

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**PINNACLE CAPITAL RESOURCES LIMITED in its capacity as  
general partner of RED ASH CAPITAL PARTNERS II LIMITED  
PARTNERSHIP**

**Applicant**

**-and-**

**KRAUS INC., KRAUS CANADA INC., STRUDEX FIBRES  
LIMITED, and 538686 B.C. LTD.**

**Respondents**

**AFFIDAVIT OF ARTHUR QUINT  
(Affirmed June 10, 2012)**

**I, ARTHUR QUINT, of the City of New York, of the state of New York,  
MAKE OATH AND SAY:**

1. I am the Senior Vice-President-Finance and Chief Financial Officer of Nylene Canada, Inc. ("Nylene"), and as such have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where my evidence is based on information and belief, I have stated the source of that information and believe it to be true.

2. I swear this affidavit to advise the Court of the unfair and inappropriate conduct of Kraus Inc. and Strudex Fibres Limited (collectively, "**Kraus**") with respect to certain goods supplied by Nylene to Kraus, which Kraus is apparently seeking to include in a pending sale of the assets of Kraus.

3. Nylene is a supplier of yarn and resin used in the manufacturing processes of Kraus. We supply annually approximately \$4.3m USD to Kraus.

4. I am now aware that as early as mid May, 2012, the Applicants were seeking the relief of this and other Courts in connection with their pending bankruptcy. However, at the same time, representatives from Kraus, who knew of the impending insolvency proceedings, and presumably on the instructions of the Officers and Director's of Kraus, continued to require goods to be supplied to them by Kraus. It is now clear that Kraus ordered these goods with no intention to make payment in respect of same.

5. It is also clear from the materials provided by the Applicants to the Court which I have now reviewed, that the events leading up to the bankruptcy of Kraus have been building for some time, and have been carefully orchestrated towards the impending flip of the assets of Kraus which is the subject of a motion before

the court returnable June 11, 2012. These insolvency proceedings did not arrive as a surprise to Kraus.

6. Attached hereto as **Exhibit "A"** is a chain of emails recounting how goods were ordered and promises of payment were made.

7. I became aware on May 30, 2012 of the bankruptcy proceedings which had been commenced in Canada in respect of Kraus Inc. At that time Nylene retained counsel and with the aid of counsel prepared a notice requiring payment for outstanding amounts.

8. Attached hereto as **Exhibit "B"** to my Affidavit is a copy of our letter dated May 31, 2012 and the demand under section 81.1 of the *Bankruptcy and Insolvency Act* demanding the return of goods which was sent to Kraus and the Interim Receiver.

9. As set out in the May 31<sup>st</sup> Letter, Nylene had supplied Kraus with in excess of approximately \$730,000.00 worth of goods in the 30 days immediately leading up to May 28, 2012, the date of the Receivership Order.

10. As set out therein, our letter required, among other things, that Kraus pay for the use of any goods which were subject to that notice and that those good be



segregated pending a resolution of this issue.

11. Although we received a note from the Receiver contesting the applicability of section 81.1 to an interim receivership on June 1, 2012, (a copy of which is attached hereto as **Exhibit "C"**), no response at any time was received from Kraus. Accordingly, Nylene proceeded on the assumption that the terms of our May 31<sup>st</sup> Letter was being complied with by Kraus.

12. On June 1, 2012, in furtherance of our understanding that our issue had been addressed, we entered into a cash on delivery agreement to supply ongoing goods to the company. At the time the negotiation of this cash on delivery agreement, again no comment was made by Kraus with respect to the status of the segregated goods.

13. As set out in our email which accompanied that agreement, a copy of which is attached as **Exhibit "D"** along with the COD agreement, we reserved our rights and affirmed our understanding that the goods identified in our May 31 Letter were to be segregated.

14. On June 5<sup>th</sup>, Kraus made payment for some of the goods which were subject to our May 31<sup>st</sup> Letter in the amount of approximately \$70,000, further supporting our understanding that all the goods subject to the letter were being so

treated.

15. It was therefore surprising to us that, following our entering into the agreement to provide goods on a C.O.D. basis and the receipt of the payment of \$70,000, that on June 7, 2012, Nylene received an email from Kraus, attached hereto as **Exhibit "E"**, advising us that the majority of our goods identified in our May 31 Letter were either not subject to any restrictions on their use or had been consumed and that only minimum payments would now be made. The exact status of most of those goods was not made clear by the letter.

16. Our counsel prepared and sent a response on the same day, a copy of which is attached hereto as **Exhibit "F"**, set out our disagreement with the treatment we had received from Kraus. Among other things it stated:

"Our client does not accept that your client now need only pay it for a small portion of the goods which were the subject of the letter of May 31 (being those which were delivered after May 12, 2012 and which remain unused). Rather, it is our client's position that your client has been on notice, since the letter of May 31<sup>st</sup> to segregate all those goods and, unless payment was made, to make no use of them."

17. We have had no response.

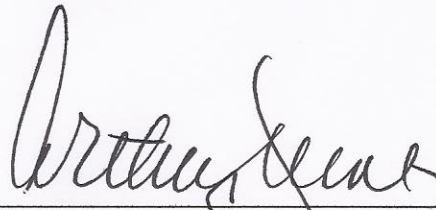
18. It is our understanding that Kraus is attending at Court on Monday June 11, 2012 in order to complete a sale of its assets. Those assets will presumably attempt to include the goods which are subject to our 81.1 Notice and our May

31<sup>st</sup> Letter.

19. Given the manner in which those goods have been purloined from Nylene by the calculating conduct of Kraus, in the face of our notices and under the nose of the Interim Receiver whom we understood was charged by the Court with preserving the estate of Kraus for its creditors, our goods should not form part of the assets being sold in the absence of payment being made for same.

20. Further, to the extent it has not already been done, all goods which were subject to our May 31 Letter should be inspected by the Interim Receiver and set aside pending a motion to determine the status of Nylene's rights to those goods.

Affirmed before me at the City )  
 of ~~NEW YORK~~ <sup>NEW YORK</sup>, in the State of ~~NEW YORK~~ )  
 , this day of )  
 June 10, 2012. )

  
 ARTHUR QUINT

Commissioner For Taking Affidavits

#1903717

HOWARD A. FRIED  
 Notary Public, State of New York  
 No. 02FR5020831  
 Qualified in Queens County  
 Commission Expires January 8, 20 13





**THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF ARTHUR QUINT AFFIRMED JUNE 10, 2012**

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**From:** Walter Eckhardt [mailto:walter@krausflooring.com]

**Sent:** Thursday, May 31, 2012 10:26 AM

**To:** Don Nicholas

**Cc:** Mike Wagner

**Subject:** Re: Visit - SOL & DON

The days are long and frantic I am not trying to avoid you Ive called and emailed you. Are you wanting to talk to me today?

Regards,

W~

Walter Eckhardt

Kraus Inc.

[walter@krausflooring.com](mailto:walter@krausflooring.com)

Office 519 884 2314 x430

Mobile 519 501 7127

On 2012-05-31, at 9:19 AM, "Don Nicholas" <[don.nicholas@nylene.com](mailto:don.nicholas@nylene.com)> wrote:

Walter,

Listed here are my attempts to speak with you.

1. Thursday May 17<sup>th</sup>, 2012 @ 2:44pm
  - a. E-mail sent requesting a time to call you.
2. Monday May 21<sup>st</sup>, 2012
  - a. Left voice mail message requesting time to speak. Holding future shipments
3. Wednesday May 23<sup>rd</sup>, 2012 @ 11:02 am
  - a. E-mail sent requesting a time to call you. Advised that future shipments are on hold.
4. Wednesday May 23<sup>rd</sup>, 2012 @ 4:05pm
  - a. E-mail sent requesting that you call me. Stronger wording and notice that shipments scheduled for delivery May 24<sup>th</sup>, 25<sup>th</sup>, 28<sup>th</sup> & 29<sup>th</sup> are on hold.
5. Thursday May 24<sup>th</sup>, 2012 @ approximately 7:30am
  - a. Called offices of Kraus and somehow got Human Resources (lady) voice mail. I left a message for her to have you call me ASAP.
6. Thursday May 24<sup>th</sup>, 2012 @ approximately 7:35 am
  - a. Called your office and you picked up the phone. I let you know that I was trying to reach you for over a week and had left voice mail messages and e-mails. You said you didn't get them. I have no record that e-mails weren't delivered to intended recipient. I advised you that we had shipments on hold and I did mention the dates of delivery. We had our discussion and based on this discussion and internal discussions.....I released shipments.

I'll let you know by end of today what date (June 12<sup>th</sup> or 13<sup>th</sup>) and time Sol and I will visit you and Mike.

