALL ROAD, SUITE 7
CITY : OAKVILLE PROV: ON POSTAL CODE: L6J 7W5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: LOOPSTRA NIXON LLP
17 ADDRESS : 135 QUEENS PLATE DRIVE, SUITE 600
CITY : TORONTO PROV: ON POSTAL CODE: M9W 6V7

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 11 ENQUIRY PAGE : 12 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 662232447 EXPIRY DATE : 17JUN 2016 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20100617 1025 1793 6856 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN :
04 ADDRESS : 1620 TECH AVENUE, UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W5P4
05 IND DOB : 07JAN1973 IND NAME: IRINA BARANOVA
06 BUS NAME:
OCN :
07 ADDRESS : 10 DELISLE AVENUE, SUITE 207
CITY : TORONTO PROV: ON POSTAL CODE: M4V3C6

08 SECURED PARTY/LIEN CLAIMANT :
ADVANT LEASING LIMITED
09 ADDRESS : 803-5500 NORTH SERVICE RD
CITY : BURLINGTON PROV: ON POSTAL CODE: L7L6W6
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 TOGETHER WITH ALL PARTS, ATTACHMENTS, ACCESSORIES, REPLACEMENTS,
14 SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS
15 OF EVERY TYPE INCLUDING WITHOUT LIMITATION TRADE-INS, MONEY AND ALL
16 AGENT: ADVANT LEASING LIMITED
17 ADDRESS : 803-5500 NORTH SERVICE RD
CITY : BURLINGTON PROV: ON POSTAL CODE: L7L6W6

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 11 ENQUIRY PAGE : 13 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 662232447 EXPIRY DATE : 17JUN 2016 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20100617 1025 1793 6856 REG TYP: REG PERIOD:
02 IND DOB : 23FEB1973 IND NAME: DMITRY BARANOV
03 BUS NAME:
OCN :
04 ADDRESS : 10 DELISLE AVENUE, SUITE 207
CITY : TORONTO PROV: ON POSTAL CODE: M4V3C6
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION

13 PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY
14 OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO
15 THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL AS IN LEASE# 13114
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 11 ENQUIRY PAGE : 14 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 665326143 EXPIRY DATE : 21OCT 2015 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20101021 1944 1531 1711 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN :
04 ADDRESS : 1620 TECH AVENUE, UNIT # 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
LIFTCAPITAL CORPORATION
09 ADDRESS : 300 THE EAST MALL, SUITE 401
CITY : TORONTO PROV: ON POSTAL CODE: M9B 6B7
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

11
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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS
17 ADDRESS : SUITE 200,4126 NORLAND AVENUE
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 11 ENQUIRY PAGE : 15 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 665553564 EXPIRY DATE : 01NOV 2014 STATUS :
01 CAUTION FILING : PAGE : 001 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20101101 1513 1901 5652 REG TYP: P PPSA REG PERIOD: 04
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC
OCN :
04 ADDRESS : 1620 TECH AVE, UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 5P4
05 IND DOB : 03NOV1969 IND NAME: BAKHODIR ATAKHODJAEV
06 BUS NAME:
OCN :
07 ADDRESS : 65 HIGH PARK AVE 803
CITY : TORONTO PROV: ON POSTAL CODE: M6P 2R7

08 SECURED PARTY/LIEN CLAIMANT :
NAVIGATE CAPITAL CORP.
09 ADDRESS : 9TH FLOOR 1281 WEST GEORGIA
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 3J7
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 [1]GELIANCE 200 US GEL IMAGING SYSTEM S/N? PEGB2002[1]X2000 VALIDATOR
14 2000 SYSTEM S/N? RTP85753C[1] X0855 IRTD-400 HIGH ACCURACY PROBE
15 ASSEMBLY [1] X0356 LTR-25/140 LOW TEMPERATURE DRY WELL CALIBRATOR ALL
16 AGENT: AVS SYSTEMS INC.
17 ADDRESS : 17A 100 KAL LAKE RD.
CITY : VERNON PROV: BC POSTAL CODE: V1T 9G1

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 11 ENQUIRY PAGE : 16 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 665553564 EXPIRY DATE : 01NOV 2014 STATUS :
01 CAUTION FILING : PAGE : 002 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20101101 1513 1901 5652 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 MEDICAL RESEARCH EQUIPMENT INCLUDING BUT NOT LIMITED TO [1]GELIANCE
14 200 US GEL IMAGING SYSTEM S/N? PEGB2002[1]X2000 VALIDATOR 2000 SYSTEM
15 S/N? RTP85753C[1] X0855 IRTD-400 HIGH ACCURACY PROBE ASSEMBLY [1]
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 11 ENQUIRY PAGE : 17 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 665553564 EXPIRY DATE : 01NOV 2014 STATUS :
01 CAUTION FILING : PAGE : 003 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20101101 1513 1901 5652 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 X0356 LTR-25/140 LOW TEMPERATURE DRY WELL CALIBRATOR TOGETHER WITH
14 ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS
15 ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 11 ENQUIRY PAGE : 18 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 665553564 EXPIRY DATE : 01NOV 2014 STATUS :
01 CAUTION FILING : PAGE : 004 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20101101 1513 1901 5652 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE
14 COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT
15 INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR
16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 11 ENQUIRY PAGE : 19 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 665553564 EXPIRY DATE : 01NOV 2014 STATUS :
01 CAUTION FILING : PAGE : 005 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20101101 1513 1901 5652 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 PROCEEDS OF THE COLLATERAL.
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: DITEBA RESEARCH LABORATORIES INC.
FILE CURRENCY: February 5, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 11 OF 11 ENQUIRY PAGE : 20 OF 20

SEARCH : BD : DITEBA RESEARCH LABORATORIES INC.

00 FILE NUMBER : 666008685 EXPIRY DATE : 19NOV 2014 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20101119 1407 1462 0902 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: DITEBA RESEARCH LABORATORIES INC.
OCN : 1596763
04 ADDRESS : 1620 TECH AVENUE UNIT 3
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W5P4
05 IND DOB : 03NOV1969 IND NAME: BAKHODIR ATAKHODJAEV
06 BUS NAME:
OCN :
07 ADDRESS : 803 - 65 HIGH PARK AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M6P2R7

08 SECURED PARTY/LIEN CLAIMANT :
EXCEL LEASING INC.

09 ADDRESS : 302 - 460 MAIN STREET
CITY : WINNIPEG PROV: MB POSTAL CODE: R3B1B6
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X
YEAR MAKE MODEL V.I.N.

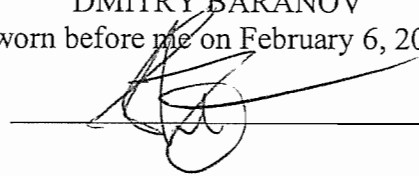
11
12

GENERAL COLLATERAL DESCRIPTION

13 1 - 2475 FLUORESCENCE DETECTOR - SERIAL NO. D06475868M
14 1 - 2475 DETECTOR QUALIFICATION KIT - SERIAL NO. 201000131
15 1 - SYMMETRY C18 3.5U COLUMN FOR 2475 - SERIAL NO. WAT066224
16 AGENT: EXCEL LEASING INC.
17 ADDRESS : 302 - 460 MAIN STREET
CITY : WINNIPEG PROV: MB POSTAL CODE: R3B1B6
LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

This is Exhibit "D" to the Affidavit of
DMITRY BARANOV
sworn before me on February 6, 2013

A handwritten signature in black ink is written over a solid horizontal line. The signature is stylized and appears to be the name 'DMITRY BARANOV'.

GENERAL SECURITY AGREEMENT

TO: Name: **COBALT CAPITAL PARTNERS, L.P.**
Address: **1464 Cornwall Road, Suite 7**
Oakville, ON L6J 7W5
Attention: **Managing Director**
Facsimile: **(905) 815-8385**

TO: Name: **ORION PSV INVESTMENTS INC.**
Address: **10 Delisle Avenue, Suite 1114**
Toronto, ON M4V 3C6
Attention: **Dmitry Baranov**
Facsimile: **(416) 960-3383**

RECITALS:

A. **DITEBA RESEARCH LABORATORIES INC.** (the "**Debtor**") is indebted or liable to **COBALT CAPITAL PARTNERS, L.P.** and Orion PSV Investments Inc. (the "**Creditors**") pursuant to the terms of separate senior secured convertible promissory notes dated November 27, 2009 (the "**Senior Notes**").

B. To secure the payment and performance of the Liabilities, the Debtor has agreed to grant to the Creditors the Security Interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditors as follows:

1. **Definitions.** In this Agreement the following terms have the following meanings:

"**Accessions**", "**Account**", "**Chattel Paper**", "**Certificated Security**", "**Consumer Goods**", "**Document of Title**", "**Equipment**", "**Futures Account**", "**Futures Contract**", "**Futures Intermediary**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Investment Property**", "**Money**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**", "**Security**", "**Security Certificate**", "**Security Entitlement**", and "**Uncertificated Security**" have the meanings given to them in the PPSA.

"**Agreement**" means this agreement, including the schedules and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "herefo", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Bank of Canada Rate**" means the per annum rate of interest quoted from time to time by the Bank of Canada as the minimum per annum rate of interest charged by the Bank of Canada for short term advances made by the Bank of Canada to members of the Canadian Payments Association.

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Personal Property of the Debtor which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the Province referred to in the "Governing Law" section of this Agreement.

"Collateral" means all of the present and future:

- (a) undertaking;
- (b) Personal Property (including Books and Records, Contracts, Intellectual Property Permits and any Personal Property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Creditors in connection with this Agreement); and
- (c) real property (including any real property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Creditors in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property),

of the Debtor, including all such property in which the Debtor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by the Debtor, and all Proceeds thereof, wherever located.

"Contracts" means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement.

"Creditors" has the meaning set out in the recitals hereto.

"Debtor" has the meaning set out in the recitals hereto.

"Event of Default" means the occurrence of any of the following events or conditions:

- (a) the Debtor does not pay any of the Liabilities when due;
- (b) the Debtor does not observe or perform any of the Debtor's obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditors;

- (c) any representation, warranty or statement made by or on behalf of the Debtor to the Creditors, in this Agreement or otherwise, is untrue in any material respect when made;
- (d) the Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor's business;
- (e) if the Debtor is a corporation, there is, in the Creditors' opinion, acting reasonably, a change in effective control of the Debtor, or if the Debtor is a partnership, there is, in the Creditors' opinion, acting reasonably, a dissolution or change in the membership of the partnership;
- (f) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of Creditors under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) or other comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- (g) a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
- (h) any Person holding a Lien in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
- (i) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests; or
- (j) the Creditors, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy.

"Governmental Authority" means the Government of Canada, any other nation or any political subdivision thereof, whether provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including the Bank Committee on Banking Regulation and Supervisory Practices of the Bank of International Settlements.

"Intellectual Property Rights" means all industrial and intellectual property rights of the Debtor or in which the Debtor has any right, title or interest, including copyrights, patents, unpatented inventions, trade marks, industrial designs, integrated circuit topographies, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights.

"Issuer" has the meaning given to that term in the STA.

"Liabilities" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditors pursuant to the terms of the Senior Notes.

"Lien" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"Organizational Documents" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"Permits" means all permits, licences, waivers, exemptions, consents, certificates, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business.

"Permitted Liens" means the Security Interests and all other Liens permitted in writing by the Creditors.

"Person" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"Personal Property" means personal property and includes Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Investment Property and Money.

"Pledged Certificated Securities" means any and all Collateral that is a Certificated Security.

"Pledged Futures Contracts" means any and all Collateral that is a Futures Contract.

"Pledged Futures Accounts" means any and all Collateral that is a Futures Account.

"Pledged Futures Intermediary" means, at any time, any Person which is at such time is a Futures Intermediary at which a Pledged Futures Account is maintained.

"Pledged Futures Intermediary's Jurisdiction" means, with respect to any Pledged Futures Intermediary, its jurisdiction as determined under section 7.1(4) of the PPSA.

"Pledged Issuer" means, at any time, any Person which is at such time an Issuer with respect to any Pledged Securities or Pledged Security Entitlements.

"Pledged Issuer's Jurisdiction" means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44 of the STA.

"Pledged Security Certificates" means any and all Security Certificates representing the Pledged Certificated Securities.

"Pledged Securities" means any and all Collateral that is a Security.

"Pledged Securities Accounts" means any and all Collateral that is a Securities Account.

"Pledged Securities Intermediary" means, at any time, any Person which is at such time is a Securities Intermediary at which a Pledged Securities Account is maintained.

"Pledged Securities Intermediary's Jurisdiction" means, with respect to any Securities Intermediary, its jurisdiction as determined under section 45(2) of the STA.

"Pledged Security Entitlements" means any and all Collateral that is a Security Entitlement.

"Pledged Uncertificated Securities" means any and all Collateral that is an Uncertificated Security.

"PPSA" means the *Personal Property Security Act* of the Province referred to in the "Governing Law" section of this Agreement, 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.

"Prime Rate" means the rate announced by the Creditors from time to time as its prime rate for Canadian Dollar commercial loans made in Canada.

"Receiver" means a receiver, a manager or a receiver and manager.

"Release Date" means the date on which all the Liabilities have been indefeasibly paid and discharged in full and the Creditors has no further obligations to the Debtor pursuant to which further Liabilities might arise.

"Security Interests" means the Liens created by the Debtor in favour of the Creditors under this Agreement.

"Senior Notes" has the meaning set out in the recitals hereto.

