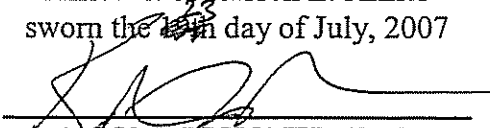


This is **Exhibit "G"** referred to in  
Affidavit of Russell L. Armer  
sworn the ~~14~~<sup>15</sup> day of July, 2007



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A. COMMISSIONER, ETC.

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**SUBORDINATION AGREEMENT**

Made as of December 11, 2001

Between

**TENNECO CANADA INC.**  
as Tenneco

and

**CONGRESS FINANCIAL CORPORATION (CANADA)**  
as Congress

and

**BRAKE PRO , LTD.**  
as Borrower

and

**BPS HOLDING CORPORATION**  
as Holdco

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**MCMILLAN BINCH**

**BARRISTERS & SOLICITORS**

# SUBORDINATION AGREEMENT

This Agreement is made as of December 11, 2001, between

**TENNECO CANADA INC.**  
an Ontario corporation  
as Tenneco

and

**CONGRESS FINANCIAL CORPORATION (CANADA)**  
an Ontario corporation, together with its successors and assigns,  
as Congress

and

**BRAKE PRO, LTD.**  
an Ontario corporation,  
as Borrower

and

**BPS HOLDING CORPORATION**  
an Delaware corporation,  
as Holdco

## RECITALS

A. Congress and Brake Pro, Ltd., an Ontario corporation ("Borrower"), are parties to a certain Amended and Restated Loan Agreement dated as of December 11, 2001 (as at any time amended, the "Loan Agreement"), pursuant to which Congress may make loans and other extensions of credit to or for the benefit of Borrower from time to time, secured by all or substantially all of the assets of Borrower. Capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.

B. Borrower is indebted to Tenneco under the terms of a junior subordinated promissory note dated December 11, 2001 in the original principal amount of US\$5,000,000 (the "Tenneco Note") and under the terms of a junior subordinated promissory note dated December 11, 2001 in the original principal amount of US\$2,000,000 (the "Incentive Note" and, together with the Tenneco Note, the "Subordinated Notes").

C. Payment of each of the Subordinated Notes is secured by a security interest granted by Borrower to Tenneco in all or substantially all of Borrower's assets and by a pledge by Holdco of the outstanding shares of Borrower held by Holdco.

D. A condition to any obligation of Congress to make any Revolving Loans or other extensions of credit to Borrower under the Loan Agreement is the execution and delivery of this Agreement by Congress, Tenneco and Borrower.

E. Holdco, Borrower and Tenneco desire to enter into this Agreement with Congress to induce Congress to make loans to Borrower pursuant to the terms of the Loan Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and in consideration of the foregoing premises, the mutual covenants and conditions herein contained, and to induce Congress to provide financial accommodations to or for the benefit of Borrower and to induce Tenneco to forgive certain indebtedness of Borrower to it and to reschedule other indebtedness pursuant to the Subordinated Notes, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereto, intending to be bound hereby, agree as follows:

SECTION 1 - INTERPRETATION

1.1 Definitions.

In addition to the terms defined in the recitals hereto, as used in this Agreement, the following terms shall have the following meanings in this Agreement:

"*Bankruptcy Case*" shall mean any case hereafter commenced by or against any Obligor under any Insolvency Statute.

"*Collateral*" means any present or future property or asset, real or personal, tangible or intangible, of whatsoever nature or kind of Borrower, Holdco or any other Obligor in which a Lien is created to secure all or any part of the Senior Debt or the Subordinated Debt and all proceeds thereof, including, for greater certainty, insurance proceeds.

"*Congress Loan Documents*" shall mean and include the Loan Agreement and all other instruments or agreements now or hereafter evidencing or securing the payment of the whole or any part of the Senior Debt.

"*Enforcement Action*" shall mean any action taken by Tenneco to repossess, garnish, levy upon, receive, foreclose its Lien upon, sell or otherwise dispose of any Collateral, whether by judicial action, under power of sale, by self-help repossession or otherwise.

"*Enforcement Expenses*" shall mean all reasonable costs and expenses incurred by Congress in connection with the enforcement by it of any rights or remedies under the Congress Loan Documents, the collection of any of the Senior Debt or the protection of, or realization upon, any Collateral after the occurrence and during the continuance of an Event of Default

under the Congress Loan Documents, including, by way of example, reasonable legal fees, court costs, appraisal and consulting fees, auctioneer's fees, rent, storage, insurance premiums and like items and whether or not such amounts are allowed as a claim against any Obligor under any applicable Insolvency Statute.

"Event of Default" shall mean an event or condition that constitutes a default or an event of default under the Congress Loan Documents or the Tenneco Debt Documents.

"Excess Cash Flow" means, with respect to the Borrower and in respect of any period, consolidated net income for such period (i) plus depreciation and amortization for such period, (ii) plus any decrease in working capital for such period (calculated without reference to cash or cash equivalents), (iii) minus any increase in working capital for such period (calculated without reference to cash or cash equivalents), (iv) minus capital expenditures during such period which are not in excess of amounts permitted under both the Congress Loan Documents and the Tenneco Debt Documents, (v) minus scheduled principal repayments of the Congress Term Loan during such period; (vi) minus any amount included in net income for such period in respect of forgiveness of principal and accrued interest, after taxes, on the Incentive Note, (vii) plus other Non-Cash Charges included in net income for such period; and (viii) minus Non-Cash Earnings included in net income; provided that all such amounts shall be calculated in accordance with GAAP.

