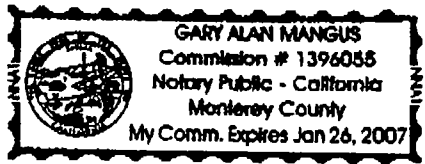


This is Exhibit " E "
Referred to in the Affidavit
of ROBERT HOPKINS
Sworn before me this 23
day of April A.D. 2004

 Gary A. Mangus
Notary Public in and for the
State of CALIFORNIA



EVANS CONSOLES INC.

and

EVANS CONSOLES INCORPORATED

SECURITIES PURCHASE AND
AMENDMENT AGREEMENT

Relating to the Issuance of
Up to \$4,000,000 Senior Secured Tranche A Notes due July 31, 2004
1,465,356 Preferred Shares, Series 2 of Evans Consoles Inc.
and
Amendments to Those Certain Securities Purchase Agreements dated March 3, 1998
and Certain Operative Documents

January 21, 2003

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Schedule I

Schedule of Purchasers

Exhibit 1(a)(i)	Form of New Tranche A Note
Exhibit 1(a)(ii)	Form of certificate for New Preferred Shares
Exhibit 3	Wire Instructions
Exhibit 4.5	Forms of Opinion of Parlee McLaws LLP and Stewart, McKelvey, Sterling & Scales LLP
Exhibit 5.2	Capital Stock
Exhibit 5.4	Changes, etc.
Exhibit 5.6	Title to Properties; Liens; Leases; Locations of Collateral
Exhibit 5.8	Valid and Binding Obligations; Compliance with Other Instruments; Absence of Restrictions, etc.
Exhibit 8.8	Amended and Restated Schedule I to 1998 Securities Purchase Agreements

EVANS Consoles Inc.
1616-27 Avenue N.E.
Calgary, Alberta
CANADA T2E 8W4

EVANS Consoles Incorporated
c/o Corporation Company
1600 Broadway
Denver, CO USA

January 21, 2003

To each of the purchasers named on
Schedule I attached hereto (the "Purchasers")
and to each of the holders (the "Holders") of
the Securities issued pursuant to (and as defined
in) the 1998 Securities Purchase Agreements
(as hereinafter defined)

Ladies and Gentlemen:

EVANS CONSOLES INC., a New Brunswick corporation (the "Company"), and
EVANS CONSOLES INCORPORATED, a Colorado corporation (the "US Subsidiary"), jointly
and severally agree with each of the Purchasers and the Holders (collectively, the "Investors") as
follows:

BACKGROUND:

A. Reference is made to those certain Securities Purchase Agreements dated
March 3, 1998, as amended, modified and supplemented by those certain documents dated
October 23, 2001, October 24, 2001, September 27, 2002 and October 28, 2002 (as the same
may be further amended, modified or supplemented from time to time, the "1998 Securities
Purchase Agreements") among the Companies and each of the institutional investors named
therein. Capitalized terms used herein without definition have the meanings ascribed to them in
the 1998 Securities Purchase Agreements, as amended hereby.

B. The Company and the US Subsidiary (collectively, the "Companies") have
requested that the Purchasers purchase the New Senior Notes (as defined below). In addition, in
consideration for the issuance of the New Preferred Shares (as defined below) to the Holders, the
Companies have requested that the Holders agree to certain amendments to the 1998 Securities
Purchase Agreements (pursuant to section 19 thereof) and the other Operative Documents.

1. Authorization of New Tranche A Notes and New Preferred Shares.

(a) The Companies have authorized the following:

(i) the Companies have authorized the issue and sale of their joint and several Senior Secured Tranche A Notes due July 31, 2004 (herein, together with any notes issued in exchange therefor or replacement thereof, called the "New Senior Notes") in the aggregate principal amount of \$4,000,000. The New Senior Notes are a refunding of, and a supplement to, the Company's existing Notes issued pursuant to the 1998 Securities Purchase Agreements. The New Senior Notes are to be substantially in the form of Exhibit 1(a)(i) attached hereto. The New Senior Notes shall bear interest at the Adjusted LIBOR Rate (as defined below), as in effect from time to time, as further provided in section 8.7; and

(ii) the Company has authorized the issue and sale of 1,465,356 shares of its Preferred Shares, Series 2 (herein, together with any securities issued in exchange therefor or replacement thereof, called the "New Preferred Shares"). Certificates for the New Preferred Shares shall be in substantially the form of Exhibit 1(a)(ii) attached hereto. The New Senior Notes, the New Preferred Shares and, unless the context clearly requires otherwise, the Conversion Shares (as hereinafter defined) are sometimes collectively referred to herein as the "New Securities".

