

**DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.**  
100 - 1235 North Service Road W.  
Oakville, Ontario L6M 2W2  
Toll-Free Telephone: 1-877-523-5515  
Local Telephone 905-465-3512  
Toll-Free Fax: 1-866-318-3447  
Local Fax: 905-465-3581

### Facsimile Transmission

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|              |   |  |
|--------------|---|--|
| <b>TO:</b>   | <b>Receiver In Charge<br/>BDO Dunwoody</b>          | <b>FAX: 905-615-1333</b>                                     |
| <b>FROM:</b> | <b>Laura Pollock</b>                                | <b>FAX: (866)-318-3447<br/>TEL: (877)-523-5516 Ext. 2513</b> |
| <b>DATE:</b> | <b>October 27, 2006</b>                             | <b>No. of Pages (incl. cover):</b>                           |
| <b>RE:</b>   | <b>SHIELDS SPRINKLER &amp; FIRE<br/>SYSTEMS LTD</b> | <b>Contract No. 001-0054271-000<br/>001-0068059-000</b>      |

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#### FAX NOTES:

Please see attached. Please provide release of interest in and the location of our equipment asap.

Should you have any questions or concerns, please do not hesitate to contact me.

Thank you,

Laura Pollock  
Senior Collection Representative  
lpollock@leasedirect.com

\*\*\*\*\*  
The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or pursuing of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you are the recipient of this in error, please contact the sender and destroy the material.  
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**PROOF OF CLAIM**  
*(Subsections 50(13), 50.1(1) and 65.2(4), paragraphs 51(1)(e) and 66.14(b) and subsections 81.2(1), 124(2) and 128(1))*  
**BANKRUPTCY AND INSOLVENCY ACT**

**IN THE MATTER OF THE BANKRUPTCY (OR PROPOSAL OF) SHIELDS SPRINKLER & FIRE SYSTEMS LTD(debtor) of BRAMPTON, ON (city) and the claim of De Lage Landen Financial Services Canada Inc., creditor.**

All correspondence regarding this claim to be sent to the following address: **1235 North Service Road West, Suite 100 Oakville, ON L6M 2W2**

I, **LAURA POLLOCK**, (individual Completing claim), of **BURLINGTON, ON** city and province), do hereby certify:

1. That I am a creditor of the above named debtor or that I am **SENIOR COLLECTION REPRESENTATIVE** (state position or title) of **De Lage Landen Financial Services Canada Inc.** (name of creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to in this form.
3. That the said debtor was at the date of the bankruptcy (or receivership, or in the case of a proposal, the date of notice of the intention, or the proposal if no notice of intention was filed), namely the **16TH** day of **OCTOBER, 2006**, and still is indebted to the creditor in the amount of **\$28,904.85**, as specified in the statement of account (or affidavit or solemn declaration) attached hereto and marked "Schedule A", after deducting any counterclaims to which the debtor is entitled.
4. Check and complete appropriate category Do not leave this section blank.

**A. UNSECURED CLAIM OF \$**  
That in respect of the said debt, I do not hold any assets of the debtor as a security and  
 Regarding the amount of \$ , I do not claim a right to a priority.  
 Regarding the amount of \$ , I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act*. (Provide details to support priority claim)

**A.1 CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE OF \$**  
That I hereby make a claim under Subsection 65.2(4) of the Act. (Give full particulars of the claim, including calculations upon which the claim is based).

**B. SECURED CLAIM OF \$28,904.85.**  
That in respect of the said debt, I hold assets of the debtor valued at **\$28,904.85** as a security, particulars of which are attached. (Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents).

**C. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$**  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$  
(Attached copy of the sale agreement and delivery documents.)

**D. CLAIM AGAINST DIRECTOR OF \$**  
(To be filed when a proposal provides for the compromise of the claims against directors).  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are attached. (Give full particulars of the claim, including the calculations upon which the claim is based).

5. That to the best of my knowledge and belief, I am (or the above-named creditor is ) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.
6. That attached is a detailed list of the payments that I have received from and the credits that I have allowed to the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within 12 months) immediately preceding the date of the initial bankruptcy event within the meaning of section 2 of the Act. (Provide details of payments and credits).

*(Applicable only in the case of the bankruptcy of an individual)*

- I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act.
- I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.
- I request that a copy of the report filed by the Trustee regarding the bankrupt's application for the discharge pursuant to subsection 170(1) of the Act be sent to the above address.

7. DATED AT **OAKVILLE, ONTARIO**, this **27TH** day of **OCTOBER, 2006**

Witness 

  
Signature of individual completing this certificate

**WARNINGS:** A trustee, may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in the proof of security, by the secured debtor. Subsection 201(1) of the Act provides for making any false claim, proof, declaration or statement of account.

If an Affidavit or solemn declaration is attached, it must have been made before a person qualified to take Affidavits or solemn declarations.

