

Form PTO-1594 (Rev. 01-09)  
OMB Collection 0851-0027 (exp. 02/29/2009)

U.S. DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies):**  
**WET MANUFACTURING INC.**  
 Individual(s)       Association  
 General Partnership       Limited Partnership  
 Corporation- State: \_\_\_\_\_  
 Other **CANADIAN CORPORATION**  
 Citizenship (see guidelines) \_\_\_\_\_  
 Additional names of conveying parties attached?  Yes  No

**2. Name and address of receiving party(ies)**  Yes  
 Additional names, addresses, or citizenship attached?  No  
 Name: **ALTER INVEST II**  
 Internal Address: **FUND L.P.**  
 Street Address: **S PLACE VILLE-MARIE**  
 City: **MONTREAL**  
 State: **QUEBEC**  
 Country: **CANADA** Zip: **H3B5E7**  
 Association      Citizenship \_\_\_\_\_  
 General Partnership      Citizenship \_\_\_\_\_  
 Limited Partnership      Citizenship **CANADA**  
 Corporation      Citizenship \_\_\_\_\_  
 Other      Citizenship \_\_\_\_\_  
 If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)

**3. Nature of conveyance / Execution Date(s) :**  
 Execution Date(s) **Feb. 5, 2009**  
 Assignment       Merger  
 Security Agreement       Change of Name  
 Other \_\_\_\_\_

**4. Application number(s) or registration number(s) and Identification or description of the Trademark.**  
 A. Trademark Application No.(s) \_\_\_\_\_  
 B. Trademark Registration No.(s) **77054885**  
 Additional sheet(s) attached?  Yes  No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

**5. Name & address of party to whom correspondence concerning document should be mailed:**  
 Name: **KAUFMAN LARAMEE**  
 Internal Address: **KIM TOFFOLI**  
 Street Address: **800 RENE-LEVESQUE BLDG. WEST, #2220**  
 City: **MONTREAL**  
 State: **QUEBEC** Zip: **H3B1X9**  
 Phone Number: **514-875-7550**  
 Fax Number: **514-875-7147**  
 Email Address: **KTOFFOLI@KAUFMANLARAMEE.COM**

**6. Total number of applications and registrations involved:** **1**  
**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00**  
 Authorized to be charged to deposit account  
 Enclosed **SEE PTO 2038**

**8. Payment Information:**  
 Deposit Account Number \_\_\_\_\_  
 Authorized User Name \_\_\_\_\_

**9. Signature:** *Chantal Garand for Kim Toffoli* **Feb. 6, 2009**  
**CHANTAL GARAND** **TOFFOLI**  
 Name of Person Signing \_\_\_\_\_ Date \_\_\_\_\_  
 Total number of pages including cover sheet, attachments, and document: **27**

SEE SECURITY AGREEMENT

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

OP \$40.00 77054885

**UNIVERSAL HYPOTHEC ON MOVABLE PROPERTY**

**A P P E A R E D:**

**ALTERINVEST II FUND L.P. / FONDS ALTERINVEST II, S.E.C.**, a limited partnership, legally constituted pursuant to the *Civil code of Quebec*, having its principal place of business in the City of Montreal at 5 Place Ville-Marie, Suite 500, Province of Quebec, H3B 5E7, represented by its general partner, **BUSINESS DEVELOPMENT BANK OF CANADA / BANQUE DE DÉVELOPPEMENT DU CANADA**, a Bank corporation continuing as a body corporate the Federal Business Development Bank under an Act of the Parliament of Canada, 42-43-44 Elizabeth II, (1994-1995), sanctioned on the 13th day of July one thousand nine hundred and ninety-five (1995), having its head office in the City of Montreal, 5 Place Ville-Marie, Province of Quebec, H3B 5E7, herein acting and represented by Louis-David Julien, its Managing Director, Subordinate Financing and Jacinthe Morin, its Director, Subordinate Financing, hereunto duly authorized by a resolution passed on the 7<sup>th</sup> day of August, 2008 themselves represented by Kim Toffoli under a power of attorney under private seal dated January 16, 2009, said resolution and said power of attorney are appended hereto as Schedule "A" and Schedule "B";

***The notice of address of the Fund being registered at the Personal and Movable Real Rights Registry Office under number 034699.***

(hereinafter called the "Fund")

**A N D:**

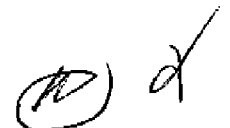
**MANUFACTURIER WET INC. / WET MANUFACTURING INC.**, a legal person duly incorporated under the *Canada Business Corporations Act*, having its head office located at 325 Place de Valençay, in Saint-Lambert, Province of Quebec, J4S 1S3, represented hereto by Mr. Mark Wolinsky, its Director, duly authorized hereto by a resolution of the board of directors and of the shareholders, certified copies of which are appended hereto as Schedule "C".

(hereinafter called the "Debtor")

**WHO HAVE DECLARED AND AGREED AS FOLLOWS:**

**I. THE INDEBTEDNESS**

The Fund has granted, or shall grant, to the Debtor and Maximus Financial Inc. / Financière Maximus inc. (hereinafter collectively called the "**Borrowers**") a total investment of one million nine hundred thousand dollars (\$1,900,000.00), consisting of: i) an investment in the amount of one million four hundred thousand dollars (\$1,400,000.00) ("**Investment 01**"); and ii) an investment in the amount of five hundred thousand dollars (\$500,000.00) ("**Investment 02**") pursuant to, and as further set forth in an Investment Agreement entered into on this day by and between the Fund



**TRADEMARK**

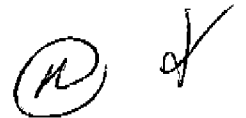
**REEL: 003932 FRAME: 0719**

and the Borrowers, as well as Mr. Mark Wolinsky and Mr. Allan Wolinsky, as guarantors (the "**Investment Agreement**").

