

PARENT PLEDGE AGREEMENT

This Agreement is made as of December 11, 2001 between

BPS HOLDING CORPORATION, a Delaware corporation
("Pledgor")

and

CONGRESS FINANCIAL CORPORATION (CANADA),
an Ontario corporation
("Lender")

RECITALS

- A. Brake Pro, Ltd., as borrower, ("Borrower") has entered into an amended and restated loan agreement dated as of the date hereof with Lender (as from time to time amended, restated, supplemented, replaced and otherwise modified, the "Loan Agreement"), under which Lender has agreed to make available to Borrower credit accommodations in an aggregate principal amount of up to Cdn\$11,000,000.
- B. Pledgor is the holding body corporate of Borrower.
- C. Pledgor has entered into a limited recourse parent guarantee dated as of the date hereof (as from time to time amended, restated, supplemented, replaced and otherwise modified from time to time, the "Parent Guarantee"), under which Pledgor has guaranteed, on a limited recourse basis, the payment and performance of the Obligations of Borrower to Lender.
- D. Pledgor is the registered and the beneficial owner of all the Pledged Collateral.
- E. In order to secure the complete payment and performance of all of the Secured Obligations, Pledgor has agreed to pledge the Pledged Collateral to Lender, in accordance with this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 - INTERPRETATION

1.1 Definitions

In this Agreement:

- (1) *Adverse Claim* includes a claim that a transfer was, is or would be wrongful or that a particular adverse person is the owner of or has an interest in the security.

- (2) *Agreement* means this Parent Pledge Agreement as amended, supplemented, restated, replaced and otherwise modified from time to time.
- (3) *Borrower* has the meaning given to it in Recital A.
- (4) *Parent Guarantee* has the meaning given to it in Recital C.
- (5) *Pledge Amendment* has the meaning given to it in Section 4.1(4).
- (6) *Pledged Collateral* has the meaning given to it in Section 2.1.
- (7) *Pledged Shares* means all Stock of Borrower now or hereafter acquired by Pledgor, including, without limitation, Stock listed on Schedule 1.1.
- (8) *PPSA* means the *Personal Property Security Act* (Ontario).
- (9) *Security Interest* means the mortgage, charge, assignment, transfer, delivery, pledge, hypothecation and security interest granted under this Agreement.
- (10) *Secured Obligations* has the meaning given to it in Section 2.2.
- (11) *Share Transfer Power* has the meaning given to it in Section 2.3.
- (12) *Stock* means all shares, options, warrants, general or limited partnership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited partnership or equivalent entity whether voting or nonvoting or participating or non-participating.

1.2 Other Defined Terms

Each capitalized term not otherwise defined in this Agreement has the meaning given to it in the Loan Agreement.

1.3 Headings

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.4 References

Unless otherwise specified, references in this Agreement to Sections, Recitals and Schedules are to sections and recitals of, and schedules to, this Agreement.

1.5 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

1.7 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (1) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (2) the legality, validity or enforceability of that provision in any other jurisdiction.

1.8 Statutory References

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

1.9 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule	Description
Schedule 1.1	Pledged Collateral
Schedule 2.3	Share Transfer Power
Schedule 4.1(4)	Form of Pledge Amendment

1.10 Entire Agreement

This Agreement constitutes the entire agreement between Lender and Pledgor with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

SECTION 2 – PLEDGE

2.1 Pledge

Pledgor hereby irrevocably mortgages, charges, assigns, transfers, delivers, hypothecates and pledges to Lender, and grants to Lender, a first priority security interest in the Pledged Shares and the certificates representing the Pledged Shares, and all dividends, distributions, cash, instruments, rights and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares (collectively, the "Pledged Collateral").