**STATEMENT OF ACCOUNT (Schedule "A")  
AS AT OCTOBER 25, 2006  
SHIELDS SPRINKLER & FIRE SYSTEMS LTD  
CONTRACT # 001-0054271-000**

|   |   |        |        |      |                     |                           |
|---|---|--------|--------|------|---------------------|---------------------------|
|   | 66 Rentals @                                | \$     | 369.95 | each | \$24,416.70         |                           |
| <b>Less:</b>  | 19 Rentals @                                | \$     | 369.95 | each | <u>(\$7,029.05)</u> |                           |
|   | 0 Rentals @                                 | \$     | -      | each | \$ -                |                           |
| <b>Less:</b>  | 0 Rentals @                                 | \$     | -      | each | <u>\$ -</u>         |                           |
|   | <b>SUBTOTAL (Remaining Lease Payments):</b> |        |        |      |                     | <b>\$17,387.65</b>        |
| <b>PLUS RENEWAL PAYMENTS (if into renewal only)</b> |   |        |        |      |                     |                           |
|   | 0 Renewals @                                | \$     | -      | each | \$ -                |                           |
|   | 0 Renewals @                                | \$     | -      | each | <u>\$ -</u>         |                           |
|   |   |        |        |      |                     | <b>\$ -</b>               |
|   | <b>Sale proceeds</b>                        |        |        |      | \$0.00              |                           |
| <b>Less:</b>  | Commission & Taxes                          |        |        |      | \$0.00              |                           |
|   | Repair cost                                 |        |        |      | \$0.00              |                           |
|   | Bailiff Fees & Taxes                        |        |        |      | <u>\$0.00</u>       |                           |
|   |   |        |        |      |                     | <b>\$0.00</b>             |
| <b>Plus:</b>  | <b>GST/HST</b>                              | 6.000% |        |      | \$1,043.26          |                           |
|   | <b>PST</b>                                  | 8.000% |        |      | \$1,391.01          |                           |
|   | <b>QST</b>                                  | 0.000% |        |      | <u>\$0.00</u>       |                           |
|   |   |        |        |      |                     | <b>\$2,434.27</b>         |
| <b>Plus:</b>  | Late Charges                                |        |        |      | \$42.23             |                           |
|   | Maintenance Fees                            |        |        |      | \$0.00              |                           |
|   | Administration Fee                          |        |        |      | \$73.45             |                           |
|   | Insurance Fees                              |        |        |      | \$0.00              |                           |
|   | Collection Fees                             |        |        |      | \$31.80             |                           |
|   | Bailiff fee & taxes                         |        |        |      | \$0.00              |                           |
|   | Returned Cheque Fees                        |        |        |      | <u>\$0.00</u>       |                           |
|   |   |        |        |      |                     | <b>\$147.48</b>           |
| <b>TOTAL</b>  |   |        |        |      |                     | <b><u>\$19,969.40</u></b> |

**STATEMENT OF ACCOUNT (Schedule "A")  
AS AT OCTOBER 25, 2006  
SHIELDS SPRINKLER & FIRE SYSTEMS LTD  
CONTRACT # 001-0068059-000**

|   |                      |        |        |      |                     |                          |
|---|----------------------|--------|--------|------|---------------------|--------------------------|
|   | 48 Rentals @         | \$     | 184.00 | each | \$8,832.00          |                          |
| <b>Less:</b>  | 6 Rentals @          | \$     | 184.00 | each | <u>(\$1,104.00)</u> |                          |
|   | 0 Rentals @          | \$     | -      | each | \$ -                |                          |
| <b>Less:</b>  | 0 Rentals @          | \$     | -      | each | <u>\$ -</u>         |                          |
| <b>SUBTOTAL (Remaining Lease Payments):</b>         |                      |        |        |      |                     | <b>\$7,728.00</b>        |
| <b>PLUS RENEWAL PAYMENTS (if into renewal only)</b> |                      |        |        |      |                     |                          |
|   | 0 Renewals @         | \$     | -      | each | \$ -                |                          |
|   | 0 Renewals @         | \$     | -      | each | <u>\$ -</u>         |                          |
|   |                      |        |        |      |                     | <b>\$ -</b>              |
| <b>Sale proceeds</b>                                |                      |        |        |      |                     |                          |
|   |                      |        |        |      | \$0.00              |                          |
| <b>Less:</b>  | Commission & Taxes   |        |        |      | \$0.00              |                          |
|   | Repair cost          |        |        |      | \$0.00              |                          |
|   | Bailiff Fees & Taxes |        |        |      | <u>\$0.00</u>       |                          |
|   |                      |        |        |      |                     | <b>\$0.00</b>            |
| <b>Plus:</b>  | <b>GST/HST</b>       | 6.000% |        |      | \$463.68            |                          |
|   | <b>PST</b>           | 8.000% |        |      | \$618.24            |                          |
|   | <b>QST</b>           | 0.000% |        |      | <u>\$0.00</u>       |                          |
|   |                      |        |        |      |                     | <b>\$1,081.92</b>        |
| <b>Plus:</b>  | Late Charges         |        |        |      | \$20.25             |                          |
|   | Maintenance Fees     |        |        |      | \$0.00              |                          |
|   | Administration Fee   |        |        |      | \$73.45             |                          |
|   | Insurance Fees       |        |        |      | \$0.00              |                          |
|   | Collection Fees      |        |        |      | \$31.80             |                          |
|   | Bailiff fee & taxes  |        |        |      | \$0.00              |                          |
|   | Returned Cheque Fees |        |        |      | <u>\$0.00</u>       |                          |
|   |                      |        |        |      |                     | <b>\$125.50</b>          |
| <b>TOTAL</b>  |                      |        |        |      |                     | <b><u>\$8,935.42</u></b> |