"STA" means the *Securities Transfer Act* of the Province referred to in the "Governing Law" section of this Agreement, 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.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.

"ULC" means an Issuer that is an unlimited company or unlimited liability company.

"ULC Laws" means the *Companies Act* (Nova Scotia), the *Business Corporations Act* (Alberta), and any future laws governing ULCs.

"ULC Shares" means shares or other equity interests in the capital stock of a ULC.

2. **Grant of Security Interests.** As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor pledges, mortgages, charges and assigns (by way of security) to the Creditors, and grants to the Creditors a security interest in, the Collateral.

3. **Limitations on Grant of Security Interests.** If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then such Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditors and, on the exercise by the Creditors of any of its rights or remedies under this Agreement following an Event of Default will be assigned by the Debtor as directed by the Creditors, provided that the Security Interests shall attach to such Contract, Intellectual Property Right or Permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied. In addition, the Security Interests do not attach to Consumer Goods or extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditors and, on the exercise by the Creditors of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by the Debtor as directed by the Creditors. For greater certainty, no Intellectual Property Right shall be transferred to the Creditors by sole virtue of the grant of the Security Interests contained in Section 2.

4. **Attachment; No Obligation to Advance.** The Debtor confirms that value has been given by the Creditors to the Debtor, that the Debtor has rights in the Collateral existing at the date of this Agreement and that the Debtor and the Creditors have not agreed to postpone the time for attachment of any of the Security Interests to any of the Collateral. The Security Interests will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditors shall oblige the Creditors to make any financial accommodation or further financial accommodation available to the Debtor or any other Person.

5. **Representations and Warranties.** The Debtor represents and warrants to the Creditors that, as of the date of this Agreement:

- (a) **Debtor Information.** All of the information set out in Schedule A is accurate and complete.
- (b) **Title; No Other Security Interests.** Except for Permitted Liens, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is Investment Property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens.
- (c) **Amount of Accounts.** The amount represented by the Debtor to the Creditors from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditors at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Creditors, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Creditors.
- (d) **Authority.** The Debtor has full power and authority to grant to the Creditors the Security Interests and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constating documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound.
- (e) **Consents.** Except for any consent that has been obtained and is in full force and effect, no consent of any Person (including any counterparty in respect of any Contract, any account debtor in respect of any Account, or any Governmental Authority in respect of any Permit) is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement (this representation being given without reference to the limitations contained in Section 3). For the purposes of complying with any transfer restrictions contained in the Organizational Documents of any Pledged Issuer, the Debtor hereby irrevocably consents to any transfer of the Pledged Securities of such Pledged Issuer.
- (f) **Execution and Delivery.** This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to

bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of Creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

- (g) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.
- (h) Intellectual Property Rights. All Intellectual Property Rights, the nature of the Debtors right, title or interest therein, and all registrations and applications for registrations pertaining thereto, are described in Schedule A to this Agreement. Each Intellectual Property Right is valid, subsisting, unexpired, enforceable, and has not been abandoned. In the case of copyright works, the Debtor has obtained full and irrevocable waivers of all moral rights or similar rights pertaining to such works. Except as set out in Schedule A to this Agreement, none of the Intellectual Property Rights have been licensed or franchised by the Debtor to any Person or, to the best of the Debtor's knowledge, infringed or otherwise misused by any Person. Except as set out in Schedule A to this Agreement, the exercise of any Intellectual Property Right, or any licensee or franchisee thereof, has not infringed or otherwise misused any intellectual property right of any other Person, and the Debtor has not received and is not aware of any claim of such infringement or other misuse.
- (i) Partnerships. Limited Liability Companies. The terms of any interest in a partnership or limited liability company that is Collateral expressly provide that such interest is a "security" for the purposes of the STA.
- (j) Due Authorization. The Pledged Securities have been duly authorized and validly issued and are fully paid and non-assessable.
- (k) Warrants, Options, etc. There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Securities.
- (l) No Required Disposition. There is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Debtor would be required to sell or otherwise dispose of any Pledged Securities or under which any Pledged Issuer thereof has any obligation to issue any Securities of such Pledged Issuer to any Person.

6. Survival of Representations and Warranties. All representations and warranties made by the Debtor in this Agreement (a) are material, (b) will be considered to have been relied on by the Creditors, and (c) will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditors and any disposition or payment of the Liabilities until the Release Date.

7. **Covenants. The Debtor covenants and agrees with the Creditors that:**

- (a) **Further Documentation.** The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditors may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the Province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditors will have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Debtor will immediately on request by the Creditors authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditors Liens similar to, and having the same effect as, the Security Interests.
- (b) **Maintenance of Records.** The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Creditors, the Debtor will mark any Collateral specified by the Creditors to evidence the existence of the Security Interests.
- (c) **Right of Inspection.** The Creditors may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditors may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditors with such clerical and other assistance as may be reasonably requested by the Creditors to exercise any of its rights under this paragraph.
- (d) **Limitations on Other Liens.** The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Liens, and the Debtor will defend the right, title and interest of the Creditors in and to the Collateral against the claims and demands of all Persons.

- (e) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditors's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of and, subject to the terms of this Agreement, Accounts may be collected, in the ordinary course of the Debtor's business. Following an Event of Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditors and will be immediately paid to the Creditors.
- (f) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (g) below, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or the Creditors, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Creditors.
- (g) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with previous practices, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.
- (h) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose. The Debtor shall maintain in good standing all registrations and applications with respect to the Intellectual Property Rights except to the extent that any failure to do so could not reasonably be expected to be materially adverse to the Debtor or the Creditors.
- (i) Insurance. The Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Creditors, and will (i) contain a breach of warranty clause in favour of the Creditors, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Creditors, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the Creditors, and (iv) name the Creditors as loss payee as its interest may appear. The Debtor will, from time to time at the Creditors's request, deliver the applicable insurance policies (or satisfactory evidence of such

policies) to the Creditors. If the Debtor does not obtain or maintain such insurance, the Creditors may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Creditors for all payments made by the Creditors in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Security Interests. Neither the Creditors nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

- (j) Further Identification of Collateral. The Debtor will promptly furnish to the Creditors such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditors may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.
- (k) Merger or Consolidation. The Debtor will not permit any Pledged Issuer to merge or consolidate unless all of the outstanding capital stock of the surviving or resulting corporation is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding shares of any other constituent corporation.
- (l) Agreements re Intellectual Property Rights. Promptly upon request from time to time by the Creditors, the Debtor will authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditors may request to evidence the Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.
- (m) Instruments; Documents of Title; Chattel Paper. Promptly upon request from time to time by the Creditors, the Debtor will deliver to the Creditors, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditors may reasonably request, any and all Instruments, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditors may specify in its request.
- (n) Pledged Certificated Securities. The Debtor will deliver to the Creditors any and all Pledged Security Certificates and other materials as may be required from time to time to provide the Creditors with control over all Pledged Certificated Securities in the manner provided under section 23 of the STA. At the request of the Creditors, the Debtor will cause all Pledged Security Certificates to be registered in the name of the Creditors or its nominee.
- (o) Pledged Uncertificated Securities. The Debtor will deliver to the Creditors any and all such documents, agreements and other materials as may be required from

time to time to provide the Creditors with control over all Pledged Uncertificated Securities in the manner provided under section 24 of the STA.

- (p) Pledged Security Entitlements. The Debtor will deliver to the Creditors any and all such documents, agreements and other materials as may be required from time to time to provide the Creditors with control over all Pledged Security Entitlements in the manner provided under section 25 or 26 of the STA.
- (q) Pledged Futures Contracts. The Debtor will deliver to the Creditors any and all such documents, agreements and other materials as may be required from time to time to provide the Creditors with control over all Pledged Futures Contracts in the manner provided under subsection 1(2) of the PPSA.
- (r) Partnerships, Limited Liability Companies. The Debtor will ensure that the terms of any interest in a partnership or limited liability company that is Collateral will expressly provide that such interest is a "security" for the purposes of the STA.
- (s) Transfer Restrictions. If the constating documents of any Pledged Issuer restrict the transfer of the Securities of such Pledged Issuer, then the Debtor will deliver to the Creditors a certified copy of a resolution of the directors, shareholders, unitholders or partners of such Pledged Issuer, as applicable, consenting to the transfer(s) contemplated by this Agreement, including any prospective transfer of the Collateral by the Creditors upon a realization on the Security Interests.
- (t) Notices. The Debtor will advise the Creditors promptly, in reasonable detail, of:
 - (i) any change to a Pledged Securities Intermediary's Jurisdiction, Pledged Issuer's Jurisdiction, or Pledged Future Intermediary's Jurisdiction;
 - (ii) any change in the location of the jurisdiction of incorporation or amalgamation, chief executive office, or domicile of the Debtor;
 - (iii) any change in the name of the Debtor;
 - (iv) any merger or amalgamation of the Debtor with any other Person;
 - (v) any additional jurisdiction in which the Debtor carries on business or has tangible Personal Property;
 - (vi) any additional jurisdiction in which material account debtors of the Debtor are located;
 - (vii) any acquisition of any right, title or interest in real property by the Debtor;
 - (viii) the creation or acquisition of any Subsidiary of the Debtor;
 - (ix) any Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral; or

- (x) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests.

The Debtor will not effect or permit any of the changes referred to in clauses (ii) through (viii) above unless all filings have been made and all other actions taken that are required in order for the Creditors to continue at all times following such change to have a valid and perfected first priority Security Interest in respect of all of the Collateral.

8. **Voting Rights.** Unless an Event of Default has occurred and is continuing, the Debtor will be entitled to exercise all voting power from time to time exercisable in respect of the Pledged Securities and Pledged Security Entitlements and give consents, waivers and ratifications in respect thereof; provided, however, that no vote will be cast or consent, waiver or ratification given or action taken which would be, or would have a reasonably likelihood of being, prejudicial to the interests of the Creditors or which would have the effect of reducing the value of the Collateral as security for the Liabilities or imposing any restriction on the transferability of any of the Collateral. Unless an Event of Default has occurred and is continuing the Creditors shall, from time to time at the request and expense of the Debtor, execute or cause to be executed, in respect of all Pledged Securities that are registered in the name of the Creditors or its nominee, valid proxies appointing the Debtor as its (or its nominee's) proxy to attend, vote and act for and on behalf of the Creditors or such nominee, as the case may be, at any and all meetings of the applicable Pledged Issuer's shareholders or debt holders, all Pledged Securities that are registered in the name of the Creditors or such nominee, as the case may be, and to execute and deliver, consent to or approve or disapprove of or withhold consent to any resolutions in writing of shareholders or debt holders of the applicable Pledged Issuer for and on behalf of the Creditors or such nominee, as the case may be. Immediately upon the occurrence and during the continuance of any Event of Default, all such rights of the Debtor to vote and give consents, waivers and ratifications will cease and the Creditors or its nominee will be entitled to exercise all such voting rights and to give all such consents, waivers and ratifications.

9. **Dividends; Interest.** Unless an Event of Default has occurred and is continuing, the Debtor will be entitled to receive any and all cash dividends, interest, principal payments and other forms of cash distribution on the Pledged Securities or Pledge Security Entitlements which it is otherwise entitled to receive, but any and all stock and/or liquidating dividends, distributions of property, returns of capital or other distributions made on or in respect of the Pledged Securities or Pledged Security Entitlements, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any Pledged Issuer or received in exchange for the Pledged Securities, Pledged Security Entitlements or any part thereof or as a result of any amalgamation, merger, consolidation, acquisition or other exchange of property to which any Pledged Issuer may be a party or otherwise, and any and all cash and other property received in exchange for any Pledged Securities or Pledged Security Entitlements will be and become part of the Collateral subject to the Security Interest and, if received by the Debtor, will forthwith be delivered to the Creditors or its nominee (accompanied, if appropriate, by proper instruments of assignment and/or stock powers of attorney executed by the Debtor in accordance with the Creditors's instructions) to be held subject to the terms of this Agreement; and if any of the

Pledged Security Certificates have been registered in the name of the Creditors or its nominee, the Creditors will execute and deliver (or cause to be executed and delivered) to the Debtor all such dividend orders and other instruments as the Debtor may request for the purpose of enabling the Debtor to receive the dividends or other payments which the Debtor is authorized to receive and retain pursuant to this Section. If an Event of Default has occurred and is continuing, all rights of the Debtor pursuant to this Section will cease and the Creditors will have the sole and exclusive right and authority to receive and retain the cash dividends, interest, principal payments and other forms of cash distribution which the Debtor would otherwise be authorized to retain pursuant to this Section. Any money and other property paid over to or received by the Creditors pursuant to the provisions of this Section will be retained by the Creditors as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement.

10. **Rights on Event of Default.** If an Event of Default has occurred and is continuing, then and in every such case all of the Liabilities shall, at the option of the Creditors, become immediately due and payable and the Security Interests shall become enforceable and the Creditors, in addition to any rights now or hereafter existing under applicable law may, personally or by agent, at such time or times as the Creditors in its discretion may determine, do any one or more of the following:

- (a) **Rights under PPSA, etc.** Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditors by contract, at law or in equity.
- (b) **Demand Possession.** Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Creditors to be assembled and made available and/or delivered to the Creditors at any place designated by the Creditors.
- (c) **Take Possession.** Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.
- (d) **Deal with Collateral.** Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditors may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.
- (e) **Carry on Business.** Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.
- (f) **Enforce Collateral.** Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditors deems advisable.