Don

---

**From:** Walter Eckhardt [mailto:walter@krausflooring.com]

**Sent:** Wednesday, May 30, 2012 4:45 PM

**To:** Don Nicholas

**Cc:** Sol Schlesinger; Mike Wagner ([mwagner@krausflooring.com](mailto:mwagner@krausflooring.com))

**Subject:** RE: Visit - SOL & DON

I feel for you, that you are upset and I am sorry for that. Please understand that this situation has also had a tremendous negative impact on me and my family as well.

During our conversation on Thursday I mentioned that we were working on financing and that I would be in a position to discuss it more fully in next week (i.e. this week). I do recall you saying on Thursday that you had several loads coming up and were hesitating because of some rumors you had heard, but I do not recall you listing a schedule of specific delivery dates. Since it was Thursday, I assumed the loads you were referring to would come in next week (i.e. this week) .

Under the terms of the interim order we are legally required to and are able to pay for all loads received after the order was issued on Monday. You can see the order on the receiver PwC's web site, and Mike Wagner and I are available to speak about this further with you if you wish.

Regards,

W~

Walter Eckhardt

CEO

Kraus Inc.

T 519.884.2314 x430

F 519.884.0170

M 519.501.7127

Kraus | Floors with more.

65 Northfield Drive West, Waterloo ON N2L 0A8

[www.krausflooring.com](http://www.krausflooring.com)

**From:** Don Nicholas [mailto:don.nicholas@nylene.com]

**Sent:** Wednesday, May 30, 2012 12:07 PM

**To:** Walter Eckhardt

**Cc:** Sol Schlesinger; Mike Wagner ([mwagner@krausflooring.com](mailto:mwagner@krausflooring.com))

**Subject:** RE: Visit - SOL & DON

Walter,

We certainly do look forward to this meeting. I must tell you that I'm very upset at this moment. I spoke to you on the morning of May 24<sup>th</sup> (Thursday) about our concerns that you had new equity partners and that assets would be sold. I informed you that I was holding up shipment on 4 loads of polymer scheduled for delivery on May 24<sup>th</sup>, 25<sup>th</sup>, 28<sup>th</sup> and 29<sup>th</sup>. I released 2 loads for delivery after we spoke given the positive tone and substance of our conversation. One load arrived on Friday May 25<sup>th</sup> and the other load arrived on Monday May 28<sup>th</sup>. There was no mention of interim receivership during our conversation and I have a hard time believing that you did not know about the pending application under the bankruptcy and insolvency act made on May 25<sup>th</sup> (the next day after we talked).

I would expect (given our discussions on May 24<sup>th</sup>) that Kraus would be paying for the load shipped and received on Friday May 25<sup>th</sup> as well as the one delivered on Monday May 28<sup>th</sup>.

Don

---



**From:** Walter Eckhardt [<mailto:walter@krausflooring.com>]

**Sent:** Wednesday, May 30, 2012 11:40 AM

**To:** Don Nicholas

**Cc:** Sol Schlesinger; Mike Wagner ([mwagner@krausflooring.com](mailto:mwagner@krausflooring.com))

**Subject:** RE: Visit - SOL & DON

Since Monday Kraus and Strudex have been operating in an interim receivership, a short "stay" period during which we are legally permitted and required to pay for post-Monday receipts on a COD basis but legally prevented from paying for pre-Monday receipts. The next step that we expect, assuming the preconditions are met (of which the main one is union membership ratification of an agreement reached with the bargaining committees), is that the companies go into a prepackaged receivership that will transfer the companies' operations into new entities, and bankrupt the existing entities. At this point we expect that next step to occur on June 11.

Since we have zero flexibility during the interim "stay" period that we're in, it makes sense for us to meet face to face as soon as possible after June 11. Mike and I would be available any time June 12 or 13. I expect the senior fellow from the British private equity firm that will own us will be in Canada that week, and I hope that you can meet him also. In the meantime we're operating fairly normally but on a COD basis. Please call Mike Wagner or me and we can keep you updated.

Regards,

W~

Walter Eckhardt

Kraus Inc.

T 519.884.2314 x430

F 519.884.0170

M 519.501.7127

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65 Northfield Drive West, Waterloo ON N2L 0A8

[www.krausflooring.com](http://www.krausflooring.com)

**From:** Don Nicholas [<mailto:don.nicholas@nylene.com>]

**Sent:** Tuesday, May 29, 2012 2:27 PM

**To:** Walter Eckhardt

**Cc:** Sol Schlesinger; Mike Wagner ([mwagner@krausflooring.com](mailto:mwagner@krausflooring.com))

**Subject:** Visit - SOL & DON

Hello Walter,

Sol and I would like to visit with you in Waterloo at your earliest convenience to discuss recent announcements by Kraus. Can you please provide us with a date and time.

Thanks,

Don

Hello Walter,

Andy and I are hearing industry rumors that Kraus might be having financial difficulties. Can Andy and I speak with you about business at your convenience sometime tomorrow?

We'd rather speak with you directly versus speculating on what might or might not be happening. Please provide a time that we can call you.

Thanks,

Don

Hello Walter,

I've sent e-mails and left voice mail messages with you in an attempt to establish a convenient time that I could speak with you. Mike did speak to Andy and Sol about Kraus refinancing but he has limited information. I do understand the important role that suppliers play during these

transition periods. However, I need more information on the status of your efforts. Unfortunately, I'm in a holding pattern on future shipments until I can speak with you. Please call when you can.

Thanks,

Don

613-623-0556

Hello Walter,

Please contact me at your earliest convenience. We have polymer shipments to Strudex scheduled for delivery on May 24<sup>th</sup>, 25<sup>th</sup>, 28<sup>th</sup> and 30<sup>th</sup>. If I'm not in the office then you can leave a message on my land line or call my cell phone.

Thanks, Don

Land Line 613-623-0556

Cell 613-302-5803

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**From:** Don Nicholas

**Sent:** Wednesday, May 23, 2012 11:02 AM

**To:** Walter Eckhardt ([walter@krausflooring.com](mailto:walter@krausflooring.com))

**Subject:** Kraus - Refinancing

**Importance:** High

Hello Walter,

I've sent e-mails and left voice mail messages with you in an attempt to establish a convenient time that I could speak with you. Mike did speak to Andy and Sol about Kraus refinancing but he has limited information. I do understand the important role that suppliers play during these transition periods. However, I need more information on the status of your efforts.

Unfortunately, I'm in a holding pattern on future shipments until I can speak with you.

Please call when you can.

Thanks,

Don

613-623-0556

**From:** Andy Buffam

**Sent:** Wednesday, May 23, 2012 12:07 PM

**To:** Don Nicholas

**Cc:** Shiraz Meghji; Arthur Quint; Sol Schlesinger

**Subject:** Conversation with Mike Wagner

This is the second conversation I have with Mike regarding rumors in the market about financial problems at Kraus. This time I told him that the word on the street was that they had been bought by an investment company that would liquidate their assets. His response was "don't tell me it's come to that now". He knew there was talk in the market about an investment company but not liquidation. His comments were as follows.

#1. He had just signed a cheque made payable to Nylene for approx. \$128,000.00.

#2. He did say they were in the process of trying to refinance their business and hoped to have things in place during the next week or two.

#3. He commented how difficult their business has been in recent years and how hard everyone has worked to try and make things better. He sounded very tired.

#4. He said he has no financial involvement in the company and therefore could not offer any detailed information relating to this part of the business. I told him that we were trying to get this information from Walter Eckhardt but he would not return our phone calls.

#5. I mentioned to Mike that we appreciated the fact that he communicates with us and we would stay in touch. He also commented that he would be calling Sol.

Andy



**THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF ARTHUR QUINT AFFIRMED JUNE 10, 2012**

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**From:** David Ullmann  
**Sent:** Thursday, May 31, 2012 5:01 PM  
**To:** 'linc.rogers@blakes.com'; 'dkuiper@millerthomson.com'  
**Cc:** Raymond M. Slattery  
**Subject:** RE: Kraus Inc., etc.

Gentlemen,  
Please see the attached demand under section 81.1, as per my email below. I understand that my client is sending the notice to Kraus directly as well. Also, please add us to the service list as counsel to Nylene Canada Inc.. We will send a Notice of Appearance tomorrow.

Regards,  
David

---

**From:** David Ullmann  
**Sent:** Thursday, May 31, 2012 3:33 PM  
**To:** 'linc.rogers@blakes.com'; 'dkuiper@millerthomson.com'  
**Subject:** Kraus Inc., etc.

Mr. Rogers and Mr. Kuiper,  
We understand that you are counsel to PWC, the receiver of Kraus and Kraus Inc. respectively. We are being contacted by a supplier of Kraus in respect of whom I believe we will be attempting to file an 81.1 notice today. Section 81.1 requires that the notice be presented to the Receiver or the Purchaser. We intend to provide it to each of you by email shortly. Please confirm that you will be able to accept and process this notice and bring it to the attention of those people in possession of the supplies in question, or if not, to whose attention the notice should also be sent.