02/09/2006 12:24 FAX 8067913885

SHIELDSPRINKLEROAD

29057959335

P.002/002

002/003

# Direct Office Solutions

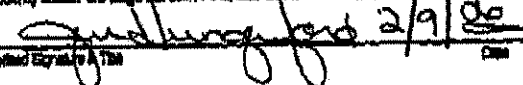
## LEASE CONTRACT

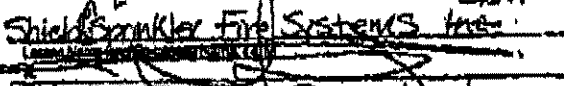
|  |                              |                                 |                                   |  |   |
|--|------------------------------|---------------------------------|-----------------------------------|--|---|
| LEASER NAME<br><b>Shields Sprinkler &amp; Fire Systems Inc</b> |                              | CUSTOMER NUMBER<br><b>OR</b>    |                                   | LEASE NUMBER<br><b>1-68059</b>                         |   |
| ADDRESS<br><b>12 Xerox Work Center Pro 123</b>                 |                              | EQUIPMENT                       |                                   | EQUIPMENT LOCATION (IF DIFFERENT FROM BILLING ADDRESS) |   |
| BILLING ADDRESS<br><b>13 Kenilwood Blvd Unit #10</b>           |                              | CITY<br><b>Scrampton Ont.</b>   |                                   | PROVINCE<br><b>ON</b>                                  |   |
| CITY   |                              | POSTAL<br><b>L6T-5K9</b>        |                                   | CITY   |   |
| TELEPHONE NUMBER<br><b>(905) 791-3456</b>                      |                              | CONTACT<br><b>FRANK MARLAND</b> |                                   | PROVINCE   |   |
| TERM IN MONTHS<br><b>48</b>                                    | NO. OF PAYMENTS<br><b>48</b> | FREQUENCY<br><b>MO</b>          | PAYMENT AMOUNT<br><b>\$184.00</b> | SECURITY DEPOSIT                                       | Pre-Authorized Payment Plan. You authorize us to draw payments periodically under our Pre-Authorized Payment Plan and charge them against your bank account (a written check is provided) whether it continues to be maintained at the same bank or is transferred to another bank to cover the Lease Payments and other amounts due under this Lease Contract. |

**Terms and Conditions**  
 You agree a scanned copy of this Lease with legible signatures may be treated as an original and will be admissible as evidence of this Lease. Capitalized words not defined below refer to terms appearing above. \*Your includes each of the Lessee and Co-Lessee, if any.