2.2 Security for Obligations

This Agreement secures, and the Pledged Collateral is security for, the prompt payment in full when due, whether at stated maturity, by acceleration or otherwise, and performance of all of the Guaranteed Obligations (as defined in the Parent Guarantee) and all Obligations of Pledgor now or hereafter existing under this Agreement including, without limitation, all fees, costs and expenses, whether in connection with collection actions hereunder or under the Parent Guarantee (collectively, the "Secured Obligations").

2.3 Delivery of Pledged Collateral

The Pledgor and Borrower each agrees that all certificates, instruments and other documents representing or evidencing the Pledged Shares shall be delivered to and remain in the custody of Lender or, at Lender's option, Lender's nominee, and that such certificates and instruments shall be duly endorsed in blank for transfer or accompanied by share transfer power duly executed in blank, substantially in the form of Schedule 2.3 hereto or other equivalent instruments of transfer acceptable to Lender (a "Share Transfer Power") and, in either case, also be accompanied by resolutions of the shareholders of Borrower consenting to and approving of the transfers of such Pledged Shares to Lender, or (at its option) its nominee and other designated Persons of Lender upon Lender's exercise of its rights or remedies hereunder and/or at law, certified by senior officers of the shareholders as accurate and complete (collectively, "Appropriate Resolutions"). If at any time or from time to time after the date of this Agreement, Pledgor shall be entitled to receive or shall receive any additional Pledged Collateral in addition to or in substitution or exchange for that described in Schedule 1.1, Pledgor shall forthwith deliver each to Lender or (at its option) its nominee, duly endorsed in blank for transfer or accompanied by a Share Transfer Power duly executed in blank, together with appropriate resolutions and a duly executed Pledge Amendment, substantially in the form of Schedule 4.1(3) hereto (a "Pledge Amendment") in respect of such additional Pledged Collateral.

2.4 Attachment of Security Interest

Pledgor and Lender hereby acknowledge that (1) value has been given (2) Pledgor has rights in the Pledged Collateral and (3) that this Agreement constitutes a security agreement, as that term is defined in the PPSA.

SECTION 3 – REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties

Pledgor represents and warrants to Lender that:

- (1) Pledgor is the sole beneficial owner and sole holder of record of the Pledged Collateral; the Pledged Collateral is free and clear of any lien thereon or affecting the title thereto, except for those liens specifically listed in Schedule 8.4 of the Loan Agreement or permitted under Section 9.8 of the Loan Agreement;

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(2) all of the Pledged Shares have been duly authorized, validly issued and are fully paid and non-assessable;

(3) Pledgor has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral pledged by Pledgor to Lender, as provided herein;

(4) the Pledged Shares have not been issued or transferred in violation of any laws of any jurisdiction to which such issuance or transfer may be subject;

(5) all of the Pledged Shares are presently represented by the certificates listed on Part A of Schedule 1.1 hereto; as of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to the Pledged Shares;

(6) no consent, approval, authorization or other order or other action by, and no notice to or filing with, any governmental authority or any other Person is required (i) for the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor, or (ii) for the exercise by Lender of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally;

(7) the pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid first priority perfected Security Interest in favour of Lender, for its benefit and the benefit of Lender, in the Pledged Collateral and the proceeds thereof, securing the payment of the Secured Obligations, subject to no other lien other than those liens specifically listed in Schedule 8.4 of the Loan Agreement or permitted under Section 9.8 of the Loan Agreement;

(8) the Pledged Shares constitute 100% of the issued and outstanding Stock of Borrower and, otherwise, constitute such percentage(s) as are set out in Schedule 4.1(3); and

(9) Pledgor has caused Borrower to record on its books and records that the Pledged Shares are pledged to Lender or its nominee, as applicable, for Lender's benefit under this Agreement.

The representations and warranties set forth in this Section 3 shall survive the execution and delivery of this Agreement.

