

CANADA

SUPERIOR COURT
COMMERCIAL DIVISION
(In Bankruptcy and Insolvency)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE PLAN OF
ARRANGEMENT AND COMPROMISE
OF:

No.: 500-11-034815-080

KOMUNIK CORPORATION

and

KOMUNIK DATAMARK INC.

and

KOMUNIK INTRAMEDIA INC.

Petitioners

and

RSM RICHTER INC.

Monitor

**MOTION TO BE AUTHORISED TO DISTRIBUTE
THE PROCEEDS OF SALE**

(Under the *Companies' Creditors Arrangement Act*,
R.S.C., 1985, c. C-36)

**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN
THE COMMERCIAL DIVISION FOR BANKRUPTCY AND INSOLVENCY MATTERS
IN AND FOR THE DISTRICT OF MONTREAL, THE MONITOR RESPECTFULLY
SUBMITS THAT:**

INTRODUCTION

1. On November 18, 2008, following a petition by debtor companies Komunik Corporation, Komunik Datamark Inc. and Komunik Intramedia Inc. (together “**Komunik**”), the Honourable Justice William Fraiberg, J.S.C., issued an Initial Order in which he granted Komunik the protection of the *Companies Creditors Arrangements Act*¹ (“**CCAA**”) and

¹ R.S.C. 1985, c. C-36.

ordered a stay of any proceedings against Komunik until December 18, 2008 (the “**Initial Stay Period**”), as appears from the court record;

2. On December 15, 2008 and on January 28, 2009 (the “**January Order**”), the Honourable Justice Fraiberg, J.S.C., extended the Initial Stay Period, and the stay of proceedings against Komunik is now valid until February 25, 2009 as provided in the January Order, as appears more fully from the court record;
3. On January 28, 2009, this Court also authorized the sale of Komunik’s Konversation division, including certain related fixed assets by Komunik to Intema Solutions Inc. (the “**Purchaser**”) for the sum of \$420,000 and the vesting of all rights, title and interest of Komunik in the Konversation Division’s assets (the “**Purchased Assets**”) free and clear of all liens, security interest and other encumbrances (the “**Konversation Transaction**”);
4. On February 12, 2009, Komunik and the Purchaser entered into an addendum to the Agreement of Purchase and Sale relating to the Konversation Transaction pursuant to which they agreed to increase the purchase price of the Purchased Assets to \$422,601, which includes an assumption of debts of \$10,000, as more fully appears from the Addendum to the Agreement of Purchase and Sale communicated *under seal* in support hereof as **Exhibit R-1**;
5. In the January Order, the Monitor was ordered to hold the proceeds from the sale of the Purchased Assets in trust, until such time as this Court issues an order authorizing the distribution of these proceeds;
6. Subsequent to the January Order, the Purchaser paid to the Monitor deposits totalling \$100,000. The Konversation Transaction closed on February 12, 2009 on which date the Purchaser remitted \$312,601 to the Monitor, representing the balance of the cash portion of the purchase price (the “**Proceeds**”);

THE DISTRIBUTION OF THE PROCEEDS

7. HSBC Bank Canada (the “**Bank**”) is Komunik’s principal secured creditor;
8. The Monitor refers the Court to the *Third Report of RSM Richter Inc.* (the “**Third Report**”) filed in support hereof as **Exhibit R-2**, which provides a brief description of Komunik’s creditors and to which is attached an opinion obtained by the Monitor with regard to, inter alia, the validity of the Bank’s security;
9. At the commencement of these CCAA proceedings, Komunik’s indebtedness to the Bank totalled approximately \$16.4 million. Over the course of these CCAA proceedings, the Bank has allowed Komunik to continue to use its credit facilities, pursuant to various forbearance agreements and amendments thereto. The total amount owing to the Bank as at February 5, 2009 was approximately \$15.5 million;
10. The following claims rank, or may rank, in priority to the Bank’s security interests in the Purchased Assets:

- Administration Charge – the Initial Order provided an Administration Charge of \$450,000 in favour of the Monitor, its counsel and Komunik’s counsel;
 - Directors’ and Officers’ Charge (“**D&O Charge**”) – the Initial Order provided a D&O Charge of \$4.05 million; and
 - Deemed Trust and Priority Claims – at any given time, Komunik’s obligations for GST/QST, payroll source deductions, accrued wages, vacation pay, etc. could total up to approximately \$3 million. Komunik is current in respect of these obligations;
11. In his Third Report (Exhibit P-1), the Monitor estimates that the Proceeds from the Konversation Transaction are of \$412,601, representing a small portion of Komunik’s business and assets. The Monitor expresses the view that Komunik’s remaining assets are sufficient to satisfy the claims which rank, or may rank, ahead of the Bank;
 12. The Monitor therefore seeks the approval of this Court to distribute the Proceeds from the Konversation Transaction to the Bank;
 13. As indicated by the Monitor in his Third Report, after the proposed distribution of the Proceeds, Komunik’s business and assets will continue to be sufficient to repay in full any obligations which rank in priority to the Bank’s security interests and payment of these monies to the Bank.
 14. It is in Komunik’s interest and in the interest of Justice that this Court authorise the Monitor to remit the Proceeds resulting from the Konversation Transaction to the Bank;
 15. The Monitor is of the view that distribution of the Proceeds will assist to facilitate the restructuring of Komunik’s business;
 16. In view of the circumstances, it is appropriate and in the interest of Justice that the Order to be rendered on this Motion be declared executory, notwithstanding appeal;
 17. This Motion is well founded in fact and in law;

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT this *Motion to be authorised to Distribute the Proceeds of Sale* (the "**Motion**");

REDUCE the delay for the service, filing and presentation of this Motion;

DECLARE that this Motion was validly served and filed;

AUTHORIZE the Monitor to remit the proceeds of sale received at closing from Intema Solutions Inc. in virtue of the Agreement of Purchase and Sale (Exhibit P-2 to the *Petition for the Extension of the Stay Period and for the Approval of a Transaction for the Sale of the Konversation Division of Komunik Corporation*, filed under seal), to HSBC Bank Canada in reduction of the Petitioners' debt;

DECLARE this order executory notwithstanding appeal;

THE WHOLE without costs.

MONTREAL, February 16, 2009.

A handwritten signature in cursive script, reading "Ogilvy Renault", written in dark ink. The signature is positioned above a horizontal line.

OGILVY RENAULT LLP
Attorneys for RSM Richter Inc.

AFFIDAVIT

I, the undersigned, **Shawn Travitsky**, Vice President, exercising my profession, for the present purposes at 2, Place Alexis Nihon, Suite 1820, in the City and District of Montreal, Province of Quebec, H3Z 3C2, solemnly declare:

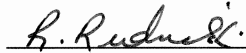
1. I am a Vice President of RSM Richter Inc., and as such have personal knowledge of the present matter;
2. All facts mentioned in the present Motion seeking the authorization to distribute the proceeds of sale are true.

AND I HAVE SIGNED:



SHAWN TRAVITSKY

SOLEMNLY AFFIRMED before me,
at Montréal, on February 16, 2009



Commissioner of Oath



NOTICE OF PRESENTATION

TO: Mtre Denis Ferland Fax: (514) 841-6499
DAVIES WARD PHILLIPS & VINEBERG LLP
26th Floor – 1501 McGill College Avenue
Montréal, Québec H3A 3N9

Mtre Jean Fontaine Fax: (514) 397-3487
Mtre Matthew Liben Fax: (514) 397-3636
STIKEMAN ELLIOTT LLP
1155 René-Lévesque West
40th Floor
Montréal, Québec, H3B 3V2

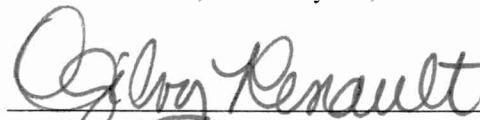
Mtre Philippe H. Bélanger Fax : (514) 875-6246
MCCARTHY TÉTRAULT LLP
Suite 2500 – 1000 de la Gauchetière Street W.
Montréal, Québec H3B 0A9

Mr. Andrew J. Hatnay Fax: (416) 204-2872
KOSKIE MINSKY LLP
Suite 900 – 20 Queen Street West
Toronto, Ontario M5H 3R3

Mtre Mara Rebecca Greenstone Fax : (514) 283-5626
**BANQUE DE DÉVELOPPEMENT DU CANADA/
BUSINESS DEVELOPMENT BANK OF CANADA**
Suite 400 – 5 Place Ville-Marie
Montréal, Québec H3B 5E7

TAKE NOTICE that the foregoing *Motion to be authorised to Distribute Proceeds of Sale* shall be presented before one of the Honourable Judges of the Superior Court for the District of Montreal, on **February 18, 2009** at 9:30 a.m., or so soon thereafter as counsel may be heard at the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Quebec, H2Y 1B6, in a Room to be determined.

MONTREAL, February 16, 2009.



OGILVY RENAULT LLP
Attorneys for RSM Richter Inc.

CANADA

SUPERIOR COURT
COMMERCIAL DIVISION
(In Bankruptcy and Insolvency)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE PLAN OF
ARRANGEMENT AND COMPROMISE
OF:

No.: 500-11-034815-080

KOMUNIK CORPORATION

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KOMUNIK DATAMARK INC.

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KOMUNIK INTRAMEDIA INC.

Petitioners

and

RSM RICHTER INC.

Monitor

LIST OF EXHIBITS

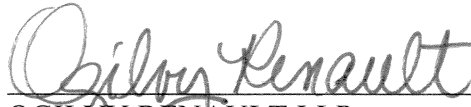
EXHIBIT R-1:

Addendum to the Agreement of Purchase and Sale *under seal*;

EXHIBIT R-2:

Third Report of RSM Richter Inc., dated February 12, 2009.

MONTREAL, February 16, 2009.


OGILVY RENAULT LLP
Attorneys for RSM Richter Inc.

**ADDENDUM TO AGREEMENT OF PURCHASE AND SALE EXECUTED ON
JANUARY 27, 2009**

This Agreement is made as of the 12th day of February, 2009,

BETWEEN:

INTEMA SOLUTIONS INC.

(hereinafter referred to as the "**Purchaser**")

- and -

KOMUNIK CORPORATION, a corporation existing under the laws of
Canada

(hereinafter referred to as the "**Vendor**")

RECITALS

- A. The parties have executed an Agreement of Purchase and Sale dated January 27, 2009 (the "**Purchase Agreement**"); and
- B. The parties wish to amend the Purchase Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

- 1. Capitalized terms used in the Purchase Agreement and not otherwise defined shall have the meaning specified in the Purchase Agreement.
- 2. Section 2.9 of the Purchase Agreement is repealed and replaced by the following section:

«2.9 The purchase price for the Assets shall be \$422,601 payable in cash and the assumption of the Assumed Obligations (the "**Purchase Price**"), which shall be satisfied as follows:

 - (a) the sum of \$75,000, which has been paid by the Purchaser contemporaneously with the execution of this Agreement and the additional sum of \$25,000 which shall be paid by the Purchaser no later than February 5th, 2009, both as a deposit (the "**Deposit**") to be held by the Monitor in trust until the Closing Date and which shall be credited toward the Purchase Price upon Closing;
 - (b) the amount of \$312,601 shall be paid to the Vendor on the Closing Date; and
 - (c) the balance of the Purchase Price in the amount of \$10,000 by the assumption by the Purchaser of the Assumed Obligations at the Time of Closing.

The Vendor agrees to cause the Deposit to be placed into an interest bearing account or certificate of deposit, with all interest earned or accrued thereon and subject to Section 6.8 to be paid or credited to the Purchaser on the Closing Date. Unless otherwise agreed, all amounts payable to the Vendor either by way of Deposit or on the Closing Date shall be paid to the Vendor by wire transfer, certified cheque or draft of a Canadian chartered bank.»

3. Section 2.10 of the Purchase Agreement is repealed and replaced by the following section:

«2.10 Allocation of Purchase Price

The Vendor and the Purchaser agree to allocate the Purchase Price as follows:

- Office furnitures \$1,000
- Computers and servers \$246,601
- Software \$150,000
- Goodwill \$25,000

and they shall execute and file any Tax Returns required on the basis of such allocation.»

4. All the other provisions of the Purchase Agreement remain unchanged.

The parties have executed this Agreement.

INTEMA SOLUTIONS INC.

By: 

Name: Roger Plourde

Title: President

KOMUNIK CORPORATION

By: 

Name: Sébastien P. Demers

Title: President and Chief Executive Officer

R-2

RSM! Richter

**Third Report of
RSM Richter Inc. Re:
Komunik Corporation,
Komunik Datamark Inc. and
Komunik Intramedia Inc.**

RSM Richter Inc.
Toronto, February 12, 2009

Table of Contents

1.	INTRODUCTION	1
1.1	Purposes of this Report	1
1.2	Currency	2
1.3	Terms of Reference	2
2.	BACKGROUND	2
3.	KONVERSATION TRANSACTION	3
3.1	Creditors	3
3.2	Proposed Distribution to the Bank	4
4.	CONCLUSION AND RECOMMENDATION.....	5

Index of Appendices

Appendix "A" Security Opinion of Ogilvy Renault LLP dated February 12, 2009

**QUEBEC
SUPERIOR COURT
- COMMERCIAL DIVISION -**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C.C.-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
KOMUNIK CORPORATION, KOMUNIK DATAMARK INC.
AND KOMUNIK INTRAMEDIA INC.**

**THIRD REPORT OF RSM RICHTER INC.
IN ITS CAPACITY AS MONITOR OF
KOMUNIK CORPORATION, KOMUNIK DATAMARK INC.
AND KOMUNIK INTRAMEDIA INC.**

February 12, 2009

1. INTRODUCTION

This report is filed by RSM Richter Inc. ("Richter") in its capacity as monitor ("Monitor") of Komunik Corporation ("Komunik"), Komunik Datamark Inc. ("Datamark") and Komunik Intramedia Inc. ("Intramedia") (collectively, the "Company").