- 1. Consideration.** You have requested that we provide the Equipment for the purpose of leasing it to you on these terms.
- 2. Charges.** You agree to lease the Equipment from us during the Term for the number of payments and in the amounts set out above and on any Schedule (such payments collectively "Payments") and on the further terms and conditions set out below. You will also pay a pro rata payment for the period between the date of acceptance by us set out below and the date of the first Payment; we will advise you of the date of that Payment. Your receipt of our invoice is NOT a condition of your obligation to pay Payments or other amounts owing to us by you, when due. You also agree to pay to us on demand an administration fee of \$50.00 for initial administrative costs. When a Payment or other amount owing under this Lease is not paid when due, you also agree to pay us a late fee of \$10.00 for each month or partial month during which such amount is unpaid, plus interest at the rate of 24% per annum, calculated and compounded monthly, and payable on demand. You also agree to pay us a returned cheque charge of \$25.00 payable on demand for each dishonoured cheque. Any Security Deposit is non-refundable and may be applied to cure any default under this Lease by you. We will return any remaining Security Deposit when this Lease is terminated and your obligations are satisfied. You agree to indemnify us against any costs, expenses, fees, charges and claims (including legal fees and disbursements on a full indemnity basis) which we may incur or for which we may become liable in connection with the possession, maintenance or operations of the Equipment and this Lease, without set-off, reduction or abatement.
- 3. Other Important Terms.** You may not cancel this Lease for any reason, including Equipment failure, loss or damage. You selected the Equipment and its vendor. We purchased the Equipment in accordance with your instructions. You are leasing the Equipment "as is". We are not responsible for Equipment failure or the vendor's acts, or for any service, repairs or installation. We are not liable for any loss, cost, expense or damage of any kind or nature whatsoever caused directly or indirectly by the Equipment or its use, operation or ownership or for any loss of business or other damage whatsoever and howsoever caused. You agree there are no representations, warranties or conditions (express, implied, statutory or otherwise) whatsoever from us with respect to the Equipment including, without limitation, as to its condition, merchantability, design, capabilities, operation, use, quality or fitness for any particular purpose. To the extent that they are assignable, we assign to you without recourse to us all warranties from the vendor in respect of the Equipment. You represent to us that the Equipment will be used solely for business purposes and not personal or household purposes. You may not move the Equipment from the address indicated above, or alter the Equipment, without our prior written consent.
- 4. Title.** We are the owner of the Equipment. Title to the Equipment is and shall as all times remain with us. You shall have no right, title or interest in the Equipment except as contained in this Lease.
- 5. Termination and Renewal.** Upon expiration of the Term, you agree to deliver the Equipment to us at your expense, in good working order and repair. If you don't return the Equipment then this Lease shall automatically renew for an additional twelve (12) month term, for monthly payments each in an amount equal to the amount of the Payment owing during each of the last six (6) months of the Term; if such Payment was not monthly, we will convert such Payment to an equivalent monthly amount. All other terms and conditions contained in this Lease will remain unchanged.
- 6. Insurance.** You are responsible for the risk of loss or damage to the Equipment. You agree to keep the Equipment insured against all risks of loss in an amount at least equal to its replacement cost, and you will let us see proof of such insurance, and give us written proof of the insurance. If you do not give us such proof, we shall have the right, but not the obligation, to obtain other insurance at your expense. You agree to obtain and maintain comprehensive public liability insurance naming us as an additional insured with coverage and in amounts acceptable to us. Proceeds of insurance may be applied at our option towards replacement, restoration or repair of the Equipment and/or satisfaction of any liability to third parties, or toward payment of your obligations hereunder. You agree to notify us forthwith of any loss or damage to the Equipment.

- 7. Transfer, etc.** You agree not to transfer, sell, assign, lease, pledge or encumber either the Equipment or any rights under this Lease, whether directly or by change of ownership of your shares or otherwise, without our prior written consent. If we consent, we may charge an assignment fee of up to two (2%) of the original cost of the Equipment. You agree that we may sell, assign, or transfer this Lease and the Equipment; the new owner will have the same rights and benefits we now have under this Lease and will not have to perform any of our obligations; the rights of the new owner will not be subject to any claims, defenses or setoffs that you may have against us or any other person.
- 8. Default.** You are in default under this Lease if: (1) You fail to pay any Payment or any other amount due under this Lease when due; or (2) You fail to comply with any other provision of this Lease; or (3) You default under any other lease or other contract between you and us or under the terms of any other business transaction; or (4) Any representation or warranty which you make to us is or becomes untrue; or (5) Any of the Equipment is lost, stolen, damaged or destroyed and such loss, theft, or damage is not covered by insurance; or (6) You make any assignment for the benefit of your creditors, become insolvent, commit an act of bankruptcy, cease or threaten to cease to do business as a going concern or seek any arrangement or composition with your creditors; or (7) Any proceeding in bankruptcy, receivership, liquidation, or insolvency is commenced against you or your property; or (8) We in good faith believe that the prospect of payment to us under this Lease is impaired.
- 9. Remedies.** If you are in default under this Lease, all Payments and other amounts due to the end of the Term shall immediately and without notice become due and payable. You will immediately return all Equipment to us in good working order at your cost in a manner and to a location we designate. We may, without notice and without resort to legal process, take immediate possession of the Equipment. We may enter the premises where the Equipment is located without incurring any liability to you, but are entitled to sell, lease or otherwise dispose of the Equipment on such terms as we deem fit. We are entitled to sue for other remedies available, whether at law or in equity or by statute or otherwise. Our remedies shall be cumulative and not alternative. You shall pay us all costs of collection or re-possession of the Equipment and of enforcement of all our rights including without limitation legal fees and disbursements on a full indemnity basis.
- 10. Sales Tax.** You shall pay Provincial Sales Tax, Goods and Services Tax and/or Harmonized Sales Tax and any other applicable taxes to us with each Payment.
- 11. Governing Law.** This Lease shall be interpreted and enforced in accordance with the law of the province in which the Equipment is located. You waive the provisions of The Limitations of Civil Rights Act (Quebec). You agree that in granting our rights under this Lease, we are not restricted to how set out in the Quebec Act (Quebec). To the extent permitted by law, you waive your rights, benefits and protection given by the Judicature Act (Quebec). To the extent possible, you waive the right to receive any financing statement, financing change statement or other things made by us with respect to this Lease.
- 12. Co-Lessee.** If a Co-Lessee appears, the obligations of the Lessee and Co-Lessee to us shall be joint and several.
- 13. Miscellaneous.** The parties agree that this document be written in the English language. Les parties ont convenu que ce document soit écrit en anglais. In the event that any provision of this Lease shall be invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other provision of this Lease. You agree to execute such further documents as we may require, to give effect to this Lease. This Lease constitutes the entire agreement between us. For greater certainty, no terms in any purchase order will amend this Lease. Any amendment of this Lease or any waiver must be in writing. Any waiver shall be in writing and shall be deemed to be received when actually received at two days after making to the mailing address set out above.