Investment 01 and Investment 02 bear interest and are repayable at the interest rate and in accordance with the terms set forth in the Investment Agreement, which also provides for the payment of fees and other related costs. The Investment Agreement, its schedules, and all future modifications or amendments thereto, are hereafter referred to as the "**Investment**". All sums owing and to be owed by any of the Borrowers including, without limitation, the Debtor, as a result of the Investment, in principal, interest and otherwise, are hereinafter referred to as the "**Indebtedness**".

## II. HYPOTHEC

1. To secure the payment of the Indebtedness, and to guarantee the performance of its obligations under the present hypothec as well as under the Investment, and to further guarantee the obligations of the Borrowers pursuant to the Investment, the Debtor hypothecates and creates a security interest in the universality of all its movable property, corporeal and incorporeal, present and future, of whatever nature and wherever situated (the "**mortgaged property**").
2. Without limiting the generality of the foregoing, the mortgaged property includes the universality of the intellectual property of the Debtor, present and future, including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations, processes and processing methods, computer data (including formulations and analyses), computer software (in source code and object code form) and all related programming, technology and techniques, user and systems documentation, licenses related thereto, know-how and manuals, and all other such intangible assets, properties and rights including, without limitation, the intellectual property listed in Schedule "D" of this hypothec (the "**Intellectual Property**").
3. The following property constitutes "mortgaged property" and, to the extent that it is not already included in the description in paragraphs 1 and 2 above, is also charged by the hypothec and security interest constituted hereunder; therefore, the terms "mortgaged property" also include the following property:
  - a) the proceeds of any sale, lease or other disposition of the property described in paragraphs 1 and 2, any debt resulting from such sale, lease or other disposition, as well as any property acquired to replace the mortgaged property;
  - b) any insurance or expropriation proceeds payable in respect of the mortgaged property;
  - c) the principal and income of the mortgaged property as well as any rights attached to the mortgaged property;



- d) where the property described in paragraphs 1 and/or 2 includes shares or securities, all other shares and securities issued in replacement of these shares or securities; and
  - e) all deeds, documents, registers, invoices and books of account evidencing the mortgaged property or relating thereto.
4. This hypothec is granted for the sum of one million nine hundred thousand dollars (\$1,900,000.00), with interest at the rate of twenty-five percent (25%) per annum from the date hereof.

### III. ADDITIONAL HYPOTHEC

To secure the payment of interest not already secured by the hypothec created in Article II and to further secure the performance of its obligations hereunder, the Debtor hypothecates all the property described in Article II for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec created in Article II.

### IV. DEBTOR'S DECLARATIONS

The Debtor declares and warrants the following:

1. The Debtor is the absolute owner of the movable property described at Article II; the mortgaged property is free and clear of all real rights, hypothecs or security except as follows:
  - (a) a movable hypothec in favour of the National Bank of Canada in the amount of six hundred thousand dollars (\$600,000.00) on the universality of MWI's property, and registered at the RDPRM on January 27, 2009 under number 09-0041486-0005 for which a cession of rank shall be granted by the National Bank of Canada to the Fund in respect of Intellectual Property;
  - (b) a movable hypothec in favour of the National Bank of Canada in the amount of one million twenty thousand dollars (\$1,020,000.00) on the universality of claims and inventory of MWI, and registered at the RDPRM on January 27, 2009 under number 09-0041486-0001 for which a cession of rank shall be granted by the National Bank of Canada for claims related to the Intellectual Property.
  - (c) a security under section 427 of the Bank Act in favour of the National Bank of Canada, and registered at the Canadian Securities Registrations Systems on January 30, 2009 under number 01236401.
2. The Debtor is in compliance with all applicable laws, ordinances, regulations and policies, the breach of which could have an adverse effect on the Debtor's business or its ability to perform its obligations under this Investment and the security, including environmental laws and regulations.

3. The rents and income of the mortgaged property have not been assigned to any third party.
4. If the Debtor is an individual, the Debtor's matrimonial status is as follows: N/A
5. The mortgaged property is and will be situated in the Province of Quebec, except for the following property: N/A
6. The Debtor's head office (or domicile, if the Debtor is an individual) is located at the following address: 325 Place de Valençay, in Saint-Lambert, Province of Quebec, J4S 1S3 and the Debtor has places of business located at: i) 1687 de l'Industrie Street, in Beloeil, province of Quebec, J3G 4S5; and ii) 276 Saint-Jacques Street, Suite G02, in Montreal, province of Quebec, H2Y 1N3.
7. More than six months have elapsed since the completion of the last construction or renovation works in respect of the hypothecated immovable except, where applicable, for works which the Fund has been informed of in writing.