(b) At any time or from time to time, the Companies may, at their option, in accordance with sections 9.6 and 9.8 of the 1998 Securities Purchase Agreements and upon notice as set forth in section 9.7 of the 1998 Securities Purchase Agreements, prepay, without premium, all or any part of the New Senior Notes, provided that the aggregate principal amount of any partial prepayment of New Senior Notes pursuant to this section 1(b) shall be an integral multiple of \$500,000 (or such lesser principal amount thereof as shall then be outstanding). The Companies will (i) withhold and remit income taxes in respect of any payments made on or after the date hereof to holders of the New Senior Notes and (ii) furnish to the holders of the New Senior Notes an original or certified copy of the receipt evidencing such payment to the proper taxing authority, in each case in accordance with section 22 of the 1998 Securities Purchase Agreements. The withholding and remittance of income tax contemplated by the prior sentence is an Included Charge within the meaning of section 22 of the 1998 Securities Purchase Agreements. As a result, the Companies acknowledge and agree that the holders of the New Senior Notes will have the rights (including the rights to receive additional payments and to indemnification) provided in section 22 of the 1998 Securities Purchase Agreements.

(c) The New Senior Notes are to be guaranteed by each direct and indirect Subsidiary of the Company and each Person, if any, which hereafter becomes a direct or indirect Subsidiary of the Company pursuant to one or more Note Guarantees and shall be secured by and entitled to the benefits of each of the other Security Documents (all as amended, modified and supplemented as provided herein). The New Senior Notes shall be prior in right of payment to the other Notes issued pursuant to the 1998 Securities Purchase Agreement as provided in section 17 of this Agreement.

2. Sale and Purchase of New Securities; Possible Additional Sales and Purchases of New Senior Notes.

(a) The Companies will issue and sell to each of the Purchasers and, subject to the terms and conditions hereof and in reliance upon the representations and warranties of the Companies contained herein and in the other Operative Documents, each of the Purchasers will purchase from the Companies, at the Closing, as specified in section 3, such New Senior Notes as are specified on that portion of Schedule I attached hereto as is applicable to such Purchaser. In consideration for the Holders' agreement to the amendments and modifications to the 1998 Securities Purchase Agreements and certain other Operative Documents contained herein, the Company will issue to each of the Holders at the Closing, as specified in section 3, such New Preferred Shares as are specified on that portion of Schedule I attached hereto as is applicable to such Holder. The parties acknowledge and agree that, after the Closing, CMEP may purchase at par from Carl Marks & Co. Inc. ("Carl Marks") all of its New Senior Notes.

(b) At any time, and from time to time, prior to July 31, 2004, the Companies may request in writing that the Purchasers (and no other Persons) purchase additional New Senior Notes, provided that (i) the Companies will make no more than three (3) such requests, (ii) each Purchaser shall be offered the opportunity to buy its pro rata portion of such additional New Senior Notes (determined in accordance with the principal amount of such Purchaser's New Senior Notes divided by the aggregate principal amount of all New Senior Notes), (iii) the aggregate principal amount of any existing New Senior Notes and the additional New Senior Notes proposed to be sold by the Companies shall, when added together, not exceed \$4,000,000 and (iv) each Purchaser, in its sole and absolute discretion, may decline or accept such request, but no Purchaser shall purchase any New Senior Notes unless each other Purchaser shall concurrently purchase its pro rata portion of such New Senior Notes. If the Purchasers accept the Companies' offer to purchase additional New Senior Notes, then the closing of the purchase and sale of such additional New Senior Notes shall be on terms and conditions reasonably satisfactory to the Required Holders of the New Senior Notes.

3. Closing. The closing of the sale and purchase of the New Senior Notes to the Purchasers, and of the issuance of the New Preferred Shares to the Holders, contemplated by section 2(a) (the "Closing") shall take place at the office of Messrs. Choate, Hall & Stewart, Exchange Place, 53 State Street, Boston, Massachusetts 02109, on January 21, 2003 (or on such other date, not later than January 31, 2003, to which the Purchasers may agree) (the "Closing Date") not later than 11:00 A.M. Boston time. At the Closing, the Companies will deliver to each Purchaser the New Senior Notes being purchased by such Purchaser against payment of the purchase price thereof to (or for the benefit of) the Companies in immediately available funds (in U.S. dollars) in accordance with the instructions set forth on Exhibit 3 attached hereto, and shall deliver to each Holder the New Preferred Shares being issued to such Holder. Delivery of the New Securities shall be, in the case of the New Senior Notes, made in the form of one or more Notes dated and bearing interest from the Closing Date and, in the case of all New Securities, in such denominations and registered in such name or names as are specified on Schedule I attached hereto. If at the Closing the Companies shall fail to tender the New Securities to be delivered thereat as provided herein, or if at the Closing any of the conditions specified in section 4 shall not have been fulfilled to the reasonable satisfaction of each of the Investors, each Investor shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any other rights it may have by reason of such failure or such non-fulfillment.