Accepted by Lessee: De Lage Londen Financial Services Canada Inc.  
  
 Authorized Signatory & Title

**Shields Sprinkler Fire Systems Inc.**  
  
 Authorized Signatory & Title  
**President**

120327.0000  
**INVOICE**



Invoice No: INV11187  
 Date: 2/9/2006  
 Account No: DL01

6660 Kennedy Road, Suite 14 Mississauga, ON L5T 2M9

**Bill To:** De Lage Landen Financial Services  
 1235 North Service Road West, Suite 100  
 Oakville, ON L6M 2W2

**Ship To:** Shields, Sprinkler & Fire Systems Ltd.  
 13 Kenview Blvd., Unit 10  
 Brampton, ON L6T 5K9

| Sales Order No. |                          | P.O. Number |     | Ship Method |     | Payment Terms |            | Payment Due |            |
|-----------------|--------------------------|-------------|-----|-------------|-----|---------------|------------|-------------|------------|
|                 |                          |             |     |             |     | COD           |            | 2/9/2006    |            |
| App #312538     |                          |             |     |             |     |               |            |             |            |
| Item No.        | Description              | Serial No.  | QTY | SHIP        | UOM | PRICE         | DATE       | Amount      |            |
| WCP1232TRAY     | Xerox WorkCentre Pro 123 | TFW010927   | 1.0 | 1.0         | 0.0 | EA            | \$7,900.39 |             | \$7,900.39 |

Interest will be charged at 2% per month on all overdue accounts.  
 Please Mail Cheque to:  
 250 The East Mall, Suite 1116, Toronto, ON M9B 6L3  
 Business Number: 887412518RC0001

|                   |            |
|-------------------|------------|
| Invoice Subtotal: | \$7,900.39 |
| Discount:         | \$0.00     |
| Freight:          | \$0.00     |
| GST:              | \$553.03   |
| Total Tax:        | \$553.03   |
| Invoice Total:    | \$8,453.42 |

# NEC

## NEC Unified Solutions

**LEASE CONTRACT**

|   |                                      |                               |  |             |              |
|---|--------------------------------------|-------------------------------|--|-------------|--------------|
| LEASSEE NAME<br><b>Shield Sprinkler Fire Systems Inc.</b> |                                      |                               | CUSTOMER NUMBER  |             | LEASE NUMBER |
| CO-LESSEE   |                                      |                               | VENDOR   |             |              |
| BILLING ADDRESS<br><b>13 Kenview Blvd., Unit #10</b>      |                                      |                               | EQUIPMENT<br><b>NEC Elite IPK Systems</b>              |             |              |
| CITY<br><b>Brampton</b>                                   | PROVINCE<br><b>Ontario</b>           | POSTAL CODE<br><b>L6T 5K9</b> | EQUIPMENT LOCATION (IF DIFFERENT FROM BILLING ADDRESS) |             |              |
| TELEPHONE NUMBER<br><b>(905) 791 - 3456</b>               | CONTACT NAME<br><b>Anna Maricano</b> | CITY                          | PROVINCE   | POSTAL CODE |              |

|                             |                            |  |  |                                     |   |
|-----------------------------|----------------------------|--|--|-------------------------------------|---|
| TERM IN MONTHS<br><b>66</b> | # OF PAYMENTS<br><b>66</b> | FREQUENCY<br><input checked="" type="checkbox"/> M <input type="checkbox"/> Q<br><input type="checkbox"/> A <input type="checkbox"/> O | PAYMENT AMOUNT<br><b>\$369.95</b><br>Plus Applicable Taxes | SECURITY DEPOSIT<br><b>\$369.95</b> | Pre-Authorized Payment Plan. You authorize us to draw payments periodically under our Pre-Authorized Payment Plan and charge them against your bank account (a sample cheque is provided) whether it continues to be maintained at the same branch or is transferred to another branch, to cover all Lease payments and other amounts due under this Lease Contract.<br>Authorized Signing Officer(s) |
|-----------------------------|----------------------------|--|--|-------------------------------------|---|

**Terms and Conditions**  
 You agree a facsimile copy of this Lease with facsimile signatures may be treated as an original and will be admitted to as evidence of this Lease. Capitalized words not defined below refer to terms appearing above. The words "You" and "Your" include each of the Lessee and Co-Lessee, if any, and the words "We", "Us", and "Our" refer to the Lessor.