Pursuant to an order (the "Initial Order") of the Quebec Superior Court - District of Montréal (Commercial Division) (the "Court") made on November 18, 2008, the Company was granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") and Richter was appointed as the Monitor in the CCAA proceedings ("CCAA Proceedings").

1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide an update regarding the transaction with Intema Solutions Inc. (the "Purchaser") to purchase the certain of the business and assets of the Company's Konversation division (a division of Komunik) ("Konversation Transaction"); and

- b) Recommend that this Honourable Court issue an order authorizing the Monitor to make a distribution of the Konversation Transaction cash proceeds to HSBC Bank Canada (the “Bank”), a principal secured creditor of the Company.

1.2 Currency

Unless otherwise noted, currency references in this Report are to Canadian dollars.

1.3 Terms of Reference

In preparing this Report, the Monitor has relied upon unaudited financial information prepared by the Company’s management, the Company’s books and records and discussions with its management. The Monitor has not performed an audit or other verification of such information. An examination of the Company’s financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on management’s assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

2. BACKGROUND

Background information concerning the Company is provided in the Company’s petition for the Initial Order dated November 18, 2008 and the first report of the Monitor dated December 12, 2008. Copies of these documents can be found on the Monitor’s website at www.rsmrichter.com.

3. KONVERSATION TRANSACTION

On January 28, 2009, this Honourable Court issued an order (the “January Order”), *inter alia*, approving the Konversation Transaction and vesting in the Purchaser all the rights, title and interest of the Company in the Konversation assets, free and clear of all liens, security interests and other encumbrances. The January Order provided that the Monitor would hold the proceeds of the Konversation Transaction in trust, pending further order of the Court authorizing distribution of said proceeds.

Subsequent to the January Order, the Purchaser paid to the Monitor deposits totalling \$100,000. The Konversation Transaction closed on February 12, 2009, on which date the Purchaser paid \$312,601 to the Monitor, representing the balance of the cash portion of the purchase price.

3.1 Creditors

3.1.1 The Bank

The Bank is the Company’s principal secured creditor. At the commencement of the CCAA Proceedings, the Company’s indebtedness to the Bank totalled approximately \$16.4 million. Over the course of the CCAA Proceedings, the Bank has allowed the Company to continue to use its credit facilities, pursuant to various forbearance agreements and amendments thereto. The total amount owing to the Bank as at February 5, 2009 was approximately \$15.5 million.

The Monitor’s legal counsel, Ogilvy Renault LLP (“Ogilvy”), has provided the Monitor with an opinion on the validity and enforceability of the Bank’s security. A copy of the opinion rendered by Ogilvy is attached as Appendix “A”. The opinion provides that, subject to the qualifications contained therein, the Bank holds validly perfected security interests in the

Company's assets and valid hypothecs that have been set up against third parties by registration in the Province of Québec.

3.1.2 Other Claims

The following claims rank, or may rank, in priority to the Bank's security interests in the Konversation division assets:

- Administration Charge – the Initial Order provided an Administration Charge of \$450,000 in favour of the Monitor, its counsel and the Company's counsel;
- Directors' and Officers' Charge ("D&O Charge") – the Initial Order provided a D&O Charge of \$4.05 million; and
- Deemed Trust and Priority Claims – at any given time, the Company's obligations for GST/QST, payroll source deductions, accrued wages, vacation pay, etc. could total up to approximately \$3 million. The Company is current in respect of these obligations.

The total proceeds from the Konversation Transaction are \$412,601, representing a small portion of the Company's business and assets. The Monitor is of the view that the Company's remaining assets are sufficient to satisfy claims which rank, or may rank, ahead of the Bank.

3.2 Proposed Distribution to the Bank

The Monitor holds \$412,601 in trust for the Company. The Monitor is seeking approval to distribute these funds to the Bank. After payment of these amounts, the Company's business and assets will continue to be sufficient to repay in full any obligations that rank in priority to the Bank. The Monitor is of the view that distribution of these monies to the Bank will assist to facilitate the Company's restructuring efforts.

4. CONCLUSION AND RECOMMENDATION

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

RSM Richter Inc.

**RSM RICHTER INC.
IN ITS CAPACITY AS CCAA MONITOR OF
KOMUNIK CORPORATION, KOMUNIK DATAMARK INC.
AND KOMUNIK INTRAMEDIA INC.
AND NOT IN ITS PERSONAL CAPACITY**

DELIVERED

February 12, 2009

RSM Richter Inc.
200 King Street West
Suite 1100
Toronto, Ontario M5H 3T4

Attention: Robert Kofman

Dear Sir:

**RE: Komunik Corporation - Corporation Komunik (the "Borrower"):
Security granted to HSBC Capital (Canada) Inc. ("HSBC Capital") and HSBC Bank
Canada ("HSBC Bank")**

In accordance with your instructions, we have reviewed photocopies of the following documents:

Financing with HSBC Capital

1. a credit agreement dated as of June 12, 2007, between the Borrower and HSBC Capital (the "**HSBC Capital Credit Agreement**");
2. a hypothec on moveable property dated June 8, 2007 given by the Borrower in favour of HSBC Capital (the "**HSBC Capital Hypothec**");
3. a general security agreement dated as of June 12, 2007, given by the Borrower in favour of HSBC Capital (the "**HSBC Capital GSA**");
4. a guarantee agreement dated June 12, 2007, given by Datamark Systems Inc./Datamark Systemes Inc.¹ ("**Datamark**") in favour of HSBC Capital (the "**Datamark Guarantee**");
5. a continuing, absolute and unconditional guaranty agreement dated June 12, 2007, given by Systems Business Forms Inc. ("**Systems**") in favour of HSBC Capital (the "**Systems Guarantee**");

¹ Pursuant to an amalgamation, Datamark is now known as Komunik Datamark Inc.

6. a guarantee agreement dated June 12, 2007, given by Les Impressions Intra-Media Inc.² (“**Intramedia**”) in favour of HSBC Capital (the “**Intramedia Guarantee**”);
7. a general security agreement dated as of June 12, 2007, given by Datamark in favour of HSBC Capital (the “**Datamark GSA**”);
8. a general security agreement dated June 12, 2007, given by Systems in favour of HSBC Capital (the “**Systems GSA**”);
9. a hypothec on moveable property dated June 8, 2007 given by Datamark in favour of HSBC Capital (the “**Datamark Hypothec**”);
10. a hypothec on moveable property dated June 8, 2007 given by Systems in favour of HSBC Capital (the “**Systems Hypothec**”); and
11. a hypothec on moveable property dated June 8, 2007 given by Intramedia in favour of HSBC Capital (the “**Intramedia Hypothec**”).

Financing with HSBC Bank

12. a line of credit by way of current account overdraft agreement, dated June 12, 2007, between the Borrower and HSBC Bank (the “**HSBC Bank Credit Agreement**”);
13. a hypothec on moveable property dated June 8, 2007 given by the Borrower in favour of HSBC Bank (the “**HSBC Bank Hypothec**”);
14. a general security agreement dated as of June 12, 2007, given by the Borrower in favour of HSBC Bank (the “**HSBC Bank GSA**”);
15. a share pledge agreement dated as of June 12, 2007 given by the Borrower in favour of HSBC Bank (the “**Share Pledge Agreement**”);
16. a guarantee agreement dated June 12, 2007, given by Datamark in favour of HSBC Bank (the “**Datamark/HSBC Bank Guarantee**”);
17. a continuing, absolute and unconditional guaranty agreement dated June 12, 2007, given by Systems in favour of HSBC Bank (the “**Systems/HSBC Bank Guarantee**”);
18. a guarantee agreement dated June 12, 2007, given by Intramedia in favour of HSBC Bank (the “**Intramedia /HSBC Bank Guarantee**”);

² Pursuant to an amalgamation, Intra-Media is now known as Komunik Intramedia Inc.

19. a general security agreement dated June 12, 2007, given by Datamark in favour of HSBC Bank (the “**Datamark/HSBC Bank GSA**”);
20. a general security agreement dated June 12, 2007, given by Systems in favour of HSBC Bank (the “**System/HSBC Bank GSA**”);
21. a hypothec on moveable property dated June 8, 2007 given by Datamark in favour of HSBC Bank (the “**Datamark/HSBC Bank Hypothec**”);
22. a hypothec on moveable property dated June 8, 2007 given by Systems in favour of HSBC Bank (the “**Systems/HSBC Bank Hypothec**”); and
23. a hypothec on moveable property dated June 8, 2007 given by Intramedia in favour of HSBC Bank (the “**Intramedia /HSBC Bank Hypothec**”).

Agreement between HSBC Capital and HSBC Bank

24. a postponement and subordination agreement dated June 12, 2007 given by HSBC Capital, as subordinate creditor in favour of HSBC Bank, as senior creditor (the “**Postponement Agreement**”).

For the purposes of this opinion, items 2-4, 6-11, 13-16, 18-23 above shall be referred to collectively as the “**Security Documents**”.

For the purposes of this opinion, items 2, 9-11, 13, and 21-23 above shall be referred to collectively as the “**Hypothecs**”.

For the purposes of this opinion, items 8, 10, 20 and 22 above shall be referred to collectively as the “**Systems Security**”.

For the purposes of this opinion, items 6, 11, 18, and 23 above shall be referred to collectively as the “**Intramedia Security**”.

For the purposes of this opinion, items 1-23 above shall be referred to collectively as the “**Documents**”.

For the purposes of this opinion, the Borrower, Datamark, Systems and Intramedia shall be collectively referred to as the “**Companies**”.

Assumptions as to Authenticity of Documents, etc.

For the purposes of the opinions expressed herein, we have assumed the following with respect to the Documents:

1. the genuineness of all signatures and the conformity of photocopies to authentic original documents;
2. that the Companies were duly amalgamated or incorporated, as the case may be, and validly existing at the time of the creation of the Documents and have continued to be duly amalgamated or incorporated, as the case may be, and validly existing since that time;
3. that at the time of the creation of the Documents, the Companies had full corporate power to execute, deliver and perform the terms of the Documents, that the Documents were properly authorized, executed and delivered by the Companies, and that there was no provision in the documents by which the Companies were amalgamated or incorporated, as the case may be, or in their by-laws, which was violated by the execution, delivery and performance of the Documents;
4. that there are no other agreements or extraneous facts not disclosed in the Documents that would or might affect the validity or enforceability of the Documents;
5. that the Documents were issued for valuable consideration and that all of the conditions precedent contained in the Documents were satisfied or waived;
6. that attachment of the security interests constituted by the Security Documents have occurred within the meaning of the *Personal Property Security Act* (Ontario) (the “**Ontario PPSA**”);
7. that the collateral described in the Security Documents which comprises personal (movable) property is situate in the Province of Ontario and/or the Province of Quebec, and has been since the Companies acquired rights in that collateral³; and
8. that financing statements were properly executed by or on behalf of HSBC Capital and HSBC Bank.

³ We note that the HSBC Capital GSA, the Datamark GSA, the HSBC Bank GSA and the Datamark/HSBC Bank GSA (collectively, the “GSAs”) refer to collateral that was, at the time of granting the GSAs, located in Alberta, Saskatchewan and Manitoba. We note that we have not ordered security searches against the Companies in those jurisdictions. Please let us know whether you would like us to order such searches. Similarly, no searches have been ordered in respect of Systems in the United States; we would be pleased to order such searches, if you require them.

Searches Conducted by Us

Corporate Searches

We have conducted corporate searches current to January 23, 2009, in respect of the Borrower. The results of the corporate searches conducted by us reveal that the Borrower was formed on June 12, 2007, by way of articles of amalgamation as “Komunik Corporation - Corporation Komunik” (Canada Corp. Number 4435788) under the laws of Canada, by the amalgamation of:

1. “Datamark Systems Group Inc./Groupe Datamark Systems Inc.” (Canada Corp. Number 2784246), formed, on January 1, 1992, by way of articles of amalgamation as “Datamark Inc.” by the amalgamation of “Datamark Business Forms (1989) Inc.” (Canada Corp. Number 2477343) and “Datamark Inc.” (Canada Corp. Number 2784238) under the laws of Canada. This corporation changed its name on July 2, 1999 to “Datamark Systems Group Inc./Groupe Datamark Systems Inc.”; and
2. “Corporation Komunik/Komunik Corporation” (Canada Corp. Number 3790975), formed, on July 25, 2000, by way of articles of incorporation as “Communications Internet Segment of One Inc./Segment of One Internet Communications Inc.” under the laws of Canada. Our search revealed that this corporation changed its name on October 1, 2001 to “Corporation Komunik/Komunik Corporation”.

We also conducted corporate searches current to January 23, 2009, in respect of “Komunik Datamark Inc.” (Canada Corp. Number 3574831) which revealed that it was formed on December 31, 1998 by way of articles of amalgamation as “Datamark Systems Inc./Datamark Systèmes Inc.”, under the laws of Canada by the amalgamation of “Lancaster Datamark Inc.”⁴ (Canada Corp. Number 0283380) and “Systems Business Forms Limited/Formulaires D’Affaires Systems Limitée”⁵ (Canada Corp. Number 2766744). Our search revealed that this corporation changed its name on September 19, 2007 to “Komunik Datamark Inc.”.

⁴ Itself formed, on March 8, 1978, by way of articles of incorporation as “Lancaster Business Forms Canada Ltd.”, under the laws of Canada. The corporation changed its name on October 27, 1992 to “Lancaster Datamark Inc.”.

⁵ Itself formed, on November 1, 1991, by way of articles of amalgamation as “Systems Business Forms Limited/Formulaires D’Affaires Systems Limitee” by the amalgamation of “Systems Business Forms Limited” (Canada Corp. Number 2394162) and “2729407 Canada Ltd.” (Canada Corp. Number 2729407).