- (g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditors or elsewhere, with or without advertising or other formality, except as required by applicable law, on such terms and conditions as the Creditors may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (h) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.
- (i) Purchase by Creditors. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by law. In any such sale to the Creditors, the Creditors may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Liabilities then due and payable to it as a credit against the purchase price.
- (j) Collect Accounts. Notify the account debtors under any Accounts of the Debtor of the assignment of such Accounts to the Creditors and direct such account debtors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditors and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditors deems appropriate in the circumstances.
- (k) Transfer of Collateral. Transfer any Collateral that is Investment Property into the name of the Creditors or its nominee.
- (l) Voting. Vote any or all of the Pledged Securities (whether or not transferred to the Creditors or its nominee) and Pledged Security Entitlements and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof.
- (m) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Collateral that is Investment Property as if the Creditors were the absolute owner of such Investment Property.
- (n) Dealing with Contracts and Permits. Deal with any and all Contracts and Permits to the same extent as the Debtor might (including the enforcement, realization, sale, assignment, transfer, and requirement for continued performance), all on such terms and conditions and at such time or times as may seem advisable to the Creditors.

- (o) Payment of Liabilities. Pay any liability secured by any Lien against any Collateral. The Debtor will immediately on demand reimburse the Creditors for all such payments and, until paid, any such reimbursement obligation shall form part of the Liabilities and shall be secured by the Security Interests.
- (p) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Liens on any Collateral (in priority to the Security Interests or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Creditors for all such borrowings and, until paid, any such reimbursement obligations shall form part of the Liabilities and shall be secured by the Security Interests.
- (q) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditors under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditors will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditors.
- (r) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Debtor or of any or all of the Collateral.
- (s) Consultants. Require the Debtor to engage a consultant of the Creditors's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its agents and employees, including unrestricted access to the premises of the Debtor and the Books and Records; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditors and to disclose to the Creditors any and all information obtained in the course of such consultant's employment.

The Creditors may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Debtor acknowledges and agrees that any action taken by the Creditors hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

11. **Realization Standards.** To the extent that applicable law imposes duties on the Creditors to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditors to dispose of the Collateral in any such manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Creditors (a) to incur expenses reasonably deemed significant by the Creditors to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to the Collateral to be disposed of, (c) to fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral or to remove Liens against the Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (e) to dispose of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (f) to contact other Persons, whether or not in the same business of the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature or an upset or reserve bid or price is established, (h) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) to purchase insurance or credit enhancements to insure the Creditors against risks of loss, collection or disposition of the Collateral or to provide to the Creditors a guaranteed return from the collection or disposition of the Collateral, (l) to the extent deemed appropriate by the Creditors, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditors in the collection or disposition of any of the Collateral, (m) to dispose of Collateral in whole or in part, and (n) to dispose of Collateral to a customer of the Creditors, and (o) to establish an upset or reserve bid price in respect of Collateral.

12. **Grant of Licence.** For the purpose of enabling the Creditors to exercise its rights and remedies under this Agreement when the Creditors is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditors an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. For any trademarks, service marks and other business indicia, such licence includes an obligation on the part of the Creditors to maintain the standards of quality maintained by the Debtor or, in the case of trademarks, service marks or other business indicia licensed to the Debtor, the standards of quality imposed upon the Debtor by the relevant licence. For copyright works, such licence shall include the benefit of any waivers of moral rights and similar rights.

13. **Securities Laws.** The Creditors is authorized, in connection with any offer or sale of any Pledged Securities or Pledged Security Entitlements, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are

purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditors will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Pledged Securities or Pledged Security Entitlements are sold in compliance with any such limitation or restriction. If the Creditors chooses to exercise its right to sell any or all Pledged Securities or Pledged Security Entitlements, upon written request, the Debtor will cause each applicable Pledged Issuer to furnish to the Creditors all such information as the Creditors may request in order to determine the number of shares and other instruments included in the Collateral which may be sold by the Creditors in exempt transactions under any laws governing securities, and the rules and regulations of any applicable securities regulatory thereunder, as the same are from time to time in effect.

14. **ULC Shares.** The Debtor acknowledges that certain of the Collateral may now or in the future consist of ULC Shares, and that it is the intention of Creditors and the Debtor that the Creditors should not under any circumstances prior to realization be held to be a "member" or a "shareholder", as applicable, of a ULC for the purposes of any ULC Laws. Therefore, notwithstanding any provisions to the contrary contained in this Agreement or any other loan document, where the Debtor is the registered and beneficial owner of ULC Shares which are Collateral, the Debtor will remain the sole registered and beneficial owner of such ULC Shares until such time as such ULC Shares are effectively transferred into the name of the Creditors or any other Person on the books and records of the applicable ULC. Accordingly, the Debtor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of such ULC Shares (except for any dividend or distribution comprised of Pledged Security Certificates; which shall be delivered to the Creditors to hold hereunder) and shall have the right to vote such ULC Shares and to control the direction, management and policies of the applicable ULC to the same extent as the Debtor would if such ULC Shares were not pledged to the Creditors pursuant hereto. Nothing in this Agreement or any other loan document is intended to, and nothing in this Agreement or any other loan document shall, constitute the Creditors or any Person other than the Debtor, a member or shareholder of a ULC for the purposes of any ULC Laws (whether listed or unlisted, registered or beneficial), until such time as notice is given to the Debtor and further steps are taken pursuant hereto or thereto so as to register the Creditors or such other Person, as specified in such notice, as the holder of the ULC Shares. To the extent any provision hereof would have the effect of constituting the Creditors as a member or a shareholder, as applicable, of any ULC prior to such time, such provision shall be severed herefrom and shall be ineffective with respect to ULC Shares which are Collateral without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which is not ULC Shares. Except upon the exercise of rights of the Creditors to sell, transfer or otherwise dispose of ULC Shares in accordance with this Agreement, the Debtor shall not cause or permit, or enable a Pledged Issuer that is a ULC to cause or permit, the Creditors to: (a) be registered as a shareholder or member of such Pledged Issuer; (b) have any notation entered in their favour in the share register of such Pledged Issuer; (c) be held out as shareholders or members of such Pledged Issuer; (d) receive, directly or indirectly, any dividends, property or other distributions from such Pledged Issuer by reason of the Creditors holding the Security Interests over the ULC Shares; or (e) act as a shareholder of such Pledged Issuer, or exercise any rights of a shareholder

including the right to attend a meeting of shareholders of such Pledged Issuer or to vote its ULC Shares.

15. **Application of Proceeds.** All Proceeds of Collateral received by the Creditors or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditors's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditors, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditors or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditors, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditors considers appropriate and thereafter will be accounted for as required by law.

16. **Continuing Liability of Debtor.** The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

17. **Creditors's Appointment as Attorney-in-Fact.** The Debtor constitutes and appoints the Creditors and any officer or agent of the Creditors, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditors's discretion while an Event of Default is continuing, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the effect of this Section, the Debtor grants the Creditors an irrevocable proxy to vote the Pledged Securities and Pledged Security Entitlements and to exercise all other rights, powers, privileges and remedies to which a holder thereof would be entitled (including giving or withholding written consents of shareholders, calling special meetings of shareholders and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Securities or Pledged Security Entitlements on the books and records of a Pledged Issuer or Pledged Securities Intermediary, as applicable, upon the occurrence of an Event of Default. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditors as secured party or any other Person on the Creditors's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditors or such other Person considers appropriate. The Debtor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditors or any of the Creditors's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditors pursuant to this Section.

18. **Performance by Creditors of Debtor's Obligations.** If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditors may, but need not, perform or otherwise cause the performance or compliance of such obligation,

provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditors incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditors immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests.

19. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

20. **Rights of Creditors; Limitations on Creditors's Obligations.**

- (a) **Limitations on Creditors's Liability.** The Creditors will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditors, a Receiver nor any agent of the Creditors (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditors, any Receiver nor any agent of the Creditors will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditors, any Receiver or any agent of the Creditors) caused for any reason other than the gross negligence or wilful misconduct of the Creditors, such Receiver or such agent of the Creditors.
- (b) **Debtor Remains Liable under Accounts and Contracts.** Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts of the Debtor and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditors will have no obligation or liability under any Account of the Debtor (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditors of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditors will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

- (c) Collections on Accounts and Contracts. The Creditors hereby authorizes the Debtor to collect its Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditors at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditors if required, in a special collateral account maintained by the Creditors, and until so deposited, will be held by the Debtor in trust for the Creditors, segregated from the other funds of the Debtor. All such amounts while held by the Creditors (or by the Debtor in trust for the Creditors) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If an Event of Default has occurred and is continuing, the Creditors may apply all or any part of the amounts on deposit in such special collateral account on account of the Liabilities in such order as the Creditors may elect. At the Creditors's request, the Debtor will deliver to the Creditors any documents evidencing and relating to the agreements and transactions which gave rise to its Accounts and the Contracts, including all original orders, invoices and shipping receipts.
- (d) Analysis of Accounts. At any time and from time to time, the Creditors will have the right to analyze and verify the Accounts of the Debtor in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Creditors may require in connection therewith. At any time and from time to time, the Creditors may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts of the Debtor and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditors's reasonable request and at the expense of the Debtor, the Debtor will furnish to the Creditors reports showing reconciliations, aging and test verifications of, and trial balances for, its Accounts.
- (e) Use of Agents. The Creditors may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

21. Dealings by Creditors. The Creditors will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditors may consider desirable. The Creditors may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditors may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditors under this Agreement. The powers conferred on the Creditors under this Agreement are solely to protect the interests of the

Creditors in the Collateral and will not impose any duty upon the Creditors to exercise any such powers.

22. **Communication.** Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditors set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditors may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

23. **Release of Information.** The Debtor authorizes the Creditors to provide a copy of this Agreement and such other information as may be requested of the Creditors to the extent necessary to enforce the Creditors's rights, remedies and entitlements under this Agreement.

24. **Expenses; Indemnity; Waiver.**

- (a) The Debtor shall pay (i) all reasonable out-of-pocket expenses incurred by the Creditors, including the reasonable fees, charges and disbursements of counsel for the Creditors and all applicable taxes, in connection with the preparation and administration of this Agreement, (ii) all reasonable out-of-pocket expenses incurred by the Creditors, including the reasonable fees, charges and disbursements of counsel for the Creditors and applicable taxes, in connection with any amendments, modifications or waivers of the provisions hereof, and (iii) all out-of-pocket expenses incurred by the Creditors, including the fees, charges and disbursements of any counsel for the Creditors and all applicable taxes, in connection with the enforcement or protection of their rights in connection with this Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Liabilities.
- (b) The Debtor shall indemnify the Creditors against, and hold the Creditors harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable taxes to which the Creditors may become subject arising out of or in connection with (i) the execution or delivery of this Agreement and the performance by the Debtor of its obligations hereunder, (ii) any actual or prospective claim, litigation, investigation or proceeding relating to this Agreement or the Liabilities, whether based on contract, tort or any other theory and regardless of whether the Creditors is a party thereto, (iii) any other aspect of

this Agreement, or (iv) the enforcement of the Creditors's rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries; provided that such indemnity shall not, as to the Creditors, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or wilful misconduct of or material breach of this Agreement by the Creditors.

- (c) The Debtor shall not assert, and hereby waives (to the fullest extent permitted by applicable law), (i) any claim against the Creditors, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.
- (d) All amounts due under this Section shall be payable not later than three Business Days after written demand therefor.
- (e) The indemnifications set out in this Section will survive the Release Date and the release or extinguishment of the Security Interests.

25. **Release of Debtor.** Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of the Debtor to pay the Liabilities, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation. Upon the written request of the Debtor given at any time on or after the Release Date, the Creditors shall release the Debtor and the Collateral from the Security Interests and such release shall serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of the Debtor, the Creditors shall execute and deliver to the Debtor such releases and discharges as the Debtor may reasonably request.

26. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Debtor or any other Person to the Creditors, all of which other security shall remain in full force and effect.

27. **Alteration or Waiver.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditors. The Creditors will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditors, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditors of any right or remedy hereunder on any one occasion will not be construed as a bar to

any right or remedy which the Creditors would otherwise have on any future occasion. Neither the taking of any judgement nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

28. **Environmental License and Indemnity.** The Debtor hereby grants to the Creditors and its employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any of the premises of the Debtor to conduct audits, testing and monitoring with respect to hazardous substances and to remove and analyze any hazardous substance at the cost and expense of the Debtor (which cost and expense will form part of the Liabilities and will be payable immediately on demand and secured by the Security Interests created by this Agreement). The Debtor will indemnify the Creditors and hold the Creditors harmless against and from all losses, costs, damages and expenses which the Creditors may sustain, incur or be or become liable at any time whatsoever for by reason of or arising from the past, present or future existence, clean-up, removal or disposal of any hazardous substance on or about any property owned or occupied by the Creditors or compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any premises owned or occupied by the Debtor or other affected lands or property. This indemnification will survive the Release Date.

29. **Amalgamation.** If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

30. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditors to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

31. **Interpretation.** Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditors or is to be acceptable to the Creditors, such consent, approval or determination of acceptability will be in the sole discretion of the Creditors. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word

"including" (or "includes") means including (or includes) without limitation. Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

32. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditors and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement. If the Debtor or the Creditors is an individual, then the term "Debtor" or "Creditors", as applicable, will also include his or her heirs, administrators and executors.