4. Conditions to Closing. Each Purchaser's obligation to purchase and pay for the New Senior Notes to be purchased by it hereunder at the Closing, each Holder's obligation to accept the New Preferred Shares to be received by it hereunder at the Closing, and the effectiveness of the amendments to the 1998 Securities Purchase Agreements and the other Operative Documents pursuant hereto, is subject to the fulfillment to the satisfaction of each of the Investors, prior to or at the Closing, of the following conditions:

4.1 Representations and Warranties Correct. The representations and warranties made by the Companies herein and in the other Operative Documents shall have been correct when made and shall be correct in all material respects at and as of the time of the Closing (after giving effect to the transactions consummated at the Closing).

4.2 Performance; No Default. The Companies shall have performed all agreements and complied with all conditions contained herein and in the other Operative Documents required to be performed or complied with by them prior to or at the Closing in all material respects, and at the time of the Closing no Default or Event of Default (except for the Existing Defaults (as defined in section 9(b))) shall exist.

4.3 Compliance Certificate. At the Closing, the Investors shall have received an Officers' Certificate, dated the Closing Date, certifying that the conditions specified in sections 4.1 and 4.2 have been fulfilled.

4.4 Security Documents; Lien Searches. The Security Documents (and/or amendments and supplements thereto), and all additional agreements, documents and instruments necessary or, in the reasonable opinion of the Investors, appropriate in order to guarantee and secure the New Senior Notes, shall have been duly authorized, executed and delivered by each of the parties thereto and shall be in full force and effect, and all agreements, documents and instruments required to be executed, delivered, filed and/or recorded in connection therewith shall have been so executed, delivered, filed and/or recorded so as to perfect the Liens created thereby (and to secure the New Senior Notes) and such Liens shall be subject to no prior Lien, except for any Permitted Lien (but not any Lien held by the holders of the Seller Subordinated Note). Without limiting the generality of the foregoing, the Companies shall have delivered (a) lien searches reasonably satisfactory in scope and content to the Investors and their counsel and (b) within 60 days after the Closing a Note Guarantee and Security Agreement executed by E.O.F. Evans Overseas Limited, a company registered in Cyprus ("Evans Cyprus").

4.5 Opinions of Counsel for the Companies. At the Closing, you shall have received opinions, each dated as of the Closing Date, from Parlee McLaws LLP, and Stewart, McKelvey, Sterling & Scales LLP, addressing the matters set forth on Exhibit 4.5 attached hereto and such other matters as you may reasonably request.

4.6 Payment of Transaction Costs. The Companies shall have paid in immediately available funds all fees, expenses and disbursements incurred by the Investors at or prior to the time of the Closing in connection with the transactions contemplated by this Agreement, including, without limitation, the reasonable fees, expenses and disbursements of their special counsel.

4.7 Proceedings and Documents. All proceedings in connection with the transactions contemplated hereby and all agreements, documents and instruments incident to such transactions shall be satisfactory in substance and form to the Investors and their special counsel, and the Investors and their special counsel shall have received all such counterpart originals or copies thereof as the Investors or their special counsel may reasonably request.

5. Representations and Warranties. The Companies jointly and severally represent and warrant that (after giving effect to the transactions consummated at the Closing):

5.1 Organization, Standing, etc. of the Company. Each of the Company and its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now conducted, to execute, deliver and perform each of the Operative Documents to which it is (or is to be) a party and to consummate the transactions contemplated by the Operative Documents, and is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased or the nature of the activities conducted makes such qualification or licensing necessary, except for those jurisdictions in which the failure to be so qualified or licensed or to be in good standing has not resulted in, and could not reasonably be expected to result in, a Material Adverse Change. The only Subsidiaries of the Company are the US Subsidiary and Evans Cyprus, and neither of these Subsidiaries has any Subsidiaries.

5.2 Capital Stock.

(a) Exhibit 5.2 attached hereto correctly specifies (both immediately prior to and immediately after giving effect to the consummation of the transactions contemplated hereby), with respect to the Company and each of its Subsidiaries (i) its authorized capital stock, (ii) the number of shares thereof issued and outstanding (including treasury shares) and (iii) the name of each record owner of such outstanding shares and, for each such record owner, the number (and percentage) of shares held by each.

(b) All of the outstanding shares of capital stock of the Company and of each of its Subsidiaries, are, and all Warrant Shares issued upon exercise of the Warrants in accordance with the terms thereof and all Conversion Shares issued upon conversion of the New Preferred Shares in accordance with the terms thereof will be, duly authorized, validly issued, fully paid and non-assessable and have (or will have) been issued in accordance with all applicable laws. Except for the Stockholders Agreement or as otherwise set forth on Exhibit 5.2, none of such shares are subject to (i) any preemptive or similar rights on the part of any other Person or (ii) any Lien, proxy, voting agreement, voting trust, shareholders agreement or similar agreement or restriction.