Finally, we conducted corporate searches current to January 23, 2009, in respect of “Komunik Intramedia Inc. Komunik Intramédia Inc.” (Canada Corp. Number 3545695) which revealed that it was formed on October 31, 1998 by way of articles of amalgamation as “Les Impressions Intra-Média Inc.”, under the laws of Canada by the amalgamation of “Composition PDL Inc.”⁶ (Canada Corp. Number 1878867), “Les Impressions Intra-Média Inc.”⁷ (Canada Corp. Number 3303039) and Groupe Intra-Média Inc.⁸ (Canada Corp. Number 3368564). Our search revealed that this corporation changed its name on September 19, 2007 to “Komunik Intramedia Inc. Komunik Intramédia Inc.”.

PPSA / RDPRM Searches

We reviewed copies of searches (and copies of online searches, in the case of the RDPRM (as defined below)) (collectively, the “**Searches**”) in the personal property registry (“**PPR**”) in the Province of Ontario and in the Registre des Droits Personnels et Réels Mobiliers (“**RDPRM**”) in the Province of Quebec against the names listed on Schedule “A” hereto.

The results of our Searches indicate that HSBC Capital and HSBC Bank have made registrations against each of the Borrower and Datamark in Ontario and Quebec, and against Systems and Intramedia in Quebec, each as outlined on Schedule “B” hereto.

No financing statements were filed in Ontario by either HSBC Capital or HSBC Bank against either of Systems and Intramedia.

Other than the registrations made by HSBC Capital and HSBC Bank, as listed on Schedule “B” hereto, and those registrations listed on Schedule “C” hereto, the Searches did not reveal any PPR or RDPRM registrations made against the Companies.

The Documents

A. The HSBC Capital Financing Documents

The HSBC Capital Credit Agreement

Capitalized terms used in this section, but not otherwise defined, shall have the meanings ascribed to them in the HSBC Capital Credit Agreement.

⁶ Itself formed, on March 28, 1985, by way of articles of incorporation under the laws of Canada.

⁷ Itself formed, on October 8, 1996, by way of articles of incorporation under the laws of Canada.

⁸ Itself formed, on April 28, 1997, by way of articles of incorporation under the laws of Canada as “3368564 Canada Inc.”. The corporation changed its name on January 16, 1998 to “Groupe Intra-Media Inc.”

Pursuant to the HSBC Capital Credit Agreement, HSBC Capital established a non-revolving, reducing 66 months term credit facility of up to a maximum of CDN\$5,250,000 in favour of the Borrower (the “**Facility**”). The Facility was to be used by the Borrower to finance the acquisition by the Borrower of all of the issued and outstanding shares of Datamark Systems Group Inc. and its successors and assigns (including, without limitation, further to any amalgamation), and to repay the existing credit facilities made to a member or members of the Borrower, and all of its Subsidiaries, by Bank of Montreal, Business Development Bank of Canada, La Caisse Populaire Place Desjardins, National Bank of Canada, Roynat Inc. and HSBC Bank Canada.

It should be noted that the HSBC Capital Credit Agreement does not specifically grant a hypothec or security interest.

The HSBC Capital Credit Agreement is governed by the laws of the Province of Quebec.

The HSBC Capital Hypothec

Pursuant to the HSBC Capital Hypothec, HSBC Capital was granted a conventional hypothec in the principal amount of CDN\$6,300,000, plus an additional hypothec of 20% of the principal amount. The HSBC Capital Hypothec is granted on the universality of all of the movable property, rights and assets of the Borrower.

It is granted to secure the payment of all indebtedness and the fulfillment of all other obligations of the Borrower to HSBC Capital arising from the HSBC Capital Hypothec and from the credit facility totalling CDN\$5,250,000 granted on or about June 12, 2007 and of all other present or future, direct or indirect obligations of the Borrower to HSBC Capital.

The HSBC Capital Hypothec is governed by the laws of the Province of Quebec.

The HSBC Capital GSA

Pursuant to the HSBC Capital GSA, as security for the repayment and discharge of all indebtedness, obligations and liabilities of the Borrower owing to HSBC Capital, the Borrower granted to HSBC Capital, by way of mortgage, charge, assignment and transfer, a security interest in the undertaking of the Borrower and in all personal property of the Borrower.

The HSBC Capital GSA is governed by the laws of the Province of Ontario.

The Datamark Guarantee

Pursuant to the Datamark Guarantee, Datamark guaranteed payment of all of the obligations of the Borrower to HSBC Capital (the “**Obligations**”). Section 7 of the Datamark Guarantee states that the payment of all claims of Datamark against the Borrower are postponed to the payment in

full of the Obligations, and that all such claims are hypothecated and assigned to HSBC Capital as security for the payment of the Obligations up to a maximum amount of CDN\$6,300,000.

The Datamark Guarantee is governed by the laws of the Province of Quebec.

The Systems Guarantee

Pursuant to the Systems Guarantee, Systems guaranteed payment and performance, when due, of all of the Obligations.

It should be noted that the Systems Guarantee is governed by the laws of the State of New York.

The Intramedia Guarantee

Pursuant to the Intramedia Guarantee, Intramedia guaranteed payment of all of the Obligations. Section 7 of the Intramedia Guarantee states that the payment of all claims of Intramedia against the Borrower are postponed to the payment in full of the Obligations, and that all such claims are hypothecated and assigned to HSBC Capital as security for the payment of the Obligations up to a maximum amount of CDN\$6,300,000.

The Intramedia Guarantee is governed by the laws of the Province of Quebec.

The Datamark GSA

Pursuant to the Datamark GSA, as security for the repayment and discharge of all indebtedness, obligations and liabilities of Datamark owing to HSBC Capital, Datamark granted, by way of mortgage, charge, assignment and transfer, to HSBC Capital a security interest in the undertaking of Datamark and in all personal property of Datamark.

The Datamark GSA is governed by the laws of the Province of Ontario.

The Systems GSA

Pursuant to the Systems GSA, to secure the payment and other performance of the obligations of Systems to HSBC Capital, Systems granted to HSBC Capital a security interest in and assigned, pledged and hypothecated to HSBC Capital the Collateral (as such term is defined on Schedule “D” hereto)

It should be noted that the Systems GSA is governed by the laws of the State of New York.

The Datamark Hypothec

Pursuant to the Datamark Hypothec, HSBC Capital was granted a conventional hypothec in the principal amount of CDN\$6,300,000, plus an additional hypothec of 20% of the principal amount. The Datamark Hypothec is granted on the universality of all of the movable property, rights and assets of Datamark. It is granted to secure the payment of all indebtedness and the fulfillment of all other obligations of Datamark to HSBC Capital arising from the Datamark Hypothec and from the Datamark Guarantee.

The Datamark Hypothec is governed by the laws of the Province of Quebec.

The Systems Hypothec

Pursuant to the Systems Hypothec, HSBC Capital was granted a conventional hypothec in the principal amount of CDN\$6,300,000, plus an additional hypothec of 20% of the principal amount. The Systems Hypothec is granted on the universality of all of the movable property, rights and assets of Systems. It is granted to secure the payment of all indebtedness and the fulfillment of all other obligations of Systems to HSBC Capital arising from the Systems Hypothec and from the Systems Guarantee.

The Systems Hypothec is governed by the laws of the Province of Quebec.

The Intramedia Hypothec

Pursuant to the Intramedia Hypothec, HSBC Capital was granted a conventional hypothec in the principal amount of CDN\$6,300,000, plus an additional hypothec of 20% of the principal amount. The Intramedia Hypothec is granted on the universality of all of the movable property, rights and assets of Intramedia. It is granted to secure the payment of all indebtedness and the fulfillment of all other obligations of Intramedia to HSBC Capital arising from the Intramedia Hypothec and from the Intramedia Guarantee.

The Intramedia Hypothec is governed by the laws of the Province of Quebec.

B. The HSBC Bank Financing Documents

The HSBC Bank Credit Agreement

Pursuant to the HSBC Bank Credit Agreement, HSBC Bank established a line of credit by way of current account overdraft, in the amount of \$12,000,000, plus interest, in favour of the Borrower, solely for business purposes.



It should be noted that the HSBC Bank Credit Agreement does not specifically grant a hypothec or security interest.

The HSBC Bank Credit Agreement is governed by the laws of the Province of Quebec.

The HSBC Bank Hypothec

Pursuant to the HSBC Bank Hypothec, HSBC Bank was granted a conventional hypothec in the principal amount of CDN\$35,000,000, plus an additional hypothec of 20% of the principal amount. The HSBC Bank Hypothec is granted on the universality of all of the movable property, rights and assets of the Borrower. It is granted to secure the payment of all of the Borrower’s indebtedness and the fulfillment of all other obligations arising from the HSBC Bank Hypothec and from a facility letter dated February 1, 2007, as amended thereafter.

The HSBC Bank Hypothec is governed by the laws of the Province of Quebec.

The HSBC Bank GSA

Pursuant to the HSBC Bank GSA, as security for the repayment and discharge of all indebtedness, obligations and liabilities of the Borrower owing to HSBC Bank, the Borrower granted, by way of mortgage, charge, assignment and transfer, to HSBC Bank, a security interest in the undertaking of the Borrower and in all personal property of the Borrower.

The HSBC Bank GSA is governed by the laws of the Province of Ontario.

The Share Pledge Agreement

Pursuant to the Share Pledge Agreement, as a general and continuing collateral security for the full payment and performance of all obligations owing by the Borrower to HSBC Bank pursuant to the Facility Letter (as defined in the Share Pledge Agreement), the Borrower hypothecated and pledged to HSBC Bank the following securities (the “**Pledged Securities**”), together with all certificates and instruments evidencing or representing such securities, all dividends in respect of the Pledged Securities and all proceeds:

Certificate No.	Number and Class of Shares	Issuer
A2	600 Class A	Datamark Systems Inc./Datamark Systèmes Inc.
4AA	1,820,000 Class AA	Les Impressions Intra-Media Inc.
9A	780,000 Class A	Les Impressions Intra-Media

Certificate No.	Number and Class of Shares	Issuer
		Inc.

The hypothec created by the Share Pledge Agreement in respect of the Pledged Securities is for the sum of \$35,000,000 with interest thereon at the rate of 25% per annum.

The Share Pledge Agreement is governed by the laws of the Province of Quebec.

The Datamark/HSBC Bank Guarantee

Pursuant to the Datamark/HSBC Bank Guarantee, Datamark guaranteed payment of all of the obligations of the Borrower to HSBC Bank (the “**HSBC Bank Obligations**”). Section 7 of the Datamark/HSBC Bank Guarantee states that the payment of all claims of Datamark against the Borrower are postponed to the payment in full of the HSBC Bank Obligations, and that all such claims are hypothecated and assigned to HSBC Bank as security for the payment of the HSBC Bank Obligations up to a maximum amount of CDN\$35,000,000.

The Datamark/HSBC Bank Guarantee is governed by the laws of the Province of Quebec.

The Systems/HSBC Bank Guarantee

Pursuant to the Systems/HSBC Bank Guarantee, Systems guaranteed payment and performance, when due, of all of the HSBC Bank Obligations.

It should be noted that the Systems/HSBC Bank Guarantee is governed by the laws of the State of New York.

The Intramedia /HSBC Bank Guarantee

Pursuant to the Intramedia/HSBC Bank Guarantee, Intramedia guaranteed payment of all of the HSBC Bank Obligations. Section 7 of the Intramedia /HSBC Bank Guarantee states that the payment of all claims of Intramedia against the Borrower are postponed to the payment in full of the HSBC Bank Obligations, and that all such claims are hypothecated and assigned to HSBC Bank as security for the payment of the HSBC Bank Obligations up to a maximum amount of CDN\$35,000,000.

The Intramedia /HSBC Bank Guarantee is governed by the laws of the Province of Quebec.

The Datamark/HSBC Bank GSA

Pursuant to the Datamark/HSBC Bank GSA, as security for the repayment and discharge of all indebtedness, obligations and liabilities of Datamark owing to HSBC Bank, Datamark granted, by way of mortgage, charge, assignment and transfer, to HSBC Bank a security interest in the undertaking of Datamark and in all personal property of Datamark.

The Datamark/HSBC Bank GSA is governed by the laws of the Province of Ontario.

The Systems/HSBC Bank GSA

Pursuant to the System/HSBC Bank GSA, to secure the payment and other performance of the obligations of Systems to HSBC Bank, Systems granted to HSBC Bank a security interest in and assigns, pledges and hypothecates to HSBC Bank the Collateral (as such term is defined on Schedule "E" hereto).

It should be noted that the System/HSBC Bank GSA is governed by the laws of the State of New York.

The Datamark/HSBC Bank Hypothec

Pursuant to the Datamark Hypothec, HSBC Bank was granted a conventional hypothec in the principal amount of CDN\$35,000,000, plus an additional hypothec of 20% of the principal amount. The Datamark Hypothec is granted on the universality of all of the movable property, rights and assets of Datamark. It is granted to secure the payment of all of Datamark's indebtedness and the fulfillment of all other obligations arising from the Datamark Hypothec and from a facility letter dated February 1, 2007, as amended thereafter.

The Datamark Hypothec is governed by the laws of the Province of Quebec.

The Systems/HSBC Bank Hypothec

Pursuant to the Systems Hypothec, HSBC Bank was granted a conventional hypothec in the principal amount of CDN\$35,000,000 plus an additional hypothec of 20% of the principal amount. The Systems Hypothec is granted on the universality of all of the movable property, rights and assets of Systems. It is granted to secure the payment of all of Systems' indebtedness and the fulfillment of all other obligations arising from the Systems Hypothec and from a facility letter dated February 1, 2007, as amended thereafter.

The Systems Hypothec is governed by the laws of the Province of Quebec.

The Intramedia /HSBC Bank Hypothec

Pursuant to the Intramedia Hypothec, HSBC Bank was granted a conventional hypothec in the principal amount of CDN\$35,000,000, plus an additional hypothec of 20% of the principal amount. The Intramedia Hypothec is granted on the universality of all of the movable property, rights and assets of Intramedia. It is granted to secure the payment of all of Intramedia's indebtedness and the fulfillment of all other obligations arising from the Intramedia Hypothec and from a facility letter dated February 1, 2007, as amended thereafter.

The Intramedia Hypothec is governed by the laws of the Province of Quebec.