**V. COVENANTS**

1. The Debtor shall inform the Fund without delay of any change to its name or to the content of the representations made in article IV.
2. On demand, the Debtor shall deliver to the Fund a copy of all leases relating to the mortgaged property and shall provide to the Fund any and all information relating to said leases.
3. The Debtor shall pay, when due, all duties, taxes and charges relating to the mortgaged property, as well as any debt which could rank prior to the hypothec and security interest constituted hereunder and shall provide to the Fund, on demand, evidence that the payments described herein have been made.
4. The Debtor shall insure the mortgaged property and keep it constantly insured for its full insurable value against damage caused by theft, fire and all other risks against which a prudent administrator would insure the mortgaged property. The Debtor shall also obtain insurance covering loss of revenue resulting from loss of or damage to the mortgaged property. The Fund is hereby designated as the beneficiary of the indemnities payable under these policies. The Debtor shall cause such designation to be inscribed in the policies which must also contain the customary clauses protecting hypothecary creditors in the form approved by the Insurance Bureau of Canada. The Debtor shall provide the Fund with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, the Debtor shall provide to the Fund evidence of the renewal or replacement thereof. Receipt by the Fund of such proceeds, whether or not remitted to or endorsed by the Debtor shall not reduce the Fund's rights and privileges unless said proceeds are applied expressly as a reduction of any outstanding balance and shall not in any case constitute novation.

5. The Debtor shall do all things and sign all documents necessary for the hypothec and security interest constituted hereunder to have full effect and be perfected and constantly enforceable against third parties.
6. The Debtor shall protect and adequately maintain the mortgaged property and exercise its activities in such a manner as to preserve its value. The Debtor shall fully comply with all laws and regulations applicable to the operation of its business and to the mortgaged property, including without limitation environmental laws and regulations.
7. The Debtor shall keep all books, records and accounts which a prudent administrator would keep with respect to the mortgaged property and shall permit the Fund to examine said books, records and accounts and to obtain copies of same.
8. The Debtor shall keep the mortgaged property free of all real rights, hypothecs or security, save those which the Fund has consented to in writing. The Debtor shall not give grant, assume or permit to exist, any lien, hypothec, mortgage, security interest or other encumbrance on any of its assets that are subject to the security other than encumbrance agreed to in writing by the Fund and it shall not grant any licences in or of its Intellectual Property other than as disclosed and consented to by the Fund.
9. The Debtor shall not dispose of nor lease the mortgaged property, including without limitation, the licensing of any Intellectual Property, unless the Fund consents thereto in writing. Notwithstanding any such disposal, the Debtor shall remain liable for the payment of the Indebtedness and this deed shall remain in full force and effect. However, if not in default hereunder, the Debtor may sell its inventory or lease the mortgaged property in the ordinary course of its business and at market conditions. Moreover, if a disposition is made without the Fund's prior consent, the Fund shall be entitled to demand immediate repayment of the Indebtedness, even if it is not yet due.
10. The Debtor shall not change the use, destination or nature of the mortgaged property nor allow any construction or renovation work to be performed thereon without the prior written consent of the Fund.
11. If the Debtor is a corporation, the Debtor shall not amalgamate with another person nor commence dissolution or liquidation proceedings, without the written consent of the Fund.
12. The Debtor shall provide to the Fund all information reasonably required by it with respect to the mortgaged property or to verify if the Debtor is in compliance with the covenants and obligations contained herein. The Debtor shall inform the Fund of any fact or event which could adversely affect the value of the mortgaged property or the financial condition of the Debtor.
13. The Debtor, with respect to the Intellectual Property, shall take all necessary steps and initiate all necessary proceedings, to maintain

the registration or recording of the Intellectual Property, to defend the Intellectual Property, from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property.

14. The Debtor, with respect to copyright forming part of the Intellectual Property, shall provide to the Fund waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work.
15. On demand, the Debtor shall pay the amount of any loss suffered by the Fund due to the repayment before maturity of the whole or part of the principal of the Indebtedness, whatever may be the cause of such repayment (including where such repayment is made further to an event of default). The amount of this loss shall form part of the Indebtedness.
16. The Debtor shall pay all costs incurred by the Fund with respect to this deed and to any release relating thereto, including the fees of the Fund's legal counsel and fees incurred in order to render the Fund's rights opposable to third parties. The Debtor shall provide to the Fund, on demand, a certificate of location of the hypothecated immovable of recent date.
17. The Debtor shall reimburse the Fund for all costs and expenses incurred by it in order to exercise its rights or to fulfill the obligations of the Debtor, the whole with interest from the date the costs and expenses are incurred or paid by the Fund at the annual rate then applicable to the principal of the Indebtedness under the Investment. The hypothec and security interest granted hereby under Article II hereof shall also secure the reimbursement of said costs and expenses as well as the payment of said interest. All such costs and expenses incurred or paid by the Fund, with interest thereon, shall form part of the Secured Obligations.
18. The Debtor shall at all times pay the Fund, at the latter's request, all judicial fees, charges or other legal expenses as well as extra judicial fees in accordance with the tariffs established under the Bar Act and its ensuing regulations, the expenses and fees of an agent or trustee, or any costs incurred in the course of ensuring fulfillment of all of the Debtor's obligations hereunder, protecting and realizing the assets given as security for this Investment, or appraising the assets during the life of the Investment or in the event of their liquidation.

In addition, the Debtor covenants to pay the costs of any appraiser and any environmental investigator engaged by the Fund to effect any inspection, appraisal, investigation or environmental audit of the secured assets during the life of the Investment or in the event of their liquidation, and the cost of any environmental rehabilitation, removal, or repair necessary to protect, preserve or remediate the secured assets, including any fine or penalty the Fund is obliged to incur by reason of any statute, order or direction by competent authority.