Regards,

David Ullmann  
David T. Ullmann  
**Minden Gross LLP**  
145 King Street West, Suite 2200  
Toronto, Ontario, Canada M5H 4G2  
**Tel:** (416) 369-4148 **Fax:** (416) 864-9223  
**Email:** dullmann@mindengross.com  
[www.mindengross.com](http://www.mindengross.com)

**MERITAS LAW FIRMS WORLDWIDE**

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## NYLENE CANADA, INC.

200 McNAB STREET · ARNPRIOR, ONTARIO K7S 3P2 · (613) 623-3191

May 31, 2012

Mr. Walter Eckhardt  
Mr. Mike Wagner  
Kraus Carpet Mills Limited  
65 Northfield Drive West  
Waterloo, Ontario N2J 4J4

Gentlemen,

In connection with BIA (Bankruptcy and Insolvency Act) s 81.1, Nylene Canada, Inc. hereby asserts its claim for repossession and prompt return of all product listed below, shipped to the Kraus Group as detailed below within 30 days of the appointment of the interim receiver.

	Invoice No	Invoice Date	Amount	Product description
Kraus	110130	4/17/2012	32,040.95	Yarn
Kraus	110131	4/17/2012	62,006.22	Yarn
Kraus	110157	4/24/2012	22,257.52	Yarn
Kraus	110158	4/24/2012	29,391.98	Yarn
Kraus	110159	4/24/2012	36,597.80	Yarn
Kraus	110225	5/10/2012	22,674.68	Yarn
Kraus	110247	5/16/2012	62,172.18	Yarn
Strudex	110150	4/23/2012	70,783.20	Polymer resin
Strudex			(6.00)	Polymer resin
Strudex	110163	4/25/2012	70,783.20	Polymer resin
Strudex	110276	5/24/2012	70,783.20	Polymer resin
Strudex	110281	5/25/2012	70,783.20	Polymer resin
Varichrome	110129	4/17/2012	39,741.34	Yarn
Varichrome	110160	4/24/2012	42,473.85	Yarn
Varichrome	110191	5/3/2012	52,331.29	Yarn
Varichrome	110241	5/16/2012	47,375.52	Yarn
			732,190.13	

Please isolate the goods in question and ensure that no further use is made of them without our express permission. Further, all amounts owing in respect of these goods are hereby declared to be immediately due and payable as a result of the apparent insolvency of the Kraus Group. When payment has been made, the goods shall be released to you.

Very truly yours,



Arthur Z. Quint  
Senior Vice President – Finance  
Chief Financial Officer

**Form 75**  
**Demand for Repossession of Goods**  
**(Paragraph 81.1(1)(a) of the Act)**

To: The Kraus Group, purchaser and to PriceWaterhouseCoopers Inc, receiver

I, Arthur Z. Quint, as Senior Vice President – Finance of Nylene Canada Inc., a supplier to the Kraus Group, hereby demand access to and repossession of the goods described below, which were sold and delivered to Kraus Carpets, Strudex, and Varichrome Yarns the purchaser, on the dates and in accordance with the terms set out in the attached documents:

	Invoice No	Invoice Date	Amount	Product description
Kraus	110130	4/17/2012	32,040.95	Yarn
Kraus	110131	4/17/2012	62,006.22	Yarn
Kraus	110157	4/24/2012	22,257.52	Yarn
Kraus	110158	4/24/2012	29,391.98	Yarn
Kraus	110159	4/24/2012	36,597.80	Yarn
Kraus	110225	5/10/2012	22,674.68	Yarn
Kraus	110247	5/16/2012	62,172.18	Yarn
Strudex	110150	4/23/2012	70,783.20	Polymer resin
Strudex			(6.00)	Polymer resin
Strudex	110163	4/25/2012	70,783.20	Polymer resin
Strudex	110276	5/24/2012	70,783.20	Polymer resin
Strudex	110281	5/25/2012	70,783.20	Polymer resin
Varichrome	110129	4/17/2012	39,741.34	Yarn
Varichrome	110160	4/24/2012	42,473.85	Yarn
Varichrome	110191	5/3/2012	52,331.29	Yarn
Varichrome	110241	5/16/2012	47,375.52	Yarn
			732,190.13	

Copies of Documents of sale are attached herewith.

Whereas the purchaser is bankrupt (or there is a receiver within the meaning of subsection 243(2) of the Act, appointed in respect of the purchaser's property) the trustee (or receiver) is required to release the goods described above in accordance with subsection 81.1(1) of the Act.

Dated at Amnrior, Ontario, this 31<sup>th</sup> day of May, 2012.

Supplier Nylene Canada Inc.  
Telephone Number: 613-623-3191 x305  
973-694-4141 x133  
Fax Number: 973-694-3549  
Arthur Z. Quint  
Senior Vice President – Finance  
Chief Financial Officer  
E-mail Address: AQuint@Nylene.com







STRUDEX FIBRES LIMITED

Strudex Fibres Limited

85 Northfield Drive

Waterloo, Ontario N2L 0A8

Canada

P: 519.884.2310 F: 519.884.3443

PO: **12106**

Vendor name : Nylene Canada Inc

Address: 200 McNab Street

City: Arnprior

State/Prov: Ontario

Zip/P Code: K7S 3P2

Contact : Andy Buffam, e-mail :andy.buffam@nylene.com

Date: Apr 23,2012

Date Req'd: As per schedule

Terms: Net 45 Days

QUANTITY	DESCRIPTION	PRICE
4 Truck Loads	Nylene BS 700 A polyamide resin, each load of 19,595 kg  Delivery: One load each on the following dates in May,2012: 7,10,28 and 31	US \$ 1.45/lb

Requested by: S. Ravishankar

**CONFIRMATION ONLY**

Approved By: S. Ravishankar

Charge to: 50350 500

Strudex Fibres Limited

Authorized by: \_\_\_\_\_

# Straight Bill of Lading - Short Form

## Original



Subject to all terms, conditions and limitations incorporated by reference as shown on the back hereof.  
Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Strudex 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019386</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA  Remit Ref: 0000019386 Terms: FOB Origin - Prepaid
Customer No / No Client: 27734 Order No.: 0000600091 Customer Order No / No Commande: 12106 Carrier/Transporteur: ROSEDALE Vessel No.: 86233	Order Date: 04/23/2012 Sch. Del. Date: 05/28/2012 Date Shipped: 5/25/2012 SCAC Code: RTAL Pro. No.:	<b>Declare Valuation/Valuer Declaree</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le recto par l'expéditeur.
<b>Routing/Contract No.</b>		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust Mat'l No/No. Article Cnt	Line No
24		Nylene BS700 A - OCT	45,186.40 lb	10249867	1
24		<b>Net Weight</b>	<b>Gross Weight</b>		
		<b>Totals: (kg):</b> 19,595.21	20,496.23		
		(lb): 43,200.00	45,186.40		
24		<b>Net Weight</b>	<b>Gross Weight</b>		
		<b>Report Totals: (kg):</b> 19,595.21	20,496.23		
		(lb): 43,200.00	45,186.40		

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (49CFR).  
 Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the ER information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2. 800-267-7394 or 613-623-3666

Shipper, Pof. Brent Barrie

Agent, Per

Date: 05-25-12





# Straight Bill of Lading - Short Form Original



Subject to all terms, conditions and limitations incorporated by reference as shown on the back hereof.  
Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente

<b>Shipped To / Adresse de livraison</b> Strudex 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019382</b></span>  <b>Freight Remittance Info:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No Client: 27734 Order No.: 0000600090 Customer Order No / No Commande: 12106 Carrier/Transporteur: ROSEDALE Vessel No: 34343	Order Date: 04/23/2012 Sch. Del. Date: 05/25/2012 Date Shipped: 5/24/2012 SCAC Code: RTAI Pro No:	Remit Ref: 0000019382 Terms: FOB Origin - Prepaid  Declare Valuation/Valueur Declaree  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4,41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le reçu par l'expéditeur.
<b>Routing/Contract No</b>		
<b>Shipping Instructions</b>		

Units Cnls	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article CustMat'l No/No Article Cnt	Line No
24		Nylene BS700 A - OCT	45,245.60Lb	10249867	1
24		<b>Net Weight</b> <b>Totals:</b> (kg): 19,595.21 (lb): 43,200.00	<b>Gross Weight</b> 20,523.08 45,245.60		
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> <b>24</b>   <b>Report Totals:</b> </div> <div style="text-align: right;"> <b>Net Weight</b>            (kg): 19,595.21            (lb): 43,200.00         </div> <div style="text-align: right;"> <b>Gross Weight</b>            20,523.08            45,245.60         </div> </div>					