"Insolvency Proceeding" means any action, case or proceeding commenced by or against a Person, or any agreement of such Person, for (a) the entry of an order for relief under any Insolvency Statute, (b) the appointment of a receiver, trustee, liquidator or other custodian for such Person or any part of its property or assets, (c) an assignment for the benefit of creditors of such Person, or (d) the liquidation, dissolution or winding up of the affairs of such Person.

"Insolvency Statute" means any of the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada) each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction.

"Lien" shall mean any security interest, statutory lien, common law lien, equitable lien or other interest in any of the Collateral.

"Non-Cash Charges" means charges against net income not requiring an expenditure of funds in such period or any later period.

"Non-Cash Earnings" means amounts included in net income not represented by a receipt of funds in such period or any later period.

"Obligations" has the meaning given to it in the Loan Agreement.

"Obligor" means Holdco, Borrower and any other Person that is liable for the payment of the whole or any part of the Senior Debt or the Subordinated Debt including, without limitation, any Permitted Subsidiary.

**"Senior Debt"** shall mean (i) all obligations now or hereafter existing under or with respect to any of the Congress Loan Documents, in each case as the same may be modified, renewed, amended, refunded, extended or supplemented from time to time, (ii) any and all loans made or other credit extended by Congress to an Obligor during the pendency of any bankruptcy case of an Obligor, (iii) all interest at any time accrued with respect to the foregoing (including any interest that accrues during the pendency of any bankruptcy case of an Obligor, whether or not Congress is authorized by the applicable Insolvency Statute to collect such interest from Obligor), and (iv) all charges, expenses and attorneys' fees for which an Obligor is now or hereafter becomes liable to pay to Congress in connection with any of the foregoing under any agreement or by applicable law.

**"Subordinated Debt"** shall mean (i) all obligations now or hereafter existing under or with respect to any of the Tenneco Debt Documents, in each case as the same may be modified, renewed, amended, refunded, extended or supplemented from time to time, (ii) any and all loans made or other credit extended by Tenneco to an Obligor during the pendency of any bankruptcy case of an Obligor, (iii) all interest at any time accrued with respect to the foregoing (including any interest that accrues during the pendency of any bankruptcy case of an Obligor, whether or not Tenneco is authorized by the applicable Insolvency Statute to collect such interest from Obligor), and (iv) all charges, expenses and attorneys' fees for which an Obligor is now or hereafter becomes liable to pay to Tenneco in connection with any of the foregoing under any agreement or by applicable law.

**"Tenneco Debt Documents"** shall mean the Subordinated Notes and all other instruments or agreements now or hereafter evidencing or securing the payment of the whole or any part of the Subordinated Debt.

**"Tenneco Shortfall"** means, in respect of any fiscal year of Borrower, the amount, if any, by which the aggregate of the quarterly principal payments made by Borrower to Tenneco pursuant to Section 4.3(1) hereof in respect of the four fiscal quarters included in such fiscal year are less than US\$1,000,000.

**1.2 Certain Terms**

The terms **"herein," "hereof"** and **"hereunder"** and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. All references to any instruments or agreements shall include any and all modifications thereto and any and all restatements, extensions or renewals thereof. All references to **"including"** and **"include"** shall be understood to mean **"including, without limitation."**

**SECTION 2 - REPRESENTATIONS AND WARRANTIES**

**2.1 Warranties.**

(1) Each of Borrower and Tenneco hereby represents and warrants that: (i) it has not relied nor will it rely on any representation or information of any nature made by or received from Congress pertaining to Borrower in deciding to execute this Agreement; (ii) no part of the Subordinated Debt is evidenced by any instrument or writing except the Tenneco Debt Documents, (iii) Tenneco is the lawful owner of the Subordinated Debt; (iv) Tenneco has not heretofore assigned or transferred any of the Subordinated Debt, any interest therein or any Collateral or security pertaining thereto; and (v) Tenneco has not heretofore given any subordination in respect of the Subordinated Debt other than to Congress or its affiliates.

(2) Each of the parties hereto represents and warrants to each of the other parties hereto that this Agreement has been duly executed and delivered by such party and is the valid and binding obligation of such party, enforceable against such party in accordance with the terms hereof, except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by principles of equity.

**SECTION 3 - SUBORDINATION OF LIENS**

**3.1 Consents to Liens**

Congress hereby consents to Holdco's and Borrower's grant of Liens in the Collateral to Tenneco as security for the Subordinated Debt and agrees that the existence of such Liens shall not constitute an Event of Default under any of the Congress Loan Documents. Tenneco hereby consents to Borrower's, Holdco's and any other Obligor's grant of Liens in the Collateral to Congress as security for the Senior Debt and agrees that the existence of such Liens shall not constitute an Event of Default under any of the Tenneco Debt Documents.

**3.2 Priority of Liens**

(1) Tenneco and Congress agree at all times, whether before, after or during the pendency of any bankruptcy, reorganization or other Insolvency Proceeding and notwithstanding the priorities which would ordinarily result from the order of granting or perfection of any Liens, the order of filing or recording of any financing statements or mortgages, or the priorities that would otherwise apply under applicable law, that Congress's Liens in the Collateral shall constitute first priority Liens in such property to secure the payment and performance of the Senior Debt and shall be superior to any Lien or other interest of Tenneco in the same property arising pursuant to the Tenneco Debt Documents, by operation of law or otherwise; and any Lien or other interests of Tenneco in any of the Collateral shall be subordinate to the Liens of Congress therein.

(2) For purposes of the foregoing priorities, any claim of a right of setoff by Tenneco with respect to Subordinated Debt shall be treated in all respects as a Lien and no claim to right of setoff by Tenneco shall be asserted to defeat or diminish the rights or priorities provided for herein in favour of Congress.