(c) Except for the Warrants, the New Preferred Shares, the Stockholders Agreement or as otherwise set forth on Exhibit 5.2, (i) there are no outstanding rights, options, warrants or agreements for the purchase from, or sale or issuance by, the Company or any of its Subsidiaries of any of its capital stock or securities convertible into or exercisable or exchangeable for such stock; (ii) there are no agreements on the part of the Company or any of its Subsidiaries to issue, sell or distribute any of its shares,

securities or assets; (iii) neither the Company nor any of its Subsidiaries has any obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its shares, securities or any interest therein or to pay any dividend or make any distribution in respect thereof; and (iv) no Person is entitled to any rights with respect to the registration or qualification of any shares or securities of the Company or any of its Subsidiaries under applicable securities laws.

(d) The aggregate number of shares of Common Stock issuable upon conversion in full of the New Preferred Shares immediately after the Closing is 1,465,356, which, if then issued, would constitute not less than 25% of the Company's Common Stock (calculated on a Fully-Diluted Basis). The Company has reserved 1,465,356 shares of non-voting Common Stock solely for issuance upon conversion of the New Preferred Shares, and has reserved for issuance 1,465,356 shares of voting Common Stock for issuance upon conversion of such non-voting Common Stock. The non-voting Common Stock of the Company is and always will be freely convertible into validly issued, fully paid and non-assessable shares of voting Common Stock of the Company. Except for voting rights, the rights of the holders of the voting Common Stock, as such, and the rights of the holders of the non-voting Common Stock, as such, are and always will be the same.

(e) Except as set forth on Exhibit 5.2 attached hereto, neither the Organizational Documents nor any other agreement, document or instrument binding on or applicable to the Company or any of its shareholders contains any provision requiring a higher voting requirement with respect to action taken (and/or to be taken) by its board of directors or the holders of the capital stock of the Company than that which would apply in the absence of such provision.

(f) Since March 3, 1998, (i) no event or condition has occurred or existed that, under the terms of the Warrants, requires any change in the Exercise Price (as defined therein) or in the number or kind of securities purchasable thereunder and (ii) no amendment or modification has been made to the Organizational Documents of the Company or any of its Subsidiaries, except for any changes to the Company's Organizational Documents pursuant to the transactions contemplated by the 1998 Securities Purchase Agreements, except for the change to the Company's by-laws pursuant to by-law no. 1 adopted on July 31, 1998, and except for the amendments to the Company's charter dated August 29, 2002 to create its Preferred Shares, Series 1.

5.3 Financial Statements. You have been furnished with the financial statements required to be delivered to you pursuant to the 1998 Securities Purchase Agreements, which financial statements are complete and correct in all material respects (subject, in the case of any unaudited financial statements, to normal year-end and audit adjustments), have been prepared in accordance with Canadian GAAP (except as may be indicated in the notes thereto) applied on a consistent basis throughout the periods covered thereby and present fairly in all material respects the financial position and the results of operations and cash flows of the Person(s) purported to be covered thereby as at the respective dates and for the respective periods indicated in conformity with Canadian GAAP (subject, in the case of any unaudited financial statements, to normal year-end and audit adjustments and the absence of footnotes).

5.4 Changes. Since the date of the most recent final financial statements referred to in section 5.3, except as set forth on Exhibit 5.4 attached hereto, (a) there has been no change in the assets, liabilities or financial condition of the Company or any of its Subsidiaries, other than changes which have not been, either in any case or in the aggregate, materially adverse; (b) no condition or event has occurred which has resulted in, or could reasonably be expected to result in, a Material Adverse Change; and (c) no Restricted Payment or Restricted Investment has been, directly or indirectly, declared, ordered, paid or made.

5.5 Tax Returns and Payments. Each of the Company and its Subsidiaries has filed all tax returns required by law to be filed and has paid all taxes and assessments shown to be due and payable on such returns and all other governmental charges levied upon any of its properties, assets, income, franchises or sales other than those not yet delinquent. The charges, accruals and reserves in the financial statements of the Company and its Subsidiaries in respect of taxes for all fiscal periods are adequate, and there are no known unpaid assessments for additional taxes for the Company or any of its Subsidiaries for any fiscal period or any basis therefor.

5.6 Title to Properties; Liens; Leases; Locations of Collateral. Each of the Company and its Subsidiaries has good and marketable title to all of their respective properties and assets, free and clear of all Liens (other than Permitted Liens and the Liens set forth on Exhibit 5.6 attached hereto). Neither the Company nor any of its Subsidiaries owns or leases any real property, or any interest in real property, except for the leases specified in Exhibit 5.6 attached hereto. The Company and its Subsidiaries enjoy peaceful and undisturbed possession under all such leases, and all of such leases are valid, subsisting and in full force and effect. There are currently no subtenants or licensees of such leased properties. Exhibit 5.6 attached hereto fully and correctly sets forth (a) the address of each location at which any properties and assets of the Company and/or any of its Subsidiaries are to be located and (b) the legal description of all real property owned or leased by the Company and/or any of its Subsidiaries. No more than an aggregate of \$300,000 of either the Company's and/or its Subsidiaries' respective properties or assets (measured at fair market value) are affixed to the above-referenced properties as fixtures. The Company and/or its Subsidiaries shall promptly notify the Purchasers in writing in the event that the fair market value of the fixtures associated with the properties exceeds \$500,000.