SECTION 4 – COVENANTS

4.1 Covenants

Pledgor covenants and agrees that until Borrower has irrevocably paid and performed all its Obligations to Lender, and Lender has no obligation to make any further Loans to Borrower:

(1) without the prior written consent of Lender, Pledgor will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to the Pledged Collateral, or any unpaid dividends,

interest or other distributions or payments with respect to the Pledged Collateral or grant a lien in the Pledged Collateral, unless otherwise expressly permitted by the Loan Agreement;

(2) Pledgor will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such actions as Lender from time to time may reasonably request in order to ensure to Lender the benefits of the Security Interest in the Pledged Collateral intended to be created by this Agreement, and will co-operate with Lender, at Pledgor's expense, in obtaining all necessary approvals and making all necessary filings under applicable law in connection with the Security Interest or any sale or transfer of the Pledged Collateral;

(3) Pledgor has and will defend the title to the Pledged Collateral and the liens of Lender in the Pledged Collateral against any Adverse Claim of any Person and will maintain and preserve such liens.

(4) Pledgor will, upon obtaining ownership of any additional Stock of Borrower promptly (and, in any event, within two Business Days) deliver to Lender a Pledge Amendment, duly executed by Pledgor and Borrower in respect of all such additional Stock, pursuant to which Pledgor shall pledge to Lender all of such additional Stock. Pledgor hereby authorizes Lender to attach any such Pledge Amendment to this Agreement and agrees that all Pledged Shares listed on any Pledge Amendment delivered to Lender shall for all purposes hereunder be considered Pledged Collateral;

(5) Pledgor will not create or amend or waive any right or obligation or exercise any right under any shareholder agreements, voting agreements, voting trusts, trust deeds, proxies, or any other similar agreements or instruments with respect to the Pledged Collateral, which action would adversely affect the rights of Lender hereunder or under any Financing Agreement; and

(6) ensure that such powers of attorney, board resolutions and similar documents with respect to the Pledged Collateral as Lender may reasonably request to effectuate the terms of this Agreement, satisfactory in form and substance to Lender, shall be delivered to Lender or its nominee from time to time upon request.

SECTION 5 – DEALING WITH PLEDGED COLLATERAL AND REALIZATION

5.1 Rights and Duties of Lender

Lender shall have and be entitled to exercise all such powers hereunder as are specifically delegated to Lender by the terms hereof, together with such powers as are incidental thereto.

5.2 Limitation of Lender's Liability

Lender and any nominee on its behalf shall be bound to exercise in the holding of the Pledged Collateral the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. Neither Lender nor any nominee acting on its behalf, nor any director, officer or employee of Lender or any nominee acting on its behalf, shall be liable for any action taken or omitted to be taken by it hereunder or in connection herewith

except for its own gross negligence or wilful misconduct as finally determined by a court of competent jurisdiction. Lender and each of its nominees are hereby released from all responsibilities for any depreciation in or loss of value of any part of the Pledged Collateral except for such depreciation or loss of value that is the result of Lender's or its nominee's gross negligence or wilful misconduct as finally determined by a court of competent jurisdiction.

5.3 Pledgor's Rights

As long as no Event of Default shall have occurred and be continuing or until written notice shall be given to Pledgor:

(1) Pledgor shall have the right, from time to time, to vote and give consents with respect to the Pledged Collateral, or any part thereof, for all purposes not inconsistent with the provisions of this Agreement, the Loan Agreement or any other Financing Agreement; provided, however, that no vote shall be cast, and no consent shall be given or action taken, which would have the effect of impairing the position or interest of Lender or any Lender in respect of the Pledged Collateral or which would authorize, effect or consent to (unless and to the extent expressly permitted by the Loan Agreement):

- (a) the dissolution or liquidation, in whole or in part, of Borrower,
- (b) the amalgamation, merger or consolidation of Borrower with any other Person,
- (c) the sale, disposition or encumbrance of all or substantially all of the assets of the Borrower, except for liens in favour of Lender, or
- (d) the alteration of the voting rights with respect to the Stock of Borrower;