(3) If for any reason Congress is determined not to have an effective Lien against all or any part of the Collateral, by any court of competent jurisdiction, and if as a consequence thereof Tenneco becomes entitled to receive any payments or proceeds from or on account of any of the Collateral or on account of Tenneco's Lien in any of the Collateral, then any such payments or proceeds received by Tenneco shall be used by it to purchase a junior participation in all of the Senior Debt pursuant to a junior participation agreement in form and content satisfactory to Congress but in all events providing that Congress's retained interest in the Senior Debt and all costs and Enforcement Expenses incurred by Congress (including attorneys' fees) in attempting to collect the Senior Debt or to realize upon any of the Collateral shall be paid in full before Tenneco shall be entitled to any payment on account of its junior participation and Tenneco's junior participation will be without recourse of any kind to Congress except for Congress's gross negligence or willful misconduct after the date of Tenneco's purchase of such junior participation.

(4) In no event shall Tenneco institute, or join as a party in the institution of, or assist in the prosecution of, any action, suit or proceeding seeking a determination that the Lien of Congress in any of the Collateral is invalid, unperfected or avoidable, or is or should be subordinated to the interests of any other Person.

**3.3 Standby as to Enforcement Action**

(1) Subject to Section 3.3(3), Tenneco agrees that it will not take any Enforcement Action with respect to any of the Collateral, unless and until all of the Senior Debt has been finally paid in full and any commitments of Congress under the Congress Loan Documents have been terminated or expired; provided, however, that Tenneco may foreclose on any judgment Lien obtained by Tenneco against Borrower or any other Obligor with respect to any indebtedness of Borrower to Tenneco that is not Subordinated Debt by taking an Enforcement Action with respect to Collateral consisting of Equipment, so long as Tenneco promptly remits all proceeds of such Enforcement Action to Congress.

(2) If Tenneco shall receive any proceeds from any sale, liquidation, casualty or other disposition of Collateral, whether in connection with the initiation of an Enforcement Action or otherwise, Tenneco shall be obligated to hold such proceeds in trust and promptly turn over such proceeds, to Congress for application to the Senior Debt until the Senior Debt is paid in full and any commitments by Congress under the Congress Loan Documents have been terminated or expired.

(3) Notwithstanding Section 3.3(1) but without restricting the application of Section 3.3(2), Tenneco may take Enforcement Action with respect to the Collateral if either:

- (a) the maturity date of the Senior Debt (determined without regard to any extension of the maturity date of the Senior Debt in contravention of Section 5.4 hereof) has occurred and either:
  - (i) the Senior Debt has been repaid in full; or

- (ii) 90 days have elapsed since the maturity date of the Senior Debt (determined without regard to any extension of the maturity date of the Senior Debt in contravention of Section 5.4 hereof) and Congress has not accelerated the maturity of the Senior Debt or demanded payment of the Senior Debt; or
- (b) each of the following conditions is satisfied:
  - (i) Borrower has failed to make any scheduled principal payment or interest payment due by Borrower to Tenneco pursuant to the Tenneco Debt Documents;
  - (ii) such failure has continued for 120 days; and
  - (iii) if such failure is in respect of principal, at all times during such period, the payment of such principal by Borrower to Tenneco was not prohibited pursuant to the application of Sections 4.3(1) (other than clause 4.3(1)(d)) or 4.3(2) (other than clause 4.3(2)(e)) of this Agreement.

**3.4 Agreement on Certain Bankruptcy Matters**

(1) Without impairing, abrogating or in any way affecting Congress's rights hereunder, including the relative priorities established by Section 3.2 hereof, Congress may during any Bankruptcy Case give or withhold its consent to an Obligor's or any bankruptcy trustee's or any receiver's use of any Collateral (including cash proceeds of any Collateral) or may provide financing or otherwise extend credit to an Obligor or any bankruptcy trustee or any receiver secured by a Lien in any or all of the Collateral, and by its execution of this Agreement Tenneco shall be deemed to have consented to an Obligor's or any bankruptcy trustee's or any receiver's use of Collateral if and to the extent consented to by Congress and to any financing proposed to be provided by Congress to an Obligor or any bankruptcy trustee or any receiver during the pendency of any such Bankruptcy Case.

(2) If Congress consents to the sale of any of the Collateral during any Bankruptcy Case (whether such sale is to be made pursuant to a plan of reorganization or otherwise), then Tenneco shall be deemed to have consented to any such sale and shall, if requested to do so by Congress in connection with any such sale promptly execute and deliver to Congress a release of Tenneco's Liens with respect to the Collateral to be sold. Notwithstanding the foregoing, the Lien granted to Tenneco shall, subject to all of the provisions of this Agreement, continue in the proceeds of any such Collateral.

(3) If in or as a result of any Bankruptcy Case, Congress returns, refunds or repays to an Obligor or any trustee or committee appointed in the Bankruptcy Case any payment or proceeds of any Collateral in connection with any action, suit or proceeding alleging that Congress's receipt of such payments or proceeds was a transfer voidable under applicable law, then Congress shall not be deemed ever to have received such proceeds for purposes of this Agreement in determining whether and when all of the Senior Debt have been paid in full.

**3.5 Agreement to Release Liens**

Tenneco agrees that it will, if requested to do so by Congress after and during the continuance of an event or condition that constitutes an Event of Default under the Congress Loan Documents, release its Liens in any Collateral in connection with and in order to facilitate any commercially reasonable orderly liquidation sale of such Collateral by an Obligor or any bankruptcy trustee or receiver for an Obligor, and promptly upon the request of Congress, it will, at its expense (but without waiving any obligation of reimbursement by Borrower under the Tenneco Debt Documents), execute and deliver such documents, instruments and agreements as are necessary to effectuate such release and to evidence such release in the appropriate public records. Notwithstanding the foregoing, the Lien granted to Tenneco shall, subject to all of the provisions of this Agreement, continue in the proceeds of any such Collateral.