5.7 Litigation, etc. There is no action, proceeding or investigation pending or threatened, or any basis therefor known to the Company or any of its Subsidiaries, which questions the validity of any of the Operative Documents or any action taken or to be taken pursuant thereto or which has resulted in, or could reasonably be expected to result in, a Material Adverse Change. There is no outstanding judgment, decree or order which has resulted in, or could reasonably be expected to result in, a Material Adverse Change.

5.8 Valid and Binding Obligations; Compliance with Other Instruments; Absence of Restrictions, etc.

(a) This Agreement has been duly authorized by the Company and the US Subsidiary and constitutes the valid and legally binding obligation of the Company and the US Subsidiary, enforceable against the Company and the US Subsidiary in

accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency and other similar laws relating to the rights of creditors generally. Each of the Operative Documents to which the Company and/or any of its Subsidiaries is (or is to be) a party has been duly authorized by the Company and its Subsidiaries and, when executed and delivered, will constitute the valid and legally binding obligation of the Company and its Subsidiaries, enforceable against each in accordance with its terms.

(b) Except as expressly set forth on Exhibit 5.8, neither the Company nor any of its Subsidiaries is in violation of or in default under any term of its Organizational Documents, or of any agreement, document, instrument, judgment, decree, order, law, statute, rule or regulation applicable to it or any of its properties and assets, in any way which has resulted in, or could reasonably be expected to result in, a Material Adverse Change.

(c) The provisions of the Security Documents are effective to create in favor of and for the benefit of the Trustee (on behalf of the holders of the Notes) legal, valid and enforceable Liens in and on all of the right, title and interest of the Company and its Subsidiaries in and on all of its respective properties and assets. By virtue of (i) the recording and filing of the financing statements, registrations and other instruments specified on Exhibit 5.8 to this Agreement in the applicable offices listed on such exhibit, all of which recordings and filings have been made and are in full force and effect, and (ii) the delivery to the Trustee of certificates evidencing all of the outstanding shares of each Subsidiary of the Company, there have been created in favor of the Trustee fully perfected first and prior Liens in and on all right, title and interest of the Company and its Subsidiaries in and on all of their respective properties and assets, subject only to Permitted Liens and the Liens set forth on Exhibit 5.3 (but not any Lien held by the holders of the Seller Subordinated Note). In order to ensure the legality, validity, binding effect, enforceability and priority of the Operative Documents, it is not necessary or required under any applicable law that any Operative Document or any other agreement, document or instrument in respect thereof, be executed, published or recorded in any public office or at any other place, except for the recording, registration and filing of the Security Documents as further specified on Exhibit 5.8 to this Agreement. No other filing or action is required in order to perfect such Liens.

(d) The execution, delivery and performance of and the consummation of the transactions contemplated by the Operative Documents will not violate or constitute a default under, or permit any Person to accelerate or to require the prepayment of any Indebtedness of the Company or any of its Subsidiaries or to terminate any material lease or agreement of the Company or any of its Subsidiaries pursuant to, or result in the creation of any Lien (other than the Liens created by the Security Documents) upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, any term of the Organizational Documents of the Company or any of its Subsidiaries or of any agreement, document, instrument, judgment, decree, order, law, statute, rule or regulation applicable to any of them or to any of their respective properties and assets.

(e) Neither the Company nor any of its Subsidiaries is a party to or bound by or subject to any Organizational Document, or any agreement, document, instrument,

judgment, decree, order, law, statute, rule or regulation (other than laws, statutes, rules and regulations generally applicable to businesses) (i) which restricts its right or ability to incur Indebtedness (including by way of guarantee), to issue securities or to consummate the transactions contemplated hereby; (ii) under the terms of or pursuant to which its obligation to pay all amounts due from it and/or to perform all obligations imposed on it and/or to comply with the terms applicable to it under any of the Operative Documents is in any way restricted or (iii) which restricts its right or ability to pay dividends and/or to make any other distributions in respect of its capital stock, to mortgage or dispose of or to grant Liens with respect to its properties, to consummate any amalgamation, merger, consolidation or acquisition, to make Investments or Capital Expenditures, to enter into and perform leases, to pay executive compensation and/or to conduct its business as now conducted and now proposed to be conducted.

5.9 Consents, etc. No consent, approval or authorization of, or declaration or filing with, or other action by, any Person (including, without limitation, any governmental authority or any other party to any license agreement, loan agreement, lease or other agreement to which the Company or any of its Subsidiaries is a party) is required on the part of the Company or any of its Subsidiaries as a condition precedent to the valid execution, delivery and performance of and the consummation of the transactions contemplated by the Operative Documents.