33. **Acknowledgment of Receipt/Waiver.** The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

34. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by the Debtor of a manually executed copy of this Agreement by the Debtor.

Dated: Nov 27th, 2009

**DITEBA RESEARCH
LABORATORIES INC.**

Address: 1620 Tech Avenue, Unit 3
Mississauga, Ontario
L4W 5P4
Attention: Chief Financial Officer
Facsimile: (905) 625-3767

By: Bakhtodjaav
Name: Bakhtodir Akhtodjaav
Title: CFO

SCHEDULE A

DEBTOR INFORMATION

Full legal name: Diteba Research Laboratories Inc.

Jurisdiction of incorporation or organization: Ontario

Address of chief executive office: 1620 Tech Avenue, Unit 3, Mississauga, Ontario, L4W 5P4

Addresses of all places where business is carried on or tangible Personal Property is kept:

1620 Tech Avenue, Unit 3, Mississauga, Ontario, L4W 5P4

Jurisdictions in which all material account debtors are located: Canada, United States

Addresses of all owned real property: N/A

Addresses of all leased real property: 1620 Tech Avenue, Unit 3, Mississauga, Ontario, L4W 5P4

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats): N/A

Description of all material Permits: Establishment License No. 101406-A under the Food and Drugs Act (Division 1A & 2); License No. 2006/6628 under the Controlled Drugs and Substances Act; Registration of Drug Establishment No. 3005415167 with the United States Food and Drug Administration

Subsidiaries of the Debtor: None

Instruments, Documents of Title and Chattel Paper of the Debtor: N/A

Pledged Certificated Securities: N/A

Pledged Securities Accounts: N/A

Pledged Uncertificated Securities: N/A

Pledged Futures Accounts: N/A

Registered trademarks and applications for trademark registrations: N/A

Patents and patent applications: N/A

Copyright registrations and applications for copyright registrations: N/A

Industrial designs/registered designs and applications for registered designs: N/A.

GENERAL SECURITY AGREEMENT

TO: Name: **COBALT CAPITAL PARTNERS, L.P.**
Address: **1464 Cornwall Road, Suite 7**
Oakville, ON L6J 7W5
Attention: **Managing Director**
Facsimile: **(905) 815-8385**

RECITALS:

A. **DITEBA RESEARCH LABORATORIES INC.** (the "Debtor") is indebted or liable to **COBALT CAPITAL PARTNERS, L.P.** (the "Creditors") pursuant to the terms of a senior secured convertible promissory note dated January 15, 2010 (the "Senior Note").

B. To secure the payment and performance of the Liabilities, the Debtor has agreed to grant to the Creditors the Security Interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditors as follows:

1. Definitions. In this Agreement the following terms have the following meanings:

"Accessions", "Account", "Chattel Paper", "Certificated Security", "Consumer Goods", "Document of Title", "Equipment", "Futures Account", "Futures Contract", "Futures Intermediary", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money", "Proceeds", "Securities Account", "Securities Intermediary", "Security", "Security Certificate", "Security Entitlement", and "Uncertificated Security" have the meanings given to them in the PPSA.

"Agreement" means this agreement, including the schedules and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"Bank of Canada Rate" means the per annum rate of interest quoted from time to time by the Bank of Canada as the minimum per annum rate of interest charged by the Bank of Canada for short term advances made by the Bank of Canada to members of the Canadian Payments Association.

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Personal Property of the Debtor which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the Province referred to in the "Governing Law" section of this Agreement.

“Collateral” means all of the present and future:

- (a) undertaking;
- (b) Personal Property (including Books and Records, Contracts, Intellectual Property Permits and any Personal Property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Creditors in connection with this Agreement); and
- (c) real property (including any real property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Creditors in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property),

of the Debtor, including all such property in which the Debtor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by the Debtor, and all Proceeds thereof, wherever located.

“Contracts” means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement.

“Creditors” has the meaning set out in the recitals hereto.

“Debtor” has the meaning set out in the recitals hereto.

“Event of Default” means the occurrence of any of the following events or conditions:

- (a) the Debtor does not pay any of the Liabilities when due;
- (b) the Debtor does not observe or perform any of the Debtor's obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditors;
- (c) any representation, warranty or statement made by or on behalf of the Debtor to the Creditors, in this Agreement or otherwise, is untrue in any material respect when made;
- (d) the Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor's business;
- (e) if the Debtor is a corporation, there is, in the Creditors' opinion, acting reasonably, a change in effective control of the Debtor, or if the Debtor is a

partnership, there is, in the Creditors' opinion, acting reasonably, a dissolution or change in the membership of the partnership;

- (f) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of Creditors under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies Creditors Arrangement Act (Canada)* or other comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- (g) a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
- (h) any Person holding a Lien in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
- (i) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests; or
- (j) the Creditors, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy.

“Governmental Authority” means the Government of Canada, any other nation or any political subdivision thereof, whether provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including the Bank Committee on Banking Regulation and Supervisory Practices of the Bank of International Settlements.

“Intellectual Property Rights” means all industrial and intellectual property rights of the Debtor or in which the Debtor has any right, title or interest, including copyrights, patents, unpatented inventions, trade marks, industrial designs, integrated circuit topographies, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights.

“Issuer” has the meaning given to that term in the STA.

“Liabilities” means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditors pursuant to the terms of the Senior Notes.

“Lien” means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

“Organizational Documents” means, with respect to any Person, such Person’s articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

“Permits” means all permits, licences, waivers, exemptions, consents, certificates, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business.

“Permitted Liens” means the Security Interests and all other Liens permitted in writing by the Creditors.

“Person” includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

“Personal Property” means personal property and includes Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Investment Property and Money.

“Pledged Certificated Securities” means any and all Collateral that is a Certificated Security.

“Pledged Futures Contracts” means any and all Collateral that is a Futures Contract.

“Pledged Futures Accounts” means any and all Collateral that is a Futures Account.

“Pledged Futures Intermediary” means, at any time, any Person which is at such time is a Futures Intermediary at which a Pledged Futures Account is maintained.

“Pledged Futures Intermediary’s Jurisdiction” means, with respect to any Pledged Futures Intermediary, its jurisdiction as determined under section 7.1(4) of the PPSA.

“Pledged Issuer” means, at any time, any Person which is at such time an Issuer with respect to any Pledged Securities or Pledged Security Entitlements.

“Pledged Issuer’s Jurisdiction” means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44 of the STA.

"Pledged Security Certificates" means any and all Security Certificates representing the Pledged Certificated Securities.

"Pledged Securities" means any and all Collateral that is a Security.

"Pledged Securities Accounts" means any and all Collateral that is a Securities Account.

"Pledged Securities Intermediary" means, at any time, any Person which is at such time is a Securities Intermediary at which a Pledged Securities Account is maintained.

"Pledged Securities Intermediary's Jurisdiction" means, with respect to any Securities Intermediary, its jurisdiction as determined under section 45(2) of the STA.

"Pledged Security Entitlements" means any and all Collateral that is a Security Entitlement.

"Pledged Uncertificated Securities" means any and all Collateral that is an Uncertificated Security.

"PPSA" means the *Personal Property Security Act* of the Province referred to in the "Governing Law" section of this Agreement, 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.

"Prime Rate" means the rate announced by the Creditors from time to time as its prime rate for Canadian Dollar commercial loans made in Canada.

"Receiver" means a receiver, a manager or a receiver and manager.

"Release Date" means the date on which all the Liabilities have been indefeasibly paid and discharged in full and the Creditors has no further obligations to the Debtor pursuant to which further Liabilities might arise.

"Security Interests" means the Liens created by the Debtor in favour of the Creditors under this Agreement.

"Senior Notes" has the meaning set out in the recitals hereto.

"STA" means the *Securities Transfer Act* of the Province referred to in the "Governing Law" section of this Agreement, 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.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.

"ULC" means an Issuer that is an unlimited company or unlimited liability company.

"ULC Laws" means the *Companies Act* (Nova Scotia), the *Business Corporations Act* (Alberta), and any future laws governing ULCs.

"ULC Shares" means shares or other equity interests in the capital stock of a ULC.

2. **Grant of Security Interests.** As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor pledges, mortgages, charges and assigns (by way of security) to the Creditors, and grants to the Creditors a security interest in, the Collateral.

3. **Limitations on Grant of Security Interests.** If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then such Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditors and, on the exercise by the Creditors of any of its rights or remedies under this Agreement following an Event of Default will be assigned by the Debtor as directed by the Creditors, provided that the Security Interests shall attach to such Contract, Intellectual Property Right or Permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied. In addition, the Security Interests do not attach to Consumer Goods or extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditors and, on the exercise by the Creditors of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by the Debtor as directed by the Creditors. For greater certainty, no Intellectual Property Right shall be transferred to the Creditors by sole virtue of the grant of the Security Interests contained in Section 2.

4. **Attachment; No Obligation to Advance.** The Debtor confirms that value has been given by the Creditors to the Debtor, that the Debtor has rights in the Collateral existing at the date of this Agreement and that the Debtor and the Creditors have not agreed to postpone the time for attachment of any of the Security Interests to any of the Collateral. The Security Interests will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditors shall oblige the Creditors to make any financial accommodation or further financial accommodation available to the Debtor or any other Person.

5. **Representations and Warranties.** The Debtor represents and warrants to the Creditors that, as of the date of this Agreement:

- (a) **Debtor Information.** All of the information set out in Schedule A is accurate and complete.
- (b) **Title; No Other Security Interests.** Except for Permitted Liens, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is

Investment Property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens.

- (c) Amount of Accounts. The amount represented by the Debtor to the Creditors from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditors at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Creditors, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Creditors.
- (d) Authority. The Debtor has full power and authority to grant to the Creditors the Security Interests and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constating documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound.
- (e) Consents. Except for any consent that has been obtained and is in full force and effect, no consent of any Person (including any counterparty in respect of any Contract, any account debtor in respect of any Account, or any Governmental Authority in respect of any Permit) is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement (this representation being given without reference to the limitations contained in Section 3). For the purposes of complying with any transfer restrictions contained in the Organizational Documents of any Pledged Issuer, the Debtor hereby irrevocably consents to any transfer of the Pledged Securities of such Pledged Issuer.
- (f) Execution and Delivery. This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of Creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.
- (g) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

- (h) Intellectual Property Rights. All Intellectual Property Rights, the nature of the Debtors right, title or interest therein, and all registrations and applications for registrations pertaining thereto, are described in Schedule A to this Agreement. Each Intellectual Property Right is valid, subsisting, unexpired, enforceable, and has not been abandoned. In the case of copyright works, the Debtor has obtained full and irrevocable waivers of all moral rights or similar rights pertaining to such works. Except as set out in Schedule A to this Agreement, none of the Intellectual Property Rights have been licensed or franchised by the Debtor to any Person or, to the best of the Debtor's knowledge, infringed or otherwise misused by any Person. Except as set out in Schedule A to this Agreement, the exercise of any Intellectual Property Right, or any licensee or franchisee thereof, has not infringed or otherwise misused any intellectual property right of any other Person, and the Debtor has not received and is not aware of any claim of such infringement or other misuse.
- (i) Partnerships, Limited Liability Companies. The terms of any interest in a partnership or limited liability company that is Collateral expressly provide that such interest is a "security" for the purposes of the STA.
- (j) Due Authorization. The Pledged Securities have been duly authorized and validly issued and are fully paid and non-assessable.
- (k) Warrants, Options, etc. There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Securities.
- (l) No Required Disposition. There is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Debtor would be required to sell or otherwise dispose of any Pledged Securities or under which any Pledged Issuer thereof has any obligation to issue any Securities of such Pledged Issuer to any Person.

6. Survival of Representations and Warranties. All representations and warranties made by the Debtor in this Agreement (a) are material, (b) will be considered to have been relied on by the Creditors, and (c) will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditors and any disposition or payment of the Liabilities until the Release Date.

7. Covenants. The Debtor covenants and agrees with the Creditors that:

- (a) Further Documentation. The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditors may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the

Security Interests). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the Province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditors will have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Debtor will immediately on request by the Creditors authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditors Liens similar to, and having the same effect as, the Security Interests.

- (b) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Creditors, the Debtor will mark any Collateral specified by the Creditors to evidence the existence of the Security Interests.
- (c) Right of Inspection. The Creditors may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditors may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditors with such clerical and other assistance as may be reasonably requested by the Creditors to exercise any of its rights under this paragraph.
- (d) Limitations on Other Liens. The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Liens, and the Debtor will defend the right, title and interest of the Creditors in and to the Collateral against the claims and demands of all Persons.
- (e) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditors' prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of and, subject to the terms of this Agreement, Accounts may be collected, in the ordinary course of the Debtor's business. Following an Event of Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditors and will be immediately paid to the Creditors.