**Customer Phone:**

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (49CFR)

Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the ER information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

**FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 813-998-8686**

**FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY, CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)**

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3791

Shipper, Per: Brent Barrio

Agent, Per: *[Signature]*

Date: 05-24-12



Strudex Fibres Limited

65 Northfield Drive

Waterloo, Ontario N2L 0A8

Canada

P: 519.884.2310 F: 519.884.3443

PO: **12106**

Vendor name : Nylene Canada Inc

Address: 200 McNab Street

City: Arnprior

State/Prov: Ontario

Zip/P Code: K7S 3P2

Contact Andy Buffam, e-mail :andy.buffam@nylene.com

Date: Apr 23,2012

Date Req'd: As per schedule

Terms: Net 45 Days

QUANTITY	DESCRIPTION	PRICE
4 Truck Loads	Nylene BS 700 A polyamide resin, each load of 19,595 kg  Delivery: One load each on the following dates in May,2012: 7,10,28 and 31	US \$ 1.45/lb

Requested by: S. Ravishankar

CONFIRMATION ONLY

Approved By: S. Ravishankar

Charge to: 50350 500

Strudex Fibres Limited

Authorized by: \_\_\_\_\_

# Invoice



**Remit to:**

Nylene Canada Inc.  
200 McNab Street  
Auriprior, ON  
K7S 3P2

**Bill To:**

Strudex  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

**Ship To**

Strudex  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

Invoice No. 0000110163		Invoice Date 04/25/2012	Invoice Due Date 06/09/2012	Customer PO No. 12077	
Payment Terms Net 45		Customer No. 27734	Nylene Order No. SO-0000600011	Order Date 03/27/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019290-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10249867	Nylene BS700 A - OCT	1.450/LB	43,200.000 LB	\$62,640.00

GST Reg # 867796617 RT001	<table border="0"> <tr> <td>Subtotal</td> <td>62,640.00</td> </tr> <tr> <td>Freight</td> <td>0.00</td> </tr> <tr> <td>HST</td> <td>8,143.20</td> </tr> </table>	Subtotal	62,640.00	Freight	0.00	HST	8,143.20
Subtotal	62,640.00						
Freight	0.00						
HST	8,143.20						
Invoice Instructions:	<table border="0"> <tr> <td>Payment/Credit Amount</td> <td>0.00</td> </tr> <tr> <td>Balance      USD</td> <td>70,783.20</td> </tr> </table>	Payment/Credit Amount	0.00	Balance      USD	70,783.20		
Payment/Credit Amount	0.00						
Balance      USD	70,783.20						

Any questions, please contact:  
Accounting Tel: 613-623-3191

Pay by  
06/09/2012

Pay this Amount	
USD	\$ 70,783.20

Please itemize all invoice numbers & application credits on remittance advice.

Certified true and correct



STRUDEX FIBRES LIMITED

**Strudex Fibres Limited**

65 Northfield Drive  
Waterloo, Ontario N2L 0A8  
Canada

P: 519.884.2310 F: 519.884.3443

**PO: 12077**

**Vendor name :** Nylene Canada Inc  
**Address:** 200 McNab Street  
**City:** Amprior  
**State/Prov:** Ontario **Zip/P Code:** K7S 3P2  
**Contact** Andy Buffam, e-mail :andy.buffam@nylene.com

**Date:** Mar 27, 2012  
**Date Req'd:** As per schedule  
**Terms:** Net 45 Days

QUANTITY	DESCRIPTION	PRICE
4 Truck Loads	Nylene BS 700 A polyamide resin, each load of 19,595 kg  Delivery: One load each on the following dates in April, 2012: 3, 5, 24 and 26	US \$ 1.50/lb

**Requested by:** S. Ravishankar

**CONFIRMATION ONLY**

**Approved By:** S. Ravishankar

**Charge to:** 50350 500

**Strudex Fibres Limited**

Authorized by: \_\_\_\_\_



# Straight Bill of Lading - Short Form Original



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Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> <b>Strudex</b> 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> <b>Nylene Canada Inc.</b> 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019290</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No Client: 27734 Order No: 0000600011 Customer Order No: 12077 Carrier/Transporteur: ROSEDALE Vessel No: 34552	Order Date: 03/27/2012 Sch. Del. Date: 04/26/2012 Date Shipped: 4/25/2012 SCAC Code: RTAL Pro No.	Remit Ref: 0000019290 Terms: FOB Origin - Prepaid  <b>Declare Valuation/Valuer Declaree</b>  <small>Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le reçu par l'expéditeur</small>
Routing/Contract No.		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article CustMat'l No/No Article Client	Line No
24		Nylene BS700 A - OCT	45,186.20Lb	10249867	1
24		<b>Net Weight</b> <b>Gross Weight</b>			
		<b>Totals:</b> (kg): 19,595.21 (lb): 43,200.00	20,496.14 45,186.20		
<b>Report Totals:</b> (kg): 19,595.21 (lb): 43,200.00			<b>Gross Weight</b> 20,496.14 45,186.20		

**Customer Phone.**

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**FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6866**

**FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)**

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper, Pcr. Brent Barrie

Agent, Per: *[Signature]*

Date: 04-25-12





STRUDEX FIBRES LIMITED

Strudex Fibres Limited

65 Northfield Drive

Waterloo, Ontario N2L 0A8

Canada

P: 519.884.2310 F: 519.884.3443

PO: **12077**

Vendor name : Nylene Canada Inc

Address: 200 McNab Street

City: Amprior

State/Prov: Ontario

Contact Andy Buffam, e-mail :andy.buffam@nylene.com

Zip/P Code: K7S 3P2

Date: Mar 27, 2012

Date Req'd: As per schedule

Terms: Net 45 Days

QUANTITY	DESCRIPTION	PRICE
4 Truck Loads	Nylene BS 700 A polyamide resin, each load of 19,595 kg Delivery: One load each on the following dates in April, 2012: 3, 5, 24 and 26	US \$ 1.50/lb

Requested by: S. Ravishankar

Approved By: S. Ravishankar

Charge to: 50350 500

CONFIRMATION ONLY

Strudex Fibres Limited

Authorized by: \_\_\_\_\_

# Straight Bill of Lading - Short Form

## Original



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<b>Shipped To / Adresse de livraison</b> Strudex 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019275</b></span>  <b>Freight Remittance Info:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA  Remit Ref. 0000019275 Terms FOB Origin - Prepaid
Customer No./ No Client 27734 Order No 0000600010 Customer Order No. 12077 /No. Commande	Order Date 03/27/2012 Sch. Del. Date 04/24/2012 Date Shipped 4/23/2012	<b>Declare Valuation/Valor Declare</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le reçu par l'expéditeur.
Carrier/Transporteur ROSEDALE Vessel No 34673	SCAC Code RTAL Pro. No.	
<b>Routing/Contract No</b>		
<b>Shipping Instructions</b>		

Units Colite	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article CustMat'l No/No Article Cnt	Line No
24		Nylene BS700 A - OCT	45,292.30Lb	10249867	1
24		<b>Net Weight</b> <b>Gross Weight</b>  <b>Totals:</b> (kg): 19,595.21 (lb): 43,200.00	20,544.27  45,292.30		
24		<b>Report Totals:</b> (kg): 19,595.21 (lb): 43,200.00	20,544.27 45,292.30		

### Customer Phone

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (DOT/FR).

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FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-627-3887

Shipper, Pef. Brent Barrie

Agent, Per \*

Date: 04-23-12



Kraus Carpet Mills Ltd  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

Invoice No. <b>0000110247</b>		Invoice Date 05/16/2012	Invoice Due Date 06/30/2012	Customer PO No. 100325	
Payment Terms Net 45		Customer No. 27683	Nylene Order No. SO-0000600186	Order Date 05/15/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019362-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10303234	M416E 1300/2 MOA	2.590/LB	21,243.100 LB	\$55,019.63

GST Reg # 867796617 RT001	<table border="0"> <tr> <td>Subtotal</td> <td>55,019.63</td> </tr> <tr> <td>Freight</td> <td>0.00</td> </tr> <tr> <td>HST</td> <td>7,152.55</td> </tr> </table>	Subtotal	55,019.63	Freight	0.00	HST	7,152.55
Subtotal	55,019.63						
Freight	0.00						
HST	7,152.55						
Invoice Instructions:	<table border="0"> <tr> <td>Payment/Credit Amount</td> <td>0.00</td> </tr> <tr> <td>Balance USD</td> <td>62,172.18</td> </tr> </table>	Payment/Credit Amount	0.00	Balance USD	62,172.18		
Payment/Credit Amount	0.00						
Balance USD	62,172.18						

