

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Alterinvest II und L.P./Fonds Alterinvest II, S.E.C.	04/27/2008
RECEIVING PARTY DATA	
Name:	Therma Blade Inc.
Street Address:	900, Rene-Levesque Blvd., Suite 600
Internal Address:	same
City:	Quebec
State/Country:	CANADA
Postal Code:	G1R 2B5
PROPERTY NUMBERS Total: 7	
Property Type	Number
Patent Number:	6669209
Patent Number:	6817618
Application Number:	11780577
Application Number:	11780580
Application Number:	11839166
Application Number:	11851681
Application Number:	60956397
CORRESPONDENCE DATA	
Fax Number:	(204)942-5723
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Email:	uspto@adeco.com
Correspondent Name:	Ade & Company INC.
Address Line 1:	2157 Henderson Highway
Address Line 2:	same
Address Line 4:	Winnipeg, CANADA R2G 1P9

CH \$280.00 6669209

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REEL: 020976 FRAME: 0584

ATTORNEY DOCKET NUMBER:

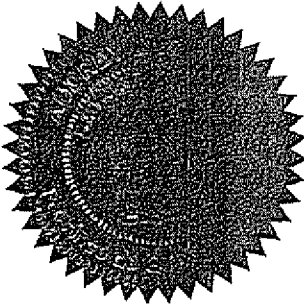
85061-499 ADB

NAME OF SUBMITTER:

Adrian D. Battison

Total Attachments: 42

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HYPOTHEC ON UNIVERSALITIES

On this twenty seventh (27th) day of March two thousand eight (2008)

BEFORE Me AUDREY LACHANCE, the undersigned Notary for the Province of Quebec, practicing in the Quebec City.

APPEARED:

ALTERINVEST II FUND L.P./FONDS ALTERINVEST II, S.E.C., a limited partnership legally constituted pursuant to the laws of the Province of Quebec, herein represented by its general partner, Business Development Bank of Canada, a corporation established under the *Federal Business Bank Act* (Canada) with its head office at 5 Place Ville Marie, Suite 600, Montreal, Quebec, acting through and represented by Louise Langevin, its Managing Director, Subordinate Financing, and Étienne Drouin, its Manager, Subordinate Financing, duly authorized in virtue of a resolution of its Board of Directors adopted at a meeting thereof called and held on January 24, 2007, themselves represented by Me François Lefebvre pursuant to a power of attorney under private signature, dated February 14, 2008.

The notice of address of the Fund being registered at the Land Registry Office of Quebec under number 6 318 527 and at the Personal and Movable Real Rights Registry Office under number 034 699.

(hereinafter called the "Fund")

AND:

THERMA BLADE INC., a corporation duly incorporated under the *Canada Business Corporations Act*, having its registered office at 900, René-Lévesque Blvd., suite 600, Quebec, Quebec, G1R 2B5, acting through and represented by Dhiren Master, its director and President, hereunto duly authorized pursuant to a signed resolution by its directors, dated as of March 27, 2008.

(hereinafter called the "Debtor")

WHO HAVE DECLARED AND AGREED AS FOLLOWS:

I. THE INDEBTEDNESS

The Fund has granted to the Debtor an investment in the amount of one million five hundred thousand Canadian dollars (\$1,500,000) under a letter of offer of investment and its schedules, dated February 11, 2008 and accepted by the Debtor on February 13, 2008, the letters of amendment dated March 10 and March 18, 2008 and a Investment Agreement dated March 27, 2008 (Investment number: 047908-01). These Investment Agreement, letter of offer of financing, letters of amendment and their schedules, and all future modifications or amendments thereto, are hereafter referred to as the "Loan".

The Loan bears interest and is repayable at the interest rate and in accordance with the terms set forth in the Investment Agreement, the letter of offer of financing and their schedules. All sums owing and to be owed by the Debtor as a result of the Loan, in principal, interest, royalties and otherwise, are hereinafter referred to as the "Indebtedness".

II. HYPOTHEC

1. To secure the payment of the Indebtedness and the performance of its obligations under the present hypothec as well as under the Loan, the Debtor hypothecates and creates a security interest in the universality of all its property, movable and immovable, corporeal, incorporeal and intangible, present and future, of whatever nature and wherever situated (the "mortgaged property").
2. This hypothec is granted for the sum of one million five hundred thousand Canadian dollars (\$1,500,000), with interest at the rate of twenty-five percent (25%) per annum from the date hereof.
3. Without limiting the generality of the foregoing, this hypothec shall affect all present and future immovable of the Debtor, all present and future rents generated by these immovables and by the Debtor's other immovable as well as the indemnities payable under insurance contracts covering said rents, if any;
4. Without limiting the generality of the foregoing, this hypothec also affects all of the Debtor's rights, titles and interests into the intellectual property rights of the Debtor. For the purposes hereof, "Intellectual Property Rights" means, collectively, all incorporeal and intangible property now owned or hereafter acquired by the Debtor including, without limitation, all patents and patents pending, registered and unregistered trade marks, trade or brand names, marks, registered and unregistered copyrights, industrial designs, inventions, formulae, processes, trade secrets, goodwill, contractual rights, licenses and permits, domain names, source codes as well as all other intellectual property rights of whatsoever nature, kind or description that the owner thereof may claim as owner, holder, author, registered user, licensee or in any capacity whatsoever, including those listed in Schedule A annexed hereto to form part hereof.
5. The following property constitutes "mortgaged property" and, to the extent that it is not already included in the description above, is also charged by the hypothec and security interest constituted hereunder; therefore, the term "mortgaged property" also includes the following property:
 - a. the proceeds of any sale, lease or other disposition of the property described in Article II, 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 section II 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.

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. RANKING OF HYPOTHECS

The hypothecs created herein on inventory and claims shall be subordinated to and rank after any other hypothec that may be granted on this property by the Debtor in favour of any bank or financial institution granting operating loans or operating credit to the Debtor. In the case of claims, this assignment of rank shall be limited to claims and account receivable, present and future, resulting from the Debtor's current operations, and particularly from the revenue from alienation or leasing of inventory and the insurance proceeds of this property. It shall not extend to, among other things, claims resulting from leasing, alienation or expropriation of other property, nor from the insurance proceeds thereof.

The term "inventory" means the inventory owned by the Debtor or held on its behalf, regardless of whether it consists of raw materials, materials or goods wrought or processed or in process by the Debtor or by others, or of goods serving for packaging, goods held by third parties under a lease, leasing, franchise or licence, or any other agreement made with the Debtor, livestock or produce of the soil and fruit, from the time they are extracted from the soil.

V. DEBTOR'S DECLARATIONS

The Debtor declares and warrants the following:

1. The Debtor is the absolute owner of the mortgaged property and the mortgaged property is free and clear of all real rights, hypothecs or security other than such rights, hypothecs, security interest or other security listed in Schedule B annexed hereto to form part hereof.
2. As of this day, Schedule A illustrates the complete list of all Intellectual Property Rights, registered or not, owned and used by the Debtor. Without limiting the generality of the foregoing, Schedule A also illustrates all trademarks and copyrights, registered or not, including copyright in any software, manuals, drawings, or other works owned by the Debtor as well as all patents and patent applications owned by the Debtor.
3. As of this day, Schedule C illustrates all licenses, subscribed or granted by the Debtor, which have not been modified, are still in force and under which it is not in default.
4. All applications for the registration of the Debtor's trademarks, copyrights and patents and all registered trademarks, copyrights and patents are in good standing.
5. The Intellectual Property Rights and any applicable registration thereof are valid and enforceable.
6. No claim has been made to the effect that the use of the Intellectual Property Rights infringes upon the rights of any person.
7. With the exception of rights granted to the Debtor in licenses, if any, or by the Debtor pursuant to paragraph 1 hereabove, the Debtor is the sole legal owner and holder of all rights in the Intellectual Property Rights, the said Intellectual Property Rights being free and clear of any charge, rights, hypothecs, security or third party interests of any kind or nature other than those listed in Schedule B.
8. 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 the Loan and the security, including environmental laws and regulations.
9. The rents and income of the mortgaged property have not been assigned to any third party.
10. The mortgaged property is and will be situated solely in the Province of Quebec except as declared in Schedule D for which locations the Debtor undertakes to grant a security interest to the Fund, at the latter's request, in accordance with applicable laws of each such location.
11. The Debtor's head office is located at the following address: 900, René-Lévesque Blvd., suite 600, Québec, Quebec, G1R 2B5.
12. The Debtor does not own any immovable property.