- Charges.** You agree to lease the Equipment from us during the Term for the number of payments and in the amounts set out above and on any Schedule (such payments collectively "Payments") and on the further terms and conditions set out below. You will also pay a pro rata payment for the period between the date of acceptance by us set out below and the date of the first Payment; we will advise you of the date of that Payment. Your receipt of our invoice is NOT a condition of your obligation to pay Payments or other amounts owing to us by you, when due. You also agree to pay to us on demand an administration fee of \$50.00 for initial administrative costs. When a Payment or other amount owing under this Lease is not paid when due, you also agree to pay us a late fee of \$10.00 for each month or partial month during which such amount is unpaid, plus interest at the rate of 24% per annum, calculated and compounded monthly, and payable on demand. You also agree to pay us a returned cheque charge of \$25.00 payable on demand for each dishonored cheque. Any Security Deposit is non-interest bearing and may be applied to cure any default under this Lease by you. We will return any remaining Security Deposit when the Lease is terminated and your obligations are satisfied. You agree to indemnify us against any costs, expenses, fees, charges and claims (including legal fees and disbursements on a full indemnity basis) which we may incur or for which we may become liable in connection with the possession, maintenance or operations of the Equipment and this Lease, without set-off, reduction or abatement.
- Other Important Terms.** You may not cancel the Lease for any reason, including Equipment failure, loss or damage. You selected the Equipment in your sole discretion and are leasing the Equipment "as is". Except as hereafter set forth, no representation or warranty is given in respect to the Equipment. If the Equipment is not properly installed, does not operate as intended by you, totally fails to function, or is unacceptable for any reason whatsoever, you shall claim only against vendor or manufacturer under such warranties made available to you by them, and shall nevertheless unconditionally pay us all amounts due hereunder. In no event shall we be liable to you for damages resulting from or in any way connected with the use or performance of the Equipment. The warranty set forth in the applicable price lists, instruction manuals and procedures shall apply. You represent to us that the Equipment will be used solely for business purposes and not personal or household purposes. You may not move the Equipment from the address indicated above, or alter the Equipment, without our prior written consent.
- Title.** We are the owner of the Equipment. Title in the Equipment is and shall at all times remain with us. You shall have no right, title or interest in the Equipment except as contained in this Lease.
- Termination and Renewal.** Upon expiration of the Term, you agree to deliver the Equipment to us at your expense, in good working order and repair. If you don't return the Equipment, then this Lease shall automatically renew for an additional twelve (12) month term, for monthly payments each in an amount equal to the amount of the Payment owing during each of the last six (6) months of the Term; if such Payment was not made, we will convert such Payment to an equivalent monthly amount. All other terms and conditions contained in this Lease will remain unchanged.
- Insurance.** You are responsible for the risk of loss or damage to the Equipment. You agree to keep the Equipment insured against all risks of loss in an amount at least equal to its replacement cost, and you will let us as lessor pay on, and give us written proof of, this insurance. If you do not give us such proof, we shall have the right, but not the obligation, to obtain other insurance at your expense. You agree to obtain and maintain comprehensive public liability insurance naming us as an additional insured with coverage and in amounts acceptable to us. Proceeds of insurance may be applied at our option towards replacement, restoration or repair of the Equipment and/or satisfaction of any liability to third parties, or toward payment of your obligations hereunder. You agree to notify us forthwith of any loss or damage to the Equipment.
- Transfer, etc.** You agree not to transfer, or sublease, assign, pledge or encumber either the Equipment or any rights under this Lease, whether directly or by change of ownership of your share or otherwise, without our prior written consent. If we consent, we may charge an assignment fee of up to two (2%) of the original cost of the Equipment. You agree that we may sell, assign, or transfer this Lease and the Equipment; the new owner will have the same rights and benefits we now have under this Lease and will not have to perform any of our obligations; the rights of the new owner will not be subject to any claims, defenses or setoffs that you may have against us or any other person. Your receipt of an invoice from the new owner shall be your notice of Transfer.
- Default.** You are in default under this Lease if: (1) You fail to pay any Payment or any other amount due under this Lease when due; or (2) You fail to comply with any other provision of the Lease; or (3) You default under any other lease or other contract between you and us or under the terms of any other indebtedness; or (4) Any repudiation or warranty which you make to us is a breach of contract; or (5) Any of the Equipment is lost, stolen, damaged or destroyed and such loss, etc. is not covered by insurance; or (6) You make any arrangement for the benefit of your creditors, become insolvent, commit an act of bankruptcy, cease or threaten to cease to do business as a going concern, or seek any arrangement or composition with your creditors; or (7) Any proceeding in bankruptcy, receivership, liquidation, or insolvency is commenced against you or your property; or (8) We in good faith believe that the prospect of payment to us under this Lease is impaired.
- Remedies.** If you are in default under this Lease, all Payments and other amounts due to us and of the Term shall immediately and without notice become due and payable. You will immediately return all Equipment to us in good working order at your cost in a manner and to a location we designate. We may, without notice and without resort to legal process, take immediate possession of the Equipment. We may enter the premises where the Equipment is located without incurring any liability to you. We are entitled to sell, lease or otherwise dispose of the Equipment on such terms as we deem fit. We are entitled to any other remedies available, whether at law or in equity or by statute or otherwise. Our remedies shall be cumulative and not alternative. You shall pay us all costs of collection or re-possession of the Equipment and enforcement of all our rights including without limitation legal fees and disbursements on a full indemnity basis.
- Sales Tax.** You shall pay Provincial Sales Tax, Goods and Services Tax and/or Harmonized Sales Tax and any other applicable taxes to us with each Payment.
- Governing Law.** This Lease shall be interpreted and enforced in accordance with the laws of the province in which the Equipment is located. You waive the provisions of The Limitation of Civil Rights Act (Saskatchewan). You agree that in enforcing our rights under this Lease, we are restricted to fees set out in the Distress Act (Manitoba). To the extent permitted by law, you waive your rights, benefits and protection given by the Bankruptcy Act (Alberta). To the extent possible, you waive the right to receive any financing statement, financing change statement or other filings made by us with respect to this Lease.
- Co-Lessee.** If a Co-Lessee appears, the obligations of the Lessee and Co-Lessee to us shall be joint and several.
- Miscellaneous.** The parties agree that this document be written in the English language. The parties also agree that any document or agreement in any other language, in the event that any provision of this Lease shall be invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other provision of this Lease. You agree to execute such further documents as we may require, to give effect to this Lease. This Lease constitutes the entire agreement between us for greater certainty, no terms in any purchase order or other agreement shall amend this Lease. Any amendment to this Lease or any waiver must be in writing. Any notice shall be in writing and shall be deemed to be received when actually received or five (5) days after mailing to the mailing address set out above.