<b>Pay this Amount</b>	
<b>USD</b>	<b>\$ 62,172.18</b>

Certified true and correct



PURCHASE ORDER

KRAUS CARPETS LTD. (K)

PO: 100325

Vendor: NYLENE CANADA INC

Date: 2012-02-22

Bill ToShip To

Terms: NET 30

KRAUS CARPETS LTD. (K)

KRAUS INC

5 NORTHFIELD DRIVE WEST

65 NORTHFIELD DR WEST

WATERLOO, ONTARIO

CANADA

WATERLOO,

N2L 0A8

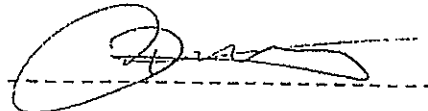
FOB: WATERLOO

SHIP INSTR: CC

May release

<u>Line</u>	<u>Quantity</u> <u>Ordered</u>	<u>Item</u> <u>Code</u>	<u>Item</u> <u>Description</u>	<u>Pricing</u>
1	15,900.00 LB	M438	M438	\$2.5900 LB
	May release			
2	6,600.00 LB	M437	M437	\$2.5600 LB
	May release			
3	21,000.00 LB	M416E	M416E	\$2.5900 LB
	May release			
4	19,900.00 LB	M679E	M679E	\$2.8500 LB
	May release			
5	7,700.00 LB	M627E	M627E	\$2.7500 LB
	May release			

Total: \$190,357.00 US\$



# Straight Bill of Lading - Short Form

## Original



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Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente

Shipped To / Adresse de livraison Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	Ship From Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	Bill Of Lading <span style="float: right;">0000019362</span>  Freight Remittance Info.: Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No. Client: 27683 Order No.: 0000600186 Customer Order No.: 100325 /No. Commande Carnet / Transporteur: ROSEDALE Vessel No.: 34306	Order Date: 05/15/2012 Sch. Del. Date: 05/17/2012 Date Shipped: 5/16/2012  SCAC Code: RTAL Pro. No.:	Remit. Ref.: 0000019362 Terms: FOB Origin - Prepaid  Declare Valuation/Valuer Declaree  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. À moins qu'une valeur supérieure n'ait été déclarée sur la facture par l'expéditeur.
Routing/Contract No.		
Shipping Instructions		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust/Mat'l No/No.Article Client	Line No
53		M416E 1300/2 MOA	22,768.40 lb	10303234	1
53		LOT #: End of Lot 75			
		Net Weight	Gross Weight		
		Totals: (kg): 9,635.72	10,327.58		
		(lb): 21,243.10	22,768.40		
53		Report Totals: (kg): 9,635.72	10,327.58		
		(lb): 21,243.10	22,768.40		

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation. (49CFR)

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FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-5191

Shipper, Per: Brent Barrie

Agent, Per: *[Signature]*

Date: 05-16-12



Kraus Carpet Mills Ltd  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

Invoice No. 0000110225		Invoice Date 05/10/2012	Invoice Due Date 06/24/2012	Customer PO No. 100258	
Payment Terms Net 45		Customer No. 27683	Nylene Order No. SO-0000600162	Order Date 05/10/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019341-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10249886	M977 2600 MB	1.960/LB	10,237.800 LB	\$20,066.09

GST Reg # 867796617 RT001	Subtotal	20,066.09
	Freight	0.00
	HST	2,608.59
	Payment/Credit Amount	0.00
	Balance USD	22,674.68

Pay this Amount	
USD	\$ 22,674.68

Certified true and correct

Vendor: NYLENE CANADA INC  
Bill To  
KRAUS CARPETS LTD. (K)  
65 NORTHFIELD DRIVE WEST  
WATERLOO, ONTARIO  
CANADA

Ship To  
KRAUS INC  
65 NORTHFIELD DR W  
WATERLOO, ON

Date: 2011-11-25  
Terms: NET 30

N2L 0A8

FOB: WATERLOO SHIP INSTR: ROSEDALE

Line	Quantity Ordered	Item Code	Item Description	Pricing
1	36,000.00 KG	M977	M977	\$1.9600 LB
	79,365.24 LB			

Total: \$155,555.87 US\$

# Straight Bill of Lading - Short Form

## Original



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Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019341</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
<b>Customer No / No Client</b> 27683 <b>Order No.</b> 0000600162 <b>Customer Order No</b> 100258 <b>/No. Commande</b> <b>Carrier/Transporteur</b> ROSEDALE <b>Vessel No</b> 34556	<b>Order Date</b> 05/10/2012 <b>Sch. Del. Date</b> 05/11/2012 <b>Date Shipped</b> 5/10/2012  <b>SCAC Code</b> RTAL <b>Pro. No.</b>	<b>Remit Ref.</b> 0000019341 <b>Terms</b> FOB Origin - Prepaid  <b>Declare Valuation/Value Déclarée</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur la recto par l'expéditeur.
<b>Routing/Contract No.</b>		
<b>Shipping Instructions</b>		

Units Collis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article CustMat'l No/No Article Client	Line No
23		M977 2600 MB LOT #: 38	10,609.20Lb	10249886	1
23		<b>Net Weight</b> <b>Totals:</b> (kg): 4,643.79 (lb): 10,237.80	<b>Gross Weight</b> 4,812.26 10,609.20		
23		<b>Report Totals:</b> (kg): 4,643.79 (lb): 10,237.80	<b>Gross Weight</b> 4,812.26 10,609.20		

Customer Phone:

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FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Amprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper. Pct: Brent Barrie

Agent. Per:

Date: 05-10-12





PURCHASE ORDER

KRAUS CARPETS LTD. (K)

PO: 100325

Vendor: NYLENE CANADA INC

Date: 2012-02-22

Bill ToShip To

Terms: NET 30

KRAUS CARPETS LTD. (K)  
65 NORTHFIELD DRIVE WEST  
WATERLOO, ONTARIO  
CANADAKRAUS INC  
65 NORTHFIELD DR WEST  
WATERLOO,

N2L 0A8

10305270

FOB: WATERLOO

SHIP INSTR: CC

May release

<u>Lne</u>	<u>Quantity</u> <u>Ordered</u>	<u>Item</u> <u>Code</u>	<u>Item</u> <u>Description</u>	<u>Pricing</u>
1	15,900.00 LB	M438	M438	\$2.5900 LE
	May release			
2	6,600.00 LB	M437	M437	\$2.5600 LE
	May release			
3	21,000.00 LB	M416E	M416E - 75	\$2.5900 LE
	May release			
4	19,900.00 LB	M679E	M679E	\$2.8500 LE
	May release			
5	7,700.00 LB	M627E	M627E- 73 = 9259 lbs	\$2.7500 LE
	May release			

Total: \$190,357.00 US\$

# Straight Bill of Lading - Short Form Original



Subject to all terms, conditions and limitations incorporated by reference as shown on the back hereof  
Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvoi au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019289</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA  Remit Ref. 0000019289 Terms FOB Origin - Prepaid
Customer No / No Client 27683 Order No. 0000600097 Customer Order No. 100325 /No Commande Carrier/Transporteur ROSEDALE Vessel No. 39141	Order Date 04/24/2012 Sch. Del. Date 04/25/2012 Date Shipped 4/24/2012  SCAC Code RTAL Pro No.	Declare Valuation/Valuer Declaree  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsable maximum de 4,41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur la recto par l'expéditeur.
<b>Routing/Contract No</b>		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article CustMat'l No/No.Article Cnt	Line No
31		M416E 1300/2 MOA LOT #: 75	13,397.60Lb	10303234	1
31					
		Net Weight	Gross Weight		
		Totals: (kg): 5,672.09	6,077.06		
		(lb): 12,504.80	13,397.60		
31					
		Net Weight	Gross Weight		
		Report Totals: (kg): 5,672.09	6,077.06		
		(lb): 12,504.80	13,397.60		

**Customer Phone.**

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (49CFR).  
 Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the ER information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

**FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 813-896-6666**

**FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)**

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper, Per Brent Barria

Agent, Per. \*

Date: 04-24-12



Kraus Carpet Mills Ltd  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

Invoice No. <b>0000110158</b>	Invoice Date 04/24/2012	Invoice Due Date 06/08/2012	Customer PO No. 100325	
Payment Terms Net 45	Customer No. 27683	Nylene Order No. SO-0000600096	Order Date 04/24/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid	Bill of Lading 0000019288-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10305270	M627E 1300/2 DP	2.750/LB	9,458.400 LB	\$26,010.60