- (f) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (g) below, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or the Creditors, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Creditors.
- (g) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with previous practices, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.
- (h) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose. The Debtor shall maintain in good standing all registrations and applications with respect to the Intellectual Property Rights except to the extent that any failure to do so could not reasonably be expected to be materially adverse to the Debtor or the Creditors.
- (i) Insurance. The Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Creditors, and will (i) contain a breach of warranty clause in favour of the Creditors, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Creditors, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the Creditors, and (iv) name the Creditors as loss payee as its interest may appear. The Debtor will, from time to time at the Creditors's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Creditors. If the Debtor does not obtain or maintain such insurance, the Creditors may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Creditors for all payments made by the Creditors in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Security Interests. Neither the Creditors nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

- (j) Further Identification of Collateral. The Debtor will promptly furnish to the Creditors such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditors may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.
- (k) Merger or Consolidation. The Debtor will not permit any Pledged Issuer to merge or consolidate unless all of the outstanding capital stock of the surviving or resulting corporation is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding shares of any other constituent corporation.
- (l) Agreements re Intellectual Property Rights. Promptly upon request from time to time by the Creditors, the Debtor will authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditors may request to evidence the Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.
- (m) Instruments; Documents of Title; Chattel Paper. Promptly upon request from time to time by the Creditors, the Debtor will deliver to the Creditors, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditors may reasonably request, any and all Instruments, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditors may specify in its request.
- (n) Pledged Certificated Securities. The Debtor will deliver to the Creditors any and all Pledged Security Certificates and other materials as may be required from time to time to provide the Creditors with control over all Pledged Certificated Securities in the manner provided under section 23 of the STA. At the request of the Creditors, the Debtor will cause all Pledged Security Certificates to be registered in the name of the Creditors or its nominee.
- (o) Pledged Uncertificated Securities. The Debtor will deliver to the Creditors any and all such documents, agreements and other materials as may be required from time to time to provide the Creditors with control over all Pledged Uncertificated Securities in the manner provided under section 24 of the STA.
- (p) Pledged Security Entitlements. The Debtor will deliver to the Creditors any and all such documents, agreements and other materials as may be required from time to time to provide the Creditors with control over all Pledged Security Entitlements in the manner provided under section 25 or 26 of the STA.
- (q) Pledged Futures Contracts. The Debtor will deliver to the Creditors any and all such documents, agreements and other materials as may be required from time to

time to provide the Creditors with control over all Pledged Futures Contracts in the manner provided under subsection 1(2) of the PPSA.

- (r) Partnerships, Limited Liability Companies. The Debtor will ensure that the terms of any interest in a partnership or limited liability company that is Collateral will expressly provide that such interest is a "security" for the purposes of the STA.
- (s) Transfer Restrictions. If the constating documents of any Pledged Issuer restrict the transfer of the Securities of such Pledged Issuer, then the Debtor will deliver to the Creditors a certified copy of a resolution of the directors, shareholders, unitholders or partners of such Pledged Issuer, as applicable, consenting to the transfer(s) contemplated by this Agreement, including any prospective transfer of the Collateral by the Creditors upon a realization on the Security Interests.
- (t) Notices. The Debtor will advise the Creditors promptly, in reasonable detail, of:
 - (i) any change to a Pledged Securities Intermediary's Jurisdiction, Pledged Issuer's Jurisdiction, or Pledged Future Intermediary's Jurisdiction;
 - (ii) any change in the location of the jurisdiction of incorporation or amalgamation, chief executive office, or domicile of the Debtor;
 - (iii) any change in the name of the Debtor;
 - (iv) any merger or amalgamation of the Debtor with any other Person;
 - (v) any additional jurisdiction in which the Debtor carries on business or has tangible Personal Property;
 - (vi) any additional jurisdiction in which material account debtors of the Debtor are located;
 - (vii) any acquisition of any right, title or interest in real property by the Debtor;
 - (viii) the creation or acquisition of any Subsidiary of the Debtor;
 - (ix) any Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral; or
 - (x) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests.

The Debtor will not effect or permit any of the changes referred to in clauses (ii) through (viii) above unless all filings have been made and all other actions taken that are required in order for the Creditors to continue at all times following such change to have a valid and perfected first priority Security Interest in respect of all of the Collateral.

8. **Voting Rights.** Unless an Event of Default has occurred and is continuing, the Debtor will be entitled to exercise all voting power from time to time exercisable in respect of the Pledged Securities and Pledged Security Entitlements and give consents, waivers and ratifications in respect thereof; provided, however, that no vote will be cast or consent, waiver or ratification given or action taken which would be, or would have a reasonably likelihood of being, prejudicial to the interests of the Creditors or which would have the effect of reducing the value of the Collateral as security for the Liabilities or imposing any restriction on the transferability of any of the Collateral. Unless an Event of Default has occurred and is continuing the Creditors shall, from time to time at the request and expense of the Debtor, execute or cause to be executed, in respect of all Pledged Securities that are registered in the name of the Creditors or its nominee, valid proxies appointing the Debtor as its (or its nominee's) proxy to attend, vote and act for and on behalf of the Creditors or such nominee, as the case may be, at any and all meetings of the applicable Pledged Issuer's shareholders or debt holders, all Pledged Securities that are registered in the name of the Creditors or such nominee, as the case may be, and to execute and deliver, consent to or approve or disapprove of or withhold consent to any resolutions in writing of shareholders or debt holders of the applicable Pledged Issuer for and on behalf of the Creditors or such nominee, as the case may be. Immediately upon the occurrence and during the continuance of any Event of Default, all such rights of the Debtor to vote and give consents, waivers and ratifications will cease and the Creditors or its nominee will be entitled to exercise all such voting rights and to give all such consents, waivers and ratifications.

9. **Dividends; Interest.** Unless an Event of Default has occurred and is continuing, the Debtor will be entitled to receive any and all cash dividends, interest, principal payments and other forms of cash distribution on the Pledged Securities or Pledge Security Entitlements which it is otherwise entitled to receive, but any and all stock and/or liquidating dividends, distributions of property, returns of capital or other distributions made on or in respect of the Pledged Securities or Pledged Security Entitlements, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any Pledged Issuer or received in exchange for the Pledged Securities, Pledged Security Entitlements or any part thereof or as a result of any amalgamation, merger, consolidation, acquisition or other exchange of property to which any Pledged Issuer may be a party or otherwise, and any and all cash and other property received in exchange for any Pledged Securities or Pledged Security Entitlements will be and become part of the Collateral subject to the Security Interest and, if received by the Debtor, will forthwith be delivered to the Creditors or its nominee (accompanied, if appropriate, by proper instruments of assignment and/or stock powers of attorney executed by the Debtor in accordance with the Creditors's instructions) to be held subject to the terms of this Agreement; and if any of the Pledged Security Certificates have been registered in the name of the Creditors or its nominee, the Creditors will execute and deliver (or cause to be executed and delivered) to the Debtor all such dividend orders and other instruments as the Debtor may request for the purpose of enabling the Debtor to receive the dividends or other payments which the Debtor is authorized to receive and retain pursuant to this Section. If an Event of Default has occurred and is continuing, all rights of the Debtor pursuant to this Section will cease and the Creditors will have the sole and exclusive right and authority to receive and retain the cash dividends, interest, principal payments and other forms of cash distribution which the Debtor would otherwise be authorized to retain pursuant to this Section. Any money and other property paid over to or received by the Creditors pursuant to the provisions of this Section will be retained by the

Creditors as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement.

10. **Rights on Event of Default.** If an Event of Default has occurred and is continuing, then and in every such case all of the Liabilities shall, at the option of the Creditors, become immediately due and payable and the Security Interests shall become enforceable and the Creditors, in addition to any rights now or hereafter existing under applicable law may, personally or by agent, at such time or times as the Creditors in its discretion may determine, do any one or more of the following:

- (a) **Rights under PPSA, etc.** Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditors by contract, at law or in equity.
- (b) **Demand Possession.** Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Creditors to be assembled and made available and/or delivered to the Creditors at any place designated by the Creditors.
- (c) **Take Possession.** Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.
- (d) **Deal with Collateral.** Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditors may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.
- (e) **Carry on Business.** Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.
- (f) **Enforce Collateral.** Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditors deems advisable.
- (g) **Dispose of Collateral.** Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditors or elsewhere, with or without advertising or other formality, except as required by applicable law, on such terms and conditions as the Creditors may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (h) **Court-Approved Disposition of Collateral.** Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.

- (i) Purchase by Creditors. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by law. In any such sale to the Creditors, the Creditors may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Liabilities then due and payable to it as a credit against the purchase price.
- (j) Collect Accounts. Notify the account debtors under any Accounts of the Debtor of the assignment of such Accounts to the Creditors and direct such account debtors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditors and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditors deems appropriate in the circumstances.
- (k) Transfer of Collateral. Transfer any Collateral that is Investment Property into the name of the Creditors or its nominee.
- (l) Voting. Vote any or all of the Pledged Securities (whether or not transferred to the Creditors or its nominee) and Pledged Security Entitlements and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof.
- (m) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Collateral that is Investment Property as if the Creditors were the absolute owner of such Investment Property.
- (n) Dealing with Contracts and Permits. Deal with any and all Contracts and Permits to the same extent as the Debtor might (including the enforcement, realization, sale, assignment, transfer, and requirement for continued performance), all on such terms and conditions and at such time or times as may seem advisable to the Creditors.
- (o) Payment of Liabilities. Pay any liability secured by any Lien against any Collateral. The Debtor will immediately on demand reimburse the Creditors for all such payments and, until paid, any such reimbursement obligation shall form part of the Liabilities and shall be secured by the Security Interests.
- (p) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Liens on any Collateral (in priority to the Security Interests or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Creditors for all such

borrowings and, until paid, any such reimbursement obligations shall form part of the Liabilities and shall be secured by the Security Interests.

- (q) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditors under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditors will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditors.
- (r) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Debtor or of any or all of the Collateral.
- (s) Consultants. Require the Debtor to engage a consultant of the Creditors's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its agents and employees, including unrestricted access to the premises of the Debtor and the Books and Records; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditors and to disclose to the Creditors any and all information obtained in the course of such consultant's employment.

The Creditors may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Debtor acknowledges and agrees that any action taken by the Creditors hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

11. Realization Standards. To the extent that applicable law imposes duties on the Creditors to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditors to dispose of the Collateral in any such manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Creditors (a) to incur expenses reasonably deemed significant by the Creditors to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to the Collateral to be disposed of, (c) to fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral or to remove Liens against the Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (e) to dispose of Collateral

by way of public auction, public tender or private contract, with or without advertising and without any other formality, (f) to contact other Persons, whether or not in the same business of the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature or an upset or reserve bid or price is established, (h) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) to purchase insurance or credit enhancements to insure the Creditors against risks of loss, collection or disposition of the Collateral or to provide to the Creditors a guaranteed return from the collection or disposition of the Collateral, (l) to the extent deemed appropriate by the Creditors, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditors in the collection or disposition of any of the Collateral, (m) to dispose of Collateral in whole or in part, and (n) to dispose of Collateral to a customer of the Creditors, and (o) to establish an upset or reserve bid price in respect of Collateral.

12. **Grant of Licence.** For the purpose of enabling the Creditors to exercise its rights and remedies under this Agreement when the Creditors is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditors an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. For any trademarks, service marks and other business indicia, such licence includes an obligation on the part of the Creditors to maintain the standards of quality maintained by the Debtor or, in the case of trademarks, service marks or other business indicia licensed to the Debtor, the standards of quality imposed upon the Debtor by the relevant licence. For copyright works, such licence shall include the benefit of any waivers of moral rights and similar rights.

13. **Securities Laws.** The Creditors is authorized, in connection with any offer or sale of any Pledged Securities or Pledged Security Entitlements, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditors will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Pledged Securities or Pledged Security Entitlements are sold in compliance with any such limitation or restriction. If the Creditors chooses to exercise its right to sell any or all Pledged Securities or Pledged Security Entitlements, upon written request, the Debtor will cause each applicable Pledged Issuer to furnish to the Creditors all such information as the Creditors may request in order to determine the number of shares and other instruments included in the Collateral which may be sold by the Creditors in exempt transactions under any laws governing securities, and the rules and

regulations of any applicable securities regulatory thereunder, as the same are from time to time in effect.

14. **ULC Shares.** The Debtor acknowledges that certain of the Collateral may now or in the future consist of ULC Shares, and that it is the intention of Creditors and the Debtor that the Creditors should not under any circumstances prior to realization be held to be a "member" or a "shareholder", as applicable, of a ULC for the purposes of any ULC Laws. Therefore, notwithstanding any provisions to the contrary contained in this Agreement or any other loan document, where the Debtor is the registered and beneficial owner of ULC Shares which are Collateral, the Debtor will remain the sole registered and beneficial owner of such ULC Shares until such time as such ULC Shares are effectively transferred into the name of the Creditors or any other Person on the books and records of the applicable ULC. Accordingly, the Debtor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of such ULC Shares (except for any dividend or distribution comprised of Pledged Security Certificates, which shall be delivered to the Creditors to hold hereunder) and shall have the right to vote such ULC Shares and to control the direction, management and policies of the applicable ULC to the same extent as the Debtor would if such ULC Shares were not pledged to the Creditors pursuant hereto. Nothing in this Agreement or any other loan document is intended to, and nothing in this Agreement or any other loan document shall, constitute the Creditors or any Person other than the Debtor, a member or shareholder of a ULC for the purposes of any ULC Laws (whether listed or unlisted, registered or beneficial), until such time as notice is given to the Debtor and further steps are taken pursuant hereto or thereto so as to register the Creditors or such other Person, as specified in such notice, as the holder of the ULC Shares. To the extent any provision hereof would have the effect of constituting the Creditors as a member or a shareholder, as applicable, of any ULC prior to such time, such provision shall be severed herefrom and shall be ineffective with respect to ULC Shares which are Collateral without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which is not ULC Shares. Except upon the exercise of rights of the Creditors to sell, transfer or otherwise dispose of ULC Shares in accordance with this Agreement, the Debtor shall not cause or permit, or enable a Pledged Issuer that is a ULC to cause or permit, the Creditors to: (a) be registered as a shareholder or member of such Pledged Issuer; (b) have any notation entered in their favour in the share register of such Pledged Issuer; (c) be held out as shareholders or members of such Pledged Issuer; (d) receive, directly or indirectly, any dividends, property or other distributions from such Pledged Issuer by reason of the Creditors holding the Security Interests over the ULC Shares; or (e) act as a shareholder of such Pledged Issuer, or exercise any rights of a shareholder including the right to attend a meeting of shareholders of such Pledged Issuer or to vote its ULC Shares.