5.10 Offer of Securities; Investment Bankers. Neither the Company, any of its Subsidiaries nor any Person acting on their behalf (a) has taken or will take any action which would require the issuance and sale of the Securities to be registered or qualified under applicable securities laws, or which would require the Company to prepare and file a prospectus in accordance with the *Securities Act* (Alberta) or any other applicable securities laws in order to effect such distribution, (b) has dealt with any broker, finder, commission agent or other similar Person in connection with the sale of the Securities and the other transactions contemplated by the Operative Documents or (c) is under any obligation to pay any broker's fee, finder's fee or commission in connection with such transactions.

5.11 Disclosure. Neither this Agreement, the 1998 Securities Purchase Agreements, the Securities, the Stockholders Agreement, the Security Documents nor the other Operative Documents contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading in the light of the circumstances under which such statements were made. There is no fact known to the Company or any of its Subsidiaries which has resulted in, or could reasonably be expected to result in, a Material Adverse Change which has not been set forth in this Agreement, the other Operative Documents and the other documents, certificates and written statements referred to above in this section 5.11.

6. Use of Proceeds, etc. The proceeds of the sale of the New Senior Notes will be used for working capital purposes of the Companies and their respective Subsidiaries in accordance with the terms of the Operative Documents.

7. Covenants of the Companies. So long as any of the New Senior Notes shall remain outstanding, the Companies will duly perform and observe, and will cause each of their

respective Subsidiaries to duly perform and observe, for the benefit of the holders of the New Senior Notes (as well as for the benefit of the holders of any of the other Securities, if applicable) each and all of the covenants and agreements set forth in the 1998 Securities Purchase Agreements, the Security Documents and the other Operative Documents (as amended, modified and supplemented hereby and as the same may be further amended, modified and supplemented from time to time), all of which covenants and agreements are hereby incorporated herein by reference. In addition, if any Event of Default (as defined in the 1998 Securities Purchase Agreements, the Security Documents or any of the other Operative Documents) shall occur and be continuing, the New Senior Notes may be declared and become due and payable in the manner and with the effect provided in the 1998 Securities Purchase Agreements, the Security Documents and in each of the other Operative Documents, each as amended, modified and supplemented hereby and as the same may be further amended, modified and supplemented from time to time; provided that, notwithstanding any provision herein or in the 1998 Securities Purchase Agreements, the Security Documents or any other Operative Document to the contrary, (i) neither Carl Marks, CMEP nor any of their respective Affiliates may exercise any rights or remedies under such agreements, documents or instruments (whether before, on or after an Event of Default) without the prior written consent of the Required Holders of each class of Notes and (ii) except as expressly provided in section 19 of the Securities Purchase Agreements, all amendments, modifications and supplements (including consents and waivers) to or under any Operative Document, so long as the same are applied to all of the holders of each applicable class of Securities, may be effected by the Required Holders of such class of Securities (excluding Carl Marks, CMEP and their respective Affiliates) and without any consent or approval of Carl Marks, CMEP or any of their respective Affiliates. For greater certainty, no amendment, modification or waiver shall change the amount of the principal of or any rate of interest on any of the New Senior Notes, or change the payment terms of any of the New Senior Notes, without the written approval of all of the holders of the New Senior Notes (including Carl Marks, CMEP and any of their respective Affiliates). In addition, no amendment, modification or supplement to any Operative Document which is materially adverse to Carl Marks, CMEP or any of their respective Affiliates (in each case in their capacity as holders of New Senior Notes) shall be made without the consent of Carl Marks, CMEP or their respective Affiliates, as the case may be. For purposes of this Agreement, the 1998 Securities Purchase Agreements, the Security Documents and any other Operative Document, the parties acknowledge and agree that Carl Marks, CMEP and any Person directly or indirectly controlled by Carl Marks or CMEP are each deemed to be an Affiliate of the Company and its Subsidiaries.

8. Amendments to 1998 Securities Purchase Agreements and Other Operative Documents.

8.1 Amendment to Section 1(c). The first sentence of section 1(c) of the 1998 Securities Purchase Agreement is hereby amended to read in its entirety as follows:

“Interest on the Notes is payable quarterly on the first day of each March, June, September and December (each, an “Interest Payment Date”), commencing June 1, 1998, and at maturity; provided that, and notwithstanding anything to the contrary in the Tranche A Notes or the Tranche B Notes, (i) the interest on the Tranche A Notes payable on March 1, 2003 and June 1, 2003, and (ii) the interest payable on the Tranche B Notes on March 1, 2003, June 1, 2003, September 1, 2003 and December 1, 2003, shall remain payable but shall not be due as of such

dates and shall accrue interest from such dates at the same rate that the principal amount of such Notes accrues interest, and such unpaid interest together with accrued interest thereon shall be payable on the maturity date of such Notes.”