GST Reg # 867796617 RT001	<table border="0"> <tr> <td>Subtotal</td> <td>26,010.60</td> </tr> <tr> <td>Freight</td> <td>0.00</td> </tr> <tr> <td>HST</td> <td>3,381.38</td> </tr> </table>	Subtotal	26,010.60	Freight	0.00	HST	3,381.38
Subtotal	26,010.60						
Freight	0.00						
HST	3,381.38						
Invoice Instructions:	<table border="0"> <tr> <td>Payment/Credit Amount</td> <td>0.00</td> </tr> <tr> <td>Balance      USD</td> <td>29,391.98</td> </tr> </table>	Payment/Credit Amount	0.00	Balance      USD	29,391.98		
Payment/Credit Amount	0.00						
Balance      USD	29,391.98						

Pay this Amount	
USD	\$ 29,391.98

Certified true and correct

## PURCHASE ORDER

KRAUS CARPETS LTD. (K)

PO: 100325

Vendor: NYLENE CANADA INC

Date: 2012-02-22

Bill ToKRAUS CARPETS LTD. (K)  
65 NORTHFIELD DRIVE WEST  
WATERLOO, ONTARIO  
CANADAShip ToKRAUS INC  
65 NORTHFIELD DR WEST  
WATERLOO,

Terms: NET 30

N2L 0A8

FOB: WATERLOO

SHIP INSTR: CC

May release

1030 3234

Lne	Quantity Ordered	Item Code	Item Description	Pricing
1	15,900.00 LB	M438	M438	\$2.5900 LE
May release				
2	6,600.00 LB	M437	M437	\$2.5600 LE
May release				
3	21,000.00 LB	M416E	M416E -75	\$2.5900 LE
May release				
4	19,900.00 LB	M679E	M679E	\$2.8500 LE
May release				
5	7,700.00 LB	M627E	M627E	\$2.7500 LE
May release				

Total: \$190,357.00 US\$

9800 lbs.



# Straight Bill of Lading - Short Form Original



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Sous réserve de tous les termes, conditions et restrictions incorporés sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019288</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No. Client: 27683 Order No.: 0000600096 Customer Order No.: 100325 /No. Commande: Carrier/transporteur: ROSEDALE Vessel No.: 39141	Order Date: 04/24/2012 Sch. Del. Date: 04/25/2012 Date Shipped: 4/24/2012  SCAC Code: RTAL Pro. No.:	Remit Ref: 0000019288 Terms: FOB Origin - Prepaid  Declare Valuation/Value Déclarée  <small>Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur la note par l'expéditeur.</small>
Routing/Contract No.: Shipping Instructions:		

Units Colls	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust/Mat'l No/No.Article Cnt	Line No
24		M627E 1300/2 DP	10,068.40Lb	10305270	1
24		LOT #: End of Lot 73			
		<b>Net Weight</b>	<b>Gross Weight</b>		
		Totals: (kg): 4,290.26	4,566.95		
		(lb): 9,458.40	10,068.40		
24		<b>Report Totals:</b>	<b>Net Weight</b>	<b>Gross Weight</b>	
		(kg): 4,290.26	4,566.95		
		(lb): 9,458.40	10,068.40		

Customer Phone

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation. (49CFR)

Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the ER information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangers mentionnés dans ce document ont été affixés au véhicule.

**FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666**

**FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY, CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)**

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-1191

Shipper: Per Brent Barrio

Agent: Per

Date: 04-24-12

# Invoice



Remit to:

Nylene Canada Inc.  
200 McNab Street  
Arnprior, ON  
K7S 3P2

**Bill To:**

Kraus Carpet Mills Ltd  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

**Ship To**

Kraus Carpet Mills Ltd  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

Invoice No. 0000110157		Invoice Date 04/24/2012	Invoice Due Date 06/08/2012	Customer PO No. 100369	
Payment Terms Net 45		Customer No. 27683	Nylene Order No. SO-0000600095	Order Date 04/24/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019287-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10296170	M768 1300/2 J(LU)PA	2.850/LB	6,911.200 LB	\$19,696.92

GST Reg # 867796617 RT001	<table border="0"> <tr> <td>Subtotal</td> <td>19,696.92</td> </tr> <tr> <td>Freight</td> <td>0.00</td> </tr> <tr> <td>HST</td> <td>2,560.60</td> </tr> </table>	Subtotal	19,696.92	Freight	0.00	HST	2,560.60
Subtotal	19,696.92						
Freight	0.00						
HST	2,560.60						
Invoice Instructions:	<table border="0"> <tr> <td>Payment/Credit Amount</td> <td>0.00</td> </tr> <tr> <td>Balance USD</td> <td>22,257.52</td> </tr> </table>	Payment/Credit Amount	0.00	Balance USD	22,257.52		
Payment/Credit Amount	0.00						
Balance USD	22,257.52						

Any questions, please contact:  
Accounting Tel: 613-623-3191

Pay by  
06/08/2012

Pay this Amount	
USD	\$ 22,257.52

Please itemize all invoice numbers & application credits on remittance advice.

Certified true and correct

PURCHASE ORDER

KRAUS CARPETS LTD. (K)

PO: 100369

Vendor: NYLENE CANADA INC

Date: 2012-04-23

Bill To

Ship To

Terms: NET 30

KRAUS CARPETS LTD. (K)

KRAUS INC

65 NORTHFIELD DRIVE WEST

65 NORTHFIELD DRIVE WEST

WATERLOO, ONTARIO

WATERLOO, ON

CANADA

N2L 0A8

FOB: WATERLOO

SHIP INSTR: CC

10296170

<u>Line</u>	<u>Quantity</u> <u>Ordered</u>	<u>Item</u> <u>Code</u>	<u>Item</u> <u>Description</u>	<u>Pricing</u>
1	20,000.00 LB	M768	M768 -02	\$2.8500 LI

Total: \$57,000.00 US\$

6834 lbs.

# Straight Bill of Lading - Short Form Original



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Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019287</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA  Remit Ref. 0000019287 Terms FOB Origin - Prepaid
Customer No / No Client 27683 Order No. 0000600095 Customer Order No. 100369 /No. Commande Carrier/Transporteur ROSEDALE Vessel No. 39141	Order Date 04/24/2012 Sch. Del. Date 04/25/2012 Date Shipped 4/24/2012  SCAC Code RTAL Pro. No.	<b>Declare Valuation/Value Declared</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. À moins qu'une valeur supérieure n'ait été déclarée sur le recto par l'expéditeur.
<b>Routing/Contract No</b>  <b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust Mat'l No/No. Article Client	Line No
19		M768 1300/2 J(LU)PA	7,402.40Lb	10296170	1
19		LOT #:: End of Lot 82			
		<b>Net Weight</b>	<b>Gross Weight</b>		
		<b>Totals:</b>			
		(kg): 3,134.87	3,357.68		
		(lb): 6,911.20	7,402.40		
19		<b>Report Totals:</b>			
		(kg): 3,134.87	3,357.68		
		(lb): 6,911.20	7,402.40		

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (49CFR).  
 Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the EIC information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-8181

Shipper For: Brent Barrie

Agent For:

Date: 04-24-12

# Invoice

**Remit to:**

**Bill To:**

**Ship To**

Invoice No. <b>0000110131</b>		Invoice Date 04/17/2012	Invoice Due Date 06/01/2012	Customer PO No. 100324	
Payment Terms Net 45		Customer No. 27683	Nylene Order No. SO-0000600068	Order Date 04/17/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019267-SH	Shipped From Arnprior Plant	

GST Reg # 867796617 RT001

Subtotal	54,872.76
Freight	0.00
HST	7,133.46

**Invoice Instructions:**

Payment/Credit Amount		0.00
Balance	USD	62,006.22

Pay by  
06/01/2012

Pay this Amount	
USD	\$ 62,006.22

Certified true and correct

PURCHASE ORDER KRAUS CARPETS LTD. (K)

PO: 100324

Vendor: NYLENE CANADA INC

Date: 2012-02-22

Bill To

Ship To

Terms: NET 30

KRAUS CARPETS LTD. (K)

KRAUS INC

5 NORTHFIELD DRIVE WEST

65 NORTHFIRLD DR WEST

WATERLOO, ONTARIO

WATERLOO,

CANADA

N2L 0A8

FOB: WATERLOO

SHIP INSTR: CC

April release

Line	Quantity Ordered	Item Code	Item Description	Pricing
1	15,900.00 LB	M438	M438	\$2.5900 LB
	April release			
2	6,600.00 LB	M437	M437	\$2.5600 LB
	April release			
3	21,000.00 LB	M416E	M416E	\$2.5900 LB
	April release			
4	19,900.00 LB	M679E	M679E	\$2.8500 LB
	April release			
5	7,700.00 LB	M627E	M627E	\$2.7500 LB
	April release			

Total: \$190,357.00 US\$

# Straight Bill of Lading - Short Form Original



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Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylenc Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;">0000019267</span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA  Remit Ref. 0000019267 Terms FOB Origin - Prepaid
Customer No / No. Client 27683 Order No 0000600068 Customer Order No 100324 /No. Commande Carrier/Transporteur ROSEDALE Vessel No 34576	Order Date 04/17/2012 Sch. Del. Date 04/18/2012 Date Shipped 4/17/2012 SCAC Code RTAL Pro. No.	<b>Declare Valuation/Valuer Declaree</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4,41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le recto par l'expéditeur.
<b>Routing/Contract No.</b>		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust/Mat'l No/No.Article Cnt	Line No
50		M679E 1300 /2 J(CD)PA LOT #: 82	20,613.60Lb	10294407	1
50		<b>Net Weight</b>  <b>Totals:</b> (kg): 8,733.30 (lb): 19,253.60	<b>Gross Weight</b>  9,350.18 20,613.60		
50		<b>Report Totals:</b> (kg): 8,733.30 (lb): 19,253.60	<b>Gross Weight</b> 9,350.18 20,613.60		

Customer Phone.