15. **Application of Proceeds.** All Proceeds of Collateral received by the Creditors or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditors's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditors, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditors or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell, lease or otherwise dispose of the Collateral.

The balance of such Proceeds may, at the sole discretion of the Creditors, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditors considers appropriate and thereafter will be accounted for as required by law.

16. **Continuing Liability of Debtor.** The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

17. **Creditors's Appointment as Attorney-in-Fact.** The Debtor constitutes and appoints the Creditors and any officer or agent of the Creditors, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditors's discretion while an Event of Default is continuing, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the effect of this Section, the Debtor grants the Creditors an irrevocable proxy to vote the Pledged Securities and Pledged Security Entitlements and to exercise all other rights, powers, privileges and remedies to which a holder thereof would be entitled (including giving or withholding written consents of shareholders, calling special meetings of shareholders and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Securities or Pledged Security Entitlements on the books and records of a Pledged Issuer or Pledged Securities Intermediary, as applicable, upon the occurrence of an Event of Default. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditors as secured party or any other Person on the Creditors's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditors or such other Person considers appropriate. The Debtor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditors or any of the Creditors's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditors pursuant to this Section.

18. **Performance by Creditors of Debtor's Obligations.** If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditors may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditors incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditors immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests.

19. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

20. Rights of Creditors; Limitations on Creditors's Obligations.

- (a) Limitations on Creditors's Liability. The Creditors will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditors, a Receiver nor any agent of the Creditors (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditors, any Receiver nor any agent of the Creditors will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditors, any Receiver or any agent of the Creditors) caused for any reason other than the gross negligence or wilful misconduct of the Creditors, such Receiver or such agent of the Creditors.
- (b) Debtor Remains Liable under Accounts and Contracts. Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts of the Debtor and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditors will have no obligation or liability under any Account of the Debtor (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditors of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditors will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.
- (c) Collections on Accounts and Contracts. The Creditors hereby authorizes the Debtor to collect its Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditors at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditors if required, in a special collateral account maintained by the Creditors, and until so deposited, will be held by the Debtor in trust for the Creditors, segregated from the other funds of the Debtor. All such amounts while held by the Creditors (or by the Debtor in trust for the Creditors) and all income in respect thereof will continue to be collateral security

for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If an Event of Default has occurred and is continuing, the Creditors may apply all or any part of the amounts on deposit in such special collateral account on account of the Liabilities in such order as the Creditors may elect. At the Creditors's request, the Debtor will deliver to the Creditors any documents evidencing and relating to the agreements and transactions which gave rise to its Accounts and the Contracts, including all original orders, invoices and shipping receipts.

- (d) Analysis of Accounts. At any time and from time to time, the Creditors will have the right to analyze and verify the Accounts of the Debtor in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Creditors may require in connection therewith. At any time and from time to time, the Creditors may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts of the Debtor and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditors's reasonable request and at the expense of the Debtor, the Debtor will furnish to the Creditors reports showing reconciliations, aging and test verifications of, and trial balances for, its Accounts.
- (e) Use of Agents. The Creditors may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

21. Dealings by Creditors. The Creditors will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditors may consider desirable. The Creditors may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditors may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditors under this Agreement. The powers conferred on the Creditors under this Agreement are solely to protect the interests of the Creditors in the Collateral and will not impose any duty upon the Creditors to exercise any such powers.

22. Communication. Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditors set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to

4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditors may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

23. **Release of Information.** The Debtor authorizes the Creditors to provide a copy of this Agreement and such other information as may be requested of the Creditors to the extent necessary to enforce the Creditors's rights, remedies and entitlements under this Agreement.

24. **Expenses; Indemnity; Waiver.**

- (a) The Debtor shall pay (i) all reasonable out-of-pocket expenses incurred by the Creditors, including the reasonable fees, charges and disbursements of counsel for the Creditors and all applicable taxes, in connection with the preparation and administration of this Agreement, (ii) all reasonable out-of-pocket expenses incurred by the Creditors, including the reasonable fees, charges and disbursements of counsel for the Creditors and applicable taxes, in connection with any amendments, modifications or waivers of the provisions hereof, and (iii) all out-of-pocket expenses incurred by the Creditors, including the fees, charges and disbursements of any counsel for the Creditors and all applicable taxes, in connection with the enforcement or protection of their rights in connection with this Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Liabilities.
- (b) The Debtor shall indemnify the Creditors against, and hold the Creditors harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable taxes to which the Creditors may become subject arising out of or in connection with (i) the execution or delivery of this Agreement and the performance by the Debtor of its obligations hereunder, (ii) any actual or prospective claim, litigation, investigation or proceeding relating to this Agreement or the Liabilities, whether based on contract, tort or any other theory and regardless of whether the Creditors is a party thereto, (iii) any other aspect of this Agreement, or (iv) the enforcement of the Creditors's rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries; provided that such indemnity shall not, as to the Creditors, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or wilful misconduct of or material breach of this Agreement by the Creditors.
- (c) The Debtor shall not assert, and hereby waives (to the fullest extent permitted by applicable law), (i) any claim against the Creditors, on any theory of liability, for

special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

- (d) All amounts due under this Section shall be payable not later than three Business Days after written demand therefor.
- (e) The indemnifications set out in this Section will survive the Release Date and the release or extinguishment of the Security Interests.

25. **Release of Debtor.** Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of the Debtor to pay the Liabilities, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation. Upon the written request of the Debtor given at any time on or after the Release Date, the Creditors shall release the Debtor and the Collateral from the Security Interests and such release shall serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of the Debtor, the Creditors shall execute and deliver to the Debtor such releases and discharges as the Debtor may reasonably request.

26. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Debtor or any other Person to the Creditors, all of which other security shall remain in full force and effect.

27. **Alteration or Waiver.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditors. The Creditors will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditors, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditors of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditors would otherwise have on any future occasion. Neither the taking of any judgement nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities; nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

28. **Environmental License and Indemnity.** The Debtor hereby grants to the Creditors and its employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any of the premises of the Debtor to conduct audits, testing and monitoring with respect to hazardous substances and to remove and analyze any hazardous substance at the cost and expense of the Debtor (which cost and expense will form part of the Liabilities and will be

payable immediately on demand and secured by the Security Interests created by this Agreement). The Debtor will indemnify the Creditors and hold the Creditors harmless against and from all losses, costs, damages and expenses which the Creditors may sustain, incur or be or become liable at any time whatsoever for by reason of or arising from the past, present or future existence, clean-up, removal or disposal of any hazardous substance on or about any property owned or occupied by the Creditors or compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any premises owned or occupied by the Debtor or other affected lands or property. This indemnification will survive the Release Date.

29. **Amalgamation.** If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

30. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditors to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

31. **Interpretation.** Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditors or is to be acceptable to the Creditors, such consent, approval or determination of acceptability will be in the sole discretion of the Creditors. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or "includes") means including (or includes) without limitation. Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

32. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditors and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement. If the Debtor or the Creditors is an individual, then the term "Debtor" or "Creditors", as applicable, will also include his or her heirs, administrators and executors.

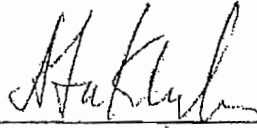
33. **Acknowledgment of Receipt/Waiver.** The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

34. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by the Debtor of a manually executed copy of this Agreement by the Debtor.

Dated: Jan 15, 2008 ¹⁰ P.A.

**DITEBA RESEARCH
LABORATORIES INC.**

Address: 1620 Tech Avenue, Unit 3
Mississauga, Ontario
L4W 5P4
Attention: Chief Financial Officer
Facsimile: (905) 625-3767

By: 
Name: Brian Atakchodjan
Title: CFO

SCHEDULE A

DEBTOR INFORMATION

Full legal name: Diteba Research Laboratories Inc.

Jurisdiction of incorporation or organization: Ontario

Address of chief executive office: 1620 Tech Avenue, Unit 3, Mississauga, Ontario, L4W 5P4

Addresses of all places where business is carried on or tangible Personal Property is kept:

1620 Tech Avenue, Unit 3, Mississauga, Ontario, L4W 5P4

Jurisdictions in which all material account debtors are located: Canada, United States

Addresses of all owned real property: N/A

Addresses of all leased real property: 1620 Tech Avenue, Unit 3, Mississauga, Ontario, L4W 5P4

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats): N/A

Description of all material Permits: Establishment License No. 101406-A under the Food and Drugs Act (Division 1A & 2); License No. 2006/6628 under the Controlled Drugs and Substances Act; Registration of Drug Establishment No. 3005415167 with the United States Food and Drug Administration.

Subsidiaries of the Debtor: None

Instruments, Documents of Title and Chattel Paper of the Debtor: N/A

Pledged Certificated Securities: N/A

Pledged Securities Accounts: N/A

Pledged Uncertificated Securities: N/A

Pledged Futures Accounts: N/A

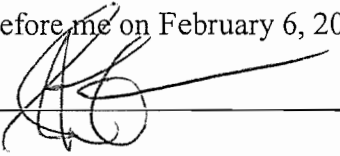
Registered trademarks and applications for trademark registrations: N/A

Patents and patent applications: N/A

Copyright registrations and applications for copyright registrations: N/A

Industrial designs/registered designs and applications for registered designs: N/A

This is Exhibit "E" to the Affidavit of
DMITRY BARANOV
sworn before me on February 6, 2013



District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
 Estate No. 32-158566

FORM 78 - Continued

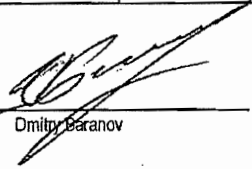
List "A"
 Unsecured Creditors

Dileba Research Laboratories Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1369919 ONTARIO INC. Bulldog Generators	86 RINGWOOD DRIVE, UNIT # 25 STOUFFVILLE ON L4A 1C3	531.10	0.00	531.10
2	1687806 Ontario Inc., c/o Cobalt Capital Inc.	1464 Cornwall Road, Suite 7 Oakville ON L6J 7W5	0.00	0.00	0.00
3	2R Services	60 Churchill Drive Barrie ON L4N 8Z5	1,608.65	0.00	1,608.65
4	AAA EXPRESS PARCELS LTD.	1181 CRESTLAWN DRIVE MISSISSAUGA ON L4W 1A7	46.32	0.00	46.32
5	Acanthus Research Inc.	3494 Enniskillen Circle MISSISSAUGA ON L5C 2N1	26,847.65	0.00	26,847.65
6	Ace Glass and Mirror Ltd.	3130 Laird Rd. Unit # 9 Mississauga ON L5L 5X4	135.60	0.00	135.60
7	Advant Leasing Limited	803-5500 North Service Rd. Burlington ON L7L 6W6	0.00	0.00	0.00
8	Agilent Technologies		3,759.92	0.00	3,759.92
9	American Express c/o FCT Default Solutions Attn: Insolvency Department 3733 892361 92007	PO Box 2514, Station B London ON N6A 4G9	250.00	0.00	250.00
10	AMEX-3732-884798-71006-gold	PO BOX 7000 WILLOWDALE TORONTO ON M2K 2R9	14,509.93	0.00	14,509.93
11	Anatomy Gifts Registry Inc.	7522 Connelley Dr. Suite M Hanover MD 21076 USA	828.00	0.00	828.00
12	Atakhodjaev, Bakhodir		1.00	0.00	1.00
13	BETATEK INC.	654 PETROLIA ROAD TORONTO ON M3J 2W3	1,325.63	0.00	1,325.63
14	BIO CHEMED SERVICES	172 LINDEN DRIVE, SUITE 101 WINCHESTER VA 22601 USA	1,442.25	0.00	1,442.25
15	Blue Cross	185 The West Mall Suite 1200 PO Box 2000 Etobicoke ON M9C 5P1	24,479.54	0.00	24,479.54
16	Blue-Pencil	3165 Unity Dr. Unit 1 Mississauga ON L5L 4L4	107.35	0.00	107.35
17	Caledon Lab Chemicals	40 Armstrong Avenue Georgetown ON L7G 4R9	2,323.92	0.00	2,323.92
18	CANADIAN LIFE SCIENCE	365 LANSLOWNE STREET EAST PETERBOROUGH ON K9L 2A3	786.67	0.00	786.67
19	Canpro Investments 1620 Tech Ave.	30 Adelaide Street East, Suite 1600 Toronto ON M5C 3H1	250.00	0.00	250.00
20	CINTAS	23 TORLAKE CRESCENT TORONTO ON M8Z 1B8	118.97	0.00	118.97
21	CO-Activ Capital Partners	PO Box 57377 Stn A TORONTO ON M5W 5M8	851.58	0.00	851.58
22	Cobalt Capital Partners, LP	1464 Cornwall Road, Suite 7 Oakville ON L6J 7W5	0.00	47,804.42	47,804.42
23	Contract Pharma	70 Hilltop Road 3rd Floor RAMSEY NJ 07446 USA	6,000.00	0.00	6,000.00
24	COUNCIL OF EUROPE	7 ALLEE KASTNER CS 30026 F STRASBOURG 67081 France	129.00	0.00	129.00