**3.6 Waiver of Marshalling; Application of Payments and Proceeds**

Tenneco hereby waives any right to require Congress to marshal any security or Collateral or otherwise to compel Congress to seek recourse against or satisfaction of the indebtedness to it from one source before seeking recourse or satisfaction from another source. Congress shall be authorized to apply any and all payments, collections and proceeds of Collateral received by it to such portion of the Senior Debt as Congress may lawfully elect consistent with the provisions of the Congress Loan Documents.

**3.7 Provisions Concerning Insurance**

Proceeds of the Collateral include insurance proceeds, and therefore the priorities set forth in Section 3.2 hereof govern the ultimate disposition of casualty insurance proceeds. Congress shall have the sole and exclusive right, as against Tenneco, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of the Collateral. All proceeds of such insurance shall inure to Congress in priority to any claims that Tenneco has thereto, and Tenneco shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds to Congress. Congress shall have the right (as between the parties hereto) to determine whether such proceeds will be applied to its claim or used to rebuild, replace or repair the affected Collateral. If such proceeds are applied to Congress's Obligations, any proceeds remaining after payment of the Senior Debt and all expenses of collection, including reasonable attorneys' and paralegals' costs, fees and expenses, shall be promptly remitted to Tenneco for application on Tenneco's claim or to Borrower, as applicable.

**3.8 Possession of Stock Certificates, etc.**

If and to the extent Congress is in possession of any Collateral consisting of documents, instruments, securities or chattel paper, including certificates of stock, (collectively, "Collateral in Possession") in order to perfect a security interest therein, Congress shall also hold such Collateral in Possession for the benefit of Tenneco for the purpose of perfecting Tenneco's security interest, if any, therein. Congress shall have no duties or responsibilities to Tenneco with respect to, or arising from, Congress's possession of such Collateral in Possession; provided, that after all Senior Debt has been fully and finally paid and all of Congress's

commitments to extend financing to Borrower have terminated, Congress shall deliver any remaining Collateral in Possession to Tenneco. If and to the extent Tenneco is in possession of any Collateral in Possession prior to the Senior Debt being repaid in full and all of Congress's commitments to extend financing to Borrower being terminated, Tenneco shall forthwith deliver such Collateral in Possession to Congress.

**SECTION 4 - SUBORDINATION OF DEBT**

**4.1 Subordination**

(1) Subject to the provisions of Section 4.3 hereof relating to payments on the Subordinated Debt that are permitted to be made to the extent and under the circumstances set forth in Section 4.3, Tenneco hereby postpones and subordinates all of the Subordinated Debt to the full and final payment and discharge of all of the Senior Debt, and Congress shall be entitled to receive payment in full of all Senior Debt before any payment is made on account of or applied to any of the Subordinated Debt. Each holder of Senior Debt, whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Debt with full knowledge of and in reliance upon this Agreement, and each holder of Subordinated Debt, whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired the Subordinated Debt with full knowledge and subject to the terms and provisions of this Agreement.

(2) In the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of any Obligor or the proceeds thereof to creditors of any Obligor or upon any indebtedness of any Obligor, by reason of the liquidation, dissolution or other winding up of such Obligor or such Obligor's business, or in the event of any sale of assets of any Obligor or Insolvency Proceeding involving any Obligor or its assets, then and in any such event any payment or distribution of any kind or character, whether in cash, securities or other property, which shall be payable or deliverable upon or with respect to any of the Subordinated Debt shall be paid or delivered directly to Congress for application to the Senior Debt in such manner as Congress shall determine (whether or not the same is then due) until all of the Senior Debt has been fully paid and discharged. Each instrument evidencing the Subordinated Debt shall at all times bear a conspicuous legend that the Subordinated Debt evidenced thereby is subordinated to the Senior Debt pursuant to this Agreement. The provisions of this paragraph Section 4 shall remain effective and binding upon Tenneco even if any of the Senior Debt is avoided, equitably subordinated or nullified in any bankruptcy case of Debtor.

(3) Upon any distribution of the assets of any Obligor or the proceeds thereof in any Insolvency Proceeding, the holders of the Subordinated Debt shall be entitled to rely upon any order made by the court in which such Insolvency Proceeding is pending, or a certificate of the debtor, custodian, liquidating trustee, agent or other Person making any distribution to such holders, for the purpose of ascertaining the Persons entitled to participation in such distribution, the holders of the Senior Debt, the amount thereof or payable thereon, the amount or amounts paid or distribution thereon and all other facts pertinent thereto or to this Section 4.

(4) If Tenneco shall not file a proper claim or proof of debt as shall be necessary in order to have the claims of Tenneco allowed in any Insolvency Proceeding commenced by or against an Obligor or involving such Obligor's assets, in the form required in such Insolvency Proceeding, at least 5 days prior to the expiration of the time to file such claim or proof of debt, Congress is hereby irrevocably authorized and shall have the right (but not the obligation) to file an appropriate claim or proof of debt in such Insolvency Proceeding for and on behalf of Tenneco. Tenneco shall retain all rights to vote and otherwise act in any Insolvency Proceeding in their capacity as such holders of the Subordinated Debt (including the right to vote to accept or reject any proposal or plan of arrangement or compromise) to the extent provided by applicable law, except that Tenneco shall not be empowered to vote in any such Insolvency Proceeding with respect to any proposal or plan of arrangement or compromise that contains provisions that are inconsistent with the priority of the Senior Debt over the Subordinated Debt.