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (49CFR).  
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Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-998-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY, CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-523-3191

Shipper, Per: Brent Barrie

Agent, Per: \*

Date: 04-17-12



Kraus Carpet Mills Ltd  
65 Northfield Dr W  
Waterloo, ON N2L 0A8 CAN

Invoice No. 0000110130		Invoice Date 04/17/2012	Invoice Due Date 06/01/2012	Customer PO No. 100365	
Payment Terms Net 45		Customer No. 27683	Nylene Order No. SO-0000600067	Order Date 04/17/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019266-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10280974	M437 1300 /2 MO	2.560/LB	11,076.100 LB	\$28,354.82

GST Reg # 867796617 RT001	<table border="0"> <tr> <td>Subtotal</td> <td>28,354.82</td> </tr> <tr> <td>Freight</td> <td>0.00</td> </tr> <tr> <td>HST</td> <td>3,686.13</td> </tr> </table>	Subtotal	28,354.82	Freight	0.00	HST	3,686.13
Subtotal	28,354.82						
Freight	0.00						
HST	3,686.13						
Invoice Instructions:	<table border="0"> <tr> <td>Payment/Credit Amount</td> <td>0.00</td> </tr> <tr> <td>Balance      USD</td> <td>32,040.95</td> </tr> </table>	Payment/Credit Amount	0.00	Balance      USD	32,040.95		
Payment/Credit Amount	0.00						
Balance      USD	32,040.95						

Pay this Amount	
USD	\$ 32,040.95

Certified true and correct



PURCHASE ORDER KRAUS CARPETS LTD. (K)

PO: 100365

Vendor: NYLENE CANADA INC

Date: 2012-04-17

Bill To

Ship To

Terms: NET 30

KRAUS CARPETS LTD. (K)

KRAUS INC

65 NORTHFIELD DRIVE WEST

65 NORTHFIELD DR WEST

WATERLOO, ONTARIO

CANADA

WATERLOO,

N2L 0A8

FOB: WATERLOO

SHIP INSTR: CC

<u>Line</u>	<u>Quantity</u> <u>Ordered</u>	<u>Item</u> <u>Code</u>	<u>Item</u> <u>Description</u>	<u>Pricing</u>
1	40,000.00 LB	M437	M437	\$2.5600 LB

Total: \$102,400.00 US\$

# Straight Bill of Lading - Short Form Original



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<b>Shipped to / Adresse de livraison</b> Kraus Carpet Mills Ltd 65 Northfield Dr W Waterloo, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019266</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA  Remit Ref: 0000019266 Terms: FOB Origin - Prepaid
Customer No / No Client: 27683 Order No.: 0000600067 Customer Order No.: 100365 /No. Commande:	Order Date: 04/17/2012 Sch. Del. Date: 04/18/2012 Date Shipped: 4/17/2012	<b>Declare Valuation/Valuer Declaree</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation stated otherwise. Responsabilité maximum de 4,41 \$ par kilogramme selon le poids total du chargement. À moins qu'une valeur supérieure n'ait été déclarée sur la recto par l'expéditeur.
<b>Carrier/Transporteur</b> Vessel No: 34576	<b>SCAC Code</b> RTAL <b>Prio. No.</b>	
<b>Routing/Contract No.</b>		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust Mat'l No/No Article Cht	Line No
29		M437 1300 /2 MO	11,832.20Lb	10280974	1
29		LOT #: End of Lot 72			
		<b>Totals:</b>			
		(kg): 5,024.04	<b>Gross Weight</b>		
		(lb): 11,076.10	5,367.00		
			11,832.20		
29		<b>Report Totals:</b>	<b>Net Weight</b>	<b>Gross Weight</b>	
		(kg): 5,024.04	5,024.04	5,367.00	
		(lb): 11,076.10	11,076.10	11,832.20	

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation, (49CFR).  
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Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper, Per: Brent Barrie

Agent, Per:

Date: 04-17-12



Document Currency = USD

Remit to:

Nylene Canada Inc.  
200 McNab Street  
Arnprior, ON  
K7S 3P2

**Bill To:**

Varichrome Yarns  
Kraus Carpet Mills  
65 Northfield Dr W  
WATERLOO, ON N2L 0A8 CAN

**Ship To**

Varichrome Yarns  
Kraus Carpet Mills  
65 Northfield Dr W  
WATERLOO, ON N2L 0A8 CAN

Invoice No. 0000110246		Invoice Date 05/16/2012	Invoice Due Date 06/30/2012	Customer PO No. 43086	
Payment Terms Net 45		Customer No. 27748	Nylene Order No. SO-0000600188	Order Date 05/16/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019363-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10305372	M957 1125 MP	2.100/LB	19,964.400 LB	\$41,925.24

GST Reg # 867796617 RT001	Subtotal	41,925.24
	Freight	0.00
	HST	5,450.28
	Payment/Credit Amount	0.00
	Balance USD	47,375.52

Any questions, please contact:  
Accounting Tel: 613-623-3191

**Pay by**  
**06/30/2012**

Pay this Amount	
USD	\$ 47,375.52

Please itemize all invoice numbers & application credits on remittance advice.

Certified true and correct



**KRAUS**  
Floors with more.

**VARICHROME PURCHASE ORDER**

**# 43086**

DATE May 16th, 2002

PURCHASED FROM:

Nylene Canada  
200 McNab Street  
Arnprior, Ontario  
K7S 2C7

TERMS NET 30 DAYS

Quantity	Part number	Description	Price
9,000 kgs		M957	\$2.10/lb (USD)

**DELIVERY: Thursday, May 17th, 2012**

CONFIRMATION ONLY

Requested by: Dave Mason  
Approved by: Joop Heppenstrijdt  
Charge to: Varichrome

-----  
Kraus Carpet Mills Limited

65 Northfield Drive - Waterloo, Ontario - N2J 4J4  
Phone (519) 884-2310 Fax (519) 772-3422

# Straight Bill of Lading - Short Form

## Original



Subject to all terms, conditions and limitations incorporated by reference as shown on the back hereof.  
Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvoi au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Varichrome Yarns Kraus Carpet Mills 65 Northfield Dr W WATERLOO, ON N2L 0A8 CAN		<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019363</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No Client: 27748 Order No.: 0000600188 Customer Order No.: 43086 /No. Commande:	Order Date: 05/16/2012 Sch. Del. Date: 05/17/2012 Date Shipped: 5/16/2012	Remit Ref.: 0000019363 Terms: FOB Origin - Prepaid	
Carrier/Transporteur: ROSEDALE Vessel No.: 34306	SCAC Code: RTAL Pro. No.:	<b>Declare Valuation/Valuer Déclarer</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. À moins qu'une valeur supérieure n'ait été déclarée sur la recto par l'expéditeur.	
<b>Routing/Contract No.</b>			
<b>Shipping Instructions</b>			

Units Colts	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust Mat'l No/No. Article Client	Line No
57		M957 1125 MP	20,944.80Lb	10305372	1
57		LOT #: 10			
		<b>Net Weight</b>	<b>Gross Weight</b>		
		Totals: (kg): 9,055.71	9,500.41		
		(lb): 19,964.40	20,944.80		
57		<b>Report Totals:</b>	<b>Net Weight</b>	<b>Gross Weight</b>	
		(kg): 9,055.71	9,500.41		
		(lb): 19,964.40	20,944.80		

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation. (49CFR)  
 Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the ER information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper, Per: Brent Barrie

Agent, Per: *[Signature]*

Date: 05-16-12



Varichrome Yarns  
Kraus Carpet Mills  
65 Northfield Dr W  
WATERLOO, ON N2L 0A8 CAN

Invoice No. 0000110191		Invoice Date 05/03/2012	Invoice Due Date 06/17/2012	Customer PO No. 43035	
Payment Terms Net 45		Customer No. 27748	Nylene Order No. SO-0000600118	Order Date 04/27/2012	Pro Number
Carrier Code RTAL	Freight Terms ZF6 - FOB Origin - Prepaid		Bill of Lading 0000019313-SH	Shipped From Arnprior Plant	

Line	Item Number	Description	Price	Qty Shipped	Amount
1	10305372	M957 1125 MP	2.100/LB	22,052.800 LB	\$46,310.88

GST Reg # 867796617 RT001	<table border="0"> <tr> <td>Subtotal</td> <td>46,310.88</td> </tr> <tr> <td>Freight</td> <td>0.00</td> </tr> <tr> <td>HST</td> <td>6,020.41</td> </tr> </table>	Subtotal	46,310.88	Freight	0.00	HST	6,020.41
Subtotal	46,310.88						
Freight	0.00						
HST	6,020.41						
Invoice Instructions:	<table border="0"> <tr> <td>Payment/Credit Amount</td> <td>0.00</td> </tr> <tr> <td>Balance</td> <td>USD 52,331.29</td> </tr> </table>	Payment/Credit Amount	0.00	Balance	USD 52,331.29		
Payment/Credit Amount	0.00						
Balance	USD 52,331.29						

Pay this Amount	
USD	\$ 52,331.29

Certified true and correct

**KRAUS**

Floors with more.