19. If any of the hypothecated immovables in Article II of this deed is or

(R) *df*

are held in co-ownership, the debtor undertakes to observe all the requirements imposed by the law with respect to co-ownership, and each and every one of the prescriptions, stipulations, charges, conditions and obligations of the declaration of co-ownership published in respect of these immovables.

The Debtor assigns to the Fund the voting rights it holds at the co-owners' meeting. The Fund hereby appoints the Debtor as its attorney to exercise the said voting right. This mandate is completely revocable at the Fund's sole discretion.

The Debtor acknowledges that it is solely bound to the syndicate of co-owners for any arrears of contributions to the common expenses fund or the contingency fund or any other contribution and undertakes to hold harmless and indemnify the Fund in respect of any sums that it might disburse in this regard.

The Debtor undertakes to see to the registration of the Fund's co-ownership rights and to declare to the syndicate the assignment. The Debtor shall be liable for any prejudice resulting from an omission to this effect.


#### VI. ENVIRONMENT

The Debtor represents and agrees that:

- a) it operates and will continue to operate in conformity with all environmental laws and will ensure its staff is trained as required for that purpose;
- b) its assets are and will remain free of environmental damage or contamination;
- c) there has been no complaint, prosecution, investigation or proceeding with respect to the Debtor's business or assets;
- d) it will advise the Fund immediately upon becoming aware of any environmental problem;
- e) it will provide the Fund with copies of all communications with environmental officials and all studies or assessments prepared for the Debtor and does consent to the Fund contacting and making inquiries of officials or assessors.

#### VII. RIGHTS OF THE FUND

1. The Fund may inspect or have the mortgaged property appraised from time to time at the Debtor's expense. For that purpose, the Debtor shall permit the Fund to have access to the mortgaged property.
2. The Fund may inspect and copy the Debtor's Books and Records, either at the Debtor's premises or at the financial advisor's premises. The Fund may contact and make inquiries with the Debtor's lessors as well as environmental officials, assessors, municipal authorities and any taxing body.

(w) 



In addition to the reporting requirements set out herein, the Fund may require the opinion of an independent qualified auditor.

3. The Fund may, without being bound to do so, fulfill any or all of the obligations of the Debtor hereunder.
4. The Debtor may collect all debts forming part of the mortgaged property until the Fund withdraws its authorization to the Debtor to do so. Upon such withdrawal, the Fund may collect such debts and shall be entitled to a reasonable commission which it may deduct from any amount collected.
5. Where the mortgaged property includes shares or securities, the Fund may, without being bound to do so, exercise any right attached thereto, including any right to vote and any right of conversion or redemption.
6. If the Fund has possession of the mortgaged property, it shall have no obligation to maintain the use for which the mortgaged property is normally intended, to make it productive or to continue its use or operation. However, the Fund may, without being bound to do so, sell the mortgaged property in its possession where the mortgaged property is likely to perish or depreciate or decrease in value.
7. The Debtor constitutes and appoints the Fund as its irrevocable attorney, with full power of substitution, to do any act and to sign any document necessary or useful to the exercise of the rights conferred on the Fund hereunder.
8. The Fund shall register assignments of the Intellectual Property, and shall use, sell, assign, license or sub-license any of the Intellectual Property.
9. The rights conferred on the Fund under this Article VII may be exercised by the Fund irrespective of whether the Debtor is or is not in default hereunder.

#### **VIII. DEFAULTS AND RECOURSES**

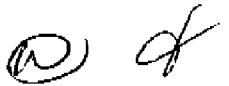
1. The Debtor shall be in default in each and every one of the following events:
  - a) If any or all of the Indebtedness or other obligations secured under this deed are not paid or performed when due;
  - b) If any of the representations made in article IV or warranty made herein is inaccurate or ceases to be accurate;
  - c) If the Debtor does not fulfill any one of its covenants hereunder;
  - d) If the Debtor and/or any of the Borrowers is in default under the Investment and/or any loan with any other lender and/or any other creditor;



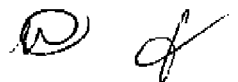
- e) If the Debtor and/or any of the Borrowers is in default under any other contract or agreement between it and the Fund, and/or any other lender, and/or any other creditor, and/or under any other hypothec or security granted in favour of the Fund and/or of any other lender which affects the mortgaged property;
  - f) If the Debtor and/or any of the Borrowers ceases to carry on its business, becomes insolvent or bankrupt; or
  - g) If any or all of the mortgaged property is seized or is subject to a taking of possession by a creditor, a receiver or any other person performing similar functions.
  - h) An order of execution against the Debtor's assets or any part thereof remains unsatisfied for a period of ten (10) days.
  - i) The Lessor under any lease to the Debtor of any immovable/real or moveable/personal property, taken any steps to or threatens to terminate such lease, or otherwise exercise any of its remedies under such lease as a result of any default thereunder by the Debtor.
  - j) The Debtor causes or allows hazardous materials to be brought upon any land or premises occupied by the Debtor or incorporated into any of its assets without the Fund's prior consent, or if the Debtor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority.
  - k) Default under any operating permit, lease of land or personal property or in arrears of payment to any taxing authority.
2. Upon the Debtor's default, the Fund may terminate any obligation it may have had to grant credit or make advances to the Debtor and/or any of the Borrowers and declare exigible all obligations of the Debtor and/or any of the Borrowers which are not yet due. Upon such default, the Fund may also exercise all recourses available to it under applicable law and realize on its hypothec and security interest, namely by enforcing the hypothecary rights provided in the *Civil Code of Quebec*.
3. Upon the Debtor's default, the Fund may use and manage the mortgaged property at the Debtor's expense with full authority to grant new leases or renew existing leases upon such terms and conditions as the Fund may deem appropriate. The Fund may also compromise or transact with the Debtors of the hypothecated debts and may grant releases and discharges thereto. The Fund may also complete the manufacture of mortgaged inventories and do all things necessary or useful to their sale.