8.2 Amendment to Section 9.1. Section 9.1 of the 1998 Securities Purchase Agreements is hereby amended to read in its entirety as follows:

“9.1 Required Quarterly Prepayment Without Premium of Tranche A Notes. In addition to paying the entire outstanding principal amount and the interest due on the Tranche A Notes on the maturity date thereof, on the first day of each March, June, September and December, until the Tranche A Notes have been paid in full, the Company will prepay without premium the principal amount of the Tranche A Notes specified in the following table (or such lesser principal amount thereof as shall then be outstanding):

<u>Prepayment Date:</u>	<u>Principal Amount to be Prepaid:</u>	<u>Prepayment Date</u>	<u>Principal Amount to be Prepaid:</u>
March 1, 2005	\$250,000.00	December 1, 2005	\$250,000.00
June 1, 2005	\$250,000.00	March 1, 2006	All outstanding principal
September 1, 2005	\$250,000.00		

No partial prepayment of the Tranche A Notes shall alter the obligation of the Company to make the required prepayments provided for in this section 9.1, except (x) as provided in section 9.3 and (y) in the case of any partial prepayment of the Tranche A Notes pursuant to section 9.6, the amount of each required prepayment thereafter becoming due pursuant to this section 9.1 shall be reduced in the same proportion as the aggregate unpaid principal amount of the Tranche A Notes is reduced as a result of such prepayment pursuant to section 9.6.”

8.3 Amendment to Section 9.2. Section 9.2 of the 1998 Securities Purchase Agreements is hereby amended to read in its entirety as follows:

“9.2 [Intentionally Omitted.]”

8.4 Amendment to Section 9.6. Section 9.6 of the 1998 Securities Purchase Agreement is hereby amended in its entirety as follows:

“9.6 Allocation of Partial Prepayments of Notes. In the case of each partial prepayment of the Tranche A Notes or the Tranche B Notes under this section 9, or the New Senior Notes pursuant to the Securities Purchase and Amendment Agreement, the principal amount of the class of Notes to be prepaid shall be allocated among all of the Notes of such class at the time outstanding (excluding, in the case of any Tranche A Notes or Tranche B Notes, any such Notes at the time owned by the Company or any Affiliate of the Company) in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof, with adjustments, to the extent practicable, to compensate for any prior

prepayments not made exactly in such proportion. For greater certainty, the Tranche A Notes shall constitute one class of Notes.”

8.5 Amendments to Section 12.1.

(a) The definition of the term “Expiration Date” is hereby amended to read in its entirety as follows:

““Expiration Date” shall mean the earliest of (a) March 1, 2006, (b) the date upon which the Tranche A Notes are paid in full or (c) the date of permanent termination of the Total Revolving Commitment pursuant to section 12.4 or section 12.7.”

(b) The definition of the term “Total Revolving Commitment” is hereby amended to read in its entirety as follows:

““Total Revolving Commitment” shall mean on any date \$4,900,000.”

8.6 Amendment to Section 14.6. Section 14.6 of the 1998 Securities Purchase Agreements is hereby amended in its entirety to read as follows:

“14.6 Limitation on Restricted Payments. The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or commit to make any Restricted Payment.”

8.7 Amendment to Section 14.19. Section 14.19 of the 1998 Securities Purchase Agreements is hereby amended by inserting the following at the end of such section:

“The Company will not, directly or indirectly, invest in or otherwise transfer assets to, whether by stock purchase, loan, advance, acquisition of Indebtedness, Guarantee or otherwise, E.O.F. Evans Overseas Limited in an aggregate amount in excess of \$50,000.”

8.8 Amendments to Section 15.1.

(a) Section 15.1 of the 1998 Securities Purchase Agreements is hereby amended to insert the following new definitions in appropriate alphabetical order:

““Conversion Shares” shall mean the shares of non-voting Common Stock or other securities issuable upon conversion of the New Preferred Shares, and the shares of voting Common Stock or other securities issuable upon conversion of the non-voting Common Stock.”

““New Preferred Shares” shall have the meaning specified in the Securities Purchase and Amendment Agreement.”

““New Securities” shall have the meaning specified in the Securities Purchase and Amendment Agreement.”

““New Senior Notes” shall have the meaning specified in the Securities Purchase and Amendment Agreement.”

““Securities Purchase and Amendment Agreement” shall mean that certain Securities Purchase and Amendment Agreement dated January 21, 2003 pursuant to which the New Securities were issued and certain amendments were made to the Operative Documents, as the same may be amended, modified or supplemented from time to time.”