(2) Pledgor shall be entitled, from time to time, to collect and receive for its own use all cash dividends and interest paid in respect of the Pledged Shares to the extent not in violation of the Loan Agreement other than any and all: (A) dividends and interest paid or payable other than in cash in respect of any Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; (B) dividends and other distributions paid or payable in cash in respect of any Pledged Shares in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of Borrower; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral; provided, however, that until actually paid, all rights to such distributions shall remain subject to the Security Interest; and

(3) all dividends and interest (other than such cash dividends and interest as are permitted to be paid to Pledgor in accordance with clause (2) above) and all other distributions in respect of any of the Pledged Shares, whenever paid or made, shall be delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgor, and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with, at Lender's option, any

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registrations in Lender's name or, at Lender's option, its nominee's name in order to better perfect Lender's security and/or any necessary endorsement).

SECTION 6 – DEFAULTS AND REMEDIES

6.1 Events of Default; Remedies

Upon the occurrence of an Event of Default and during the continuation of such Event of Default, and concurrently with written notice to Pledgor, all rights of Pledgor pursuant to Section 5.3 shall be terminated and Lender (personally or through any agent) is hereby authorized and empowered to transfer and register in its name or, at Lender's option, in the name of its nominee, the whole or any part of the Pledged Collateral not previously so transferred and registered, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon, to sell in one or more sales after fifteen (15) days' notice of the time and place of any public sale or of the time at which a private sale is to take place the whole or any part of the Pledged Collateral and to otherwise act with respect to the Pledged Collateral as though Lender was the outright owner thereof. Any sale shall be made at a public or private sale at Lender's place of business, or at any place to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as Lender may deem fair in its reasonable commercial judgment, and Lender or any Lender may be the purchaser of the whole or any part of the Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of Pledgor or any right of redemption. Each sale shall be made to the highest bidder, but Lender reserves the right to reject any and all bids at such sale which, in its reasonable commercial judgment, are inadequate. Demands of performance, except as otherwise herein specifically provided for, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of Lender. Notwithstanding the foregoing, Lender shall not have any duty to exercise any such right or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so.

6.2 Postponement

If, at the original time or times appointed for the sale of the whole or any part of the Pledged Collateral, the highest bid, if there be but one sale, shall be inadequate to discharge in full all the Secured Obligations, or if the Pledged Collateral be offered for sale in lots, if at any of such sales, the highest bid for the lot offered for sale would indicate to Lender, in its discretion, that the proceeds of the sales of the whole of the Pledged Collateral would be unlikely to be sufficient to discharge all the Secured Obligations, Lender may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived; provided, however, that any sale or sales made after such postponement shall be after fifteen (15) days' notice to Pledgor.

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6.3 Private Sale

If, at any time when Lender shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, such Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively qualified for distribution to the public under the *Securities Act* (Ontario), or any similar statute then in effect in any jurisdiction (the "Act"), Lender may, in its discretion (subject only to applicable requirements of law), sell such Pledged Collateral or part thereof by private sale in such manner and under such circumstances as Lender may deem necessary or advisable, but subject to the other requirements of this Section 6, and shall not be required to effect such qualification for distribution to the public or to cause the same to be effected. Without limiting the generality of the foregoing, in any such event, Lender in its discretion (x) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a prospectus for the purpose of distributing to the public such Pledged Collateral or part thereof could be or shall have been filed under the Act and (y) may approach and negotiate with a single possible purchaser to effect such sale. In addition to a private sale, as provided above in this Section 6, if any of the Pledged Collateral shall not be freely distributable to the public without qualification by way of prospectus under the Act at the time of any proposed sale pursuant to this Section 6, then Lender shall not be required to effect such qualification or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions:

- (1) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale;
- (2) as to the content of legends to be placed upon any certificates representing the Pledged Collateral sold in such sale, including restrictions on future transfer thereof;
- (3) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person's access to financial information about Pledgor and such Person's intentions as to the holding of the Pledged Collateral so sold for investment for its own account and not with a view to the distribution thereof; and
- (4) as to such other matters as Lender may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to qualify) may be effected in compliance with the Act and other laws affecting the enforcement of creditors' rights.