The Postponement Agreement

For the purposes of this section, the Borrower shall mean the Borrower and its successors and assigns, including any successor by reason of amalgamation.

Pursuant to the Postponement Agreement, any and all present and future indebtedness and liability owing by the Borrower to HSBC Capital (the "**HSBC Capital Indebtedness**") is postponed and subordinated to all present and future indebtedness and liability owing by the Borrower to HSBC Bank in the maximum aggregate amount of \$20,550,000 (the "**HSBC Bank Indebtedness**"). Until the HSBC Bank Indebtedness has been paid in full and any obligation of HSBC Bank to extend credit to the Borrower has been irrevocably terminated, HSBC Capital shall not, without prior written consent of HSBC Bank, receive from the Borrower or any other source, payment of any HSBC Capital Indebtedness, except the specific payments contemplated by the Postponement Agreement.

Furthermore, any and all security now or in the future held by HSBC Capital as security for the HSBC Capital Indebtedness is postponed and subordinated to all security now or in the future held by HSBC Bank as security for the HSBC Bank Indebtedness.

The Postponement Agreement is governed by the laws of the Province of Quebec.

Opinions, Discussion and Qualifications

We are solicitors qualified in the Provinces of Ontario and Quebec, Canada, and accordingly, no opinion is expressed herein as to the laws of any jurisdiction other than Ontario, Quebec and the federal laws of Canada applicable therein. As solicitors in the Provinces of Ontario and Quebec, we are qualified to give opinions on matters of Ontario, Quebec and the federal laws of Canada applicable therein.

Accordingly, we cannot provide an opinion as to the proper registration or perfection of the Security Documents in jurisdictions other than Ontario nor can we provide an opinion as to the proper publication and opposability of the Security Documents in jurisdictions other than

Quebec. To the extent that this opinion addresses matters related to the laws of any other jurisdiction, the same is included for informational purposes only and should not be considered to be an opinion of law. Please advise whether you would like us to obtain an agent in the State of New York to opine on matters related to that jurisdiction. We also note that the GSAs refer to collateral that was, at the time of granting the GSAs, located in Alberta, Saskatchewan and Manitoba. We note that we have not ordered security searches against the Companies in those jurisdictions. Please let us know whether you would like us to order such searches.

Opinions

Subject to the assumptions and qualifications contained herein, we are of the opinion that (i) there are no material defects in the manner of completion or execution of the Security Documents; (ii) the Security Documents created valid security interests in favour of HSBC Capital or HSBC Bank, as the case may be, in the personal property described therein and such security interests (with the exception of the security interests created by the Systems Security and the Intramedia Security) have been perfected by registration under the provisions of the Ontario PPSA and are, as of the date hereof, valid and enforceable against a trustee in bankruptcy of the Borrower and Datamark, and (iii) the Hypothecs created a valid hypothec (up to the amount thereof) on the corporeal movable property (other than property ordinarily used in more than one jurisdiction) and incorporeal movable property established by a title in bearer form, in each case, situate in the Province of Quebec, and such hypothec has been set-up against third parties by publication under the RDPRM in accordance with the Civil Code of Quebec (the “Civil Code”) and are, as of the date hereof, valid and enforceable against a trustee in bankruptcy of the Companies.

Qualifications

The foregoing opinions are subject to the following qualifications:

1. the enforceability of the Security Documents are subject to bankruptcy, insolvency and other laws of general application affecting the enforcement of creditors' rights generally;
2. the enforceability of the Security Documents are subject to general equitable principles, including the fact that the availability of equitable remedies is in the discretion of a court;
3. the enforceability of the Security Documents are subject to equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments;
4. we express no opinion as to whether registration under the Ontario PPSA or publication under the Civil Code is effective to perfect a security interest or set-up a hypothec in collateral in respect of which the federal laws of Canada require that notices, filings or registrations be made, that other steps or actions be taken in order to perfect the security

interest or set-up a hypothec in such collateral, or where such federal laws otherwise prohibit or prevent the granting of such security interest;

5. the Ontario PPSA does not apply to certain types of collateral enumerated in section 4 of that Act, and we therefore express no opinion as to whether registration under the Ontario PPSA is effective to perfect a security interest in such collateral;
6. the Civil Code provides that certain property is not susceptible of alienation (including assignment) and is not exempt from seizure, and we therefore express no opinion as to whether the Hypothecs are properly set-up on any such property;
7. we express no opinion as to the creation of any security interest or hypothec in property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit the assignment or require, as a condition of assignability, a consent, approval or other authorization or registration which has not been made or given;
8. we express no opinion as to the enforcement of any security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
9. no opinion is expressed herein as to title to any property or asset of the Companies purported to be charged pursuant to the Security Documents, nor as to the ranking of the charges purported to be created pursuant to the Security Documents; furthermore, the opinions expressed herein as to the validity of any charge and security created under the Security Documents are based on the assumption that the Companies have or will have good and valid title to their properties, rights and assets intended to be charged thereunder;
10. pursuant to Article 2959 of the Civil Code, the publication of the Hypothecs, preserves the same rank for interest due for the current year and the three preceding years as for the capital;
11. the preservation of the Hypothecs are registered under the name of the Companies on movable property that is not alienated in the ordinary course of business is subject to the filing of a notice of preservation of hypothec in the RDPRM within 15 days after the creditors have been informed in writing of the transfer of the property and the name of the purchaser, or after the creditors have consented in writing to the transfer, all as provided for in Article 2700 of the Civil Code;
12. the security interests or hypothecs created pursuant to the Hypothecs on property alienated in the ordinary course of business will cease to apply to such property but will extend to the property of the same nature which replaces the property so alienated; if no

property replaces the alienated property, the hypothec shall subsist nonetheless but extend only to the proceeds of the alienation, provided such proceeds may be identified, the whole in accordance with Article 2674 of the Civil Code;

13. the enforceability of the Security Documents against the account debtors of the Companies are subject to the said account debtors acquiescing in or receiving evidence or being notified of the Security Documents prior to the debt or account owed by such account debtor being paid or otherwise discharged, all as required by Articles 2710 and 1641 of the Civil Code and Section 40 of the Ontario PPSA;
14. to withdraw at any time the authority given to the Companies pursuant to the Hypothecs to collect the amounts due under claims hypothecated thereby, HSBC Capital and HSBC Bank must serve notice to such grantor and the debtors of the hypothecated claims and the withdrawal of such authority must be registered, all as provided for in Article 2745 of the Civil Code;
15. the security interests or hypothecs created by the Hypothecs on claims held by the Companies against third parties must, where the claims are themselves secured by a registered hypothec, be published by registration and a copy of a certified statement of registration of the hypothecated claim must be remitted to the debtor of such hypothecated claim, all as provided for in Article 2712 of the Civil Code;
16. the security interests or hypothecs created by the Hypothecs on movables that are subsequently transformed, mixed or combined to form new movables belonging to third parties should be renewed against such new movables so as to preserve their enforceability and ranking as provided for in Article 2953 of the Civil Code;
17. the enforceability against third parties of the Hypothecs on movable properties subsequently incorporated into immovable property is subject to the registration of an immovable hypothec in the applicable land register as set forth in Articles 2796 and 2951 of the Civil Code;
18. No opinion is expressed herein as to the enforceability of the Security Documents in respect of, or the creation of security interests or hypothecs under the Security Documents, the Systems Security and the Intramedia Security on, immovable property of the Companies.
19. to the extent the Hypothecs are registered under the name of the Companies and are subsequently assumed by a purchaser of any movable property charged thereunder, it should be published to maintain their enforceability in light of Article 2701 of the Civil Code;

20. the enforceability of the Hypothecs on rights resulting from insurance contracts is subject to the insurers receiving notice thereof as required by Articles 2461 and 2497 of the Civil Code;
21. to the extent that the claims hypothecated by the Security Documents include at any time rentals generated by immovable properties, further registrations will be required against such immovable properties failing which such rentals shall not be effectively hypothecated;
22. the enforceability of certain provisions of the Hypothecs relating to enforcement and realization proceedings and remedies as regards the Hypothecs are limited by the provisions of the Civil Code. Accordingly, no opinion is expressed herein as to the legality, validity or enforceability of the Hypothecs as regards remedies exercisable under the Hypothecs, other than those specifically provided in Book Six, Title Three, Chapter V of the Civil Code;
23. the exercise of hypothecary rights pursuant to the Hypothecs are subject to the filing of a prior notice at the registry office together with evidence of said notice having been served on the grantor of such Hypothecs, as the case may be, and on any other person against whom the beneficiaries of the hypothec intend to exercise their rights, all as provided for in Article 2757 *et seq.* of the Civil Code;
24. to the extent that the rights or properties subject to the Security Documents include patents, trade-marks or copyrights, registration thereof may not be effective to fully preserve, perfect or protect the security constituted thereby;
25. the security interests or hypothecs created pursuant to the Security Documents on future movable properties rank from the time of their registration but after the vendor's hypothec, if any, created in the grantor's act of acquisition (provided such vendor's hypothec is published within 15 days after the sale);
26. the security interests or hypothecs created pursuant to the Security Documents on future immovable properties rank from the time of their registration but after the vendor's hypothec, if any, created in the grantor's act of acquisition;
27. the enforceability of the security interests or hypothecs created by the Hypothecs on immovable properties acquired after the execution of the Hypothecs are subject to the registration of a notice if the Hypothecs have already been published at the office of the registration division in which the immovable acquired subsequently is located or if the Hypothecs have not already been published therein of a summary of the Hypothecs, the whole as set forth in Article 2949 of the Civil Code;

28. the provisions of any agreement which entitle HSBC Capital or HSBC Bank to accelerate the indebtedness of the Companies following the occurrence of an event of default may be limited by the provisions of Article 2761 of the Civil Code and Section 66 of the Ontario PPSA which permit the debtor or other interested persons to defeat the exercise of a creditor's hypothecary or PPSA rights by remedying the omission or breach set forth in the prior notice relating to the exercise of such creditor's hypothecary rights or by tendering fulfilment of all obligations secured by the collateral together with a sum equal to the reasonable expenses incurred by the secured party;
29. we express no opinion with respect to any provisions of the Hypothecs which purport to enable HSBC Capital or HSBC Bank to recover from a party any costs in excess of the legal tariff or any fines, penalties or costs levied against or imposed upon such other party by applicable law or by order of court. Pursuant to Articles 2667 and 2762 of the Civil Code, notwithstanding any stipulation to the contrary, the costs secured by the Hypothecs exclude extra-judicial professional fees payable by HSBC Capital or HSBC Bank or any other person for services required by HSBC Capital or HSBC Bank in order to recover the capital and interests secured by the Hypothecs or to conserve the charged property mentioned therein; and we express no opinion with respect to any provisions of the Hypothecs which purport to waive the rights of any party under any legislation;
30. no opinion is expressed herein as to the validity or enforceability of any provision of the Security Documents providing for the creation of an irrevocable mandate;
31. taking into consideration Section 347 of the *Criminal Code* (Canada) and the definition given to "interest payments" therein, any interest payment in virtue of the Security Documents exceeding 60% per annum would result in a criminal infraction rendering the recipient of the payments subject to the penalties provided for in said Section 347;
32. enforcement of claims may become barred under applicable statutes of limitation or as a result of extinctive prescription and may be subject to counter claims or set-offs;
33. no opinion is expressed herein as to the enforceability of any provision of the Security Documents to the effect that monies or assets received shall be received or held "in trust" or as "trustee";
34. no opinion is expressed herein regarding the validity of the Security Documents with respect to (a) any amount owing by Her Majesty in right of Quebec in respect of a fiscal law as a refund or (b) debts, claims, demands, shares of the capital stock of a corporation, permits, licenses and other rights, which by their terms or by law are not assignable or which may not be hypothecated or which require the consent of a third party to be assigned or hypothecated where such consent has not been obtained;

35. with respect to both movable or personal and immovable or real property, if any, of the Companies located outside the Provinces of Quebec and Ontario at the time of creation of the Security Documents or thereafter, we express no opinion herein as to the validity of the charges created thereon under the Security Documents or as to the enforceability of the Security Documents against such property;
36. in the event that litigation should ensue outside Quebec, the Companies may be subject to Section 2 of the *Business Concerns Records Act* (Quebec) which provides that “Subject to section 3, no person shall, pursuant to or under any requirement issued by any legislative, judicial or administrative authority outside Quebec, remove or cause to be removed, or send or cause to be sent, from any place in Quebec to a place outside Quebec, any document or résumé or digest of any document relating to any concern”; for the purposes of the *Business Concerns Records Act* (Quebec), “document” means any account, balance sheet, statement of receipts and expenditure, profit and loss statement, statement of assets and liabilities, inventory, report and any other writing or material forming part of the records or archives of a business concern; and
37. to the extent that any undefined terms are used or contained in the Security Documents, or to the extent the application of terms are improperly defined in the Security Documents or are ordinarily otherwise defined or understood under the laws of the Province of Quebec, an uncertainty may arise as to the intent of the parties and hence upon the enforceability of the concerned provisions;
38. the obligations of the parties under the Hypothecs and the enforceability thereof are subject to all qualifications which, by equity, usage or law, are incidental thereto by their nature, including without limitation:
 - (i) in accordance with Articles 6 and 1375 of the Civil Code, good faith which the parties must have exercised and must continue to exercise in the negotiation, implementation and enforcement of the Hypothecs;
 - (ii) any realization upon the security forming part of the Hypothecs should be made upon commercially reasonable terms in the circumstances;
 - (iii) court decisions which may limit the rights of secured creditors to forcibly realize on their security without appropriate judicial proceedings;
 - (iv) limitations which may be imposed by law on the effectiveness of terms exculpating a party from a liability resulting from gross negligence or wilful misconduct;
 - (v) the discretion that a court may reserve to itself to impose restrictions on the rights of creditors to enforce immediate payment of amounts stated to be payable on

demand and to decline to be bound by determinations of fact stated to be conclusive by the contracting parties;

- (vi) the provisions of the said documents that certain calculations or certificates will be conclusive and binding will not be effective if such calculations or certificates are fraudulent or erroneous on their face and will not necessarily prevent judicial enquiry into the merits of any claim by an aggrieved party;
 - (vii) equitable remedies such as specific performance and injunctive relief which may be ordered by a court in its discretion and accordingly may not be available as a remedy in an action brought to enforce the said documents;
 - (viii) the powers of the courts to stay proceedings before them and to stay the execution of judgments;
 - (ix) the discretion that a court may reserve to itself to decline to hear an action if it is contrary to public policy for it to do so or if it is not the proper forum to hear such action;
 - (x) in accordance with Article 1693 of the Civil Code, the obligations of the parties to the Hypothecs may be affected by a case of superior force;
 - (xi) limitations upon the right of a party to the Hypothecs to enforce such documents on the basis of a default of minor importance or of a purely technical default, such as a failure to timely produce a document; and
 - (xii) in accordance with Article 2332 of the Civil Code, the possibility of cancellation or reduction by a court of the obligations arising from the Hypothecs or, the revision by a court of the terms and conditions of the performance of these obligations to the extent that if it finds that, having regard to the risk and to all the surrounding circumstances, one of the parties has suffered lesion;
39. the opinions expressed herein are provided to and are for the sole purpose of RSM Richter Inc. and may not be relied upon by another person.