(b) The definition of “Adjusted LIBOR Rate” in section 15.1 of the 1998 Securities Purchase Agreement is hereby amended in its entirety as follows:

““Adjusted LIBOR Rate” shall mean, for any Interest Period, the sum of (a) the per annum rate of interest reported by The Wall Street Journal as the three-month London Interbank Offered Rate (LIBOR) for the Business Day preceding the first day of such Interest Period plus (b)(i) in the case of the Revolving Credit Notes, for any Interest Period ended on or before December 1, 2002, 250 basis points, and thereafter 450 basis points, (ii) in the case of the Floating Rate A Notes, for any Interest Period ended on or before December 1, 2002, 275 basis points, and thereafter 450 basis points, or (iii) in the case of the New Senior Notes, 800 basis points. The Adjusted LIBOR Rate shall be reset effective as of the first day of each Interest Period. If such rate of interest is no longer reported by The Wall Street Journal, then any other publicly available source of similar market data, as selected by the Required Holders of the Floating Rate A Notes and the Revolving Credit Notes, shall be utilized.”

8.9 Amendment to Schedule I. Schedule I of the 1998 Securities Purchase Agreements is hereby amended to be in the form of Schedule I attached hereto.

8.10 Amendments to Tranche A Notes and Revolving Credit Notes.

(a) Each Tranche A Note (and Exhibits 1(a)(i)(A) and 1(a)(ii)(B) to the 1998 Securities Purchase Agreements) is hereby amended by deleting the “March 1, 2005” maturity date located on the first and second pages thereof, and inserting “March 1, 2006” in each case lieu thereof.

(b) Each Revolving Credit Note (and Exhibit 1(b) to the 1998 Securities Purchase Agreements) is hereby amended by deleting the “March 1, 2005” maturity date located on the first and second pages thereof, and inserting “March 1, 2006” in each case in lieu thereof.

(c) For the avoidance of doubt, the parties acknowledge and agree that the amendments to the Notes contemplated by this section 8.10 (and any other provision of this Agreement) shall not constitute a novation of all or any portion of the Notes, a substitution of all or any portion of the Notes for new debt, or a discharge, rescission or extinguishment of all or any portion of the Notes.

8.11 Amendment to Security Agreements. Each Security Agreement (and Exhibit 1(d)(i) to the 1998 Securities Purchase Agreements) is hereby amended by inserting the following after the second "WHEREAS" clause on the first page thereof:

"WHEREAS, pursuant to the Securities Purchase and Amendment Agreement (as defined in the Securities Purchase Agreement), the Institutional Investors and others have purchased up to \$4,000,000 Senior Secured Tranche A Notes due July 31, 2004;"

8.12 Amendment to Exhibit 1(d)(iii) of the 1998 Securities Purchase Agreements. Clauses (a) and (b) on the first page of Exhibit 1(d)(iii) of the 1998 Securities Purchase Agreement (i.e. the form of Note Guarantee) is hereby amended in its entirety by the following:

"(a) Payment of the principal of and premium, if any, and interest on, and fees and other amounts payable with respect to the Notes; and

(b) Payment and performance of any and all other indebtedness and obligations of the Company and the US Subsidiary under the Securities Purchase Agreements and/or any of the other Operative Documents related in any way to the Notes (or any of them), including, without limitation, the payment of all amounts required to be paid under sections 21 and 22 of the Securities Purchase Agreements, section 11 of the Securities Purchase and Amendment Agreement or under any other provision of any Operative Document relating to indemnification, reimbursement of expenses and the like."

8.13 Amendment to Stockholders Agreement. Notwithstanding any provision in the Stockholders Agreement to the contrary, (i) the term "Registrable Shares" as used in such agreement shall be deemed to include the Conversion Shares and, for purposes of section 3 of such agreement, a Person shall be deemed to be a "holder" of Registrable Shares if such Person holds Warrants, Warrant Shares, New Preferred Shares or Conversion Shares, (ii) section 5(g) thereof is hereby amended by inserting "and less than 25% of the New Preferred Shares and Conversion Shares (as appropriately adjusted for stock splits, combinations, dividends and the like) that the MassMutual Investors, in the aggregate, held as of the closing of the transactions contemplated by the Securities Purchase and Amendment Agreement" immediately prior to the "." at the end of such section, and (iii) section 8 thereof is hereby amended by inserting "or New Preferred Shares or Conversion Shares" after "Warrants or Warrant Shares" and by inserting the following proviso at the end of such section: "; provided that the rights and obligations of the parties under section 3.5 shall survive any such termination" immediately.

8.14 General. Unless the context clearly requires otherwise, all references in the Operative Documents, including, without limitation, the Security Agreements and Note Guarantees, (a) to "Notes" and "Securities" shall include the New Senior Notes, (b) to "Securities" shall include the New Preferred Shares and the Conversion Shares, (c) to a "class of Notes" shall include the New Senior Notes as a separate "class" of Notes, (d) to a "class of Securities" shall include the New Senior Notes, the New Preferred Shares and Conversion Shares as separate "classes" of Securities, (e) to the "Securities Purchase Agreements" and the "other