(5) Congress agrees that the principal amount of the Senior Debt outstanding at any time shall not exceed Cdn\$11,000,000 and that any principal amount of the Term Loan repaid by Borrower will not be readvanced by Congress to Borrower as part of the Term Loan.

4.2 Negative Covenant

For so long as this Agreement is in effect, Holdco, Borrower and Tenneco agree with Congress that, except as otherwise expressly provided in this Agreement: (a) neither Borrower nor Holdco shall, directly or indirectly, make any payment (other than a payment permitted by Section 4.3 hereof) on account of all or any part of the Subordinated Debt; (b) Tenneco shall not demand, collect or accept from Holdco, Borrower or any other Person any payment (other than a payment permitted by Section 4.3 hereof) on account of the Subordinated Debt or any part thereof, or accelerate the maturity of the Subordinated Debt or take any Enforcement Action; (c) Tenneco shall not exchange, set off, release, convert to equity or otherwise discharge any part of the Subordinated Debt (except for forgiveness of amounts owing in respect of the Incentive Note in accordance with the terms of the Tenneco Debt Documents); (d) Tenneco shall no hereafter give any subordination in respect of any of the Subordinated Debt or transfer or assign any of the Subordinated Debt to any Person other than Congress unless Tenneco gives Congress at least 5 days prior written notice of such transfer and assignment and the transferee or assignee thereof first agrees in writing with Congress to be bound by the terms of this Agreement; (e) Borrower shall not hereafter issue any instrument, security or other writing evidencing any part of the Subordinated Debt other than the Tenneco Debt Documents, and Tenneco shall not receive any such writing; (f) Tenneco shall not commence or join with any other creditors of Borrower in commencing any Insolvency Proceeding against Borrower; and (g) neither Holdco, Borrower nor Tenneco shall take or permit any action prejudicial to or inconsistent with Congress' priority position over Tenneco that is created by this Agreement. Notwithstanding anything in this paragraph to the contrary, Tenneco may require Holdco and Borrower to deliver such documents and to take such actions as may be necessary to preserve, evidence and perfect Tenneco's Liens against Collateral as security for the Subordinated Debt and may bring an action against Borrower for specific performance for such purpose only.

4.3 Permitted Payments

(1) *Quarterly Tenneco Note Principal.* If and for so long as each of the following conditions is satisfied, Borrower may pay to Tenneco, and Tenneco may accept and retain, quarterly payments of principal due and owing by Borrower to Tenneco under the Tenneco Note, but without prepayment (whether mandatory or optional) or payment upon acceleration:

- (a) no Default or Event of Default under the Loan Agreement occurs or exists; provided that any Default or Event of Default which has been in existence for more than 180 days and in respect of which Congress has not accelerated the maturity of the Senior Debt or demanded payment of the Senior Debt as a consequence thereof shall not be a Default or Event of Default for the purposes of this Section 4.3(1)(a);
- (b) The amount of each quarterly principal payment does not exceed US\$250,000;
- (c) Congress shall have received Borrower's quarterly financial statements for the most recently completed fiscal quarter of Borrower prior to the making of such principal payment;
- (d) Congress shall have received from Borrower prior written notice of Borrower's intent to make any such payment, and each payment by Borrower shall have occurred within thirty (30) days after the date on which such notice is given; and
- (e) Unless waived in writing by Congress, Borrower shall have Excess Availability of Borrower of at least Cdn\$500,000 immediately after such payment.

(2) *Annual Tenneco Note Principal.* If and for so long as each of the following conditions is satisfied, Borrower may pay to Tenneco in respect of each fiscal year of Borrower, and Tenneco may accept and retain, an annual payment of principal due and owing by Borrower to Tenneco under the Tenneco Note, but without prepayment (whether mandatory or optional) or payment upon acceleration:

- (a) no Default or Event of Default under the Loan Agreement occurs or exists; provided that any Default or Event of Default which has been in existence for more than 180 days and in respect of which Congress has not accelerated the maturity of the Senior Debt or demanded payment of the Senior Debt as a consequence thereof shall not be a Default or Event of Default for the purposes of this Section 4.3(2)(a);
- (b) The amount of the annual principal payment in respect of such fiscal year, plus the aggregate of all quarterly principal payments made by Borrower to Tenneco pursuant to Section 4.3(1) in respect of such fiscal year does not exceed Excess Cash Flow of Borrower for such fiscal year;

- (c) The amount of the annual principal payment shall not exceed the sum of (i) the Tenneco Shortfall in respect of such fiscal year, plus (ii) US\$500,000;
- (d) Congress shall have received Borrower's annual audited consolidated financial statements for such fiscal year prior to the making of such principal payment;
- (e) Congress shall have received from Borrower at least fifteen (15) days prior written notice of Borrower's intent to make any such payment, and each payment by Borrower shall have occurred within forty-five (45) days after the date on which such notice is given; and
- (f) Unless waived in writing by Congress, Borrower shall have Excess Availability of Borrower after the making of such payment of at least Cdn\$500,000 if such payment is less than the Tenneco Shortfall in respect of such fiscal year and of at least Cdn\$1,000,000 if such payment is greater than the Tenneco Shortfall in respect of such fiscal year.

(3) *Tenneco Note Interest.* If and for so long as each of the following conditions is satisfied, Borrower may pay to Tenneco, and Tenneco may accept and retain, quarterly payments of interest due and owing by Borrower to Tenneco under the Tenneco Note, but without prepayment (whether mandatory or optional) or payment upon acceleration:

- (a) no Default or Event of Default under the Loan Agreement occurs or exists; provided that any Default or Event of Default which has been in existence for more than 180 days and in respect of which Congress has not accelerated the maturity of the Senior Debt or demanded payment of the Senior Debt as a consequence thereof shall not be a Default or Event of Default for the purposes of this Section 4.3(3)(a); and
- (b) Congress shall have received Borrower's quarterly financial statements for the most recently completed fiscal quarter of Borrower prior to the making of such interest payment.

(4) *Incentive Note Interest.* For greater certainty, no payments of principal or interest in respect of the Incentive Note shall be made prior to the payment in full of the Senior Debt.

(5) *No Waiver.* In no event shall Congress's continuing to honour any requests of Borrower for loans under the Loan Agreement after the occurrence or existence of any Default or Event of Default under the Loan Agreement be deemed a waiver thereof, unless such Default or Event of Default is expressly waived in writing by Congress.

**4.4 Turnover of Prohibited Transfers**

If any payment, distribution or security, or the proceeds thereof, are received by Tenneco on account of or with respect to any of the Subordinated Debt other than as expressly permitted in Section 4.3 hereof, Tenneco shall forthwith deliver same to Congress in the form received

(except for the addition of any endorsement or assignment, without recourse, necessary to effect a transfer of all rights therein to Congress) for application to the Senior Debt or, at the option of Congress, Tenneco shall pay to Congress the amount thereof on demand. Congress is irrevocably authorized to supply any required endorsement or assignment which may have been omitted. Until so delivered, any such payment, distribution or security shall be held by Tenneco in trust for Congress and shall not be commingled with other funds or property of Tenneco.

**4.5 Certain Waivers and Consents**

Each of Holdco, Borrower and Tenneco hereby waives any defense based on the adequacy of a remedy at law which might be asserted as a bar to the remedy of specific performance of this Agreement in any action brought therefor by Congress. To the fullest extent permitted by law, each of Holdco, Borrower and Tenneco hereby further waives: presentment, demand, protest, notice of protest, notice of default or dishonour, notice of payment or nonpayment and any and all other notices and demands of any kind in connection with all negotiable instruments evidencing all or any portion of the Senior Debt; the right to require Congress to marshal any securities, or to enforce any security interest or lien Congress may now or hereafter have in any Collateral securing the Senior Debt or to pursue any claim it may have against any guarantor of the Senior Debt, as a condition to either Congress's entitlement to receive any payment on account of the Subordinated Debt; and notice of any Loan or other credit made available to Borrower, extensions of time granted, amendments to the Loan Agreements or the other Congress Loan Documents or other action taken in reliance hereon. Tenneco hereby consents and agrees that Congress may, without in any manner impairing, releasing or otherwise affecting the subordination provided for in this Agreement or any rights of Congress hereunder and without prior notice to or the consent of Tenneco: subject to Section 5.4 hereof, release, renew, extend, compromise or postpone the time of payment of any of the Senior Debt; substitute, exchange or release any or all of the Collateral or decline or neglect to perfect either Congress's security interest in any of the Collateral; add or release any Person primarily or secondarily liable from any of the Senior Debt; amend or modify any of the Congress Loan Documents or waive any Event of Default thereunder; and increase (subject to Section 4.1(5)) or decrease the amount of the Senior Debt or the rate of interest or the amount of any other charges payable in connection therewith. Notwithstanding the foregoing, Congress will provide to Tenneco a copy of any written notice delivered by Congress to Borrower with respect to an Event of Default under the Congress Loan Documents or of any event or condition which, with such notice or passage of time or both, would constitute an Event of Default under the Congress Loan Documents; provided that Congress shall have no liability whatsoever to Tenneco for any failure to provide such a copy to Tenneco.

**4.6 Subrogation**

Provided that the Senior Debt has been indefeasibly paid and discharged and any commitment that Congress may have under the Loan Agreement to make loans or extend other credit has been terminated or expired, Tenneco shall be subrogated (without any representation by or recourse to Congress) to the rights of Congress to receive payments or distributions of cash, property or securities payable or distributable on account of the Senior Debt, to the extent

of all payments and distributions paid over to or for the benefit of Congress pursuant to this Agreement which would otherwise have been paid to Tenneco as holder of the Subordinated Debt. In no event, however, shall Tenneco have any rights or claims against Congress for any alleged impairment of Tenneco's subrogation rights, Tenneco acknowledging that any actions taken by Congress with respect to the Senior Debt or the Collateral are authorized and consented to by Tenneco.

**4.7 Default and Enforcement**

If at any time Tenneco fails to comply with any provision of this Agreement that is applicable to Tenneco, Congress may demand specific performance of this Agreement, whether or not Holdco or Borrower has complied with the terms of this Agreement, and may exercise any other remedy available at law or equity. Without limiting the generality of the foregoing, if Tenneco, in violation of this Agreement, shall institute or participate in any Enforcement Action against Borrower, then Borrower may interpose as a defense this Agreement and Congress is irrevocably authorized to intervene and to interpose such defense or plea in its or Borrower's name. If Tenneco attempts to enforce or realize upon any Lien with respect to any Collateral in violation of this Agreement, Borrower or Congress (in Borrower's or Congress's name) may by virtue of this Agreement restrain such enforcement. The provisions of this Section 4.7 shall not apply at any time after Tenneco or any of its Affiliates acquires all of the Senior Debt from Congress.

**SECTION 5 - GENERAL PROVISIONS**

**5.1 Statement of Account**

Borrower and Tenneco agree to render to Congress from time to time upon Congress's request therefor a written statement of Borrower's account with Tenneco. Borrower and Congress agree to render to Tenneco from time to time upon Tenneco's request therefor a written statement of Borrower's account with Congress. Borrower further agrees to afford Congress access to the books and records of Borrower in order that Congress may make a full examination of the state of accounts of Borrower with Tenneco.

**5.2 Validity of Subordinated Debt**

The provisions of this Agreement subordinating the Subordinated Debt and the security therefor to the Senior Debt and the security therefor are solely for the purpose of defining the relative rights of Congress and Tenneco and shall not impair, as between Tenneco and Borrower, the obligation of Borrower, which is unconditional and absolute, to pay the Subordinated Debt in accordance with its terms except as payment thereof may be postponed in accordance with this Agreement.

**5.3 Indulgences Not Waivers**

Neither the failure nor any delay on the part of Congress to exercise any right, remedy, power or privilege of Congress hereunder shall operate as a waiver thereof or give rise to an

estoppel, nor be construed as an agreement to modify the terms of this Agreement, nor shall any single or partial exercise of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver by a party hereunder shall be effective unless it is in writing and signed by the party making such waiver, and then only to the extent specifically stated in such writing.

**5.4 Duration**

This Agreement shall become effective when executed and delivered by Borrower, Tenneco and Congress and shall constitute a continuing agreement of subordination, and shall remain in effect until all of the Senior Debt has been paid in full in immediately available funds and all commitments of Congress to make loans or otherwise extend credit under the Loan Agreement have been terminated or expired. Congress may, without notice to Tenneco, extend or continue credit and make other financial accommodations to or for the account of Borrower in reliance upon this Agreement; provided, however, that Congress shall not extend the maturity date of any Senior Debt beyond the date which is the second anniversary date of this Agreement without the consent of Tenneco (which may be withheld in Tenneco's sole discretion) unless:

- (a) All principal payments have been made when due on the Tenneco Note;
- (b) The Senior Debt is renewed on the same terms and conditions as herein contained;
- (c) Congress waives in writing the application of Sections 4.3(1)(e) and 4.3(2)(f) of this Agreement to all future payments to Tenneco; and
- (d) Such extension does not extend the maturity date to a date later than the fifth anniversary date of this Agreement.

The provisions of this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment of any Senior Debt is rescinded or otherwise must be returned Congress upon or in connection with any Insolvency Proceeding of an Obligor, all as if any such payment had not been made.

**5.5 Notices**

All notices, requests and demands to or upon a party hereto shall be in writing and shall be delivered by hand, sent by certified or registered mail, return receipt requested or by telecopier and shall be deemed to have been validly served, given or delivered when delivered against receipt or four (4) business days after deposit in the mail, postage prepaid, or, in the case of telecopy notice, when received at the office of the noticed party, in each case addressed as follows:

294

(a) If to Congress:

Congress Financial Corporation (Canada)  
150 S. Wacker Drive  
Suite 2200  
Chicago, Illinois  
60606  
Attention: Loan Administration  
Telecopier No.: (312) 332-0424

(b) If to Tenneco:

Tenneco Canada Inc.  
c/o Tennessee Gas Pipeline Company  
111 Pfingsten Road  
Deerfield, Illinois 60015  
Attention: Tom Ryan  
Telecopier No.: (847) 940-6028

or to such other address as each party may designate for itself by like notice given in accordance with this Section. Any written notice that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party. Tenneco hereby agrees that any requirement for the giving of notice by Congress under applicable law or otherwise in connection with any exercise by Congress of any of its rights or remedies with respect to the Collateral shall be satisfied by the giving of written notice at least five (5) days prior to the date on which such rights or remedies are to be exercised by Congress, provided that nothing herein shall be deemed to require the giving of any such notice when such notice is not required by applicable law.

**5.6 No Duties Imposed Upon Congress**

The rights granted to Congress in this Agreement are solely for its protection and nothing herein contained imposes on Congress any duties with respect to any of the Collateral. Congress has no duty to preserve rights against prior parties on any instrument or chattel paper received from an Obligor as collateral security for any of the Senior Debt.

**5.7 Relationship of Parties**

This Agreement is entered into solely for the purposes set forth above, and, except as is expressly provided otherwise herein, neither party assumes any responsibility to the other party to advise such other party of information known to such party regarding the financial condition of Borrower or regarding the Collateral, or of any other circumstances bearing upon the risk of nonpayment of the obligations of Borrower, under the Tenneco Debt Documents, or the Congress Loan Documents. Each party shall be responsible for managing its relationship with Borrower and neither party shall be deemed the agent of the other for any purpose. Tenneco and Congress each may alter, amend, supplement, release, discharge or otherwise modify any terms

of the Tenneco Debt Documents or of the Congress Loan Documents, respectively, without the consent of the other, except as otherwise provided in the Debt Subordination Agreement.

**5.8 Specific Enforcement**

If any party fails to comply with any provision of this Agreement that is applicable to it, any other party may demand specific performances of this Agreement and may exercise any other remedy available at law or equity.

**5.9 No Additional Rights of Borrower Hereunder**

Nothing herein shall be construed to confer additional rights upon Borrower. Without limiting the generality of the foregoing, if any party hereto shall enforce its rights or remedies in violation of this Agreement, shall institute or participate in any action, suit or proceeding against Borrower, then Borrower may interpose as a defense this Agreement and Congress is irrevocably authorized to intervene and to interpose such defense or plea in its or Borrower's name.