We trust the foregoing is satisfactory. Please call should you have any questions or comments.

Yours very truly,

Ogilvy Renault LLP

SCHEDULE "A" - THE SEARCHED NAMES

1. Komunik Corporation
2. Corporation Komunik
3. Corporation Komunik/Komunik Corporation
4. Komunik Corporation/Corporation Komunik
5. Datamark Systems Group Inc.
6. Groupe Datamark Systems Inc.
7. Groupe Datamark Systems Inc./Datamark Systems Group Inc.
8. Datamark Systems Group Inc./Groupe Datamark Systems Inc.
9. Datamark Inc.
10. Communications Internet Segment Of One Inc.
11. Segment Of One Internet Communications Inc.
12. Segment Of One Internet Communications Inc./Communications Internet Segment Of One Inc.
13. Communications Internet Segment Of One Inc./Segment of One Internet Communications Inc.
14. Komunik Datamark Inc. Datamark Systems Inc.
15. Datamark Systemes Inc.
16. Datamark Systemes Inc./Datamark Systems Inc.
17. Datamark Systems Inc./Datamark Systemes Inc.
18. Lancaster Datamark Inc.
19. Systems Business Forms Limited

20. Formulaires D'Affaires Systems Limitee
21. Formulaires D'Affaires Systems Limitee/Systems Business Forms Limited
22. Systems Business Forms Limited/Formulaires D'Affaires Systems Limitee
23. Komunik Intramedia Inc.
24. Les Impressions Intramedia Inc.
25. Composition PDL Inc.
26. Groupe Intramedia Inc.
27. 3368564 Canada Inc.
28. Systems Business Forms Inc.

**SCHEDULE "B" – REGISTRATIONS IN FAVOUR
OF HSBC CAPITAL AND HSBC BANK**

THE BORROWER

HSBC Capital Registrations:

Ontario

1. On June 8, 2007 for a period of 9 years, bearing registration number 20070608 1041 1590 6380 (reference file number 636135093) in respect of "Inventory", "Equipment", "Accounts", "Other" and "Motor Vehicle Included" against "**Komunik Corporation/Corporation Komunik**", "**Corporation Komunik/Komunik Corporation**", "**Komunik Corporation**", and "**Corporation Komunik**", as amended on June 18, 2007 by registration number 20070618 1516 1590 6860 to add "**Komunik Corporation - Corporation Komunik**" as an additional debtor; and

Quebec

2. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327587-0002, in respect of the following property of **Komunik Corporation / Corporation Komunik**, namely "The universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik, present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.", up to an amount of \$6,300,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum.

HSBC Bank Registrations:

Ontario

1. On June 8, 2007 for a period of 9 years, bearing registration number 20070608 1040 1590 6378 (reference file number 636135075) in respect of "Inventory", "Equipment", "Accounts", "Other" and "Motor Vehicle Included" against "**Komunik Corporation/Corporation Komunik**", "**Corporation Komunik/Komunik Corporation**", "**Komunik Corporation**", "**Corporation Komunik**", as amended on June 18, 2007 by registration number 20070618 1516 1590 6861 to add "**Komunik Corporation - Corporation Komunik**" as an additional debtor;

Quebec

2. Registration of a conventional hypothec without delivery registered under the RDPRM, on May 11, 2004 for a period of 10 years (expiring on May 11, 2014), bearing registration number 04-0272611-0005, in respect of the following property of **Datamark Systems Group Inc./Groupe Datamark Systems Inc.**, namely “The universality of the Grantor's present and future movable property.”, up to an amount of \$36,000,000 with interest at the rate of twenty-five percent per annum;
3. Registration of a conventional hypothec without delivery registered under the RDPRM, on July 23, 2004 for a period of 10 years (expiring on July 22, 2014), bearing registration number 04-0436870-0003, in respect of the following property of **Datamark Systems Group Inc./Groupe Datamark Systems Inc.**, namely “All sums payable under the insurance policy number 250 45 98 issued by AIG, American International Group together with all renewals or replacements thereof.”, up to an amount of \$20,000,000 with interest at the rate of twenty-five percent per annum;
4. Registration of a conventional hypothec without delivery registered under the RDPRM, on March 31, 2006 for a period of 9 years (expiring on August 3, 2015), bearing registration number 06-0170413-0005, in respect of the following property of **Datamark Systems Group Inc.**, namely “All terms deposits and amounts deposited in Datamark Systems Group Inc.'s account held at the branch of the bank situated at 2001 McGill College, Montreal, Quebec, said account bearing number 001-143611. The hypothec charges any such deposits in principal and interest and any renewals or replacements thereof, substitutions therefore and accretions thereto as well as all amounts which may be held in any account bearing number 001-143611.”, up to an amount of \$12,000,000 with interest at the rate of twenty percent per annum;
5. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327581-0001, in respect of the following property of **Komunik Corporation / Corporation Komunik**, namely “The term deposits in the name of the Grantor in the books of Banque HSBC Canada / HSBC Bank Canada from time to time, the principal and interest thereon and any renewals or replacements thereof, substitutions thereof and accretions thereto; All present and future credit balances opened in the name of the Grantor at Banque HSBC Canada / HSBC Bank Canada, and any account replacing same.”, up to an amount of \$35,000,000, with interest at the rate of twenty-five percent per annum.
6. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327581-0002, in respect of the following property of **Komunik**

Corporation / Corporation Komunik, namely “The universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik, present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.”, up to an amount of \$35,000,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum.

7. Registration of a conventional hypothec with delivery registered under the RDPRM, on June 26, 2007 for a period of 10 years (expiring on June 26, 2017), bearing registration number 07-0363714-0001, in respect of the following property of **Komunik Corporation / Corporation Komunik**, namely “The Pledged Securities and all certificates and instruments evidencing or representing such securities. Pledged Securities means: 600 Class A Shares issued by Datamark Systems Inc./ Datamark Systèmes Inc. bearing certificate number A 2; 1,820,000 Class AA Shares issued by Les Impressions Intra-Média Inc. bearing certificate number 4AA; 780,000 Class A Shares issued by Les Impressions Intra-Média Inc. bearing certificate number 9A.”, up to an amount of \$35,000,000 with interest at the rate of twenty percent per annum; and
8. Registration of a conventional hypothec without delivery registered under the RDPRM, on March 11, 2008 for a period of 9 years (expiring on November 30, 2017), bearing registration number 08-0127771-0001, in respect of the following property of **Komunik Corporation / Corporation Komunik**, namely “As a universality, all monies, cash, foreign currencies and credits in which the Grantor now or hereafter has an interest; and (a) the term deposits in the amounts and with the maturities held in the Grantor's accounts with any branch of the Bank as they appear in the books of the Bank; the principal and interest thereon and any renewals or replacements thereof, substitutions therefore and accretions thereto; (b) the Grantor's accounts at any branch of the Bank that have been opened in the Grantor's name.”, up to an amount of \$35,000,000.

DATAMARK

HSBC Capital Registrations

Ontario

1. On June 8, 2007 for a period of 9 years, bearing registration number 20070608 1042 1590 6381 (reference file number 636135102) in respect of “Inventory”, “Equipment”, “Accounts”, “Other” and “Motor Vehicle Included” against “**Komunik Datamark Inc.**”, as amended on February 15, 2008 by registration number 20080215 1455 1590 7647 to amend the debtor's name;

Quebec

2. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327581-0003, in respect of the following property of **Komunik Datamark Inc.**, namely “The universality of all of the movable property, rights and assets of Datamark Systems Inc. / Datamark Systèmes Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.”, up to an amount of \$35,000,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum (as rectified by a change of name registered on February 19, 2008 under number 08-0087896-0001 from Datamark Systems Inc. / Datamark Systèmes Inc to Komunik Datamark Inc.); and
3. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327587-0003, in respect of the following property of **Komunik Datamark Inc.**, namely “The universality of all of the movable property, rights and assets of Datamark Systems Inc. / Datamark Systèmes Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated”, up to an amount of \$6,300,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum (as rectified by a change of name registered on February 19, 2008 under number 08-0087896-0001 from Datamark Systems Inc. / Datamark Systèmes Inc to Komunik Datamark Inc.)

HSBC Bank Registrations:

Ontario

1. On June 8, 2007 for a period of 9 years, bearing registration number 20070608 1040 1590 6379 (reference file number 636135084) in respect of “Inventory”, “Equipment”, “Accounts”, “Other” and “Motor Vehicle Included” against “**Komunik Datamark Inc.**”, as amended on February 15, 2008 by registration number 20080215 1452 1590 7646 to amend the debtor’s name; and

Quebec

2. Registration of a conventional hypothec without delivery registered under the RDPRM, on May 11, 2004 for a period of 10 years (expiring on May 11, 2014), bearing registration number 04-0272611-0001, in respect of the following property of **Datamark Systems Inc. / Datamark Systèmes Inc.**, namely “The universality of the Grantor's present and future movable property.”, up to an amount of \$36,000,000 with interest at the rate of twenty-five percent per annum;

3. Registration of a conventional hypothec without delivery registered under the RDPRM, on July 23, 2004 for a period of 10 years (expiring on July 22, 2014), bearing registration number 04-0436870-0001, in respect of the following property of **Datamark Systems Inc. / Datamark Systèmes Inc.**, namely “All sums payable under the insurance policy number 250 45 98 issued by AIG, American International group together with all renewals or replacements thereof”, up to an amount of \$20,000,000 with interest at the rate of twenty-five percent per annum;
4. Registration of a conventional hypothec without delivery registered under the RDPRM, on March 31, 2006 for a period of 9 years (expiring on August 3, 2015), bearing registration number 06-0170413-0001, in respect of the following property of **Datamark Systems Inc.**, namely “All term deposits and amounts deposited in Datamark Systems Inc.'s account held at the branch of the bank situated at 2001 McGill College, Montreal, Quebec, said account bearing number 001-143638. The hypothec charges any such deposits in principal and interest and any renewals or replacements thereof, substitutions therefore and accretions thereto as well as all amounts which may be held in any account replacing the account bearing number 001-143638.”, up to an amount of \$12,000,000 with interest at the rate of twenty percent per annum; and
5. Registration of a conventional hypothec without delivery registered under the RDPRM, on March 11, 2008 for a period of 9 years (expiring on November 30, 2017), bearing registration number 08-0127771-0003, in respect of the following property of **Komunik Datamark Inc.**, namely “As a universality, all monies, cash, foreign currencies and credits in which the customer now or hereafter has an interest; and (a) the term deposits in the amounts and with the maturities held in the customer's accounts with any branch of the bank as they appear in the books of the bank; the principal and interest thereon and any renewals or replacements thereof, substitutions therefore and accretions thereto; (b) the customer's accounts at any branch of the bank that have been opened in the customer's name”, up to an amount of \$35,000,000.

SYSTEMS

HSBC Capital Registrations:

Ontario

Nil

Quebec

1. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327587-0005, in respect of the following property of **Systems Business**

Forms Inc., namely “The universality of all of the movable property, rights and assets of Systems Business Forms Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.”, up to an amount of \$6,300,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum.

HSBC Bank Registrations:

Ontario

Nil

Quebec

1. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327581-0005, in respect of the following property of **Systems Business Forms Inc.**, namely “The universality of all of the movable property, rights and assets of Systems Business Forms Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.”, up to an amount of \$35,000,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum.

INTRAMEDIA

HSBC Capital Registrations:

Ontario

Nil

Quebec

1. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327587-0004, in respect of the following property of **Komunik Intramedia Inc. / Komunik Intramédia Inc.**, namely “The universality of all of the movable property, rights and assets of Les Impressions Intra-Media Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated”, up to an amount of \$6,300,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum (as rectified by a change of name registered on February 19, 2008 under number 08-0087896-0002 from Les Impressions Intra-Media Inc. to Komunik Intramedia Inc. / Komunik Intramédia Inc.).

HSBC Bank Registrations:**Ontario**

Nil

Quebec

1. Registration of a conventional hypothec without delivery registered under the RDPRM, on May 11, 2004 for a period of 10 years (expiring on May 11, 2014), bearing registration number 04-0272611-0009, in respect of the following property of **Les Impressions Intra-Media Inc.**, namely “The universality of the Grantor's present and future movable property.”, up to an amount of \$36,000,000 with interest at the rate of twenty-five percent per annum;
2. Registration of a conventional hypothec without delivery registered under the RDPRM, on July 23, 2004 for a period of 10 years (expiring on July 22, 2014), bearing registration number 04-0436870-0002, in respect of the following property of **Les Impressions Intra-Media Inc.**, namely “All sums payable under the insurance policy number 250 45 98 issued by AIG, American International Group together with all renewals or replacements thereof.”, up to an amount of \$20,000,000 with interest at the rate of twenty-five percent per annum;
3. Registration of a conventional hypothec without delivery registered under the RDPRM, on March 31, 2006 for a period of 9 years (expiring on August 3, 2015), bearing registration number 06-0170413-0007, in respect of the following property of **Les Impressions Intra-Media Inc.**, namely “All term deposits and amounts deposited in Les Impressions Intra-Media Inc.'s account held at the branch of the bank situated at 2001 McGill College, Montreal, Quebec, said account bearing number 001-143646. The hypothec charges any such deposits in principal and interest and any renewals or replacements thereof, substitutions therefore and accretions thereto as well as all amounts which may be held in any account replacing the account bearing number 001-143646”, up to an amount of \$2,000,000 with interest at the rate of twenty percent per annum;
4. Registration of a conventional hypothec without delivery registered under the RDPRM, on June 8, 2007 for a period of 10 years (expiring on June 8, 2017), bearing registration number 07-0327581-0004, in respect of the following property of **Komunik Intramedia Inc. / Komunik Intramédia Inc.**, namely “The universality of all of the movable property, rights and assets of Les Impressions Intra-Media Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated”, up to an amount of \$35,000,000 (*plus an additional hypothec of 20%*) with interest at the rate of twenty-five percent per annum (as rectified by Change of name registered on February

19, 2008 under number 08-0087896-0002 from Les Impressions Intra-Media Inc. to Komunik Intramedia Inc. / Komunik Intramédia Inc.); and

5. Registration of a conventional hypothec without delivery registered under the RDPRM, on March 11, 2008 for a period of 9 years (expiring on November 30, 2017), bearing registration number 08-0127771-0005, in respect of the following property of **Komunik Intramedia Inc. / Komunik Intramédia Inc.**, namely “As a universality, all monies, cash, foreign currencies and credits in which the customer now or hereafter has an interest; and (a) the term deposits in the amounts and with the maturities held in the customer's accounts with any branch of the bank as they appear in the books of the bank; the principal and interest thereon and any renewals or replacements thereof, substitutions therefore and accretions thereto; (b) the customer's accounts at any branch of the bank that have been opened in the customer's name.”, up to an amount of \$35,000,000.

SCHEDULE "C" – OTHER REGISTRATIONS

See attached.

KOMUNIK CORPORATION

Personal Property Security Searches

A. *Personal Property Security Act (Ontario)*

File current to January 22, 2009.

1. *Komunik Corporation*

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
1	National Leasing Group Inc L#2389726	Komunik Inc	638366778 20070821 1717 6005 4675 (5 years)	Equipment	All floor scrubbers of every nature or kind described in lease number 2389726 between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.	

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
2	HSBC Capital (Canada) Inc.	Komunik Corporation/Corporation Komunik Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	636135093 20070608 1041 1590 6380 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		
			As amended by: 20070618 1516 1590 6860			Amended to add an additional debtor
3	HSBC Bank Canada	Komunik Corporation/Corporation Komunik Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	636135075 20070608 1040 1590 6378 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		
			As amended by: 20070618 1516 1590 6861			Amended to add an additional debtor

B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):

REGISTRATION NAME	ADDRESS	DATE	EXPIRATION DATE	NUMBER	BANK
Komunik Corporation/Corporation Komunik	133 De La Commune Street West, 4 th Floor, Montreal, PQ, H2Y 2C7	2007/06/08 01:04PM PDT	2012/12/31	01213137	0016 – HSBC Bank Canada 10251 Rene Levesque Ouest, 500 Rene Levesque Ouest, Montreal, QC, H2Z 1W7

C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):

Nil

D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):

Nil

A. Personal Property Security Act (Ontario)

File current to January 22, 2009.

1. Corporation Komunik

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
1	National Leasing Group Inc L#2389726	Komunik Inc	638366778 20070821 1717 6005 4675 (5 years)	Equipment	All floor scrubbers of every nature or kind described in lease number 2389726 between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.	
2	HSBC Capital (Canada) Inc.	Komunik Corporation/Corporation Komunik Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	636135093 20070608 1041 1590 6380 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		

			As amended by: 20070618 1516 1590 6860			Amended to add an additional debtor
3	HSBC Bank Canada	Komunik Corporation/Corporation Komunik Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	636135075 20070608 1040 1590 6378 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		
			As amended by: 20070618 1516 1590 6861			Amended to add an additional debtor

B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):

Nil

C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):

Nil

D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):

Nil

A. Personal Property Security Act (Ontario)

File current to January 22, 2009

1. Corporation Komunik/Komunik Corporation

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
HSBC Capital (Canada) Inc.	Komunik Corporation/Corporation Komunik Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	636135093 20070608 1041 1590 6380 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		
		As amended by: 20070618 1516 1590 6860			Amended to add an additional debtor

HSBC Bank Canada	Komunik Corporation/Corporation Komunik	636135075 20070608 1040 1590 6378 (9 years)	Inventry, Equipment, Accounts, Other, Motor Vehicle Included	
	Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	As amended by: 20070618 1516 1590 6861		Amended to add an additional debtor

B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):

Nil

C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):

Nil

D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):

Nil

A. Personal Property Security Act (Ontario)

File current to January 22, 2009.

1. Komunik Corporation/Corporation Komunik

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
HSBC Capital (Canada) Inc.	Komunik Corporation/Corporation Komunik Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik	636135093 20070608 1041 1590 6380 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		
		As amended by: 20070618 1516 1590 6860			Amended to add an additional debtor

HSBC Bank Canada	Komunik Corporation/Corporation Komunik	636135075 20070608 1040 1590 6378 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	
	Corporation Komunik/ Komunik Corporation Komunik Corporation Corporation Komunik Komunik Corporation - Corporation Komunik			
		As amended by: 20070618 1516 1590 6861		Amended to add an additional debtor

B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):

REGISTRATION NAME	ADDRESS	DATE	EXPIRATION DATE	NUMBER	BANK
Komunik Corporation/Corporation Komunik	133 De La Commune Street West, 4 th Floor, Montreal, PQ, H2Y 2C7	2007/06/08 01:04PM PDT	2012/12/31	01213137	0016 – HSBC Bank Canada 10251 Rene Levesque Ouest, 500 Rene Levesque Ouest, Montreal, QC, H2Z 1W7

C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):

Nil

D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):

Nil

A. Personal Property Security Act (Ontario)

File current to January 22, 2009.

1. Groupe Datamark Systems Inc.

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
1	Ikon Office Solutions	Groupe Datamark Systems Inc	889923087 20021210 1415 1462 0729 (7 years)	Equipment Amount: \$8,740 Date of Maturity: 01DEC2009	Ricoh Aficio 220 SN H2400501772	

B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):

Nil

C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):

Nil

D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):

Nil

A. Personal Property Security Act (Ontario)

File current to January 22, 2009

1. **Komunik Datamark Inc.**
2. **Datamark Systems Inc.**
3. **Datamark Systemes Inc.**
4. **Datamark Systemes Inc./Datamark Systems Inc.**
5. **Datamark Systems Inc./Datamark Systemes Inc.**

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
1	HSBC Bank Canada	Komunik Datamark Inc. Komunik Datamark Inc. Komunik Datamark Inc. Komunik Datamark Inc.	636135084 20070608 1040 1590 6379 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		Amended to change debtor name from Datamark Systems Inc./Datamark Systemes Inc., Datamark Systems Inc./Datamark Systemes Inc., Datamark Systemes Inc., Datamark Systems Inc. to Komunik Datamark Inc.
			As amended by: 20080215 1452 1590 7646			

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Collateral Classification	General Collateral Description	Comments
2 HSBC Capital (Canada) Inc.	Komunik Datamark Inc. Komunik Datamark Inc. Komunik Datamark Inc. Komunik Datamark Inc.	636135102 20070608 1042 1590 6381 (9 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle Included		
		As amended by: 20080215 1455 1590 7647			Amended to change debtor name from Datamark Systems Inc./Datamark Systemes Inc., Datamark Systemes Inc./Datamark Systemes Inc., Datamark Systemes Inc., Datamark Systemes Inc. to Komunik Datamark Inc.

B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):

Nil

C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):

Nil

D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):

Nil

A. Personal Property Security Act (Ontario)

File current to January 22, 2009.

1. **Datamark Systems Group Inc.**
2. **Groupe Datamark Systems Inc./Datamark Systems Group Inc.**
3. **Datamark Systems Group Inc./Groupe Datamark Systems Inc.**
4. **Datamark Inc.**
5. **Communications Internet Segment Of One Inc.**
6. **Segment Of One Internet Communications Inc.**
7. **Segment Of One Internet Communications Inc./Communications Internet Segment Of One Inc.**
8. **Communications Internet Segment Of One Inc./Segment Of One Internet Communications Inc.**
9. **Lancaster Datamark Inc.**
10. **Systems Business Forms Limited**
11. **Formulaires D'Affaires Systems Limitee**
12. **Formulaires D'Affaires Systems Limitee/Systems Business Forms Limited**
13. **3368564 Canada Inc.**
14. **Groupe Intra-Media Inc.**
15. **Composition PDL Inc.**
16. **Les Impressions Intra-Media Inc.**

- 17. **Komunik Intramedia Inc.**
- 18. **Systems Business Forms Limited/Formulaires D'Affaires Systems Limitee**
- 19. **Systems Business Forms Inc.**
- No registrations have been reported.*
- B. Notice of Intention to Give Security Under The Bank Act (Ontario) (current to January 23, 2009):
Nil
- C. Bankruptcy search at the office of the Registrar in Bankruptcy of the Bankruptcy/Commercial Courts (Toronto Office) (current to January 22, 2009):
Nil
- D. Insolvency search in the public record of the Superintendent of Bankruptcy (current to January 20, 2009):
Nil

SCHEDULE "A"

REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS (THE "REGISTER")

From January 1, 1994 (the date on which the Register became operational) to January 23, 2009 at 2:00 p.m.:

NAMES AGAINST WHICH SEARCHES WERE CONDUCTED:

- KOMUNIK DATAMARK INC.
- DATAMARK SYSTEMS INC.
- DATAMARK SYSTEMES INC.
- LANCASTER DATAMARK INC.
- SYSTEMS BUSINESS FORMS LIMITED
- FORMULAIRES D'AFFAIRES SYSTEMS LIMITEE
- KOMUNIK INTRAMEDIA INC.
- LES IMPRESSIONS INTRA-MEDIA INC.
- COMPOSITION PDL INC.
- GROUPE INTRA-MEDIA INC.
- 3368564 CANADA INC.
- KOMUNIK CORPORATION
- CORPORATION KOMUNIK
- DATAMARK SYSTEMS GROUP INC.
- GROUPE DATAMARK SYSTEMS INC.
- DATAMARK INC.
- COMMUNICATIONS INTERNET SEGMENT OF ONE INC.
- SEGMENT OF ONE INTERNET COMMUNICATIONS INC.

MOVABLE HYPOTHECS ONLY

WITH RESPECT TO KOMUNIK DATAMARK INC.:

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
1) -	Conventional hypothec without delivery 08-0127771-0003 March 11, 2008 Deed executed under private signature on November 30, 2007	November 30, 2017	Holder: Banque HSBC Canada Grantor: Komunik Datamark Inc.	\$35,000,000	As a universality, all monies, cash, foreign currencies and credits in which the customer now or hereafter has an interest; and (a) the term deposits in the amounts and with the maturities held in the customer's accounts with any branch of the bank as they appear in the books of the bank; the principal and interest thereon and any renewals or replacements thereof, substitutions therefore and accretions thereto; (b) the customer's accounts at any branch of the bank that have been opened in the customer's name.	

WITH RESPECT TO DATAMARK SYSTEMS INC. / DATAMARK SYSTEMES INC.:

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
2) -	Conventional hypothec without delivery 04-0272611-0001 May 11, 2004 Deed executed under private signature on May 11, 2004	May 11, 2014	Holder: HSBC Bank Canada Grantor: Datamark Systems Inc. / Datamark Systèmes Inc.	\$36,000,000 <i>(including an additional hypothec of \$6,000,000)</i> 25% per annum	The universality of the Grantor's present and future movable property.	
3) -	Conventional hypothec without delivery 04-0436870-0001 July 23, 2004 Deed executed under private signature on July 7, 2004	July 22, 2014	Holder: HSBC Bank Canada Grantor: Datamark Systems Inc. / Datamark Systèmes Inc.	\$20,000,000 25% per annum	All sums payable under the insurance policy number 250 45 98 issued by AIG, American International group together with all renewals or replacements thereof.	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
4) -	<p>Conventional hypothec without delivery</p> <p>06-0170413-0001 March 31, 2006</p> <p>Deed executed under private signature on August 3, 2005</p>	August 3, 2015	<p>Holder: Banque HSBC Canada</p> <p>Grantor: Datamark Systems Inc.</p>	<p>\$12,000,000</p> <p>20% per annum</p>	<p>All term deposits and amounts deposited in Datamark Systems Inc.'s account held at the branch of the bank situated at 2001 Mcgill College, Montreal, Quebec, said account bearing number 001 - 143638. The hypothec charges any such deposits in principal and interest and any renewals or replacements thereof, substitutions therefore and accretions thereto as well as all amounts which may be held in any account replacing the account bearing number 001 - 143638.</p>	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
5) -	Conventional hypothec without delivery 07-0327581-0003 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. Grantor: Datamark Systems Inc. / Datamark Systèmes Inc.	\$35,000,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Datamark Systems Inc. / Datamark Systèmes Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	
	ANCILLARY REGISTRATION:					
			• Change of name registered on February 19, 2008 under number 08-0087896-0001 from Datamark Systems Inc. / Datamark Systèmes Inc to Komunik Datamark Inc.			
6) -	Conventional hypothec without delivery 07-0327587-0003 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. Grantor: Datamark Systems Inc. / Datamark Systèmes Inc.	\$6,300,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Datamark Systems Inc. / Datamark Systèmes Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	
	ANCILLARY REGISTRATION:					
			• Change of name registered on February 19, 2008 under number 08-0087896-0001 from Datamark Systems Inc. / Datamark Systèmes Inc to Komunik Datamark Inc.			

WITH RESPECT TO LANCASTER DATAMARK INC.:

Nil.