6.4 Private Sale Deemed to be Commercially Reasonable

Pledgor recognizes that Lender may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with Section 6.3. Pledgor also acknowledges that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. Lender shall be under no obligation to delay a sale of any of the Pledged Collateral for

the period of time necessary to permit Borrower to qualify such securities for distribution to the public under the Act, or under other applicable securities laws, even if Pledgor and Borrower would agree to do so.

6.5 No Interference

Pledgor agrees to the maximum extent permitted by applicable law that, following the occurrence and during the continuance of an Event of Default, it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and Pledgor waives the benefit of all such laws to the extent it lawfully may do so. Pledgor agrees that it will not interfere with any right, power and remedy of Lender provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by Lender of any one or more of such rights, powers or remedies. No failure or delay on the part of Lender to exercise any such right, power or remedy, and no notice or demand which may be given to or made upon Pledgor by Lender with respect to any such remedies, shall operate as a waiver thereof, or limit or impair Lender's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Pledgor in any respect.

6.6 Consent to Specific Performance

Pledgor further agrees that a breach of any of the covenants contained in this Section 6 will cause irreparable injury to Lender, that Lender shall have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 6, shall be specifically enforceable against Pledgor, and Pledgor hereby waives and agrees not to assert any defences against an action for specific performance of such covenants except for a defence that the Secured Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing such obligations.

6.7 Remedies, etc., Cumulative

Each right, power and remedy of Lender provided for in this Agreement or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by Lender of any one or more of the rights, powers or remedies provided for in this Agreement, each other Financing Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lender of all such other rights, powers or remedies, and no failure or delay on the part of Lender to exercise any such right, power or remedy shall operate as a waiver thereof.

6.8 Application of Proceeds

After payment of expenses of Lender, the balance of any proceeds received by Lender in or in connection with realizing, collecting, selling, transferring, delivering or obtaining payment

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of the Pledged Collateral or any part thereof shall be applied by Lender in accordance with the Loan Agreement. Pledgor shall have no obligation whatsoever with respect to any deficiency in the Secured Obligations remaining after realizing collecting, selling, transferring, delivering or obtaining payment of all of the Pledged Collateral.

SECTION 7 – GENERAL

7.1 Obligations Not Affected

The obligations of Pledgor hereunder shall not be affected or impaired by any act, omission, matter or thing whatsoever, occurring before, upon or after exercise by Lender of its rights hereunder (and whether or not known to Lender) which, but for this provision, might constitute a whole or partial defence to a claim against any action of Pledgor or might operate to release or otherwise exonerate any action of Pledgor from any of its obligations hereunder or otherwise affect such obligations, whether occasioned by default of Lender or otherwise, including, without limitation:

- (1) any limitation of status or power, disability, incapacity or other circumstance relating to Pledgor, Borrower or any other Person, including any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding-up or other proceeding involving or affecting Pledgor, Borrower or any other Person;
- (2) any irregularity, defect, unenforceability or invalidity in respect of any indebtedness or other obligation of Pledgor, Borrower or any other Person under the Financing Agreements or any other document or instrument;
- (3) any failure of Pledgor, Borrower or any other Person, whether or not without fault on its part, to perform or comply with any of the provisions of the Financing Agreements or to give notice thereof to each other;
- (4) the taking or enforcing or exercising or the refusal or neglect to take or enforce or exercise any right or remedy from or against Pledgor, Borrower or any other Person or their respective assets or the release or discharge of any such right or remedies;
- (5) the granting of time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to Pledgor, Borrower or any other Person;
- (6) any amendment, variation, modification, supplement or replacement of any Financing Agreement or any other document or instrument;
- (7) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of Pledgor, Borrower or any other Person;
- (8) any amalgamation or merger of Pledgor or with or into any Person or Persons;