05-Feb-2013

Date


 Dmitry Baranov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
 Estate No. 32-158566

FORM 78 - Continued

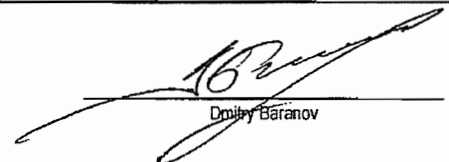
List "A"
 Unsecured Creditors

Diteba Research Laboratories Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 868829006RP0001	451 Talbot St., 3rd Floor, CP 5548 London ON N6A 4R3	68,000.00	0.00	68,000.00
26	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 868829706RC0001	451 Talbot St., 3rd Floor, CP 5548 London ON N6A 4R3	25.00	0.00	25.00
27	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 868829706RT0001	451 Talbot St., 3rd Floor, CP 5548 London ON N6A 4R3	25.00	0.00	25.00
28	Dan Williams	1113 Fifth Line Rockwood ON N0B 2K0	1.00	0.00	1.00
29	Dan Williams US	1113 Fifth Line Rockwood ON N0B 2K0	1.00	0.00	1.00
30	Dia Med Lab Supplies Inc.	3069 Universal Drive MISSISSAUGA ON L4X 2E5	2,113.73	0.00	2,113.73
31	Dmitry Baranov - Expense Report	90 Yonge Blvd Toronto On M5M 3G9	9,241.86	0.00	9,241.86
32	Dmitry Baranov (TD VISA U.S. DOLLAR 0721)	90 Yonge Blvd Toronto On M5M 3G9	1,169.42	0.00	1,169.42
33	EHT Ontario Employer Health Tax Attn: Insolvency Unit	PO Box 627, 6th Floor 33 King Street West Oshawa ON L1H 8H5	250.00	0.00	250.00
34	ELENA LOSSEVA	49 TREASURE ROAD MAPLE ON L6A 2Y7	3,243.00	0.00	3,243.00
35	Enersource Hydro Mississauga 649697-0	3240 Mavis Rd. Mississauga ON L5C 3K1	6,399.33	0.00	6,399.33
36	Excel Leasing Inc.	460 Main Street, Suite 302 Winnipeg MB R3B 1B6	0.00	9,152.00	9,152.00
37	EXPERCHEM LABORATORIES INC.	1111 FLINT ROAD UNITS 36 DOWNSVIEW ON M3J 3C7	113.00	0.00	113.00
38	Fedex	75 Port Royal East, Suite 240 Montreal QC H3L 3T1	1,866.28	0.00	1,866.28
39	FIRST MAINTENANCE SOLUTIONS	215 Carlingview Dr. Unit #210 Etobicoke ON M9W 5X8	6,346.08	0.00	6,346.08
40	Great Temp Solutions	1 GArryoaks Drive BRAMPTON ON L6P 3E2	944.68	0.00	944.68
41	HEALTH CANADA	ROOM 2005 TOWER P/L3002B 11 HOLLAND AVENUE OTTAWA ON K1A 0K9	595.00	0.00	595.00
42	Hellma Canada Ltd.	630 Rivermede Road, Unit # 4 CONCORD ON L4K 2H7	308.49	0.00	308.49
43	InterScience Inc.	169 Idema Road Markham ON L3R 1A9	507.82	0.00	507.82
44	KINAREEVSKI, ALEX		291.78	0.00	291.78
45	Liftcapital Corporation	300 The East Mall, Suite 401 Toronto ON M9B 6B7	0.00	14,589.00	14,589.00

05-Feb-2013

Date


 Dmitry Baranov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
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FORM 78 - Continued


List "A"
 Unsecured Creditors

Diteba Research Laboratories Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
46	Logan Instruments Corp.	19C Schoolhouse Rd. SOMERSET NJ 88730 USA	1.00	0.00	1.00
47	Mandel Scientific Co. Inc.	2 Admiral Place Guelph ON N1G 4N4	548.50	0.00	548.50
48	Maximum Machine Shop LTD	100 Wilkinson Rd. Unit # 13 Brampton ON L6T 4Y9	1,243.00	0.00	1,243.00
49	Miele Limited	161 Four Valley Drive Vaughan ON L4K 4V8	2,117.02	0.00	2,117.02
50	Milgrom & Associates Inc.	755 Queensway East, Unit 114 MISSISSAUGA ON L4Y 4C5	282.50	0.00	282.50
51	Ministry of Revenue / Ministère du Revenu Attn: Canada Revenue Agency London Taxes Services Offica Revenue Collections Div	451 Talbot Street, 3rd Floor London ON N6A 4R3	250.00	0.00	250.00
52	M-O 1593570 ONTARIO INC.	1 MARITIME-ONTARIO BLVD. BRAMPTON ON L6S 6G4	246.14	0.00	246.14
53	M-Scan, Inc	606 Brandywine Parkway P.O. Box 1834 West Chester PA 19380 USA	416.00	0.00	416.00
54	Navigate Capital Corp.	1281 West Georgia, 9th Floor Vancouver BC V6E 3J7	0.00	9,000.00	9,000.00
55	NUCRO TECHNICS	2000 ELLESMERE ROAD SCARBOROUGH ON M1H 2W4	1.00	0.00	1.00
56	Orion PSV Investments Inc.	10 Dellsie Avenue, Sulte 1114 Toronto ON M4V 3C6	0.00	750,000.00	750,000.00
57	Orion PSV Investments Inc.	90 Younge Blvd. Toronto ON M5M 3G9	5,100,000.00	0.00	5,100,000.00
58	PITNEY BOWES	P.O. BOX 190 ORANGEVILLE ON L9W 2Z9	281.91	0.00	281.91
59	Praxair	PO Box 400, Station D Scarborough ON M1R 5M1	1,726.57	0.00	1,726.57
60	Premiere Global Services	B9261 P.O. Box 9100 Postal Station F TORONTO ON M4Y 3A8	169.22	0.00	169.22
61	Primus	5343 Dundas St. West, Suite 400 Toronto ON M9B 6K5	576.74	0.00	576.74
62	Promega		2,275.00	0.00	2,275.00
63	Purolator Inc.	P.O. Box 1100 Etobicoke Post STN A ETOBICOKE ON M9C 5K5	1,453.86	0.00	1,453.86
64	Queens University Dept.of Chemistry	Chernoff Hall, 90 Bader Lane KINGSTON ON K7L 3N9	230.00	0.00	230.00
65	R & D TAX INCENTIVES CORPORATION	309-18 CROWN STEEL DRIVE MARKHAM ON L3R 9X8	28,410.37	0.00	28,410.37
66	Rabbex Courier	188 Wilkinson Ave. BRAMPTON ON L6T 4M6	9.91	0.00	9.91
67	Rogers Wireless	PO Box 9100 Don Mills ON M3C 3P9	755.94	0.00	755.94
68	S.I.G. Mechanical Services LTD	54b Esna Park Dr. Markham ON L3R 1C12	2,233.44	0.00	2,233.44
69	Sam Ricchezza - Expense Report		10,296.05	0.00	10,296.05

05-Feb-2013

Date


 Dmitry Baranov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
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FORM 78 – Continued

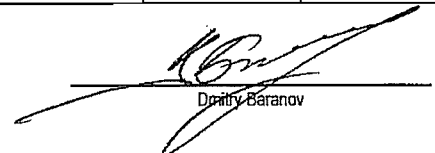
List "A"
 Unsecured Creditors

Diteba Research Laboratories Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
70	SATI INTERNATIONAL SCIENTIFIC INC.	9563 COTE-DE-LIESSE DORVAL QC H9P 1A3	3,567.45	0.00	3,567.45
71	Scientific Equipment Source Inc.	1895 Clements Rd. Unit 127 Pickering ON L1W 3V5	5,000.25	0.00	5,000.25
72	Staples Business Depot c/o Citi Cards Canada Inc. Attn: Bankruptcy Department 6035 2874 2183 5488	5900 Hurontario Street Mississauga ON L5R 0B8	250.00	0.00	250.00
73	Staples Enterprise Cr Card	Groupecho 133 rue Julien Rehel Bureau 215 QC G5L 9B1	490.77	0.00	490.77
74	Steda Facilities Mgmt	1748 Pagehurst Avenue Mississauga ON L4X 1Y2	19,634.33	0.00	19,634.33
75	STERICYCLE, INC.	PO BOX 1531, STATION A TORONTO ON M5W 3N1	622.47	0.00	622.47
76	Supreme Basics	40 West Beaver Creek Rd RICHMOND HILL ON L4B 1G5	329.47	0.00	329.47
77	TD Canada Trust Visa Attn: Natalia Berlucci, Credit Administration Services (CAS) 4520 7100 0103 1894	4720 Tahoe Boulevard, 3rd Floor Mississauga ON L4W 5P2	200.00	0.00	200.00
78	Telus Mobility	200 Consilium Place, Suite 1600 Scarborough ON M1H 3J3	503.29	0.00	503.29
79	THESIS CHEMISTRY, LLC	7533 TYLER BLVD. SUITE C MENTOR OH 44060 USA	1.00	0.00	1.00
80	TNT Express	PO Box 46259 Postal Station A Toronto ON M5W 4K9	27.65	0.00	27.65
81	Toshiba	191 McNabb Street Markham ON L3R 8H2	520.11	0.00	520.11
82	University of Western Ontario		2,204.94	0.00	2,204.94
83	UPS	P.O. Box 4900, Station A Toronto ON M5W 0A1	3,201.11	0.00	3,201.11
84	UPS Canada -Customs Brokerage	1022 Champlain Avenue Burlington ON L7L 0C2	612.56	0.00	612.56
85	Vaisala Inc.	P.O. Box 8500-53423 Philadelphia PA 19178 USA	600.00	0.00	600.00
86	Varian Canada, Inc.	4 Prince Andrew Place Toronto ON M3C 2H4	23,141.08	0.00	23,141.08
87	VH Technical Service & Consulting	72 Carnival Crt. TORONTO ON M2R 3T8	10,389.02	0.00	10,389.02
88	VWR International	2360 Argentinia Road Mississauga ON L5N 5Z7	3,826.36	0.00	3,826.36
89	Waters Limited	PO Box 4283, Station A TORONTO ON M5W 5W9	39,686.66	0.00	39,686.66
90	WELLS FARGO	PO BOX 3888 MARKHAM MARKHAM ON L3R 5T5	1,631.50	0.00	1,631.50
91	Wells Fargo Financial Corporation Canada Attn: Melina 5478 0203 0329 8426	300 - 55 Standish Court Mississauga ON L5R 4J4	250.00	0.00	250.00
92	Workplace Safety and Insurance Board Attn: c/o Collection Services	200 Front Street West Toronto ON M5V 3J1	25.00	0.00	25.00

05-Feb-2013

Date


 Dmitry Baranov


District of: Ontario
Division No. 09 - Mississauga
Court No. 32-158566
Estate No. 32-158566

FORM 78 - Continued

	Total:	5,458,014.74	830,545.42	6,288,560.16
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05-Feb-2013

Date



Dmitry Baranov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
 Estate No. 32-158566

FORM 78 -- Continued

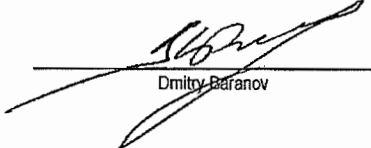
List "B"
 Secured Creditors

Diteba Research Laboratories Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
1	Bodkin Capital Corporation	2150 Dunwin Dr., Unit 1 Mississauga ON L5L 5M8	3,430.00	Business Assets - Machinery - Lab Equipment (Leased)		3,430.00		
2	Cobalt Capital Partners, LP	1464 Cornwall Road, Suite 7 Oakville ON L6J 7W5	402,000.00	Debts Due - Business - Account Receivable Cash on Hand - Value verified by bank statement - TD Canada Trust (Certificate for Rent) Cash on Hand - Cash in Bank - TD Canada Trust (USD) Cash on Hand - Cash in Bank - TD Canada Trust (CND) Business Assets - Trade Fixtures - Office Equipment Business Assets - Machinery - Lab Equipment (owned) Business Assets - Machinery - Lab Equipment (Leased)		0.00 100,000.00 25.00 350.00 10,000.00 47,250.58 196,570.00		47,804.42
3	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for InsoI 868829006RP0001	451 Talbot St., 3rd Floor, CP 5548 London ON N6A 4R3	333,000.00	Business Assets - Machinery - Lab Equipment (owned) Business Assets - Machinery - Lab Equipment (Leased) Business Assets - Trade Fixtures - Office Equipment Cash on Hand - Cash in Bank - TD Canada Trust (CND) Cash on Hand - Cash in Bank - TD Canada Trust (USD) Cash on Hand - Value verified by bank statement - TD Canada Trust (Certificate for Rent) Debts Due - Business - Account Receivable		180,000.00 0.00 0.00 0.00 0.00 0.00 153,000.00		
4	Excel Leasing Inc.	460 Main Street, Suite 302 Winnipeg MB R3B 1B6	9,152.00	Business Assets - Machinery - Lab Equipment (Leased)		0.00		9,152.00

05-Feb-2013

Date


 Dmitry Baranov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
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FORM 78 - Continued

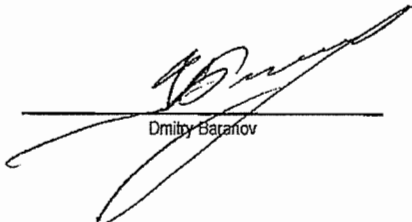
List "B"
 Secured Creditors

Diteba Research Laboratories Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
5	Liftcapital Corporation	300 The East Mall, Suite 401 Toronto ON M9B 6B7	14,589.00	Business Assets - Machinery - Lab Equipment (Leased)		0.00		14,589.00
6	Navigate Capital Corp.	1281 West Georgia, 9th Floor Vancouver BC V6E 3J7	9,000.00	Business Assets - Machinery - Lab Equipment (Leased)		0.00		9,000.00
7	Orlon PSV Investments Inc.	10 Delisle Avenue, Suite 1114 Toronto ON M4V 3C6	750,000.00	Business Assets - Machinery - Lab Equipment (owned) Business Assets - Trade Fixtures - Office Equipment Cash on Hand - Cash in Bank - TD Canada Trust (CND) Cash on Hand - Cash in Bank - TD Canada Trust (USD) Cash on Hand - Value verified by bank statement - TD Canada Trust (Certificate for Rent) Debts Due - Business - Account Receivable Business Assets - Machinery - Lab Equipment (Leased)		0.00 0.00 0.00 0.00 0.00 0.00		750,000.00
8	Toronto Dominion Bank	77 Bloor Street West Toronto ON M5S 1M2	68,749.42	Business Assets - Machinery - Lab Equipment (owned) Business Assets - Trade Fixtures - Office Equipment Cash on Hand - Cash in Bank - TD Canada Trust (CND) Cash on Hand - Cash in Bank - TD Canada Trust (USD) Debts Due - Business - Account Receivable		68,749.42 0.00 0.00 0.00		
Total:			1,589,920.42			759,375.00	0.00	830,545.42

05-Feb-2013

Date


 Dmitry Batarov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
 Estate No. 32-158566

FORM 78 -- Continued


List "C"
 Preferred Creditors for Wages, Rent, etc.