WITH RESPECT TO SYSTEMS BUSINESS FORMS LIMITED / FORMULAIRES D'AFFAIRES SYSTEMS LIMITEE:

Nil.

Our searches also revealed the existence of the following registrations made against the similar name "SYSTEMS BUSINESS FORMS INC.". Please note that no independent searches have been conducted under such names.

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
7) -	Conventional hypothec without delivery 07-0327581-0005 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Bank Canada / Banque HSBC Canada Grantor : Systems Business Forms Inc.	\$35,000,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Systems Business Forms Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	
8) -	Conventional hypothec without delivery 07-0327587-0005 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Capital (Canada) Inc. / Société de Capital HSBC (Canada) Inc. Grantor : Systems Business Forms Inc.	\$6,300,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Systems Business Forms Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	

WITH RESPECT TO KOMUNIK INTRAMEDIA INC.:

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
9) -	Conventional hypothec without delivery 08-0067195-0004 February 7, 2008 Deed executed under private signature on January 18, 2008	February 7, 2018	Holder: La Compagnie D'assurances Jevco Grantor: Komunik Intramédia Inc.	\$5,000,000 National Bank of Canada Prime rate + 2% per annum	The universality of claims held by the Grantor against third parties. All rights resulting from insurance contracts relating directly or indirectly to the guaranteed contracts. All of the equipment, tools, materials, work in progress, licenses, royalties, trademarks, software, computers, disks, diskettes and files of the Grantor required in the opinion of the Holder for the execution of the guaranteed contracts	
10) -	Conventional hypothec without delivery 08-0127771-0005 March 11, 2008 Deed executed under private signature on November 30, 2007	November 30, 2017	Holder: Banque HSBC Canada Grantor: Komunik Intramédia Inc. / Komunik Intramédia Inc.	\$35,000,000	As a universality, all monies, cash, foreign currencies and credits in which the customer now or hereafter has an interest; and (a) the term deposits in the amounts and with the maturities held in the customer's accounts with any branch of the bank as they appear in the books of the bank; the principal and interest thereon and any	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
11) -	Conventional hypothec without delivery 08-0367005-0001 June 23, 2008 Deed executed under private signature	June 23, 2013	Holder: Fujifilm Canada Inc. Grantor: Komunik Intramédia Inc.	\$15,100.00	renewals or replacements thereof, substitutions therefore and accretions thereto; (b) the customer's accounts at any branch of the bank that have been opened in the customer's name. The equipment specifically described in the search transcript of the present registration.	
12) -	Conventional hypothec without delivery 08-0650792-0006 November 12, 2008 Deed executed under private signature	November 11, 2013	Holder: Fujifilm Canada Inc. Grantor: Komunik Intramédia Inc.	\$33,413.82	The equipment specifically described in the search transcript of the present registration.	

WITH RESPECT TO LES IMPRESSIONS INTRA-MEDIA INC.:

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
13) -	Conventional hypothec without delivery 04-0272611-0009 May 11, 2004 Deed executed under private signature on May 11, 2004 ANCILLARY REGISTRATION:	May 11, 2014	Holder: HSBC Bank Canada Grantor: Les Impressions Intra-Media Inc.	\$36,000,000 <i>(including an additional hypothec of \$6,000,000)</i> 25% per annum	The universality of the Grantor's present and future movable property.	
14) -	Conventional hypothec without delivery 04-0436870-0002 July 23, 2004 Deed executed under private signature on July 7, 2004 ANCILLARY REGISTRATION:	July 22, 2014	Holder: HSBC Bank Canada Grantor: Les Impressions Intra-Media Inc.	\$20,000,000 25% per annum	All sums payable under the insurance policy number 250 45 98 issued by AIG, American International Group together with all renewals or replacements thereof.	
	ANCILLARY REGISTRATION:	<ul style="list-style-type: none"> Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothecs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>). Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothecs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>). 				

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
15) -	Conventional hypothec without delivery 06-0170413-0007 March 31, 2006 Deed executed under private signature on August 3, 2005	August 3, 2015	Holder: Banque HSBC Canada Grantor: Les Impressions Intra-Media Inc.	\$2,000,000 20% per annum	All term deposits and amounts deposited in Les Impressions Intra-Media Inc.'s account held at the branch of the bank situated at 2001 McGill College, Montreal, Quebec, said account bearing number 001-143646. The hypothec charges any such deposits in principal and interest and any renewals or replacements thereof, substitutions therefore and accretions thereto as well as all amounts which may be held in any account replacing the account bearing number 001- 143646.	
	ANCILLARY REGISTRATION:	<ul style="list-style-type: none"> <li data-bbox="1057 1339 1187 1535">• Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothecs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>). 				

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
16) -	Conventional hypothec without delivery 07-0327581-0004 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Bank Canada / Banque HSBC Canada Grantor: Les Impressions Intra-Media Inc.	\$35,000,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Les Impressions Intra-Media Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	
	ANCILLARY REGISTRATIONS:					<ul style="list-style-type: none"> Change of name registered on February 19, 2008 under number 08-0087896-0002 from Les Impressions Intra-Media Inc. to Komunik Intra-media Inc. / Komunik Intra-media Inc.; Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothecs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>).
17) -	Conventional hypothec without delivery 07-0327587-0004 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. Grantor: Les Impressions Intra-Media Inc.	\$6,300,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Les Impressions Intra-Media Inc., present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
	ANCILLARY REGISTRATIONS:					
		<ul style="list-style-type: none"> Change of name registered on February 19, 2008 under number 08-0087896-0002 from Les Impressions Intra-Media Inc. to Komunik Intramedia Inc. / Komunik Intramedia Inc.; Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothechs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>). 				
18) -	Conventional hypothec without delivery 07-0588803-0001 October 15, 2007 Deed executed under private signature on October 12, 2007	October 12, 2017	Holder: Financement d'équipement GE Canada S.E.N.C. Grantor: Les Impressions Intra-Média Inc.	\$480,000 <i>(including an additional hypothec of 20%)</i> 24% per annum	The equipment specifically described in the search transcript of the present registration and all parts and rights relating thereto.	
	ANCILLARY REGISTRATION:					
		<ul style="list-style-type: none"> Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothechs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>). 				

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
19) -	Conventional hypothec without delivery 07-0588804-0001 October 15, 2007 Deed executed under private signature on	October 12, 2017	Holder: Financement d'équipement GE Canada S.E.N.C. Grantor: Les Impressions Intra-Média Inc.* Komunik Intramédia Inc. / Komunik Intramédia Inc.	\$131,682 <i>(including an additional hypothec of 20%)</i> 24% per annum	The equipment specifically described in the search transcript of the present registration and all parts and rights relating thereto.	
	ANCILLARY REGISTRATIONS:					<ul style="list-style-type: none"> • Cession of rank registered on December 17, 2008 under number 08-0716634-0001 by HSBC Bank Canada / Banque HSBC Canada and HSBC Capital (Canada) Inc. / Société De Capital HSBC (Canada) Inc. in favour of Financement d'Équipement GE Canada S.E.N.C. (Re: <i>hypothecs 04-0272611-0009, 04-0436870-0002, 06-0170413-0007, 07-0327581-0004, 07-0327587-0004, 07-0588803-0001 and 07-0588804-0001</i>); • *Rectification registered on February 6, 2008 under number 08-0062092-0001 correcting the name of the Grantor from Les Impressions Intra-Média Inc. to Komunik Intramédia Inc. / Komunik Intramédia Inc.

WITH RESPECT TO COMPOSITION PDL INC.:

Nil.

WITH RESPECT TO GROUPE INTRA-MEDIA INC.:

Nil.

WITH RESPECT TO 3368564 CANADA INC.:

Nil.

WITH RESPECT TO KOMUNIK CORPORATION / CORPORATION KOMUNIK :

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
20) -	Conventional hypothec without delivery 03-0234949-0002 May 13, 2003 Deed executed before François Forget, Notary, on May 12, 2003	May 12, 2013	Holder: Banque de Développement du Canada Grantor : Komunik Corporation / Corporation Komunik	\$120,000 <i>(including an additional hypothec of \$20,000)</i> 25% per annum	The universality of all of the movable property of Komunik Corporation / Corporation Komunik, present and future, corporeal and incorporeal.	
	ANCILLARY REGISTRATION:					<ul style="list-style-type: none"> Cession of rank registered on June 12, 2007 under number 07-0333966-0001 by Banque de Développement du Canada in favour of Banque HSBC Canada / HSBC Bank Canada and Société de Capital HSBC (Canada) inc. / HSBC Capital (Canada) Inc. with respect to the universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik except the following equipment: Mallstar 500-C8 (Insert) and Strapping Machine 4020165. (re: <i>hypothecs 03-0234949-0002, 04-0639743-0001, 05-0036582-0002, 07-0327581-0001, 07-0327581-0002 and 07-0327587-0002</i>).
21) -	Conventional hypothec without delivery 04-0639743-0001 November 4, 2004 Deed executed before David Dolan, Notary, on November 2, 2004	November 2, 2014	Holder: Banque de Développement du Canada Grantor: DDM Technologies Inc. Purchaser : Komunik Corp.	\$162,000 <i>(including an additional hypothec of 20%)</i> 25% per annum	The universality of the production equipment, machineries, tools, vehicles, patents of DDM Technologies Inc., present and future, wheresoever situated.	

SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
<p>ANCILLARY REGISTRATIONS:</p>	<ul style="list-style-type: none"> Assumption of a movable hypothec registered on September 7, 2005 under number 05-0514261-0001 by Komunik Corp., purchaser of the property above described. Cession of rank registered on June 12, 2007 under number 07-0333966-0001 by Banque de Développement du Canada in favour of Banque HSBC Canada / HSBC Bank Canada and Société de Capital HSBC (Canada) inc. / HSBC Capital (Canada) Inc. with respect to the universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik except the following equipment: Mallstar 500-C8 (Insert) and Strapping Machine 4020165. (re: <i>hypothecs 03-0234949-0002, 04-0639743-0001, 05-0036582-0002, 07-0327581-0001, 07-0327581-0002 and 07-0327587-0002</i>). 				
<p>22) - Conventional hypothec without delivery 05-0036582-0002 January 25, 2005 Deed executed before François Forget, Notary, on January 25, 2005</p>	<p>November 22, 2014</p>	<p>Holder: Banque de Développement du Canada Grantor : Komunik Corporation / Corporation Komunik</p>	<p>\$120,000 <i>(including an additional hypothec of \$20,000)</i> 25% per annum</p>	<p>All equipment, machineries, computing equipment, the furniture and the software now owned by the Grantor and all movable to be acquired in virtue of the present project.</p>	
<p>ANCILLARY REGISTRATION:</p>	<ul style="list-style-type: none"> Cession of rank registered on June 12, 2007 under number 07-0333966-0001 by Banque de Développement du Canada in favour of Banque HSBC Canada / HSBC Bank Canada and Société de Capital HSBC (Canada) inc. / HSBC Capital (Canada) Inc. with respect to the universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik except the following equipment: Mallstar 500-C8 (Insert) and Strapping Machine 4020165. (re: <i>hypothecs 03-0234949-0002, 04-0639743-0001, 05-0036582-0002, 07-0327581-0001, 07-0327581-0002 and 07-0327587-0002</i>). 				

SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
23) - Conventional hypothec without delivery 07-0327581-0001 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: Banque HSBC Canada / HSBC Bank Canada Grantor: Komunik Corporation / Corporation Komunik	\$35,000,000 25% per annum	The term deposits in the name of the Grantor in the books of Banque HSBC Canada / HSBC Bank Canada from time to time, the principal and interest thereon and any renewals or replacements thereof, substitutions thereof and accretions thereto; All present and future credit balances opened in the name of the Grantor at Banque HSBC Canada / HSBC Bank Canada, and any account replacing same.	
ANCILLARY REGISTRATION:	<ul style="list-style-type: none"> <li data-bbox="576 378 1161 651">Cession of rank registered on June 12, 2007 under number 07-0333966-0001 by Banque de Développement du Canada in favour of Banque HSBC Canada / HSBC Bank Canada and Société de Capital HSBC (Canada) inc. / HSBC Capital (Canada) Inc. with respect to the universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik except the following equipment: Mallstar 500-C8 (Insert) and Strapping Machine 4020165. (re: <i>hypothecs 03-0234949-0002, 04-0639743-0001, 05-0036582-0002, 07-0327581-0001, 07-0327581-0002 and 07-0327587-0002</i>). 				

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
24) -	Conventional hypothec without delivery 07-0327581-0002 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: Banque HSBC Canada / HSBC Bank Canada Grantor: Komunik Corporation / Corporation Komunik	\$35,000,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik, present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	
	ANCILLARY REGISTRATION:					• Cession of rank registered on June 12, 2007 under number 07-0333966-0001 by Banque de Développement du Canada in favour of Banque HSBC Canada / HSBC Bank Canada and Société de Capital HSBC (Canada) inc. / HSBC Capital (Canada) Inc. with respect to the universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik except the following equipment: Mallstar 500-C8 (Insert) and Strapping Machine 4020165. (re: <i>hypothecs 03-0234949-0002, 04-0639743-0001, 05-0036582-0002, 07-0327581-0001, 07-0327581-0002 and 07-0327587-0002</i>).
25) -	Conventional hypothec without delivery 07-0327587-0002 June 8, 2007 Deed executed under private signature on June 8, 2007	June 8, 2017	Holder: HSBC Capital (Canada) Inc. / Société de Capital HSBC (Canada) Inc. Grantor: Komunik Corporation / Corporation Komunik	\$6,300,000 <i>(plus an additional hypothec of 20%)</i> 25% per annum	The universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik, present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated.	

SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
<p>ANCILLARY REGISTRATION:</p>	<ul style="list-style-type: none"> Cession of rank registered on June 12, 2007 under number 07-0333966-0001 by Banque de Développement du Canada in favour of Banque HSBC Canada / HSBC Bank Canada and Société de Capital HSBC (Canada) inc. / HSBC Capital (Canada) Inc. with respect to the universality of all of the movable property, rights and assets of Komunik Corporation / Corporation Komunik except the following equipment: Mallistar 500-C8 (Insert) and Strapping Machine 4020165. (re: <i>hypothechs 03-0234949-0002, 04-0639743-0001, 05-0036582-0002, 07-0327581-0001, 07-0327581-0002 and 07-0327587-0002</i>). 				
26) -	June 26, 2017	<p>Holder: HSBC Bank Canada / Banque HSBC Canada</p> <p>Grantor: Komunik Corporation / Corporation Komunik</p>	<p>\$35,000,000 20% per annum</p>	<p>The Pledged Securities and all certificates and instruments evidencing or representing such securities. Pledged Securities means:</p> <ul style="list-style-type: none"> 600 Class A Shares issued by Datamark Systems Inc./ Datamark Systèmes Inc. bearing certificate number A 2; 1,820,000 Class AA Shares issued by Les Impressions Intra-Média Inc. bearing certificate number 4AA; 780,000 Class A Shares issued by Les Impressions Intra-Média Inc. bearing certificate number 9A. 	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
27) -	<p>Conventional hypothec without delivery</p> <p>08-0067195-0003 February 7, 2008</p> <p>Deed executed under private signature on January 18, 2008</p>	<p>February 7, 2018</p>	<p>Holder: La Compagnie d' Assurance Jevco</p> <p>Grantor: Komunik Corporation / Corporation Komunik</p>	<p>\$5,000,000</p> <p>National Bank of Canada</p> <p>Prime rate + 2% per annum</p>	<p>The universality of claims held by the Grantor against third parties. All rights resulting from insurance contracts relating directly or indirectly to the guaranteed contracts. All of the equipment, tools, materials, work in progress, licenses, royalties, trademarks, software, computers, disks, diskettes and files of the Grantor required in the opinion of the Holder for the execution of the guaranteed contracts.</p>	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
28) -	<p>Conventional hypothec without delivery</p> <p>08-0127771-0001 March 11, 2008</p> <p>Deed executed under private signature on November 30, 2007</p>	November 30, 2017	<p>Holder: Banque HSBC Canada</p> <p>Grantor: Komunik Corporation / Corporation Komunik</p>	\$35,000,000	<p>As a universality, all monies, cash, foreign currencies and credits in which the Grantor now or hereafter has an interest; and (a) the term deposits in the amounts and with the maturities held in the Grantor's accounts with any branch of the Bank as they appear in the books of the Bank; the principal and interest thereon and any renewals or replacements thereof, substitutions thereto; (b) the Grantor's accounts at any branch of the Bank that have been opened in the Grantor's name.</p>	

WITH RESPECT TO DATAMARK SYSTEMS GROUP INC. / GROUPE DATAMARK SYSTEMS INC.:

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
29) -	Conventional hypothec without delivery 04-0272611-0005 May 11, 2004 Deed executed under private signature on May 11, 2004	May 11, 2014	Holder: HSBC Bank Canada Grantor: Datamark Systems Group Inc./Groupe Datamark Systems Inc.	\$36,000,000 <i>(including an additional hypothec of \$6,000,000)</i> 25% per annum	The universality of the Grantor's present and future movable property.	
30) -	Conventional hypothec without delivery 04-0436870-0003 July 23, 2004 Deed executed under private signature on July 7, 2004	July 22, 2014	Holder: HSBC Bank Canada Grantor: Datamark Systems Group Inc./Groupe Datamark Systems Inc.	\$20,000,000 25% per annum	All sums payable under the insurance policy number 250 45 98 issued by AIG, American International Group together with all renewals or replacements thereof.	

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
31) -	<p>Conventional hypothec without delivery</p> <p>06-0170413-0005 March 31, 2006</p> <p>Deed executed under private signature on August 3, 2005</p>	<p>August 3, 2015</p>	<p>Holder: Banque HSBC Canada</p> <p>Grantor: Datamark Systems Group Inc.</p>	<p>\$12,000,000</p> <p>20% per annum</p>	<p>All terms deposits and amounts deposited in Datamark Systems Group Inc.'s account held at the branch of the bank situated at 2001 McGill College, Montreal, Quebec, said account bearing number 001-143611. The hypothec charges any such deposits in principal and interest and any renewals or replacements thereof, substitutions therefore and accretions thereto as well as all amounts which may be held in any account bearing number 001-143611.</p>	

WITH RESPECT TO DATAMARK INC.:

Nil.

WITH RESPECT TO COMMUNICATIONS INTERNET SEGMENT OF ONE INC. / SEGMENT OF ONE INTERNET COMMUNICATIONS INC.:

Nil.

The whole as more fully described in the search transcripts of such registrations.

BANK OF CANADA, DIVISION OF QUEBEC

The search certificates issued by the Corporate Research and Analysis Centre Ltd. for and on behalf of Bank of Canada, Division of Quebec, for notices of intention to give security under Section 427 of the Bank Act, Canada, revealed that, as of January 23, 2009 at 1:30 p.m. (Pacific time) the records indicate the following registrations in relation to the above mentioned names:

- Notice of intention granted by Les Impressions Intra-Média Inc. in favour of HSBC Bank Canada on April 29, 2004 under number 01157278.
Expiry Date: December 31, 2009
- Notice of intention granted by Komunik Corporation / Corporation Komunik in favour of HSBC Bank Canada on June 7, 2007 under number 01213028.
Expiry Date: December 31, 2012
- Notice of intention granted by Datamark Systems Group Inc. / Groupe Datamark Systems Inc. in favour of HSBC Bank Canada on April 29, 2004 under number 01157277.
Expiry Date: December 31, 2009

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SCHEDULE "B"

On January 1, 1994, the *Civil Code of Quebec* (the "**New Code**") came into force repealing in its entirety the *Civil Code of Lower Canada* (the "**Old Code**"). Among the changes effected by the new legislation, all forms of security against movable (personal) property were replaced by a new system. Consequently, as of January 1, 1994, all security registers and indexes then existing were closed and a new security register created, namely the Register of Personal and Movable Real Rights.

I) SECURITY ON MOVABLES AFTER THE COMING INTO FORCE OF THE CODE

As mentioned above, as of January 1, 1994, a security register for security against movable (personal) property called the Register of Personal and Movable Real Rights was established. Pursuant to An Act respecting the implementation of the reform of the Civil Code (the "**Transitional Law**"), movable real security created and registered in accordance with the former legislation had to be renewed by registration in the Register, subject to certain delays and subject generally to the provisions of said Transitional Law.

As of January 1, 1994, the principal form of conventional security on movable property is the movable hypothec. Searches in relation thereto and to other registerable rights are conducted at the Register of Personal and Movable Real Rights, centrally kept at the Registration Division of Montreal for the Province of Quebec.

II) QUALIFICATIONS

It is important to note that with respect to searches which may be carried out in Quebec, it is impossible to determine whether a company's property or individual's property is entirely free and clear of all security since the searches we are able to conduct will not disclose information on certain types of security for which no registration procedure is available.

In addition to the charges disclosed, as the case may be, in **Schedule "A"**, the movable property of the companies against which searches were conducted may be subject to:

- (i) prior claims designated as such under the New Code which are preferred over other creditors, including hypothecary creditors;
- (ii) certain legal privileges, priorities and hypothecs established by the statutes of Canada and of the Province of Quebec in favour of the Crown or agencies of the Crown;
- (iii) rights which are not required to be registered such as rights in respect of taxes or hypothecs with delivery (pledges);
- (iv) hypothecs on properties represented by bills of lading or other negotiable instruments or on claims (provided such hypothecs have been registered or the title thereof is remitted to the creditor of any such hypothec, in each case within ten (10) days of the creditor of any such hypothec having given value to the grantor thereof);
- (v) vendors' hypothecs on properties acquired by a person (provided the vendors of such properties have registered them within fifteen (15) days after the sale);
- (vi) rights which may have been registered but have not yet been indexed;

- (vii) reservations of ownership arising from instalment sales, rights under leases for a term of more than one year, rights under sales with right of redemption and rights of ownership of the lessor (provided that the rights are registered by the holder thereof within fifteen (15) days of the creation of said rights);
- (viii) inchoate employees', landlords' or other like liens;
- (ix) rights registered or filed under the names of parties and date of birth, in the case of an individual, other than those against which the searches were conducted;
- (x) rights inscribed in the Land Register due to the fact that Registrars, prior to the coming into force of the New Code, were not obliged to enter into the Index of Names (an alphabetical index under the Old Code), deeds or documents which contain the description of a lot, as such deeds were noted against the Land Register of the said lot (this would have been the case, for instance, of a Trust Deed of Hypothec, Mortgage and Pledge containing a specific charge on immovable (real) property in addition to a charge on all assets; as we have not carried out searches against any immovable property, we are unable to trace registrations which may have been inscribed against a lot only); and
- (xi) rights resulting from agreements, as the case may be, registered in the indexes operational prior to the coming into force of the New Code, which indexes, have not been searched; such agreements could include, as the case may be (a) rights which were not subject to a renewal of registration requirement pursuant to the Transitional Law, including and by way of example, sales and assignments of debts or claims and (b) rights arising, more particularly, from security the registration of which was subject to a renewal of registration requirement pursuant to the Transitional Law within the prescribed thereunder deadlines for such rights to remain enforceable against other creditors or subsequent purchasers in good faith whose claims have been regularly registered; in this connection, it is noteworthy that the Court of Appeal of Quebec has confirmed that the holder of a right the registration of which was not renewed where such right was subject to a renewal of registration requirement under the Transitional Law remains enforceable against a trustee in bankruptcy.

Please also note that the registry systems and indexes where we conducted the searches referred to in **Schedule "A"** should normally contain a reference to all the instruments, deeds, notices and documents registered against the parties searched; for all purposes hereof, we have assumed that such registry systems and indexes have been kept current by the Registrar and that all certificates and transcripts issued by the Registrar are complete and accurate.

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SCHEDULE “D” – DEFINITION OF “COLLATERAL” IN THE SYSTEMS GSA

Capitalized terms used in this section, but not otherwise defined, shall have the meanings ascribed to them in the Systems GSA.

The “Collateral” means collectively all right, title and interest of Systems in and to, wherever located, whether now owned or hereafter acquired or now existing or hereafter arising or accruing and whether or not subject to Article 9 of the Uniform Commercial Code or described in any schedule heretofore or hereafter delivered to HSBC Capital by Systems, (i) Accounts (including, but not limited to, Health-Care Insurance Receivables), Chattel Paper, Deposit Accounts, Documents, General Intangibles (including, but not limited to, Intellectual Property, Payment Intangibles, Software, licenses, franchises and customer information), Goods (including, but not limited to, Equipment, Farm Products, Fixtures and Inventory), Instruments (including, but not limited to, Promissory Notes), Investment Property, Letter-of-Credit Rights (whether or not the related letter of credit is in writing), letters of credit (whether or not in writing) money and other personal property regardless of kind or nature (including, but not limited to, agreements, instruments and other Records not constituting Chattel Paper or a Document, General Intangible or Instrument, tort claims not constituting a Commercial Tort Claim, contract rights not constituting an Account or General Intangible, rights to payment of any money not constituting or evidenced by an Account, Commercial Tort Claim, Deposit Account, General Intangible, Investment Property, Letter-of-Credit Right, letter of credit, Chattel Paper or Instrument and insurance policies, claims and proceeds not constituting a Health-Care-Insurance Receivable or Proceeds) and (ii) to the extent not referred to in clause (i) of this sentence, (A) Supporting Obligations and Incidental Property Rights incident to, arising or accruing pursuant to or otherwise relating to any of the things referred to in clause (i) of this sentence, whether arising or accruing from any action taken by Systems or HSBC Capital or otherwise, (B) Proceeds, other proceeds and Products of any of the things referred to in clauses (i) and (ii)(A) of this sentence and (C) Records relating to any of the things referred to in clauses (i) and (ii)(A) and (B) of this sentence.

**SCHEDULE “E” – DEFINITION OF “COLLATERAL”
IN THE SYSTEMS/HSBC BANK GSA**

Capitalized terms used in this section, but not otherwise defined, shall have the meanings ascribed to them in the Systems/HSBC Bank GSA.

The “Collateral” means collectively all right, title and interest of Systems in and to, wherever located, whether now owned or hereafter acquired or now existing or hereafter arising or accruing and whether or not subject to Article 9 of the Uniform Commercial Code or described in any schedule heretofore or hereafter delivered to HSBC Bank by Systems, (i) Accounts (including, but not limited to, Health-Care Insurance Receivables), Chattel Paper, Deposit Accounts, Documents, General Intangibles (including, but not limited to, Intellectual Property, Payment Intangibles, Software, licenses, franchises and customer information), Goods (including, but not limited to, Equipment, Farm Products, Fixtures and Inventory), Instruments (including, but not limited to, Promissory Notes), Investment Property, Letter-of-Credit Rights (whether or not the related letter of credit is in writing), letters of credit (whether or not in writing) money and other personal property regardless of kind or nature (including, but not limited to, agreements, instruments and other Records not constituting Chattel Paper or a Document, General Intangible or Instrument, tort claims not constituting a Commercial Tort Claim, contract rights not constituting an Account or General Intangible, rights to payment of any money not constituting or evidenced by an Account, Commercial Tort Claim, Deposit Account, General Intangible, Investment Property, Letter-of-Credit Right, letter of credit, Chattel Paper or Instrument and insurance policies, claims and proceeds not constituting a Health-Care-Insurance Receivable or Proceeds) and (ii) to the extent not referred to in clause (i) of this sentence, (A) Supporting Obligations and Incidental Property Rights incident to, arising or accruing pursuant to or otherwise relating to any of the things referred to in clause (i) of this sentence, whether arising or accruing from any action taken by Systems or HSBC Bank or otherwise, (B) Proceeds, other proceeds and Products of any of the things referred to in clauses (i) and (ii)(A) of this sentence and (C) Records relating to any of the things referred to in clauses (i) and (ii)(A) and (B) of this sentence.