(9) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of any governmental authority amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Obligations, including the obligations of Pledgor under this Agreement or any other Financing Agreement;

(10) the existence of any claim, set-off or other rights which Pledgor may have at any time against Borrower, Lender or any other Person, or which Borrower may have at any time against Lender, whether in connection with the Financing Agreements or otherwise; or

(11) any other circumstance (other than by complete, irrevocable payment of the Secured Obligations and a complete irrevocable written discharge by Lender) that might otherwise constitute a legal or equitable discharge or defence of Pledgor or Borrower under the Financing Agreements.

7.2 Waiver of Notice

Without in any way limiting the provisions of Section 7.1 hereof, Pledgor hereby waives, to the extent such a waiver is not prohibited by applicable Law, notice of any liability hereunder, notice or proof of reliance by Lender upon the obligations of Pledgor hereunder or under any other Financing Agreement, and diligence, demand for payment of Pledgor, protest or non-payment of any of the Secured Obligations, or other notice or formalities to Pledgor of any kind whatsoever.

7.3 Separate Obligations and Remedies

Lender shall not have any obligation to enforce any rights or remedies or to take any other steps against Pledgor or any other Person or any property of Pledgor or any other Person before Lender is entitled to exercise its rights hereunder, and Pledgor hereby waives all benefit of discussion. The obligations of Pledgor hereunder are independent of each other and of any of its other obligations and a separate action or actions may be brought and prosecuted against Pledgor to enforce this Agreement, irrespective of whether any action is brought against Lender or any other Person or whether any other Person is joined in any such action or actions.

7.4 Rights of Lender

Lender, without releasing, discharging, limiting or otherwise affecting in whole or in part Pledgor's obligations and liabilities hereunder and without the consent of or notice to Pledgor, may:

- (1) grant time, renewals, extensions, compromises, concessions, waivers, releases, discharges and other indulgences to Pledgor, Borrower or any other Person;
- (2) amend, vary, modify, supplement or replace any Financing Agreement or any other related document or instrument;

- (3) take or abstain from taking securities or collateral from Pledgor, Borrower or any other Person or from perfecting securities or collateral of Pledgor, Borrower or any other Person;
- (4) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of (with or without consideration) any and all collateral or other security given by Pledgor, Borrower or any other Person with respect to any of the Obligations or matters contemplated by the Financing Agreements;
- (5) accept compromises or arrangements from Borrower;
- (6) apply all money at any time received from Pledgor, Borrower or from securities upon such part of the Obligations as Lender may see fit or change any such application in whole or in part from time to time as Lender may see fit; and
- (7) otherwise deal with, or waive or modify their right to deal with, Pledgor, Borrower and all other Persons and securities as Lender may see fit.

7.5 Lender's Records Conclusive

Pledgor shall be bound by any account settled between Borrower and Lender, and if no such account has been so settled, any account stated by Lender shall be accepted by Pledgor as prima facie evidence of the amount which at the date of the account so stated is due by Pledgor or Borrower to Lender or remains unpaid by Pledgor or Borrower to Lender.

7.6 Waiver

No delay on Lender's part in exercising any power of sale, lien, option or other right hereunder, and no notice or demand which may be given to or made upon Pledgor by Lender with respect to any power of sale, Security Interest, option or other right hereunder, shall constitute a waiver thereof, or limit or impair Lender's right to take any action or to exercise any power of sale, Security Interest, option, or any other right hereunder, without notice or demand, or prejudice Lender's rights as against Pledgor in any respect.

7.7 Assignment

Lender may assign, endorse or transfer any agreement or instrument evidencing all or any part of the Secured Obligations as provided in, and in accordance with, the Loan Agreement, and the assignee of such agreement or the holder of such instrument shall be entitled to the benefits of this Agreement.