**IX. GENERAL PROVISIONS**

1. The hypothec and security interest created hereby are in addition to and not in substitution for any other hypothec or security held by the Fund.



2. This hypothec and security interest are a continuing security and shall subsist notwithstanding the payment from time to time, in whole or in part, of any of the obligations secured hereunder. The Debtor shall not, without the Fund's written consent, subrogate a third party in the hypothec or the Fund's rights hereunder.
3. In each case provided in paragraph 1 of Article VIII, the Debtor shall be in default by the mere lapse of time, without the necessity of any notice or demand.
4. Any sum collected by the Fund in the exercise of its rights may be held by the Fund as mortgaged property or may be applied to the payment of the obligations secured hereunder, whether or not yet due. The Fund shall have discretion as to how any such collected sum shall be applied.
5. The Fund shall not be bound to exercise its rights resulting from these presents and shall not be responsible for the non-exercise of such rights. The Debtor shall use its best efforts to ensure that the debts forming part of the mortgaged property be regularly paid and the Fund shall have no obligation to inform the Debtor of any payment irregularity which it may know of.
6. The exercise by the Fund of any of its rights shall not preclude the Fund from exercising any other right resulting from the present deed; all the rights of the Fund are cumulative and not alternative. The failure of or forbearance by the Fund to exercise any of its rights arising from these presents shall not constitute a renunciation to the later exercise of such right. The Fund may exercise of its rights arising from these presents without being required to exercise any right against the Debtor or against any other person liable for the payment of the obligations secured hereunder or to realize on any other security held for the payment of such obligations. No action or omission on the part of the Fund shall constitute or imply a renunciation of its rights to decide the Debtor is in default or to avail itself of its rights pursuant to such default, unless the Fund explicitly declares otherwise after the default has occurred.
7. The Fund shall only be required to exercise reasonable care in the exercise of its rights or the performance of its obligations hereunder and, in any event, shall only be liable for its intentional fault or gross negligence.
8. The Fund may delegate at another person the exercise of its rights or the performance of its obligations resulting from these presents. In such a case, the Fund may provide that person with any information it may have concerning the Debtor or the mortgaged property.
9. The rights of the Fund hereunder shall also benefit any successor of the Fund, including any entity resulting from the amalgamation of the Fund with another person.



**X. INTERPRETATION**

1. If the word "Debtor" designates more than one person, each such person shall be jointly and severally liable to the Fund for the performance of all the obligations provided in this deed.
2. The rights and recourses of the Fund may be exercised against all the mortgaged property or separately against any portion thereof.
3. This deed shall be governed and interpreted by the law in force in the Province of Quebec and the applicable federal laws. The parties hereto have expressly agreed that this deed be executed in the English language. Les parties ont expressément convenu que le présent acte soit rédigé en anglais.

**XI. ELECTION OF DOMICILE**

In conformity with article 83 of the *Civil Code of Quebec*, the Debtor elects domicile at the Office of the clerk of the Superior Court for the district in which the immovable is located.

WHEREOF the parties have signed in Montreal, on this 5<sup>th</sup> day of February, 2009.

**MANUFACTURIER WET INC. / WET MANUFACTURING INC.**

Per:   
Mark Weinsky

**ALTERINVEST II FUND L.P./ FONDS ALTERINVEST II, S.E.C.  
represented by its general partner Business Development  
Bank of Canada/Banque de développement du Canada**

Per:   
Kim Toffoli

**Schedule "A"**  
**to the Universal Hypothec on Movable Property**  
**between the**  
**AlterInvest II Fund L.P. /**  
**Fonds AlterInvest II, S.E.C.**  
**And**  
**Manufacturier Wet Inc. / Wet Manufacturing Inc.**

**Resolution of Fund**  
**(see documents appended hereto)**



**RÉSOLUTION DU CONSEIL D'ADMINISTRATION DE LA  
BANQUE DE DÉVELOPPEMENT DU CANADA (« BDC »)**

**POUVOIR DE SIGNATURE -- FINANCEMENT SUBORDONNÉ**

- 1) Que deux des personnes suivantes, à savoir, un directeur, Financement subordonné, un directeur général, Financement subordonné, un vice-président adjoint ou tout dirigeant d'un niveau de vice-président ou supérieur du groupe de Financement subordonné de BDC, ou tout dirigeant d'un niveau de vice-président ou supérieur du groupe de Gestion du risque de crédit de BDC soient autorisées par les présentes à signer, exécuter et remettre, pour le compte de BDC, de façon générale et sans que l'énumération qui suit en restreigne la portée, toutes les ententes et tous les contrats qui ont trait aux activités du groupe de Financement subordonné de BDC (collectivement, les « documents »), autres que celles dont il est question à la Section 2, qui de l'avis des personnes désignées aux présentes peuvent être nécessaires pour les besoins de BDC, incluant notamment :

lettres d'offre de crédit et/ou ententes de prêt, actes d'aliénation, d'acquisition, de subrogation ou de priorité de rang, actes de cession, conventions de bail, actes d'hypothèque ou autres charges grevant des biens personnels, meubles, réels ou immobiliers, y compris les créances et les droits d'action de quelque nature que ce soit, actes de mainlevées, renonciations totales, partielles ou temporaires, procurations, conventions de priorité, cessions de rang, lettres de garantie, billets à ordre, lettres de change, mandats de paiement, conventions de souscription, conventions entre actionnaires, conventions de blocage, conventions d'achat et de vente de titres ou d'éléments d'actif,

avec pleins pouvoirs de substitution leur conférant le droit de désigner toute autre personne ou toutes autres personnes comme fondés de pouvoirs légitimes de BDC en vue de signer, exécuter et remettre tous document précis.

- 2) Qu'une des personnes suivantes, à savoir, un directeur, Financement subordonné, un directeur général, Financement subordonné, un vice-président adjoint ou tout dirigeant d'un niveau de vice-président ou supérieur du groupe de Financement subordonné de BDC, ou tout dirigeant d'un niveau de vice-président ou supérieur du groupe de Gestion du risque de crédit de BDC soit autorisée par les présentes à signer, exécuter et remettre, pour le compte de BDC, les ententes et les contrats qui suivent et qui ont trait aux activités du groupe Financement subordonné de BDC :

toute modification aux lettres d'offre de crédit et/ou aux conventions de prêts,

TRADEMARK

REEL: 003932 FRAME: 0731



avec pleins pouvoirs de substitution leur conférant le droit de désigner toute autre personne ou toutes autres personnes comme fondés de pouvoirs légitimes de BDC en vue de signer, exécuter et remettre les documents précités.

- 3) Qu'une des personnes suivantes, à savoir, un directeur, Financement subordonné, un directeur général, Financement subordonné, un vice-président adjoint ou tout dirigeant d'un niveau de vice-président ou supérieur du groupe de Financement subordonné de BDC, ou tout dirigeant d'un niveau de vice-président ou supérieur du groupe de Gestion du risque de crédit de BDC, ou tout avocat des services juridiques soit autorisée par les présentes à signer, exécuter et remettre, pour le compte de BDC, les ententes et les contrats qui suivent et qui ont trait aux activités du groupe Financement subordonné de BDC :

toute libération, quittance et mainlevée,

avec pleins pouvoirs de substitution leur conférant le droit de désigner toute autre personne ou toutes autres personnes comme fondés de pouvoirs légitimes de BDC en vue de signer, exécuter et remettre les documents précités.

Je, soussignée, Marie-Chantale Pierre, Secrétaire générale adjointe de la Banque de développement du Canada (« BDC ») certifie que la présente est une copie complète et exacte de la Résolution de signature approuvée à une réunion du conseil d'administration de la BDC dûment tenue le 7 août 2008. Ladite résolution conserve sa pleine force et vigueur à ce jour. De plus, j'atteste que monsieur Louis-David Julien et madame Jacinthe Morin ont respectivement été nommés au poste de Directeur général, Financement subordonné et Directrice, Financement subordonnée et qu'ils occupent présentement ces fonctions.

Daté ce 16 janvier 2009.

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Marie-Chantale Pierre  
Secrétaire générale adjointe

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TRADEMARK

REEL: 003932 FRAME: 0732

**Schedule "B"**  
**to the Universal Hypothec on Movable Property**  
**between the**  
**AlterInvest II Fund L.P. /**  
**Fonds AlterInvest II, S.E.C.**  
**And**  
**Manufacturier Wet Inc. / Wet Manufacturing Inc.**

**Proxy of Fund**  
**(see documents appended hereto)**





## PROCURATION

FONDS ALTERINVEST II S.E.C., société en commandite agissant par son commandité BANQUE DE DÉVELOPPEMENT DU CANADA, corporation bancaire continuant la personnalité morale de la Banque Fédérale de Développement par une loi du Parlement du Canada, 42-43-44 Élisabeth II (1994-1995), sanctionnée le 13 juillet 1995, ayant son siège social au 5, Place Ville-Marie, bureau 300, Montréal (Québec) H3B 5E7, agissant à ces présentes et représenté par Jacinthe Morin et par Louis-David Julien, dûment autorisés aux fins des présentes, tel qu'ils ou elles le déclarent,

NOMME ET CONSTITUÉE:

Kim Toffoli, Avocate

son mandataire spécial à qui il donne pouvoir de signer en son nom, tous actes et documents et autres effets qu'il juge nécessaire contenant les conditions et garanties attachées à l'Investissement # 052259-01/02 consenti à « Wet Manufacturing inc et Financière Maximus inc. ».

FAIT ET SIGNÉ en la cité de Montréal, province de Québec, ce seizième (16<sup>e</sup>) jour du mois de janvier deux mille neuf (2009).

FONDS ALTERINVEST II, S.E.C., société en commandite agissant par son commandité BANQUE DE DÉVELOPPEMENT DU CANADA.

A handwritten signature in cursive script, appearing to read 'Jacinthe Morin', written over a horizontal line.

Par : Jacinthe Morin, Directrice  
Financement subordonné

A handwritten signature in cursive script, appearing to read 'Louis-David Julien', written over a horizontal line.