NEC Canada Inc.

Accepted as Lessor & Assignor

*Charlotten Swanson*  
 Authorized Signature & Title

0110-1105  
 Date

LB-1P 11\_02

Shield Sprinkler Fire Systems Inc.

Lessee Name (and Co-Lessee Name, if any)

*Anna Maricano*  
 Authorized Signature & Title

Authorized Signature & Title

**Global Managed Networks Inc.**

17 Adelaide Street West  
 Suite 326  
 Toronto, ON M5H 4E7

**INVOICE**

Invoice No.: 1056  
 Date: 29-Dec-2004  
 Page: 1  
 Re. Order No.: 225734

**Bill To:**

De LAGE LANDEN FINANCIAL  
 100-1235 North Service Road West  
 Oakville, ON L6M 2W2

**Ship To:**

Shields Sprinkler & Fire Systems *M*  
 13 Kenview Blvd, Unit #10  
 Brampton, Ontario  
 L6T 5K9

| Item No.     | Quantity | Unit | Description                             | Tax | Unit Price | Amount       |           |
|--------------|----------|------|---|-----|------------|--------------|-----------|
|              | 2        |      | 750026 Elite IPK Basic PKG              |     | 0.00       | 0.00         |           |
|              | 2        |      | 750209 ESIE (8)-U10                     |     | 0.00       | 0.00         |           |
|              | 2        |      | 750112 PKU 192-2U                       |     | 0.00       | 0.00         |           |
|              | 2        |      | 750130 CLKG-U10 ETU                     |     | 0.00       | 0.00         |           |
|              | 2        |      | 750145 CCH (4)-U10 ETU                  |     | 0.00       | 0.00         |           |
|              | 2        |      | 750194 DTI-U30 ETU                      |     | 0.00       | 0.00         |           |
|              | 2        |      | 750787 CPUI R3500 KIT                   |     | 0.00       | 0.00         |           |
|              | 29       |      | 760075 DTH-16D-1 (BK)                   |     | 0.00       | 0.00         |           |
|              | 1        |      | 750461 COIB (8)-U30                     |     | 0.00       | 0.00         |           |
|              | 1        |      | 750528 VMP (X)-U40                      |     | 0.00       | 0.00         |           |
|              | 1        |      | 750523 HD (4)-U40                       |     | 0.00       | 0.00         |           |
|              |          |      | TOTAL EQUIPMENT COST                    | G   |            | 22,599.26    |           |
|              | 1        |      | 0230051 Dterm PS 3 As Per Frank<br>Aloi |     | 0.00       | 0.00         |           |
|              |          |      | Subtotal:                               |     |            | 22,599.26    |           |
|              |          |      | G - GST @ 7%                            |     |            |              |           |
|              |          |      | GST                                     |     |            | 1,581.95     |           |
| Comments     |          |      |   |     |            | Freight      | 0.00      |
| T# 864383955 |          |      |   |     |            | Total Amount | 24,181.21 |