7.8 Redelivery of Pledged Collateral

Promptly following the irrevocable payment and performance of all of Borrower's Obligations and the date on which Lender has no obligation to make any further Loans to Borrower, Lender shall deliver to Pledgor the Pledged Collateral pledged by Pledgor at the time

subject to this Agreement and all Share Transfer Powers or other instruments of assignment executed in connection therewith, free and clear of the Security Interest.

7.9 Release

Pledgor consents and agrees that Lender may at any time, or from time to time, in its discretion, exchange, release and/or surrender all or any of the Collateral (including the Pledged Collateral), or any part thereof, by whomsoever deposited, which is now or may hereafter be held by Lender or its nominee, as applicable, in connection with all or any of the Secured Obligations; all in such manner and upon such terms as Lender may reasonably deem proper, and without notice to or further assent from Pledgor, it being hereby agreed that Pledgor shall be and remain bound by this Agreement, irrespective of the value or condition of any of the Collateral, and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Secured Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Loan Agreement, or any other agreement governing any Secured Obligations. Pledgor hereby waives, to the extent such waiver is not prohibited by applicable Law, notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonour of any and all of the Secured Obligations, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon Pledgor. No act or omission of any kind on Lender's part shall in any event affect or impair this Agreement.

7.10 Reinstatement

This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any of Pledgor or Borrower for liquidation or reorganization, should any of Pledgor or Borrower become insolvent or make an assignment for the benefit of creditors or should an interim receiver, receiver, receiver and manager, trustee or similar official be appointed for all or any significant part of any of Pledgor's or Borrower's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by Lender or any Lender, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7.11 Miscellaneous

- (1) Lender may execute any of its duties hereunder by or through agents or employees and shall be entitled to advice of counsel concerning all matters pertaining to its duties hereunder.
- (2) Pledgor agrees to promptly reimburse Lender for actual reasonable out-of-pocket expenses including, without limitation, reasonable legal fees incurred by Lender in connection with the administration and enforcement of this Agreement.

(3) Neither Lender, nor any of its respective officers, directors, employees, agents or lawyers, shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

7.12 Notice

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be delivered in accordance with the Loan Agreement.

7.13 Benefit of Lender

The Security Interest granted hereby shall be for the benefit of Lender and all proceeds or payments realized from the Pledged Collateral in accordance herewith shall be applied to the Secured Obligations in accordance with the terms of the Loan Agreement.

7.14 Assignment and Enurement

No party may assign this Agreement without the prior written consent of the other parties except that Lender may respectively assign its rights and obligations under this Agreement in accordance with the Loan Agreement. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns. Pledgor shall not assert against any assignee or Lender any claim or defense which Pledgor now has or hereafter may have against their respective predecessors in interest.

7.15 Waivers

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

7.16 Submission to Jurisdiction

Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

7.17 Further Assurance

Pledgor shall from time to time at their own expense and at the request of Lender, promptly execute and deliver all further documents and take all further action necessary or

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appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement.

7.18 Counterparts

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same agreement.

7.19 Conflict of Terms

Except as otherwise provided in this Agreement by specific reference to the applicable provisions of the Loan Agreement, if any provision contained in this Agreement is in conflict with any provision of the Loan Agreement, the provision contained in the Loan Agreement shall govern and control. For greater certainty, any provision contained in this Agreement shall not be in conflict with any provision of the Loan Agreement if a provision is contained in this Agreement and not in the Loan Agreement.

7.20 Limited Recourse

The guarantee made by the Pledgor under the Parent Guarantee is made for the sole purpose of enabling Lender to obtain an effective security interest in and pledge of all the Pledged Collateral under this Agreement. Notwithstanding any other provisions hereof or of any other Financing Agreement to the contrary, in the event that Guarantor shall default in its obligations hereunder, the sole and exclusive recourse of the Lender against Pledgor shall be Pledged Collateral, or any amounts received upon the realization of such security pursuant to the terms of this Agreement.