**5.10 Independent Credit Investigations**

Neither the parties hereto nor any of their respective directors, officers, agents or employees shall be responsible to the others or to any other Person, for Borrower's solvency, financial condition or ability to repay any of the Subordinated Debt or any of the Senior Debt, or for statements of Borrower, oral or written, or for the validity, sufficiency or enforceability of any of the Tenneco Debt Documents or any of the Congress Loan Documents, or the validity or priority of any Liens granted by Borrower to either party in connection with any of the Tenneco Debt Documents or any of the Congress Loan Documents. Each party hereto has entered into its agreements with Borrower based upon its own independent investigation, and makes no warranty or representation to the other party nor does it rely upon any representation of the other party with respect to matters identified or referred to in this paragraph.

**5.11 Governing Law**

This Agreement shall be interpreted, and the rights and obligations of the parties hereto determined, in accordance with the internal laws of the Province of Ontario.

**5.12 No Third Party Beneficiaries**

Nothing contained in this Agreement shall be deemed to indicate that this Agreement has been entered into for the benefit of any Person other than the parties hereto.

**5.13 Conflict with Documents**

The provisions of this Agreement are intended by the parties to control any conflicting provisions in the Congress Loan Documents or the Tenneco Debt Documents, including any covenants prohibiting further borrowing or encumbrances of Collateral.

**5.14 Section Titles**

The section titles contained in this Agreement are and shall be deemed to be without substantive meaning or content of any kind whatsoever and are not a part of the Agreement between the parties hereto.

**5.15 Counterparts Telecopied Signatures**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. In proving this Agreement in any judicial proceeding, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

**5.16 Successors and Assigns**

(1) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. In no event, however, shall Tenneco assign any Subordinated Debt or any Lien securing the Subordinated Debt or Congress assign any Senior Debt or any Lien securing the Senior Debt to any Person unless the transferee or assignee thereof shall first agree in writing to be bound by the terms of this Agreement (other than Section 5.16(3) which shall only be binding on Congress) the same as if an original signatory hereto. Notwithstanding the immediately preceding sentence, any Person whose loans or advances to Borrower hereafter are used to refinance and pay in full the Senior Debt shall be deemed for all purposes hereof to be the successor to Congress, and from and after the date of any such refinancing in satisfaction in full of the Senior Debt such Person shall be deemed a party hereto in the place and stead of Congress as if such Person had been the original signatory hereto, and all loans, advances, liabilities, debit balances, covenants and duties at any time or times owed by Borrower to such successor to Congress, whether direct or indirect, absolute or contingent, secured or unsecured, due or to become due, then existing or thereafter arising, including any renewals, extensions, modifications, or replacements of any of the foregoing, and subject to the limits, terms and conditions of this Agreement and shall be deemed for all purposes hereunder to constitute and be Senior Debt to the extent that it does not exceed the Maximum Amount be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(2) Tenneco, at its option, may, upon 10 days' prior written notice to Congress and Borrower after the occurrence and during the continuance of an Event of Default, satisfy all of the Senior Debt or purchase all of Congress's rights, claims and interests with respect to the Senior Debt under the Congress Loan Documents by payment to Congress of an amount equal to the full amount of all indebtedness, loans, advances, liabilities and obligations owed by Borrower to Congress, including an amount equal to any termination or prepayment fee which would

otherwise be payable under the Congress Loan Documents if Borrower repaid the Senior Debt in full at such time.

(3) Prior to completing any sale of all or any Senior Debt to any third party, Congress shall provide Tenneco with written notice of the terms of such sale (in this Section 5.16(3), a "Sale Notice") and Tenneco may, at its option, elect by notice in writing to Congress delivered to Congress within 5 Business Days of receipt of the Sale Notice, to purchase the Senior Debt subject to such proposed sale on the same terms and conditions. Any such purchase by Tenneco from Congress shall be completed on the 10<sup>th</sup> Business Day following the receipt of the Sale Notice by Tenneco.

**5.17 Entire Agreement: Amendments**

This Agreement and the Debt Subordination Agreement express the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior understandings and agreements of the parties regarding the same subject matter. This Agreement may not be amended or modified except by a writing signed by the parties hereto.

**5.18 Jury Trial Waiver**

To the fullest extent permitted by applicable law, Tenneco and Congress each hereby waives all rights to a trial by jury in connection with any action, suit or other proceeding arising out of or related to this Agreement.

[INTENTIONALLY LEFT BLANK]

The parties have executed this Agreement.

**CONGRESS FINANCIAL CORPORATION  
(CANADA)**

By: John S. Freeman  
Name: JOHN FREEMAN  
Title: VP

**TENNECO CANADA INC.**

By: \_\_\_\_\_  
Name:  
Title:

**BRAKE PRO, LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**BPS HOLDING CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

The parties have executed this Agreement.

**CONGRESS FINANCIAL CORPORATION  
(CANADA)**

By: \_\_\_\_\_  
Name:  
Title:

**TENNECO CANADA INC.**

By: Paul D. Nevas  
Name: Paul D. Nevas  
Title: Vice President  
and Treasurer

**BRAKE PRO, LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**BPS HOLDING CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

The parties have executed this Agreement.

**CONGRESS FINANCIAL CORPORATION  
(CANADA)**

By: \_\_\_\_\_  
Name:  
Title:

**TENNECO CANADA INC.**

By: \_\_\_\_\_  
Name:  
Title:

**BRAKE PRO, LTD.**

By:  \_\_\_\_\_  
Name: Dennis Bolden  
Title: Director of Finance

**BPS HOLDING CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

The parties have executed this Agreement.

**CONGRESS FINANCIAL CORPORATION  
(CANADA)**

By: \_\_\_\_\_  
Name:  
Title:

**TENNECO CANADA INC.**

By: \_\_\_\_\_  
Name:  
Title:

**BRAKE PRO, LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**BPS HOLDING CORPORATION**

By: *Russell L. Armer*  
Name: *Russell L. Armer*  
Title: *Pres/CEO*