Diteba Research Laboratories Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	Best, Natasha	206-3 Leslie Street Brampton ON L6X 2J2		-	983.55	0.00	983.55
2	Ciosa, Anca	16 Vance Crescent Waterdown ON L0R 2H3		-	772.42	0.00	772.42
3	Cui, Ling	4045 Farrer Court Mississauga ON L5L 2Y4		-	709.98	0.00	709.98
4	Dangzia, Chang	6088 Leaside Crescent Mississauga ON L5M 5K6		-	876.69	0.00	876.69
5	Gordeziani, Nina	306-2121 Lake Shore Blvd. West Etobicoke ON M8V 4E9		-	730.26	0.00	730.26
6	Hong Li, Liang	1190 Forestwood Drive, Apt 207 Mississauga ON L5C 1H9		-	3,231.62	0.00	3,231.62
7	Kapanadze, Tengiz	2121 Lake Shore Blvd. W Etobicoke ON M8V 4E9		-	1.00	0.00	1.00
8	Ke, Yuyong	21 Giovanni Way Woodbridge ON L4H 1R7		-	1,848.65	0.00	1,848.65
9	Li, Yumei	1190 Forestwood Drive Apt 207 Mississauga ON L5C 1H9		-	667.05	0.00	667.05
10	Mogic, Slavica	302-25 Earlington Avenue Toronto ON M8X 3A3		-	809.53	0.00	809.53
11	Noor, Abdun	30 Burn Road, Suite 904 Scarborough ON M1L 4R8		-	710.67	0.00	710.67
12	Pineda, Jacqueline	8 Kentucky Drive Brampton ON L6Y 4G2		-	709.19	0.00	709.19
13	Ricchezza, Samuel	1109 Notley Crecent Oakville ON L6M 1H4		-	7,801.98	0.00	7,801.98
14	Xu, Ming	47 Juniper Crescent Brampton ON L6S 1J9		-	1,495.32	0.00	1,495.32
15	Zhang, Yan	1251 Fairdale Drive Mississauga ON L5C 1K3		-	1,861.90	0.00	1,861.90
16	Zhao, Yinglu	6092 Leaside Crescent Mississauga ON L5M 5K6		-	178.81	0.00	178.81
Total:					23,388.62	0.00	23,388.62

05-Feb-2013

Date


 Dmitry Baranov

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-158566
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FORM 78 -- Continued


List "D"
Contingent or Other Liabilities

Diteba Research Laboratories Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

05-Feb-2013

Date



Dmitry Baranov

District of: Ontario
 Division No. 09 - Mississauga
 Court No. 32-158566
 Estate No. 32-158566

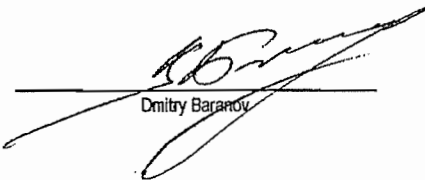
FORM 78 -- Continued

List "E"
 Debts Due to the Bankrupt
 Diteba Research Laboratories Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Account Receivable			153,000.00 15,000.00 0.00			153,000.00	
Total:				153,000.00 15,000.00 0.00			153,000.00	

05-Feb-2013

Date


 Dmitry Baranov

District of: Ontario
Division No. 09 - Mississauga
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FORM 78 -- Continued

List "F"

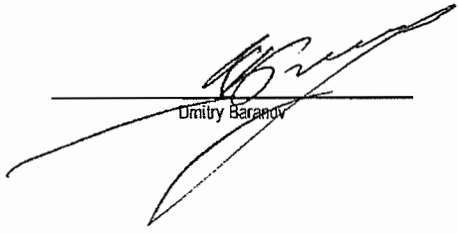
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Diteba Research Laboratories Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

05-Feb-2013

Date


Dmitry Baranov

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-158566
Estate No. 32-158566


FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt
Diteba Research Laboratories Inc.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

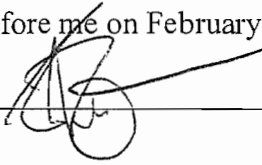
05-Feb-2013

Date



Dmitry Baranov

This is Exhibit "F" to the Affidavit of
DMITRY BARANOV
sworn before me on February 6, 2013



Court File No.

BK-12-00207933-01

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH
LABORATORIES INC. A CORPORATION INCORPORATED PURSUANT TO THE
LAWS OF THE PROVINCE OF ONTARIO AND CARRYING ON BUSINESS IN THE
CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

APPLICATION FOR BANKRUPTCY ORDER

COBALT CAPITAL GP INC. as general partner of COBALT CAPITAL MANAGEMENT GP, L.P., which is in turn the general partner of COBALT CAPITAL PARTNERS L.P., a corporation incorporated pursuant to the laws of the Province of Ontario, having an office in the Town of Oakville, Province of Ontario hereby applies to the court that DITEBA RESEARCH LABORATORIES INC. be adjudged bankrupt and that a Bankruptcy Order be made in respect of the property of DITEBA RESEARCH LABORATORIES INC. a company having its head office in the City of Mississauga, in the Province of Ontario, and carrying on business in the City of Mississauga, in the Province of Ontario, and say:

1. That DITEBA RESEARCH LABORATORIES INC. has, at some time during the six (6) months next preceding the filing of this Application, carried on business in the City of Mississauga, in the Province of Ontario within the jurisdiction of this court.
2. That DITEBA RESEARCH LABORATORIES INC. is justly and truly indebted to the Applicant, in the sum of FOUR HUNDRED AND ONE THOUSAND NINE HUNDRED AND TWENTY-NINE DOLLARS AND NINETY-EIGHT CENTS (\$401,929.98).
3. That demand was issued upon DITEBA RESEARCH LABORATORIES INC. on November 23, 2012 and that to the date hereof no payments have been made on account of the indebtedness.
4. That the Applicant, COBALT CAPITAL PARTNERS L.P. does hold security on the debtor's property pursuant to a duly executed general security agreement with an estimated liquidation value of THREE HUNDRED AND NINETY-EIGHT THOUSAND DOLLARS (\$398,000.00).
5. That DITEBA RESEARCH LABORATORIES INC. has within the six (6) months next preceding the date of the filing of this Application committed the following act of bankruptcy,

namely:


- (a) it has ceased to meet its liabilities generally as they become due in that it has failed to pay its obligations to the Applicant herein and to some of its other creditors.

5. That BDO CANADA LIMITED, of the City of Toronto, in the Province of Ontario, a corporation qualified to act as Trustee of the property of the said debtor has agreed to act as such and is acceptable to the undermentioned creditor.

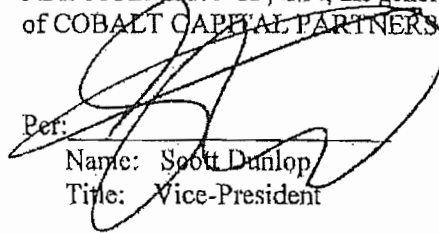
CREDITOR	ADDRESS	AMOUNT OF DEBT
COBALT CAPITAL PARTNERS L.P.	1464 Cornwall Road Suite 7 Oakville, Ontario L6J 7W5	\$401,929.98

DATED at Toronto this 7th day of December, 2012.

Signed by the Applicant
in my presence:



COBALT CAPITAL GP INC. as
general partner of COBALT CAPITAL
MANAGEMENT GP, L.P., the general partner
of COBALT CAPITAL PARTNERS L.P.



Per: _____
Name: Scott Dunlop
Title: Vice-President

ISSUED at the City of Toronto, in the Province of Ontario this 13th day of December, 2012.

"Master Jean"
REGISTRAR IN BANKRUPTCY

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH
LABORATORIES INC. A CORPORATION INCORPORATED PURSUANT TO THE
LAWS OF THE PROVINCE OF ONTARIO AND CARRYING ON BUSINESS IN THE
CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

AFFIDAVIT

I, SCOTT DUNLOP, of the Town of Oakville, in the Province of Ontario, of and for
the Applicant named in the Application hereunto annexed, MAKE OATH AND SAY THAT:

1. I am Vice-President of COBALT CAPITAL GP INC. the general partner of COBALT
CAPITAL MANAGEMENT GP, L.P., which is the general partner of COBALT CAPITAL
PARTNERS L.P. and as such have personal knowledge of the facts herein deposed to.

2. That DITEBA RESEARCH LABORATORIES INC. is justly and truly indebted to
the Applicant in the sum of FOUR HUNDRED AND ONE THOUSAND NINE HUNDRED AND
TWENTY-NINE DOLLARS AND NINETY-EIGHT CENTS (\$401,929.98) as stated in the said
Application.

3. That the facts alleged in the said Application are within my own knowledge true.

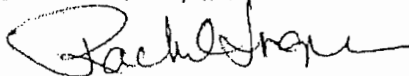
SWORN before me at the City of)

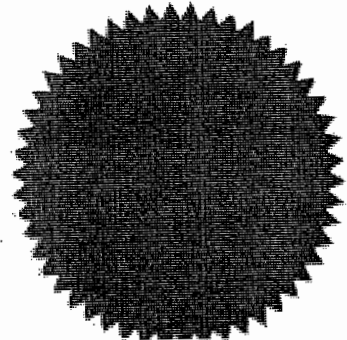
Toronto, Province of)

of Ontario, this)

7th day of December, 2012.) SCOTT DUNLOP

A Commissioner, etc.





NOTICE OF HEARING OF APPLICATION FOR
BANKRUPTCY ORDER

TAKE NOTICE that an Application for Bankruptcy Order be made in respect of your property will be heard before the Registrar in Bankruptcy at 393 University Avenue, 10th Floor, Toronto, Ontario, on *Tues* day, the *29* day of *January*, 20*13* in the City of Toronto, at the hour of 10 o'clock in the forenoon or as soon thereafter as the Application can be heard.

AND FURTHER TAKE NOTICE that if notice of cause against the Application is not filed in Court and a copy thereof served on the solicitor for the Applicant at least two days before the hearing and if you do not appear at the hearing the Court may make a Bankruptcy Order on such proof of the statements in the Application as the Court shall think sufficient.

DATED at Toronto this *13* day of ~~December~~ *December*, 20*13*

TO: DITEBA RESEARCH LABORATORIES
INC.
1620 Tech Avenue
Unit 3
Mississauga, Ontario
L4W 5P4

Attention: Dmitry Baranov, President

ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
DITEBA RESEARCH LABORATORIES INC. A
CORPORATION INCORPORATED PURSUANT
TO THE LAWS OF THE PROVINCE OF ONTARIO
AND CARRYING ON BUSINESS IN THE CITY OF
MISSISSAUGA, IN THE PROVINCE OF ONTARIO

APPLICATION

LIPMAN, ZENER & WAXMAN LLP
Barristers and Solicitors
1220 Eglinton Avenue West
Toronto, Ontario
M6C 2E3

(416) 789-0652
Allan L. Lipman

Solicitors for the Applicant

IN THE MATTER OF THE BANKRUPTCY OF DITEBA RESEARCH LABORATORIES INC., A CORPORATION
INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO AND CARRYING ON
BUSINESS IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. BK-12-00207933-OT

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Returnable February 8, 2013)

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Jeffrey J. Simpson (39663M)

jsimpson@torkinmanes.com

Direct Tel: 416-777-5413

Direct Fax: 1-888-587-9143

Stewart Thom (55695C)

Tel: 416-863-1188

Fax: 416-863-0305

Lawyers for Diteba Research Laboratories Inc.

RCP-E 4C (July 1, 2007)