VI. 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 V.

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 constituted hereby 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 any mortgaged immovable. 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 constituted hereunder to have full effect and be constantly perfected and 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 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 its business and to the mortgaged property; the Debtor 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 Rights 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 Rights, 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 Rights, shall register all existing and future Intellectual Property Rights, when applicable and when deemed commercially reasonable by the Fund, and the Debtor shall take all necessary steps and initiate all necessary proceedings to maintain the registration or recording of the Intellectual Property Rights, to defend the Intellectual Property Rights from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property Rights. The Debtor shall advise the Fund of the creation or improvements of any Intellectual Property Rights and of any information or situation it is or should be aware of and that would in any way affect the Intellectual Property Rights.
14. The Debtor shall, with respect to the Intellectual Property Rights, provide to the Fund assignments executed by all contributors to the creation of the said Intellectual Property Rights in favour of the Debtor. The Debtor, with respect to copyright forming part of the Intellectual Property, provides 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 mortgaged 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 an annual rate equal to the Fund's Floating Base Rate in effect from time to time, plus 4 % per annum. 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.

For the purposes hereof, "Fund's Floating Base Rate" means the annual rate of interest announced by the Fund through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian Dollar loans. The Fund's Floating Base Rate on the date hereof is 7,25% per annum.

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 loan, or appraising the assets during the life of the loan 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 Lender on reasonable ground to effect any inspection, appraisal, investigation or environmental audit of the secured assets during the life of the Loan 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 Lender is obliged to incur by reason of any statute, order or direction by competent authority.

19. If any of the mortgaged immovable in Article II of this deed is or 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 immovable.

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.

VII. 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.

VIII. 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.

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 Rights, and shall use, sell, assign, license or sub-license any of the Intellectual Property Rights.
9. The rights conferred on the Fund under paragraphs 1 and 2 of this Article VIII may be exercised by the Fund irrespective of whether the Debtor is or is not in default hereunder.
10. The rights conferred on the Fund under paragraphs 3 to 8 of this Article VIII may be exercised by the Fund only if the Debtor is in default hereunder.

IX. 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 V or warranty made herein is inaccurate in a material way or ceases to be accurate;
 - c) If the Debtor does not fulfill any one of its covenants hereunder and such failure remains uncured for a period of five (5) days following notification to that effect by the Fund to the Debtor;
 - d) If the Debtor is in default under the Loan;
 - e) If the Debtor is in default under any other contract or agreement between it and the Fund or under any other hypothec or security affecting the mortgaged property;
 - f) If the Debtor ceases to carry on its business, becomes insolvent or bankrupt;
 - 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 unless adequate and sufficient security, at the Fund's sole opinion, is given to the Fund;
 - 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 material lease to the Debtor of any immovable/real or moveable/personal property, taken any steps 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; or
 - 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 declare exigible all obligations of the Debtor 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, 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 mortgaged 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.

X. GENERAL PROVISIONS

1. The hypothec created hereby is in addition to and not in substitution for any other hypothec or security held by the Fund.
2. This hypothec is 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 IX, 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 other wise 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.

XI. INTERPRETATION

1. If the word "Debtor" designates more than one person, each such person shall be solidarity 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 Québec. 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.

XII. ELECTION OF DOMICILE

In conformity with article 83 of the *Civil Code of Québec*, the Debtor elects domicile at the Office of the clerk of the Superior Court for the district of Quebec, if service of documents at the following address is not possible: 900, René-Lévesque Blvd. suite 600, Quebec, Quebec, G1R 2B5.

(signatures on the following page)

WHEREOF ACT, at Quebec City made and passed the day and year
above-mentioned under number SIX HUNDRED AND THIRTY-SIX (636) of
the minutes of the undersigned notary.

And, AFTER DUE READING HEREOF, the parties have signed
with and in the presence of the undersigned notary.

ALTERINVEST FUND II L.P.
Represented by its general partner,
Business Development Bank of Canada

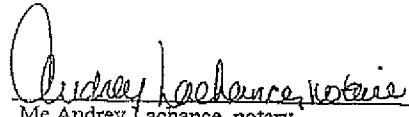
By:


Me François Lefebvre

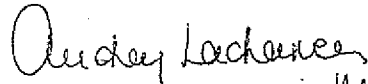
THERMA BLADE INC.

By:


Dhiren Master


Me Audrey Lachance, notary

TRUE COPY of the minute remaining in my office


Me Audrey Lachance, notary

SCHEDULE A

LIST OF INTELLECTUAL PROPERTY RIGHTS

Trade-Marks

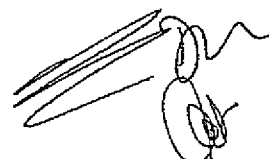
COUNTRY	APPLICATION NO.	TRADE-MARK	STATUS
Canada	LMC645802	THERMABLADE	issued
Canada	1359849	THERMABLADE	pending
European Community	006 232 896	THERMABLADE	pending
Russia	2007727409	THERMABLADE	pending
USA	77/302,297	THERMABLADE	pending
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Russia	200727408	GET CHARGED	pending
USA	77/302,282	GET CHARGED	pending

Patents

COUNTRY	APPLICATION NO.	TRADE-MARK	STATUS
Canada	2,468,960	Transitor Heated Ice Skate Blades	pending
USA	6,669,209		issued
Europe	02782686.0		pending
Russia	2276616		issued
Canada	2,527,739	Charger contact on Blade	pending
USA	6,817,618		issued
Europe	04737780.9		pending



COUNTRY	APPLICATION NO.	TRADE-MARK	STATUS
Russia	2276616		to be issued shortly
Norway	20060173		pending
Ukraine	CA04/00838		pending
US CIP	6,988,735		issued
Czech Republic	PV2005-749		pending
Poland	379563		pending
Canada	unknown 2,609,371	Mounting Arrangement for Ice Skate Blades	pending
USA	11/780,577		pending
Canada	unknown 2,605,934	Heating Arrangement for Ice Skate Blades	pending
USA	11/780,580		pending
Canada	2,601,212	Charger Stand for Electrically Heated Ice Skates	pending
USA	11/839,166		pending
Canada - Design	121254	Charger for Electrically Heated Skates	pending
USA - Design	29/281,714		pending
Canada - Design	121255	Support for Attachment of a Skate Blade to a Boot	pending
USA - Design	29/281,717		
Canada	2,601,259	Wire Heated Ice Skate blades	pending
USA	11/851,681		pending
USA Provisional	60/956,397	Team Skate System with Battery Heated Skates	pending
USA Provisional		Apparatus for Monitoring the Physical Condition of a Skater	not filed



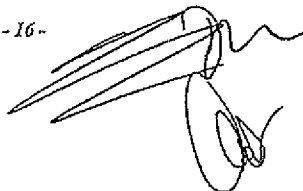
All European Applications designate and can be granted in:

Austria	Cyprus	Spain	Italy	Finland	Luxembourg
Belgium	Switzerland	France	Monaco	Greece	Holland
Denmark	Germany	Great	Portugal	Ireland	Sweden
		Britain			

There is no other Intellectual Property Rights as of this day of March 27, 2008.

L1062 (04-2007)

- 16 -

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PATENT
REEL: 020976 FRAME: 0601

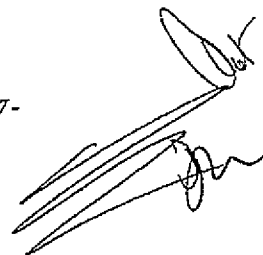
SCHEDULE B

LIST OF SECURITIES

None as of this day of March 27, 2008.

L1062 (04-2007)

- 17 -

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PATENT
REEL: 020976 FRAME: 0602

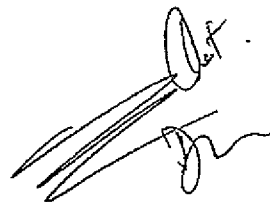
SCHEDULE C

LIST OF LICENCES SUBSCRIBED BY THE DEBTOR

- None as of this day of March 27, 2008.;

LIST OF LICENSES GRANTED BY THE DEBTOR

- Manufacturing and Supply Agreement between the Debtor and IPL inc. entered into July 31, 2007.
- No other licence granted by the Debtor as of this day of March 27, 2008.

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SCHEDULE D

LIST OF MORTGAGED PROPERTY OUTSIDE OF THE
PROVINCE OF QUEBEC

- Furniture located in the Province of Alberta ;
- Equipment and inventory located in the Province of Ontario ; and
- Inventory located in Thailand.

L1062 (04-2007)

- 19 -





February 11th, 2008

CONFIDENTIAL

Therma Blade inc.
2875, Boul. Laurier, Edifice Delta, bureau 370
Québec (Québec) G1V 2M2

Attention: Mr Dhiren Master, President

Subject: Investment Number 047908-01 granted to
Therma Blade inc. (the "Borrower")

Dear Sir,

On the basis of the information provided by the Borrower, the Business Development Bank of Canada, acting on behalf of AlterInvest Funds II, L.P. ("the Bank"), is pleased to offer the Borrower an investment in the amount of \$1,500,000 under the following terms and conditions (the "Investment").

PROJECT AND INVESTMENT

Project	(\$)	Investment	(\$)
Working Capital	1,500,000	The Bank	1,500,000
Replenish W/C for fixed assets purchased prior to Nov 30 th , 2007	400,000	Term loan from Desjardins / IQ	1,700,000
Equipment, moulds and tools (acquired after Nov 30 th , 2007)	1,300,000		
TOTAL	3,200,000	TOTAL	3,200,000

Neither the project nor the Investment may be amended or modified without the Bank's prior written consent. The proceeds of this Investment may be allocated only to this project.


Canada



1. TERMS AND CONDITIONS

Authorization Date	February 1 st , 2008
Investment Amount	\$1,500,000
Disbursement	The Investment will be disbursed subject to the terms and conditions stipulated herein.
Repayment	The principal will be repaid in one payment at Maturity Date.
Preauthorized Payment System	Any amount due by the Borrower pursuant to the investment will be repaid by means of preauthorized payments drawn on the Borrower's bank account. The Borrower must complete a form for this purpose and provide the Bank with a specimen cheque marked "cancelled".
Payment Date	All payments of interests, Royalties and monthly Management Fees will be made on the 15th day of each month (the "Payment Date").
Maturity Date	The "Maturity Date" of the Investment is the date of the last scheduled payment of the principal, namely March 15th, 2011.
Prepayment	Any prepayment will be subject to the payment of an indemnity in accordance with the terms and conditions set out in Schedule A (section 19) attached hereto.
Currency	Unless otherwise expressly mentioned in this Offer, all amounts being referred to in this Offer are in Canadian Currency.

2. RETURN

Interest Rate	Aggregate rate of 12.00% per year, composed of the Bank's Four Year Base Rate (presently at 8.00%) plus a variance of 4.00% (the "Variance"). The Borrower shall pay the Bank regular monthly interest commencing on the Payment Date following the first disbursement.
Royalties	<p>The Borrower shall pay an additional interest in the form of a Royalty. The Royalty will be based on units (pair of blades) sold annually. Royalty rate applicable is:</p> <ul style="list-style-type: none">i) no Royalty for the first 40,000 pairs sold in any given fiscal year,ii) \$1.50 per pair from 40,001 to 130,000 pairs sold within said fiscal yeariii) \$0.375 per pair for every pair above 130,000 within said fiscal year <p>Fiscal year to be a twelve month period starting on January 1st.</p>

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Borrower cannot change its fiscal year without the Bank's prior written consent.

Royalties shall be paid in accordance with the terms and conditions set out in Schedule A (section 2) attached hereto.

If the annual audited statements and the auditor's certificate are not received within 120 days of the end of the fiscal year, the Bank reserves the right to estimate and collect the Royalties from the Borrower's account.

If at the Maturity date of the Investment a Royalty has not been paid on at least 270,000 pairs (excluding the first 40,000 pairs/year on which no Royalty is applicable, but including pairs on which Royalty is paid on the same scale mentioned above), then the Royalty payment obligation of the Borrower will continue to apply until 270,000 applicable pairs have been reached, with no time limit.

3. FEES

Management Fees	The Borrower undertakes to pay monthly management fees in the amount of \$300 (the "Management Fees").
Commitment Fee	After acceptance of this Offer of Investment, if the Borrower does not provide the Bank with the necessary documents, is unable to fulfil the requirements of this Offer duly accepted by the Borrower or does not draw on the Investment by August 1st, 2008 (the "Lapsing Date"), the Investment will lapse and, when requested by the Bank, the Borrower will pay the Bank a commitment fee of \$25,000 (the "Commitment Fee"). If the Borrower cancels more than 50% of the Investment (on a cumulative basis) or if the undisbursed balance of the Investment lapses as defined herein, the Commitment Fee then payable by the Borrower will be prorated in accordance with the percentage of the investment cancelled.
Standby Fee	Effective as of and from May 1st, 2008 the Borrower will pay a monthly standby fee of 3.00% per annum, calculated on a daily basis, on the undisbursed portion of the Investment.

4. INVESTMENT AND SECURITY AGREEMENTS

The Borrower will sign a Investment agreement containing, in addition to the conditions set out herein, the usual terms and conditions of this type of Investment and any other document or instrument required to enable the Bank to hold the following securities (collectively the "Security"):

A handwritten signature in black ink, appearing to be a stylized 'J' or 'L' followed by a flourish.



1. An Investment Agreement signed by Therma Blade inc. containing normal representations and warranties and undertakings for this type of transaction including, among others, those contained herein.
2. Hypothec on the universality of all present and future property of Therma Blade Inc., movable and immovable, corporeal and incorporeal, wherever located, providing:
 - a) a first rank (pari-passu with \$1,700,000 loan from Investment Quebec/Desjardins) on all present and future intangibles, including intellectual property, patents, and trademarks; and
 - b) a subordinated rank only in respect to \$1,700,000 term loan from Investment Quebec/Desjardins and any other movable hypothec on accounts receivable and inventory that may be granted in favour of the lender extending line of credit;
3. Conditional personal guarantee (public company version) from Mr Dhiren Master for the full amount of the Investment as per the Guarantee document attached hereto ("Conditional Guarantee").
4. Assignment and postponement of all convertible debentures. No interest or principal payment shall be made on the convertible debentures unless all ratios are met post payment.

5. CONTINGENT CONDITIONS

The following contingent conditions shall be met to the Bank's complete satisfaction before any disbursement:

1. Provide written evidence that a financial institution operating credit of at least \$1,750,000 has been established in favor of the Borrower on satisfactory terms and conditions for the Bank.
2. The remaining amount of \$10,000 due as study fee on a total amount of \$30,000 shall be payable upon acceptance of the Letter of Offer.

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3. Prior to all disbursements, The Borrower must provide interim financial statements (no older than 60 days), which show, in the Bank's sole opinion, no material adverse change in the financial position of Therma Blade inc. since the in-house financial statements dated November 30th, 2007 and June 30th, 2007 audited year-end statements. These financial statements must report (for december 31st, 2007)
 - a) minimum working capital of \$2,000,000 (before SR&ED Tax credits receivable from the current year) and
 - b) minimum equity (Shares - deficit + convertible debentures) of \$5,000,000.
4. In addition to standard contingent condition for recent in-house financial statements, prior to disbursement of any amount bringing the total disbursed amount over \$500,000, the Borrower must provide evidence of having an agreement in place with the NHL that officially allows players to use Therma Blade in games, satisfactory to the Bank's sole opinion.
5. In addition to standard contingent condition for recent in-house financial statements, prior to disbursement of any amount bringing the total disbursed amount over \$1,000,000, the following conditions must be met:
 - a) provide acceptable confirmation (in the Bank's sole opinion) that \$1,000,000 has been reached in either sales or firm order commitments from January 1st, 2007 to February 29th, 2008.
 - b) at least 75% of the \$1,700,000 term loan from Investment Quebec/Desjardins has been disbursed, with no material change in the terms and conditions (to the Bank's sole opinion) to letter of offer dated January 17th, 2008 (for Investment Quebec) and November 29th, 2007 for Desjardins.
6. The Borrower must provide an audited financial statement for Therma Blade inc. of June 30th 2007, which shows, in the Bank's sole opinion, no material adverse change in the financial position since the draft year-end financial statements of the same date.
7. The Borrower will provide the Bank with a legal opinion prepared by his legal counsels concerning his corporate status, the whole to the complete satisfaction of the Bank and its legal counsels

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8. The execution by the Borrower of all the legal documentation, including the Investment agreement and the Security instruments, necessary for the implementation of the project and the Investment, prepared by the legal counsels of the Bank or by third parties, as the case may be, the whole to the complete satisfaction of the Bank and its legal counsels.
9. The Security shall have the ranks required by the Bank.

6. COMMITMENTS

1. The Borrower will provide the Bank with an auditor's certificate on the number of pairs sold during every fiscal year until the Royalty is fully paid.
2. Annually, you will provide the Bank with:
 - a) Updated corporate organizational chart;
 - b) Updated corporate ownership chart; and;
 - c) Updated list of employees reporting to the Chief executive officer;
 - d) Updated personal net worth statement of Mr Dhiren Master.

7. FINANCIAL RATIOS

Therma Blade Inc. shall maintain the following ratios for the term of the Investment:

Working Capital to sales ratio:	Minimum of 20%
Long-term Debt/tangible equity ratio:	Maximum of 0.35:1

8. REPRESENTATIONS AND WARRANTIES

Without limiting the right of the Bank to require any other representation and warranty in the Investment agreement and in the Security instruments, the Borrower represents and warrants the following to the Bank:

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1. The Borrower is a corporation duly constituted and organized, in good standing under the laws governing him, and holds all the power necessary for the operation of his business and for the possession, management and administration of his property, and have the full capacity to incur obligations to the Bank under the terms herein.
2. As of the date of acceptance of this Offer of Investment, there have been no significant adverse changes in the financial position of the Borrower since the date of his last financial statements supplied to the Bank.
3. The Borrower is not involved in any litigation or judicial proceedings likely to significantly affect his financial position or his ability to carry on his business.
4. The Borrower holds good and valid title to all his assets.
5. The Borrower is not in default under the terms and conditions of any contracts to which he is party or the legislation and regulations applicable to the operation of his business or property.
6. The Borrower represents that all the activities of his business are carried on in accordance with all environmental laws and regulations; that there is no prosecution or investigation of, or complaint or proceeding against his business or property.
7. All the information provided to the Bank by the Borrower is true and accurate and will not cease to be true and accurate.
8. The Borrower does not and will not carry on any ineligible business as defined in Schedule A attached hereto.

DEFAULT

Without limiting the right of the Bank to provide for other defaults in the Investment agreement and in the Security Instruments, the Borrower will be in default if:

1. Any of the representations and warranties in this Offer of investment or Schedules attached hereto proves to be erroneous, incorrect or false;
2. Any one of the contingent conditions is not met;

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3. A significant adverse change in the financial position of the Borrower has occurred since the date of his last financial statements supplied to the Bank;
4. The due diligence review is not to the Bank's complete satisfaction;
5. The Borrower or the Conditional Guarantor does not perform any act or sign any document deemed necessary or useful by the Bank to give full effect to the terms and conditions of this Offer of Investment;
6. The Borrower or the Conditional Guarantor fails to comply with the terms and conditions stipulated herein.

REMEDIES

If an event of default occurs before disbursement of the Investment, in whole or in part, the Bank reserves the right not to proceed with the disbursement of the investment under the terms and conditions of this Offer of Investment and the Bank will require the Borrower to pay the fee described in the paragraph entitled Commitment Fee.

9. DOCUMENTS REQUIRED

Fiscal Year End	December 31
Annual Financial Statements	The Borrower will submit the annual audited financial statements of Therma Blade inc. to the Bank within 90 days of its fiscal year end:
Monthly Financial Statements	The Borrower will submit the in-house monthly financial statements of Therma Blade inc. within 20 days of the end of each month.
Annual Budget	The Borrower will submit the budget of Therma Blade inc. 60 days prior to the end of the each fiscal year.
Personal Balance Sheet	The Conditional Guarantor undertakes to submit an up-to-date personal balance sheet within 90 days of the Borrower's fiscal year end.
Authorization to Communicate	The Borrower authorizes the Bank to communicate with his accountant and auditor and to ask them, on their behalf, to provide the Bank with financial information and to deliver the financial statements of the Borrower as soon as they are prepared. In addition to the documents and information indicated above, the Bank may require the opinion of an independent auditor and/or consultant.



10. CANCELLATION DATE

The Bank may cancel any undisbursed balance if the Investment has not been disbursed in full before February 1st, 2009 (the "Cancellation Date"). The Bank may extend the Lapsing Date and/or the Cancellation Date at its sole discretion, without informing the Borrower.

11. STANDARD CREDIT TERMS

The standard credit terms that appear in Schedule A are part of this Offer of Investment.

12. DEFINITIONS FOR FINANCIAL RATIOS

The definitions for the financial ratios and their components that appear in Schedule B are part of this Offer of Investment.

13. BDC LIFE INSURANCE PLAN

Under the group life insurance plan established by the Bank with Sun Life of Canada, the Borrower has the option of taking out insurance on the investments in an amount up to the amount of this Investment (maximum \$2 million). A brochure explaining the plan and how to take out insurance, and the relevant application forms, are appended to this letter. If the Borrower decides not to apply for insurance, it must indicate this in the corresponding area of the Acceptance Form of this Offer of Investment.

14. TOTAL CARE PROGRAM

The Borrower is invited to read the enclosed brochure, which specifies the Bank's commitment to customer satisfaction. Under the Bank's Total CARE Program, the Bank undertakes to observe rigorous standards of conduct and provide customers with exemplary service at all times.

15. STUDY FEES

Study fees totaling \$30,000. \$20,000 has already been paid, the other \$10,000 being payable upon acceptance of the Letter of offer.

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16. ACCEPTANCE DATE

This Offer of Investment becomes null and void if it is not accepted on or before February 15th, 2008.

If the Borrower wishes to obtain more information, it is asked to contact one of the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read 'Etienne Drouin'.

Etienne Drouin
Director, Subordinate Financing
(418) 640-2988


A handwritten signature in black ink, appearing to read 'Louise Langevin'.

Louise Langevin
Managing Director, Subordinate Financing
(418) 648-5517

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BDG ACCEPTANCE FORM

We certify that all the information provided to the Bank is true, we accept the aforementioned terms and conditions and we acknowledge receipt of a copy of this Offer of Investment and its Schedules.

Accepted Dhiren Master 2008. 13th February 2008 



We do not wish to take out life insurance under the group insurance plan established by the Bank with Sun Life of Canada.


Therma Blade inc.

Per: Dhiren Master
President

Conditional Guarantor (as per the Guarantee document attached hereto)

Per: Dhiren Master
Dhiren Master

Document annexed under number 636 of the minutes of the undersigned notary.

 Dhiren Master
Audrey Lachance, notaire
Audrey Lachance, notaire

TRUE COPY

SCHEDULE A - Standard Terms of Credit

1. Interest

1.1 "Bank Prime Rate" means the annual interest rate advertised by the Bank in its branches as being its prime rate applicable to each of the Bank's fixed interest rate plans then in force for the purposes of determining the fixed interest rates on loans in Canadian dollars. The interest is calculated monthly and not in advance on the unpaid principal effective from the date of the first Disbursement before and after maturity, and before and after default and judgment.

1.2 Interest Adjustment Date - If the loan is not repaid in full before the interest maturity date, the Bank will determine a new interest plan based on the revised maturity date of the loan at the prime rate then in force and will inform the Borrower of this. If the Bank requires repayment of a fixed-interest loan due to a default, the interest rate will be fixed at the rate applicable at the time of the application and will not be adjusted on the next Interest Adjustment Date.

1.3 Late Payment Interest - Arrears of interest and additional interest that are not paid when due bear interest at a rate corresponding to the Bank Prime Rate then in force, plus the spread applicable to the Deed of Loan, and this interest is calculated and paid in the same manner as the principal interest not outstanding. Any other sum not paid when due bears interest at the same rate and the interest is calculated and paid in the same manner as the principal interest not outstanding.

1.4 Interest Cap - If the aggregate amount of charges payable as interest, additional interest, late payment interest and all other charges paid or payable under the loan (collectively, the «charges») constitute at any time whatsoever the application of an effective annual interest rate that exceeds the limit permitted by an applicable law, the charges will be reduced so that the charges paid or payable do not exceed the ceiling permitted under this law. The Bank will repay any excess amount that will have been paid ten business days after fixing the amount of the repayment.

2. Royalties - Royalties will be paid on a monthly basis. For each year, the Bank will estimate the amount of Royalties on the basis of the audited financial statements for the previous year and the payments shall be made each month, commencing the month following the first Disbursement. The payments will continue until the scheduled Loan Maturity Date of the Loan or the maturity date amended by mutual consent. Each payment will correspond to 1/12 of the stipulated royalty rate.

Once the Bank has received the Borrower's annual financial statements, it will adjust the Royalties that the Borrower will have paid in the previous fiscal year, by means of a repayment that it will pay to the Borrower or an additional payment that the Borrower will have to pay to the Bank, so that the Bank receives no more nor less than the agreed percentage of the Borrower's effective EBITDA. The adjusted amount will be paid within thirty (30) days of the date when the Bank will have established this amount.

2.1 In the year the Loan matures, the Bank will base its Royalties on the financial statements for the last fiscal year prior to the maturity date of repayment in full.

3. Commitment Fee - The Commitment Fee represents predetermined damages - and not penalty - and is based on a reasonable estimate, produced by the Bank, of the damages it will suffer if you cancel more than 50% of the loan (cumulative amount) or allow it to lapse.

4. Transaction Fees - The Borrower will pay the Bank the standard loan amendment and security processing fees, which will be collected for the administrative processing of the file, including amendment of the terms of the loan, conversion of the interest rate plan and delivery of releases or discharges. The Borrower will pay the Bank, on request, any amount incurred by the Bank for processing of returned cheques. These fees may be changed without notice.

5. Fees - The Borrower is responsible for fees and Disbursements in respect of the legal expenses incurred by the Bank regarding this offer of financing and the preparation of the legal documentation required by the Bank. The Loan will be disbursed under the control of the Bank's attorneys.

6. Execution - This Agreement and its amendments may be executed by means of an original signature, a facsimile transmission or any other means of electronic communication acceptable to the Bank and in any number of copies. Each of the copies is deemed to be an original and all the copies taken together constitute one and the same agreement.

7. Disbursement - Once the Borrower has satisfied the Bank's security requirements and observed our contingent conditions, as the case may be, and used the financing obtained from sources other than the Bank, as the case may be, the Bank may disburse the funds required upon presentation of the documents certifying the project expenditures.

8. Unless there is authorization to the contrary, the funds will be remitted to the attorneys who have produced the collateral security documents. The Bank could hold back the Disbursement and any undisbursed balance if it considers that a material unfavourable change in the matter of risk has occurred. Neither the signature or the delivery of this Agreement nor the advance of funds oblige the Bank to pay any advance or additional advance on the loan.
9. Multiple Borrowers – When there is more than one borrower, their obligations are joint and several and each of them constitutes a principal debtor.
10. Ineligible Businesses – The Borrower agrees not to engage in any of the following activities or to permit the use of his premises by a lesser or by another person who carries on such an activity: businesses characterized by sexual exploitation or not conforming to the standards generally accepted by the community in matters of conduct or appropriateness, notably entertainment, products or services characterized by their explicit sexual nature, businesses that carry on illegal activities or that are linked to such activities, businesses doing business with countries proscribed by the Government of Canada, businesses separately or exclusively operating nightclubs, bars, bar-salons, cabarets, casinos, bingo halls, gaming machines, discotheques and similar activities. If the Bank establishes the existence of an ineligible activity, its opinion will be final and not subject to review.
11. Insurance – Assets – Throughout the term of the loan, you will keep all of your assets insured for their full insurable value against losses and physical damage, on an All-Risk basis. The Bank reserves the right to request certified copies of the policies. The insurance policies shall name the Bank as the first loss payee or mortgagee as applicable and shall include a mortgage clause applicable to your particular coverage. As further security, you will assign all insurance proceeds to the Bank. You will immediately notify the Bank of any loss or damage to your assets which serve as security for the loan. If you do not maintain insurance as required, the Bank may, but shall not be obliged to, purchase insurance to protect its own interest and you agree to pay the applicable premiums.
12. Insurance – Pollution or Contamination – The Bank, in its sole discretion, may require you to maintain adequate general liability insurance and environmental insurance to protect you against any losses or claims arising from pollution or contamination incidents. The Bank reserves the right to request certified copies of such policies. The Bank shall not be liable to you as a consequence of its exercise of, or failure to exercise, its right to require you to maintain such insurance coverage.
13. Environment – In relation to your business, its assets and projects, you and your staff are operating and will continue to operate in conformity with all environmental laws; you and your staff will ensure that your assets comply with existing legislation and will remain free of environmental damage or problem; you will inform the Bank immediately upon becoming aware of any environmental problem or issue and will provide the Bank with copies of all communications with environmental authorities and all studies or assessments prepared on your behalf, all as soon as received by you; you agree to pay the cost of any external environmental consultant engaged by the Bank to effect an environmental audit and the cost of any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the assets, including any fine or penalty the Bank is obligated to incur by reason of any statute, order or directive by a competent authority.
- An environmental problem is defined as an act of non-compliance to a law, regulation, etc or soil and/or underground water that contains one or many pollutants (contaminants) in levels of concentration that exceed parameters or norms applicable for the present use and intended use of the land.
14. Information – The Borrower authorizes the Bank to obtain credit information and other information concerning you from any financial institution, credit rating agency or credit bureau.
15. Conflicts – With the exception of the application for financing and the collateral security documents, this Agreement constitutes our entire agreement. If there is any discrepancy between a provision of the application for financing or one of the collateral security documents and the provisions of this Agreement, the provisions of this Agreement shall prevail.
16. Notice – The Bank may give the necessary notices in person, by telephone, by facsimile transmission or by mail to the Borrower's address indicated above or to any other address that the Borrower will communicate to the Bank in writing.
17. Applicable Laws – This Agreement will be governed by the laws of the territory where the branch of the Bank is located, in accordance with the first page of this Agreement, and will be interpreted in accordance with these laws.

18. Commitments

- 18.1 No Merger or Combination** - The Borrower undertakes not to proceed with any merger, acquisition or other business combination or the sale of the business or any portion of its assets, not to create any affiliate and not to grant any operating license without obtaining the Bank's prior written consent.
- 18.2 Shares: Sale/Transfer** - The Borrower shall obtain the Bank's prior written consent before allowing your shareholders to sell or transfer their shares or before any change in effective control of the voting rights, by contract or by any other means.
- 18.3 The Borrower undertakes to pay its remittances to the government agencies as required by law.** The Borrower will confirm that the amounts were paid to each government agency by means of documents produced by your external auditing, which will be transmitted to the Bank, accompanied by the annual financial statements. Moreover, the Borrower undertakes to sign a standard consent form allowing the Bank to obtain information regarding the said remittances.
- 18.4 No intercompany transaction,** other than in the normal course of business, shall be effected without obtaining the Bank's prior written consent.
- 18.5 The Borrower agrees to the issuing of a public announcement by the Bank in the form of a press release.**
- 18.6 The Bank wishes to maintain its close relationship with the Borrower and, for this purpose, has created a follow-up program that requires the Borrower's cooperation.** In the mutual interest of the Parties, the Bank will require that the Borrower promptly provide the financial reports indicated.
- 19. Prepayment** - In the event that the Borrower wishes to exercise its prepayment privilege, it will have to pay a penalty corresponding to:
- 19.1 Payment of the interest differential,** if applicable, on the prime interest rate, plus
- 19.2 The discounted value of the interest rate spread,** the fixed administration fees and any other fixed component that would normally have been collected up to the projected maturity of the financing or amended by mutual consent, plus
- 19.3 Maintenance of payments of the variable component** (royalty, bonus or other) applicable to this loan up to the projected maturity date of the financing or amended by mutual consent.

19.4 Partial repayments will be applied regressively to the last principal payments owed.

19.5 Interest Differential - An interest differential applies upon prepayment only if, on the date of receipt of the prepayment, the Bank Prime Rate for the corresponding fixed interest rate plan is lower than the prime rate in force when you have subscribed to or renewed the fixed interest rate plan that is the object of prepayment, whichever contingency is the most recent. The interest differential corresponds to the difference between these two rates. The interest differential is multiplied by the principal that would have been unpaid on the date of payment of each month up to the next Interest Adjustment Date (up to the maturity of the principal, if sooner). The discounted value of the amount or amounts obtained by means of this multiplication is calculated by discounting this amount or these amounts by the prime rate of the corresponding fixed interest rate plan as the discount factor. The total of the discounted values corresponds to the interest differential.

19.6 "Corresponding Fixed Interest Rate Plan" means the fixed interest rate plan then offered by the Bank to its customers, corresponding to the number of years, rounded to the nearest year (at least one year), effective from the date of receipt of the prepayment up to the next scheduled Interest Adjustment Date (or the maturity date if sooner).

19.7 In the case of a partial prepayment, the interest differential will be reduced in the same proportion that the prepayment represents in relation to the unpaid principal at the time of receipt of the prepayment.

19.8 Application of payments - The payments will be applied in the following order: 1) prepayment penalty, as applicable; 2) conservatory disbursements; 3) standby fees; 4) arrears, in the following order: transaction fees, annual administration fees, annual management fees, additional interest, interest and principal; 5) current balances, in the following order: transaction fees, annual administration fees, monthly management fees, additional interest, interest and principal; 6) commitment fee; 7) credits to the reserve account for taxes and to the maintenance and improvements account, as applicable; and 8) other amounts due.

19.9 Except for the regular principal and interest payments, the Bank could apply any other amount it receives, before or after a default, to any debt you might have with it under the terms of this Agreement or of any other agreement and could change these applications from time to time.

SCHEDULE B - Definitions for the ratios and their components

"Annual Gross Sales" mean comprehensively (during a given fiscal year) the total amount of the actual selling price of the totality of the goods sold and the services rendered by a business carried on by all the companies whose annual gross sales are used for the purposes of this calculation (the «seller»), regardless of the place where these goods and services are sold, notably the following amounts:

- (i) the amounts received by the seller in consideration of the sale of goods, articles and merchandise;
- (ii) the amounts received by the seller in consideration of services rendered;
- (iii) the amounts received by the seller in consideration of the sale or leasing of any property (including intellectual property) of the seller or other persons or the granting of a license in respect of any such property;
- (iv) all the amounts received and receivable, whatever they may be;
- (v) all the proceeds, if applicable, from insurance against operating losses and the insurance proceeds received in respect of a business of the seller.

In each case, regardless of whether these sales or these amounts received are certified by a cheque, cash, a credit, a charge account, instruments or otherwise, without any deduction permitted for bank charges, bad debt accounts, remuneration of a collection agency or bad debts; however, the term "annual gross sales" does not include:

- (i) the amount of retail sales taxes or goods and services taxes imposed by a government authority directly on sales and collected from customers at the point of sale by the seller acting as a representative of this authority, on condition that the amount of these taxes is added to the selling price, that it is not part of the indicated price of the article or the service and that it is actually paid by the seller to that authority;
- (ii) the refunds granted in consideration of merchandise sold to the seller, to the extent that the seller price of this merchandise had already been included in the annual gross sales;
- (iii) any refund on merchandise obtained from suppliers and manufacturers.

"EBITDA" - Earnings before income taxes, interest (long-term and short-term), depreciation, amortization and all extraordinary items and gains/losses on disposal of assets.

"Long-term Debt to Tangible Net Worth Ratio" is calculated by dividing the term debt by the tangible net worth.

Schedule A and B, ENCE 11.2005
Rev. 12.10.2006

"Tangible Net Worth" means the sum of the capital stock; plus the retained earnings (accumulated net earnings); plus loans or advances granted by the shareholders subrogated/hypothecated in favour of the Bank; plus the amount of subordinated financing; minus loans or advances granted to shareholders, executives and related or arm's length companies otherwise than in the normal course of business; minus intangible assets and assets not related to the operations of the business.

"Long-term Debt" means the sum of the long-term debt plus capital leases and the current portion of long-term debt that will be repaid within the next 12 months; plus the book value of the preferred shares, subject to an official redemption agreement, as the case may be.

"Available Funds Coverage Ratio" is calculated by dividing the available funds by the current portion of long-term debt.

"Available Funds" means for a 12-month period the sum of net earnings plus depreciation and amortization, plus or minus deferred income taxes; and minus the following items: dividends (drawings), capital stock redemption, advances or loans granted to the shareholders and to related and arm's length companies otherwise than in the company's current transactions.

"Working Capital Ratio" is calculated by dividing the total current assets by the total current liabilities. The sum of the current assets includes: cash deposits, accounts receivable - trade and other, inventory, and prepaid expenses. The sum of the current liabilities includes: bank advances, cheques issued and not cashed, accounts payable - trade and other, and the current portion of the long-term debt due during the next 12 months.

"Working Capital to Sales Ratio" is calculated as follows: current assets minus current liabilities plus the current portion of long-term debt divided by the sales for the previous year.

"Excess Available Funds" are defined as the available funds minus the normal current portion of the long-term debt paid during the year, minus 100% of the average unfunded capital expenditures for the past three years, minus 10% of the annual sales growth.



March 18th, 2008

Mr. Dhiren Master
Therma Blade inc.
2875, boulevard Jaurier, édifice Delta, bureau 370,
Québec, QC
G1V 2M2

Re: Investment Number 047908-01 granted to
Therma Blade inc.

Dear Mr. Master,

With reference to the Bank's Letter of Offer dated on February 11th, 2008, the Bank hereby agrees to the following amendments, subject to the stipulated conditions.

The amendments are subject to the following conditions:

1. Written confirmation by Bears and associates and by Therma Blade inc. that additional non-redeemable shares have been sold to generate at least \$800,000 that have been received by Therma Blade inc., net of all applicable fees and commissions;
2. Written confirmation from Investment Quebec/Desjardins that they will share on a pari-passu basis the first rank on intangible assets with the Bank, as well as the modified program and financing.

The conditionals amendments are:

PROJECT AND INVESTMENT MODIFIED

Project	(\$)	Investment	(\$)
Working Capital	\$2,300,000	The Bank	\$1,500,000
Replenish W/C for fixed assets purchased prior to Nov 30 th , 2007	\$1,913,000	Term loan from Desjardins/ IQ	\$1,700,000
Equipment, moulds and tools (acquired after Nov 30 th , 2007)	\$167,000	PSPE	\$380,000
		Share emission	\$800,000
TOTAL	\$4,380,000	TOTAL	\$4,380,000

Canada

Acceptance Form

Business Development Bank of Canada
Subordinate Financing
1134, Grande Allée Ouest
Rez-de-chaussée
Québec (Québec) G1S 1E5

Attention: Étienne Drouin, Manager Subordinate Financing

Subject: Investment Number 047908-01 granted to
Therma Blade inc.

Dear Mr Drouin,

We accept the amendments as detailed in the Business Development Bank of Canada's Letter of Amendment dated on March 18th, 2008

Signed this 18th day of March, 2008.


Therma Blade inc.

Per. Dirkery Marts
President

Conditional Guarantor (as per the Guarantee document attached hereto)

Per. Dirkery Marts
Chiren Master

Document annexed under number 636 of the minutes of the undersigned notary.


Dirkery Marts
Dirkery Marts
Dirkery Marts

TRUE COPY

Banque de développement du Canada
Business Development Bank of Canada



Le 10 mars 2008

Maitre François Lefebvre
Brouillette Charpentier Fortin
800, Place d'Youville, 19 ième étage
QUÉBEC, QC G1R 3P4

Objet : Therma Blade Inc. -investissement #047908-01

Maitre,

En référence à notre lettre d'offre de crédit du 11 février 2008 dans le dossier mentionné en titre, la Banque par la présente consent au changement suivant:

INVESTMENT AND SECURITY AGREEMENTS

Modifier:

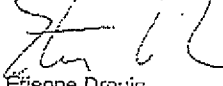
Hypothec on the universality of all present and future property of Therma Blade Inc., movable and immovable, corporeal and incorporeal, wherever located, providing:

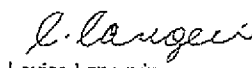
- a) a first rank (pari-passu with \$1,700,000 loan from Investment Quebec/Desjardins) on all present and future intangibles, including intellectual property, patents, and trademarks; and
- b) a subordinated rank only in respect to \$1,700,000 term loan from Investment Quebec/Desjardins and any other movable hypothec on accounts receivable and inventory that may be granted in favour of the lender extending line of credit;

BDC will recognize to operating lender that, despite BDC's first rank on patents and trademark, it will not oppose the operating lender's rights to the inventory.

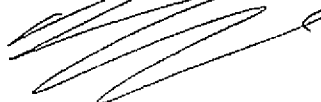
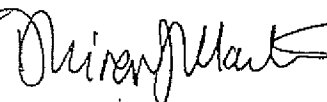
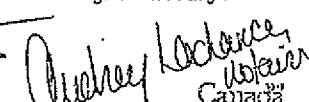
Les autres termes et conditions de notre lettre d'offre demeurent inchangés.

Recevez, Maître, nos sincères salutations.


Etienne Drouin
Directeur Financement subordonné


Louise Langevin
Directrice générale,
Financement subordonné

Document annexed under number 636 of the minutes of the undersigned notary.

  
Olivier Mouton
Olivier Mouton
Olivier Mouton
Canada
Notaire

1134, Grande Allée ouest, rez-de-chaussée, Québec (Québec) G1S 1E5 Fax: (418) 648 5525 www.bdc.ca

1134 Grande Allée West, Ground Floor, Québec, Québec G1S 1E5 Fax: (418) 648 5525 www.bdc.ca

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**BANQUE DE DÉVELOPPEMENT DU CANADA
EXTRAIT DE RÉOLUTION DE SIGNATURE
SECTION 2 - SERVICES JURIDIQUES**

« Que deux des personnes suivantes, à savoir, un directeur de compte ou une personne d'un niveau directeur de compte ou supérieur, ou l'une de ces personnes conjointement avec un agent, Service à la clientèle ou une personne d'un niveau agent, services à la clientèle ou supérieur, soient autorisées par les présentes à signer, exécuter et remettre, pour le compte de BDC, les ententes et contrats qui suivent et aux termes desquels BDC s'engage à l'égard de prêts et de cautionnements de BDC (collectivement, les « instruments bancaires ») qui de l'avis de ces personnes désignées peuvent être nécessaires pour les besoins :

de lettres d'offre de crédit et/ou d'ententes de prêt ainsi que des modifications apportées à ces documents, de contrats de cautionnement et de conventions de prise ferme, d'actes d'aliénation, d'acquisition, de subrogation ou de priorité de rang, d'actes de transfert, d'actes de vente, d'actes de cession, de conventions de bail, d'actes d'hypothèque et de charges grevant des biens personnels, meubles, réels ou immobiliers, y compris des créances, des revendications, des droits d'action et des choses non possessoires de quelque nature que ce soit ainsi que des actions ou des obligations de sociétés constituées en personnes morales, de libérations, de quittances, de décharges et de mainlevées, totales ou partielles contre contrepartie ou non, de renonciations et de concessions de priorité, de conventions d'achat et de vente de biens réels, et de conventions d'inscription, d'accords de priorité, de lettres de garanties, d'endossements de chèques, de billets à ordre, de lettres de change, de mandats de paiement, de traites ou d'autres effets négociables émis par une compagnie d'assurances, une société ou, encore, leurs mandataires ou leurs experts en sinistres, payables exclusivement à BDC ou conjointement à BDC et à d'autres bénéficiaires,

avec pleins pouvoirs de substitution dans certaines circonstances 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 instruments bancaires précis ou tous autres documents nécessaires à la mise en œuvre de ces instruments bancaires. »

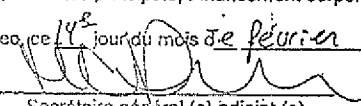
Je soussigné(e), certifie par les présentes que l'extrait de résolution ci-dessus est un extrait conforme de la résolution de signature qui a été dûment adoptée à une réunion du bureau du conseil de la Banque dûment tenue le vingt-quatrième jour de janvier 2007 et que la résolution est toujours en vigueur.

Je certifie de plus que ce qui suit constitue la liste de certains des titulaires aptes à exercer les pouvoirs qui y sont conférés et, qu'à cette date, ils occupent toujours ces fonctions, savoir:

Patrice Bernard, Premier vice-président Exploitation
Hélène Bélanger, vice-présidente, Gestion du risque de crédit,
Guy Gervais, vice-président, Gestion du risque de crédit,
André Jarry, vice-président, Gestion du risque de crédit,
Jean-Robert Lacasse, vice-président, Gestion du risque de crédit,
France Bergeron, vice-présidente et directrice de secteur,
Liliane Bleis, vice-présidente et directrice de secteur,
France de Gaspé Beaubien, vice-présidente et directrice de secteur,
Alain Gilbert, vice-président et directeur de secteur,
Dany Gagné, vice-président et directeur de secteur

André St-Pierre, vice-président, Financement corporatif,
Thierry Limoges, vice-président et directeur de secteur,
Martin Roy, vice-président et directeur de secteur,
Ghislain Hudon, VPA, Comptes spéciaux,
Jean Beaudoin, VPA, Gestion du risque du crédit, par intérim,
Christine Boutros, VPA, Gestion du risque du crédit,
François Carrière, VPA, Gestion du risque de crédit,
Josée Drapeau, VPA, Gestion du risque de crédit,
Michel Dubuc, VPA, Gestion du risque de crédit,
Gérald Gagnon, VPA, Gestion du risque de crédit,
Gilles Lapiere VPA, Gestion du risque de crédit,
Josée Leclair, VPA, Gestion du risque de crédit,
Danielle Landry, directrice générale, Financement subordonné,
Louise Langevin, directrice générale, Financement subordonné,
Jacques Auger, directeur de secteur, Comptes spéciaux,
Nathalie Deshaies, avocate,
Martin Allard, directeur de succursale,
Richard Belley, directeur de succursale,
Sylvain Boucher, directeur de succursale,
Louise Descôteaux, directrice de succursale,
Yanick Dionne, directeur de succursale,
Robert Dubé, directeur de succursale,
Antonio Ferrara, directeur de succursale,
Yanik Giroux, directeur de succursale,
Marc Laspérance, directeur de succursale,
Stéphane Meilleur, directeur de succursale,
Jean-Philippe Ménard, directeur de succursale,
Chantal Parent, directrice de succursale,
Jean-Philippe Pépin, directeur de succursale,
Pierre St-Jean, directeur de succursale,
François Séguin, directeur de succursale,
Annis Simard, directeur de succursale,
Maggie Tawil, directrice de succursale,
Isabelle Veilleux, directrice de succursale,
Jocelin Vincent, directeur de succursale,
France Beaulieu, directrice de secteur,
Yannik Bélanger, directeur de secteur,
Nathalie Berthiaume, directrice de secteur,
Gérald Desforges, directeur de secteur,
Claude-François Gauthier, directeur de secteur,
Anne Lapanière, directrice de secteur,
Pascal Larouche, directeur de secteur,
Sylvie Laurin, directrice de secteur,
Kim Lemire, directrice de secteur,
Florence Mariage, directrice de secteur,
Marie-Claude Provost, directrice de secteur,
Tariq Qureshi, directeur de secteur,
Marie-Josée Thibault, directrice de secteur,
Yim Han, directrice de secteur,
Éric Carrière, directeur principal, Financement corporatif,
Louise Myrand, directrice principale, Financement corporatif,


Daté à Montréal, Québec, ce 14^e jour du mois de février 2008

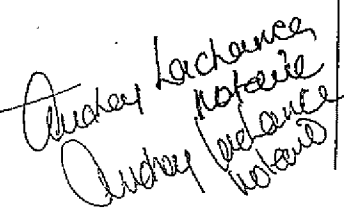

Secrétaire général (e) adjoint (e)

Ce document est un extrait de la Résolution de signature de la Banque de
développement du Canada dont il est fait mention dans l'acte ci-annexé, signé
devant Me Audrey Lachance, notaire, le 27^e jour du mois de mars 2008
portant le numéro 636 des minutes dudit notaire, et reconnue véritable par
et le notaire soussigné

.1148F.(04/07)

Dossier: Therma-Blade inc. # 047908-01


TRUE COPY


Audrey Lachance
notaire
Audrey Lachance
notaire

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 (ci-après nommée : la « Banque »), agissant aux présentes et représentée par Louise Langevin, Directrice générale, Financement subordonné et par Étienne Drouin, Directeur, Financement subordonné, dûment autorisés, par résolution du conseil d'administration adoptée le 24 janvier 2007 dont copie conforme d'un extrait de résolution est annexée aux présentes,

NOMME ET CONSTITUE:

Me François Lefebvre, Avocat

son mandataire spécial à qui elle donne pouvoir de signer en son nom, tous actes et documents contenant les conditions et garanties attachées à l'investissement #047908-01 consenti à «Therma Blade inc.» selon les termes de la lettre d'offre d'investissement et des annexes qui en font partie intégrante datée du 11 février 2008 et des modifications subséquentes, s'il y a lieu.

FAIT ET SIGNÉ en la cité de Québec, province de Québec, ce quatorzième (14^e) jour du mois de février deux mille huit (2008).

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

Par: *L. Langevin*

Louise Langevin
Directrice générale, Financement subordonné

Par: *Etienne Drouin*

Étienne Drouin
Directeur, Financement subordonné

Document annexed under number 636 of the minutes of the undersigned notary.

TRUE COPY

Audrey Lachance
notaire
Audrey Lachance
notaire

**CERTIFIED COPY OF RESOLUTIONS OF ALL THE DIRECTORS OF THERMA
BLADE INC. (THE "COMPANY") ADOPTED ON MARCH 27, 2008**

"BE IT RESOLVED:

INVESTMENT #047908-01 (Subordinated Debt)

1. **THAT** the execution and the acceptance by Mr. Dhiren Master, for and on behalf of the Company, of the Letter of Offer of Investment and its schedules received from AlterInvest Fund II L.P., represented by its general partner, Business Development Bank of Canada (the "Fund"), dated February 11, 2008 and of the letters of amendment dated March 10 and March 18, 2008 (collectively the "Letter of Offer") be and are hereby ratified;
2. **THAT** the Company borrows from the Fund, the principal sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the "Investment") at the terms, at the interest rate and subject to royalties set forth in the Letter of Offer and in the Investment Agreement to be entered into by and between the Company, Mr. Dhiren Master and the Fund on or about March 27, 2008 (collectively the "Investment Agreement");
3. **THAT** to secure the payment of the Investment and the performance of its obligations in connection thereto, the Company hypothecates in favour of the Fund the universality of all of its immovable and movable assets, present and future, corporeal, incorporeal and intangible, wherever located, the whole in accordance with the laws of the Province of Quebec (the "Hypothec");
4. **THAT** the Hypothec be granted for the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00), with interest at the nominal rate of Twenty-Five Percent (25.00%) per annum from the date hereof together with an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec;
5. **THAT** the drafts of the Investment Agreement and the Hypothec submitted to this meeting be and are hereby approved;
6. **THAT** Mr. Dhiren Master, the director and President of the Company, be and is hereby authorized to execute and sign, for and on behalf of the Company, the Investment Agreement and the Hypothec, with the same form and content as the drafts thereof submitted to the Directors of the Company, with any modification that he shall in its sole discretion deem appropriate to approve, his signature being conclusive evidence of such approval, as well as any other appropriate document necessary to give effect to these resolutions and to the provisions of said Deeds."

The undersigned, director and President of Therma Blade Inc., hereby certifies that the foregoing is a true and correct copy of a resolution of all the Directors of the Company duly signed on the 27th day of March 2008 and that the said resolutions are still in full force and effect.