PSSMC02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2005  
TIMS0837 "1C" REGISTRATION - SCREEN 1 15:47:18

01 CAUTION : PAGE: 001 OF 2 MV ATTACHED : P/R: P REG PERIOD: 6

02 IND DOB : IND NAME :  
03 BUS NAME: SHIELD SPRINKLER & FIRE SYSTEMS LTD.

04 ADDRESS : 13 KENVIEW BLVD. UNIT #10  
CITY : BRAMPTON PROV : ON POSTAL CODE : L6T 5K9

05 IND DOB : IND NAME :  
06 BUS NAME:

07 ADDRESS :  
CITY : PROV : POSTAL CODE :

08 SECURED PARTY/LIEN CLAIMANT :  
NEC CANADA INC.

09 ADDRESS : 100, 1235 NORTH SERVICE RD. WEST  
CITY : OAKVILLE PROV : ON POSTAL CODE : L6M 2W2

PSSMC03 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2005  
TIMS0837 "1C" REGISTRATION - SCREEN 2 15:48:18

| CONS. GOODS | INVENTORY | EQUIP | ACCTS | OTHER | MV ENCL? | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|-------------|-----------|-------|-------|-------|----------|--------|------------------|----------------------|
| 10          | -         | X     | -     | X     | -        |        |                  |                      |
| 11          | YEAR      | MAKE  |       |       | MODEL    |        | V.I.N.           |                      |
| 12          |           |       |       |       |          |        |                  |                      |

GENERAL COLLATERAL DESCRIPTION

13 ALL GOODS SUPPLIED BY THE SECURED PARTY PURSUANT TO A LEASE  
14 BETWEEN THE DEBTOR AND THE SECURED PARTY, TOGETHER WITH ALL  
15 PARTS AND ACCESSORIES THERETO AND ACCESSION THERETO AND ALL

REGISTERING AGENT

16 NAME : DISTINCT CREDIT SERVICES LTD. 426  
17 ADDRESS : 429 DANFORTH AVE STE 433  
CITY : TORONTO PROV : ON POSTAL CODE : M4K 1P1

PSSMC08 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2005  
TIMS0837 FILE/REGISTRATION NUMBER CONFIRMATION 15:48:37

THE FOLLOWING REGISTRATION PAGE WAS ADDED TO THE PPSR DATABASE:

TYPE: 1C  
MATCH: 7029A20050112A  
FILE NUMBER: 611959734  
REGISTRATION NUMBER: 20050112 1548 7029 1593  
PAGE NUMBER: 001 OF 2

*Internal v.  
001-0054271*

PSSMC02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2005  
TIMS0837 "1C" REGISTRATION - SCREEN 1 15:48:43

01 CAUTION : PAGE: 002 OF 2 MV ATTACHED : P/R: REG PERIOD:  
02 IND DOB : IND NAME :  
03 BUS NAME : OCN :  
04 ADDRESS : PROV : POSTAL CODE :  
CITY :  
05 IND DOB : IND NAME :  
06 BUS NAME : OCN :  
07 ADDRESS : PROV : POSTAL CODE :  
CITY :  
08 SECURED PARTY/LIEN CLAIMANT :  
09 ADDRESS : PROV : POSTAL CODE :  
CITY :

PSSMC03 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2005  
TIMS0837 "1C" REGISTRATION - SCREEN 2 15:48:45

| CONS. GOODS | INVTY | EQUIP | ACCTS | OTHER | MV INCL? | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|-------------|-------|-------|-------|-------|----------|--------|------------------|----------------------|
| 10          | -     | -     | -     | -     | -        | -      | -                | -                    |
| 11          | YEAR  | MAKE  |       |       | MODEL    |        | V.I.N.           |                      |
| 12          |       |       |       |       |          |        |                  |                      |

13 GENERAL COLLATERAL DESCRIPTION  
14 REPLACEMENTS OR SUBSTITUTIONS FOR SUCH GOODS AND PROCEEDS  
15 THEREOF (PROCEEDS AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (CN)) AND ANY INSURANCE PROCEEDS RESULTING THERE FROM.

REGISTERING AGENT  
16 NAME :  
17 ADDRESS : PROV : POSTAL CODE :  
CITY :

PSSMC08 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2005  
TIMS0837 FILE/REGISTRATION NUMBER CONFIRMATION 15:48:53

THE FOLLOWING REGISTRATION PAGE WAS ADDED TO THE PPSR DATABASE:

TYPE: 1C  
BATCH: 7029A20050112A  
FILE NUMBER: 611959734  
REGISTRATION NUMBER: 20050112 1548 7029 1593  
PAGE NUMBER: 002 OF 2