[INTENTIONALLY LEFT BLANK]

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The parties have executed this Agreement.

BPS HOLDING CORPORATION

By:

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

**CONGRESS FINANCIAL CORPORATION
(CANADA)**

By:

Name: John Freeman
Title: Assistant Vice-President

Acknowledged and Agreed to as of the first day written above.

BRAKE PRO, LTD.

By:

Name:
Title:

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The parties have executed this Agreement.

BPS HOLDING CORPORATION

By: _____

Name:

Title:

**CONGRESS FINANCIAL CORPORATION
(CANADA)**

By: John S. Freeman

Name: John Freeman

Title: Assistant Vice-President

Acknowledged and Agreed to as of the first day written above.

BRAKE PRO, LTD.

By: _____

Name:

Title:

236

The parties have executed this Agreement.

BPS HOLDING CORPORATION

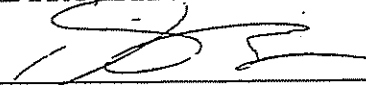
By: _____
Name:
Title:

**CONGRESS FINANCIAL CORPORATION
(CANADA)**

By: _____
Name: John Freeman
Title: Assistant Vice-President

Acknowledged and Agreed to as of the first day written above.

BRAKE PRO, LTD.

By:  _____
Name: DENNIS BOLDEN
Title: DIRECTOR OF FINANCE

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EXECUTION COPY

Schedule 1.1 – Pledged Shares

Borrower	Class of Stock	Stock Certificate Number(s)	Number of Shares	Percentage of Outstanding Shares
Brake Pro, Ltd.	Common Share	No. 1	1	100%

Schedule 2.3 - Share Transfer Power

FOR VALUE RECEIVED, BPS HOLDING CORPORATION, hereby sells, assigns and transfers unto _____ (_____) shares of BPS HOLDING CORPORATION, registered in the name of _____ in the share register of said corporation represented by Certificate No. _____ herewith, and does hereby irrevocably constitute and appoint _____ as attorney to transfer the said shares in the share register of the within named Corporation with full power of substitution in the premises.

Dated: _____

BPS HOLDING CORPORATION

By: _____
Name:
Title:

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EXECUTION COPY

Schedule 4.1(3) – Pledge Amendment

This Pledge Amendment, dated _____, is delivered pursuant to Section 4.1(3) of the Pledge Agreement referred to below. All defined terms herein have the meanings assigned to them or incorporated by reference in the Pledge Agreement. The undersigned hereby certifies that the representations and warranties in Section 3 of the Pledge Agreement are and continue to be true and correct, as to the shares pledged prior to this Pledge Amendment and as to the shares pledged pursuant to this Pledge Amendment. The undersigned further agrees that this Pledge Amendment may be attached to that certain Parent Pledge Agreement, dated as of December 11, 2001, between the undersigned, as Pledgor, and Congress Financial Corporation (Canada) (together with its successors and assigns in such capacity, "Lender"; and such Parent Pledge Agreement, as amended, restated, supplemented, replaced and otherwise modified, the "Pledge Agreement"), and that the Pledged Shares listed on this Pledge Amendment shall be and become a part of the Pledged Collateral referred to in the Pledge Agreement and shall secure all Secured Obligations referred to in the Pledge Agreement. The undersigned acknowledges that any shares not included in the Pledged Collateral at the discretion of Lender may not otherwise be pledged by Pledgor to any other Person or otherwise used as security for any obligations other than the Secured Obligations.

BPS HOLDING CORPORATION

By: _____
Name:
Title:

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EXECUTION COPY

Name and Address of Borrower	Class of Stock	Certificate Number(s)	Number of Shares	Percentage of Outstanding Shares

Acknowledged and Agreed to as of the first day written above.

BRAKE PRO, LTD.

By: _____

Name:

Title: