

**THIS IS EXHIBIT "J" REFERRED TO IN THE  
AFFIDAVIT OF STEVEN CHAMBERS  
SWORN BEFORE ME  
ON THIS 1<sup>st</sup> DAY OF DECEMBER, 2012.**

  
A COMMISSIONER FOR TAKING AFFIDAVITS

- TO:** HSBC Bank Canada, as administrative agent (the "**Agent**") for and on behalf of the lenders (the "**Lenders**") from time to time party to the credit agreement dated February 28, 2012 among, *inter alios*, Dumas Holdings Inc., as borrower, the Lenders and the Agent (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**")
- RE:** Existing and future loan(s), indebtedness and obligations of whatever nature or kind owing by Dumas Holdings Inc. (formerly 0833824 B.C. Ltd., the "**Debtor**") to 2147881 Ontario Inc. (the "**Subordinator**") as guaranteed by Tercon Investment Ltd.

### **POSTPONEMENT AND SUBORDINATION AGREEMENT**

**WHEREAS** the Debtor is indebted or liable and may hereafter become further indebted or liable to the Subordinator from time to time;

**AND WHEREAS** the Subordinator has agreed to enter into this agreement in favour of the Agent;

**NOW THEREFORE** for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Subordinator, the Subordinator agrees with the Agent as follows:

1. Any and all present and future indebtedness and liability owing by the Debtor to the Subordinator (excluding any payments that are permitted to be paid by the Debtor to the Subordinator pursuant to Section 8.2(f) of the Credit Agreement) (collectively, the "**Subordinator Indebtedness**") are hereby postponed and subordinated to all present and future indebtedness and liability owing by the Debtor to the Agent and/or the Lenders (collectively, the "**Senior Indebtedness**"). Until the Senior Indebtedness has been paid in full and any obligation of the Lenders to extend credit to the Debtor has been irrevocably terminated, the Subordinator shall not, without the prior written consent of the Agent, claim, demand or receive from the Debtor or any other source, payment of any Subordinator Indebtedness.
2. Any and all security (including without limitation hypothecary interests) now or hereafter held by the Subordinator as security for all or any Subordinator Indebtedness (collectively, the "**Subordinator Security**") are hereby postponed and subordinated to all security (including without limitation hypothecary interests) now or hereafter held by the Agent and/or Lenders as security for all or any Senior Indebtedness (collectively, the "**Senior Security**").
3. The Subordinator shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, transfer, assignment, assurance, proof of claim, direction, document or instrument as the Agent and/or Lenders may reasonably require for the better accomplishing and effectuating of the purpose and intent of this agreement and each officer of the Agent is irrevocably appointed attorney to execute in the name and on behalf of the Subordinator any document or instrument for such purpose.

4. The Subordinator agrees that all other amounts owing or which may hereafter become owing by the Debtor to the Subordinator, including principal and interest on any Subordinator Indebtedness, shall not be paid, forgiven or otherwise satisfied but shall either remain unpaid by the Debtor or be paid to the Agent pursuant to this agreement. Any amounts received by the Subordinator or by any agent of the Subordinator on account of any Subordinator Indebtedness, shall be held in trust for the Agent and forthwith paid to the Agent. The Subordinator shall not be entitled to exercise any right of set-off or combination of accounts it now has or hereafter may have in respect of any Subordinator Indebtedness.

5. The Subordinator hereby consents to the Debtor's incurring the Senior Indebtedness and delivering the Senior Security and acknowledges the existence, validity and enforceability of the Senior Security. The postponements and subordinations contained in this agreement shall apply in all events and circumstances regardless of:

- (a) the date or dates or time or times of creation, execution, delivery, attachment, registration or perfection of any or all of the security interests, charges or hypothecary interests created by any Senior Security or Subordinator Security;
- (b) the date or dates of the loan or loans or advance or advances made to the Debtor by the Lenders or the Subordinator;
- (c) the date or dates of any demand for, or acceleration of payment of any Senior Indebtedness or Subordinator Indebtedness;
- (d) the date or dates of any default by the Debtor under either or both of the Senior Security or the Subordinator Security;
- (e) any priority granted by any principle of law or by any statute;
- (f) the date of commencement of any enforcement proceedings under any Senior Security or Subordinator Security;
- (g) the validity, invalidity, perfection, lack of perfection, enforceability or unenforceability of any Senior Security or Subordinator Security;
- (h) the execution or delivery of, or any amendment to or termination of any existing or future agreement or other document evidencing, creating or related to any Senior Indebtedness, Subordinator Indebtedness, Senior Security or Subordinator Security;
- (i) any act or omission of the Agent, Lenders, the Subordinator, the Debtor, any agent of any of them, or any other person; or
- (j) any other matter whatsoever.

The Subordinator agrees that any and all proceeds resulting from the enforcement or realization of any Subordinator Security and any and all proceeds received or receivable by the

Subordinator from or in respect of the Debtor or the Debtor's assets including, without limitation, bankruptcy dividends, insurance proceeds, expropriation proceeds and proceeds derived from any compromise, reorganization, restructuring, arrangement, proposal or other adjustment of the Debtor's debt, shall be paid to the Agent and dealt with in such a manner as to give effect to the provisions of this agreement. The Subordinator further agrees that the priorities contained in this agreement shall extend to and include all principal, interest, fees, indemnity obligations, reimbursement obligations and costs (including costs of collection, legal fees and disbursements and fees and disbursements of any receiver, receiver and manager or agent) owing to the Subordinator.

6. As long as any Senior Indebtedness remains outstanding or the Lenders are committed to extend any credit to or on behalf of the Debtor:

- (a) the Subordinator shall not, without the Agent's prior written consent:
  - (i) exercise or seek to exercise any right or remedy with respect to Subordinator Indebtedness or Subordinator Security including any collection or enforcement right or remedy; or
  - (ii) institute any action or proceeding against the Debtor or any of its assets including without limitation any possession, sale or foreclosure action or proceeding; or
  - (iii) contest, protest or object to any enforcement proceeding or other action commenced by the Agent or Lenders (or any one of them), any other exercise by the Agent or Lenders (or any one of them) of any right or remedy under any Senior Security or at law, or any application by the Agent or Lenders (or any one of them) of monies or proceeds; and
- (b) the Agent shall have the exclusive right to enforce rights and remedies with respect to the property and assets charged by the Senior Security and the Agent shall not be required to marshal any of such property and assets. In exercising any such rights and remedies, the Agent may enforce the provisions of any Senior Security and exercise the remedies thereunder in such order and such manner as the Agent may determine in its sole discretion.

7. The Subordinator hereby represents and warrants to the Agent that it has not sold, assigned or otherwise transferred, in whole or in part, any Subordinator Indebtedness or any Subordinator Security or any interest therein to any person, or created, incurred or permitted to exist any security interest, lien, charge, hypothecary interest or other encumbrance whatsoever in or affecting any Subordinator Indebtedness or Subordinator Security in favour of any person.

8. As long as any Senior Indebtedness remains outstanding or the Lenders are committed to extend any credit to or on behalf of the Debtor, the Subordinator shall not,

without the prior written consent of the Agent sell, assign or otherwise transfer, in whole or in part, any Subordinator Indebtedness (or ask for or obtain any negotiable paper or other evidence of any Subordinator Indebtedness) or any Subordinator Security or any interest therein to any person, or create, incur or permit to exist any security interest, lien, charge, hypothecary interest or other encumbrance whatsoever in or affecting any Subordinator Indebtedness or Subordinator Security in favour of any person unless:

- (a) such action is made expressly subject to this agreement; and
- (b) such person delivers to the Agent a written agreement, in form and substance satisfactory to the Agent, to be bound by all provisions of this agreement.

The Agent may assign, subject to and in accordance with the terms of Section 12.20 of the Credit Agreement, transfer and deliver to any transferee any Senior Indebtedness, Senior Security or any other security, documents or instruments held by the Agent or Lenders in respect thereof and no such assignment, transfer or delivery shall release the Subordinator from its obligations pursuant to this agreement. Such transferee shall be vested with all powers and rights of the Lenders under such security, documents or instruments but the Lenders shall retain all rights and powers with respect to any security, documents or instruments not so assigned, transferred or delivered.

9. The Subordinator hereby authorizes the Agent to collect and receive any dividends or other payments which may be payable to the Subordinator in the course of any receivership, bankruptcy, liquidation or winding-up of the Debtor or any similar proceeding and, in the event that the Senior Indebtedness at such time has not been paid in full, the Subordinator hereby irrevocably authorizes the Agent to apply such dividends or other payments so collected by the Agent to reduce Senior Indebtedness.

10. The Subordinator shall be subrogated to the rights of the Agent and Lenders to receive payments and distribution of cash and other property of the Debtor in respect of and on account of Senior Indebtedness to the extent of the previous application to reduce Senior Indebtedness of moneys or other property which would, but for this agreement, have been received and applied by the Subordinator to reduce Subordinator Indebtedness, until the Subordinator Indebtedness has been paid in full, provided that such right of subrogation (and any other existing or future right of subrogation the Subordinator may have) shall not arise and shall not be exercised until the Agent has received payment in full in cash of all Senior Indebtedness.

11. This agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document and instrument now or hereafter held by the Agent or Lenders.

12. Nothing in this agreement shall confer any right on the Debtor or any person not a party to this agreement or amend any agreement between the Debtor and the Agent and/or Lenders or the Debtor and the Subordinator.

13. This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be amended, waived or modified in any manner except by written agreement signed by the Agent and the Subordinator.

14. No failure by the Agent or Lenders to exercise any right, power, remedy or privilege (whether in whole or in part) shall operate as a waiver thereof. No single or partial exercise of any right, power, remedy or privilege shall preclude any other or further exercise thereof or the exercise of any further right, power or privilege. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently, and are not exclusive of any other rights or remedies provided by law.

15. If the Agent or Lenders receive any payment on, or proceeds of any property or assets of the Debtor on account of any Senior Indebtedness and such payment or proceeds are subsequently invalidated, declared to be fraudulent or preferential, or required to be repaid to the Debtor, a trustee, receiver, receiver and manager or any other person under any applicable law, then to the extent of such payment or proceeds received by the Agent or Lenders, as the case may be, and required to be repaid, the Senior Indebtedness, or such part thereof, intended to be satisfied by such payment or proceeds shall be revived and shall continue in full force and effect as if such payment or proceeds had not been received by the Agent or Lenders, as applicable.

16. This agreement shall be construed in accordance with and governed by the laws of Ontario and for the purpose of legal proceedings this agreement shall be deemed to have been made in Ontario and to be performed there. The courts of Ontario shall have jurisdiction over all disputes which may arise under this agreement and the Subordinator hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided that nothing herein shall prevent the Agent or Lenders from proceeding at its election against the Subordinator in the courts of any other province, country or jurisdiction.

17. If one or more of the provisions of this agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this agreement shall not in any way be affected or impaired thereby.

18. Any notice, demand or other communication permitted or required to be given hereunder shall be given in writing and may be effectively given by delivering it to the following applicable address or by sending it by fax to such address. Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery or by fax shall be deemed to have been given, received and made on such Business Day and, if so given after 5:00 p.m. (Toronto time) on a Business Day or on a day which is not a Business Day, such notice, demand or other communication shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:

(a) in the case of the Agent, as follows:

HSBC Bank Canada, as administrative agent  
4550 Hurontario Street

Mississauga, ON L5R 4E4

Attention: Dino Fracassi  
Telecopy Number: (905) 568-5338

(b) in the case of the Subordinator, as follows:

2147881 Ontario Inc.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_  
Telecopy Number: \_\_\_\_\_

From time to time, the Agent or the Subordinator may notify the other, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this agreement. In this agreement, "Business Day" shall mean any day, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, on which the Agent's Mississauga branch or office is open for normal business.

19. For the purposes of this agreement, words importing the singular shall include the plural and vice versa; and words importing gender shall include all genders.

20. This agreement shall be binding on the Subordinator and its successors and assigns including any successor by reason of amalgamation and shall enure to the benefit of the Agent and Lenders and their respective successors and assigns.

21. This agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same agreement. This agreement may be executed and delivered by facsimile or portable document format (pdf), and any signature contained hereon by facsimile or pdf shall be deemed to be equivalent to an original signature for all purposes.





**TO:** HSBC Bank Canada, as administrative agent (the "**Agent**") for and on behalf of the lenders (the "**Lenders**") from time to time party to the credit agreement dated February 28, 2012 among, *inter alios*, Dumas Holdings Inc., as borrower, the Lenders and the Agent (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**")

**RE:** Existing and future loan(s), indebtedness and obligations of whatever nature or kind owing by Dumas Holdings Inc. (formerly 0833824 B.C. Ltd., the "**Debtor**") to 2147881 Ontario Inc. (the "**Subordinator**") as guaranteed by Tercon Investment Ltd.

**DEBTOR'S AGREEMENT**

The undersigned Debtor acknowledges receipt of a copy of the foregoing postponement and subordination agreement and agrees as follows:

- (a) the Debtor shall comply with the agreement and not take any action inconsistent therewith and, without limiting the generality of the foregoing, the Debtor agrees not to pay any amount to the Subordinator except as expressly permitted by the agreement;
- (b) the Debtor agrees that it acquires no rights pursuant to the agreement;
- (c) the Debtor consents to the exchange of information by the Subordinator and the Agent and Lenders; and
- (d) to facilitate any subrogation rights arising pursuant to the agreement, the Debtor agrees that no payment or distribution to the Agent and/or Lenders of any cash or other assets to which the Subordinator would have been entitled but for the agreement shall constitute or be deemed to be a payment or distribution by the Debtor to the Agent and Lenders to or on account of any Senior Indebtedness and the Debtor shall, as between itself and its creditors, continue to owe such Senior Indebtedness as if such payment or distribution had not been received by the Agent or Lenders.

DATED the 28 day of February, 2012.

DUMAS HOLDINGS INC.

By:  \_\_\_\_\_

Name:

Title:

Chambers, CFO