Par : Louis-David Julien, Directeur général  
Financement subordonné

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**Schedule "C"**  
**to the Universal Hypothec on Movable Property**  
**between the**  
**AlterInvest II Fund L.P. /**  
**Fonds AlterInvest II, S.E.C.**  
**And**  
**Manufacturier Wet Inc. / Wet Manufacturing Inc.**

**Resolutions of the Board of Directors and of the Shareholders of**  
**Manufacturier Wet Inc. / Wet Manufacturing Inc.**

**(see documents appended hereto)**

**MANUFACTURIER WET INC. /  
WET MANUFACTURING INC.  
(the "Corporation")**

**RESOLUTION OF BORROWER**

"Upon motion, duly proposed and seconded, it was unanimously resolved:

THAT this Corporation with Maximus Financial Inc. / Financière Maximus inc. (collectively, the "**Borrowers**") borrow from AlterInvest II Fund L.P. / Fonds AlterInvest II, S.E.C (the "**Fund**"), the principal sum in the total amount of one million nine hundred thousand dollars (\$1,900,000.00), consisting of i) an investment in the amount of one million four hundred thousand dollars (\$1,400,000.00) ("**Investment 01**"); and ii) an investment in the amount of five hundred thousand dollars (\$500,000.00) ("**Investment 02**"), pursuant to the terms and at the interest rate set forth in the Fund's Letter of Offer of Investment dated December 12, 2008 and its schedules, as amended by a Letter of Amendment dated January 16, 2009, and in all further amendments thereto (collectively, the "**Letters of Offer**"), as well as in the Investment Agreement (hereinafter defined) (Investment 01, Investment 02, the Letters of Offer and the Investment Agreement are collectively called the "**Investment**"). Such interest shall be calculated from the date of any disbursement and shall be calculated and payable monthly with interest on all overdue interest at the same rate;

THAT to guarantee the fulfillment of the obligations of the Borrowers pursuant to the terms of the Investment, the Corporation sign in favour of the Fund:

- = an Investment Agreement by and between the Fund and the Borrowers, and Mr. Mark Wolinsky and Mr. Allan Wolinsky, as guarantors (the "**Investment Agreement**") as well as the agreement concerning the EBITDA (the "**EBITDA Agreement**");
- = a Deed of Universal Movable Hypothec including a principal hypothec in the amount of one million nine hundred thousand dollars (\$1,900,000.00), an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec, the whole bearing interest at an annual rate of twenty-five percent (25%) on the universality of all the movable property of the Corporation, corporeal and incorporeal, present and future, as more fully described in the draft submitted to the Corporation's Directors, as well as the proceeds of any sale, lease or other disposal of said property, any debt resulting from such sale, lease or other disposal, as well as any property acquired to replace the mortgaged property, any insurance or expropriation indemnity payable in respect of the mortgaged property, the fruits and income produced by the mortgaged property, as well as any rights attached thereto and all deeds, documents, registers, invoices, and books of account evidencing the mortgaged property or relating thereto (the "**Universal Hypothec**");
- = a Deed of Hypothec on Movable Property in the amount of one million nine hundred thousand dollars (\$1,900,000.00) on the benefits under the insurance payable on the life of Mr. Mark Wolinsky, said Hypothec on Movable Property shall include a principal hypothec in the amount of one million nine hundred thousand dollars (\$1,900,000.00) and an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec, the whole bearing interest at an annual rate of twenty-five percent (25%), the whole as more fully described in the draft submitted to the Corporation's Directors (the "**Hypothec on Life Insurance**");

THAT the Corporation execute an Undertaking regarding the Hypothec on Life Insurance, the whole as more fully described in the draft submitted to the Corporation's Directors (the "**Undertaking**");

THAT the Letters of Offer, and the draft Investment Agreement, EBITDA Agreement, Universal Hypothec, Hypothec on Life Insurance and Undertaking submitted to this meeting be and are hereby duly approved;




**TRADEMARK**

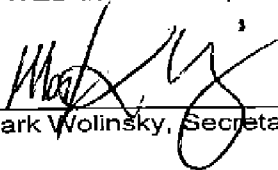
**REEL: 003932 FRAME: 0736**

THAT Mr. Mark Wolinsky, President of the Corporation, be authorized to sign, for and on behalf of the Corporation, the Letters of Offer, the Investment Agreement, the EBITDA Agreement, the Universal Hypothec, the Hypothec on Life Insurance and the Undertaking with the same form and content as the drafts submitted to the Directors, as well as any other appropriate documents necessary to give effect to this resolution and to the Letters of Offer, the Investment Agreement, the EBITDA Agreement, the Universal Hypothec, the Hypothec on Life Insurance and to the Undertaking, Mr. Mark Wolinsky being duly authorized and empowered to negotiate and/or amend the terms and conditions of same."

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The undersigned, Secretary of **MANUFACTURIER WET INC. / WET MANUFACTURING INC.**, hereby certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of said Corporation at a meeting thereof duly called and held on the 5<sup>th</sup> day of February, 2009, and that said Resolution is now in full force and effect, unamended.

DATED in Montreal, this 5<sup>th</sup> day of February, 2009.



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Mark Wolinsky, Secretary

**MANUFACTURIER WET INC. /  
WET MANUFACTURING INC.  
(the "Corporation")**

**RESOLUTION OF BORROWER**

"Upon motion, duly proposed and seconded, it was unanimously resolved:

THAT this Corporation with Maximus Financial Inc. / Financière Maximus inc. (collectively, the "**Borrowers**") borrow from AlterInvest II Fund L.P. / Fonds AlterInvest II, S.E.C (the "**Fund**"), the principal sum in the total amount of one million nine hundred thousand dollars (\$1,900,000.00), consisting of i) an investment in the amount of one million four hundred thousand dollars (\$1,400,000.00) ("**Investment 01**"); and ii) an investment in the amount of five hundred thousand dollars (\$500,000.00) ("**Investment 02**"), pursuant to the terms and at the interest rate set forth in the Fund's Letter of Offer of Investment dated December 12, 2008 and its schedules, as amended by a Letter of Amendment dated January 16, 2009, and in all further amendments thereto (collectively, the "**Letters of Offer**"), as well as in the Investment Agreement (hereinafter defined) (Investment 01, Investment 02, the Letters of Offer and the Investment Agreement are collectively called the "**Investment**"). Such interest shall be calculated from the date of any disbursement and shall be calculated and payable monthly with interest on all overdue interest at the same rate;

THAT to guarantee the fulfillment of the obligations of the Borrowers pursuant to the terms of the Investment, the Corporation sign in favour of the Fund:

- = an Investment Agreement by and between the Fund and the Borrowers, and Mr. Mark Wolinsky and Mr. Allan Wolinsky, as guarantors (the "**Investment Agreement**") as well as the agreement concerning the EBITDA (the "**EBITDA Agreement**");
- = a Deed of Universal Movable Hypothec including a principal hypothec in the amount of one million nine hundred thousand dollars (\$1,900,000.00), an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec, the whole bearing interest at an annual rate of twenty-five percent (25%) on the universality of all the movable property of the Corporation, corporeal and incorporeal, present and future, as more fully described in the draft submitted to the Corporation's Directors, as well as the proceeds of any sale, lease or other disposal of said property, any debt resulting from such sale, lease or other disposal, as well as any property acquired to replace the mortgaged property, any insurance or expropriation indemnity payable in respect of the mortgaged property, the fruits and income produced by the mortgaged property, as well as any rights attached thereto and all deeds, documents, registers, invoices, and books of account evidencing the mortgaged property or relating thereto (the "**Universal Hypothec**");
- = a Deed of Hypothec on Movable Property in the amount of one million nine hundred thousand dollars (\$1,900,000.00) on the benefits under the insurance payable on the life of Mr. Mark Wolinsky, said Hypothec on Movable Property shall include a principal hypothec in the amount of one million nine hundred thousand dollars (\$1,900,000.00) and an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec, the whole bearing interest at an annual rate of twenty-five percent (25%), the whole as more fully described in the draft submitted to the Corporation's Directors (the "**Hypothec on Life Insurance**");

THAT the Corporation execute an Undertaking regarding the Hypothec on Life Insurance, the whole as more fully described in the draft submitted to the Corporation's Directors (the "**Undertaking**");

THAT the Letters of Offer, and the draft Investment Agreement, EBITDA Agreement, Universal Hypothec, Hypothec on Life Insurance and Undertaking submitted to this meeting be and are hereby duly approved;

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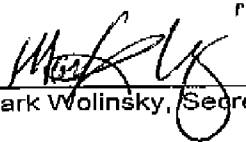
REEL: 003932 FRAME: 0738

THAT Mr. Mark Wolinsky, President of the Corporation, be authorized to sign, for and on behalf of the Corporation, the Letters of Offer, the Investment Agreement, the EBITDA Agreement, the Universal Hypothec, the Hypothec on Life Insurance and the Undertaking with the same form and content as the drafts submitted to the Directors, as well as any other appropriate documents necessary to give effect to this resolution and to the Letters of Offer, the Investment Agreement, the EBITDA Agreement, the Universal Hypothec, the Hypothec on Life Insurance and to the Undertaking, Mr. Mark Wolinsky being duly authorized and empowered to negotiate and/or amend the terms and conditions of same."

---

The undersigned, Secretary of **MANUFACTURIER WET INC. / WET MANUFACTURING INC.**, hereby certifies that the foregoing is a true and correct copy of a Resolution adopted by the shareholders of said Corporation at a meeting thereof duly called and held on the 5<sup>th</sup> day of February, 2009, and that said Resolution is now in full force and effect, unamended.

DATED in Montreal, this 5<sup>th</sup> day of February, 2009.

  
\_\_\_\_\_  
Mark Wolinsky, Secretary

**Schedule "D"**  
**to the Universal Hypothec on Movable Property**  
**between the**  
**AlterInvest II Fund L.P. /**  
**Fonds AlterInvest II, S.E.C.**  
**And**  
**Manufacturier Wet Inc. / Wet Manufacturing Inc.**

**List of Intellectual Property**  
**(see documents appended hereto)**

**SCHEDULE "D"****LIST OF INTELLECTUAL PROPERTY****Manufacturier Wet inc. / Wet Manufacturing Inc.****1. Acting under the following name(s):**

- 1.1. Style Wet
- 1.2. Wet Style

**2. Canadian Intellectual Property Office ("CIPO")**

- 2.1. "WET", registered at the CIPO on July 14, 2004 under number TMA614866;
- 2.2. "WETSTYLE", registered at the CIPO on April 28, 2008 under number TMA713058.

**3. United States Patents and Trademarks Office**

- 3.1. "WETSTYLE", filed at the United States Patents and Trademarks Office on December 1, 2006 under serial number 77054885.