**VARICHROME PURCHASE ORDER**

# 43035

DATE April 26<sup>th</sup>, 2002

PURCHASED FROM:

Nylene Canada  
200 McNab Street  
Auriprior, Ontario  
K7S 2C7

TERMS NET 30 DAYS

Quantity	Part number	Description	Price
10,000 kgs		M957	\$2.10/lb (USD)

DELIVERY: Friday, May 4th, 2012

CONFIRMATION ONLY

Requested by: Dave Mason  
Approved by: Joop Heppenstrijdt  
Charge to: Varichrome

Kraus Carpet Mills Limited

65 Northfield Drive - Waterloo, Ontario - N2J 4J4  
Phone (519) 884-2310 Fax (519) 772-3422

# Straight Bill of Lading - Short Form

## Original



Subject to all terms, conditions and limitations incorporated by reference as shown on the back hereof  
Sous réserve de tous les termes, conditions et restrictions incorporées sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Varichrome Yarns Kraus Carpet Mills 65 Northfield Dr W WATERLOO, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019313</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No Client: 27748 Order No: 0000600118 Customer Order No. /No. Commande: 43035	Order Date: 04/27/2012 Sch Del Date: 05/04/2012 Date Shipped: 5/3/2012	Remit Ref: 0000019313 Terms: FOB Origin - Prepaid
Carrier/Transporteur: ROSEDALE Vessel No: 34646	SCAC Code: RTAL Pro. No.	<b>Declare Valuation/Valuer Declaree</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4.41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le recto par l'expéditeur.
<b>Routing/Contract No.</b>		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles. Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article CustMat'l No/No.Article Clnt	Line No
63		M957 1125 MP	23,136.40Lb	10305372	1
63		<b>Net Weight</b>	<b>Gross Weight</b>		
		<b>Totals:</b>			
		(kg): 10,002.99	10,494.51		
		(lb): 22,052.80	23,136.40		
63		<b>Report Totals:</b>			
		(kg): 10,002.99	10,494.51		
		(lb): 22,052.80	23,136.40		

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation (49CFR).  
 Carrier certifies that the Emergency Response (ER) information is in their possession for hazardous materials identified in this shipping document and that the ER information is immediately available for use by appropriate personnel. Carrier certifies that applicable placards have been provided by Nylene for hazardous materials identified in this shipping document. Carrier certifies that the applicable placards are affixed to the vehicle for hazardous materials identified in this shipping document.

Le transporteur confirme que tous placards nécessaires pour produits dangereux mentionnés dans ce document ont été fournis par l'expéditeur. Le transporteur confirme que tous placards nécessaires pour dangereux mentionnés dans ce document ont été affixés au véhicule.

FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-986-6666

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper, Per Brent Barrie

Agent, Per

Date: 05-03-12





# KRAUS

100 Years till 2019.

## VARICHROME PURCHASE ORDER

# 43021

DATE April 24<sup>th</sup>, 2002

PURCHASED FROM:

Nylene Canada  
200 McNab Street  
Arnprior, Ontario  
K7S 2C7

TERMS NET 30 DAYS

Quantity	Part number	Description	Price
8,000 kgs		M957	\$2.10/lb (USD)

**DELIVERY: Wednesday, April 25<sup>th</sup>, 2012**

CONFIRMATION ONLY

Requested by: Dave Mason  
Approved by: Joop Heppenstrijdt  
Charge to: Varichrome

Kraus Carpet Mills Limited

65 Northfield Drive - Waterloo, Ontario - N2J 4J4  
Phone (519) 884-2310 Fax (519) 772-3422

# Straight Bill of Lading - Short Form Original



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Sous réserve de tous les termes, conditions et restrictions incorporés sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Varichrome Yarns Kraus Carpet Mills 65 Northfield Dr W WATERLOO, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019285</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No / No. Client: 27748 Order No: 0000600094 Customer Order No. / No. Commande: Waiting	Order Date: 04/24/2012 Sch. Del. Date: 04/25/2012 Date Shipped: 4/24/2012	Remit Ref: 0000019285 Terms: FOB Origin - Prepaid
Carrier/Transporteur: ROSEDALE Vessel No.: 39141	SCAC Code: RTAL Pro. No.:	<b>Declare Valuation/Valuer Declaree</b>  Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4,41 \$ par Kilogramme selon le poids total du chargement. A moins qu'une valeur supérieure n'ait été déclarée sur le recto par l'expéditeur.
<b>Routing/Contract No</b>		
<b>Shipping Instructions</b>		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust/Mat'l No/No Article Ctm	Line No.
52		M957 1125 MP LOT #: 10	18,785.20Lb	10305372	1
52		<b>Net Weight</b>  <b>Totals:</b> (kg): 8,118.77 (lb): 17,898.80	<b>Gross Weight</b>  8,520.83 18,785.20		
52		<b>Report Totals:</b> (kg): 8,118.77 (lb): 17,898.80	<b>Gross Weight</b>  8,520.83 18,785.20		

Customer Phone:

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FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-8686

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-7391

Shipper, Per: Bmt Barrie

Agent, Per:

Date: 04-24-12





**KRAUS<sup>®</sup>**  
floors with more.

**VARICHROME PURCHASE ORDER**

**# 42983**

DATE April 12<sup>th</sup>, 2002

PURCHASED FROM:

Nylene Canada  
200 McNab Street  
Amnrior, Ontario  
K7S 2C7

TERMS NET 30 DAYS

Quantity	Part number	Description	Price
7,500 kgs		M957	\$2.10/lb (USD)

**DELIVERY: Wednesday, April 18<sup>th</sup>, 2012**

CONFIRMATION ONLY

Requested by: Dave Mason  
Approved by: Joop Heppenstrijdt  
Charge to: Varichrome

  
Kraus Carpet Mills Limited

65 Northfield Drive - Waterloo, Ontario - N2J 4J4  
Phone (519) 884-2310 Fax (519) 772-3422

# Straight Bill of Lading - Short Form Original



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Sous réserve de tous les termes, conditions et restrictions incorporés sous formes de renvois au verso de la présente.

<b>Shipped To / Adresse de livraison</b> Varichrome Yarns Kraus Carpet Mills 65 Northfield Dr W WATERLOO, ON N2L 0A8 CAN	<b>Ship From</b> Nylene Canada Inc. 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA	<b>Bill Of Lading</b> <span style="float: right;"><b>0000019265</b></span>  <b>Freight Remittance Info.:</b> Name: Nylene Canada Inc. Address: 200 McNab Street ARNPRIOR ON K7S 3P2 CANADA
Customer No./ No. Client: 27748 Order No.: 0000600065 Customer Order No.: 42983 <i>No. Commande</i> Carrier/Transporteur: ROSEDALE Vessel No.: 34576	Order Date: 04/13/2012 Sch. Del. Date: 04/18/2012 Date Shipped: 4/17/2012 SCAC Code: RTAL Pro. No.:	Remit Ref.: 0000019265 Terms: FOB Origin - Prepaid  <b>Declare Valuation/Valuer Declarer</b> Maximum liability shall not exceed \$4.41 per Kg. Computed on the total weight of the shipment unless declared valuation states otherwise. Responsabilité maximum de 4,41 \$ par Kilogramme selon le poids total du chargement. À moins qu'une valeur supérieure n'ait été déclarée sur le recto par l'expéditeur.
Routing/Contract No.: Shipping Instructions:		

Units Colis	DG MD	Description of Articles, Special Marks and Exceptions Description Des Articles	Gross Weight Poids	Mat'l No/Article Cust/Mat'l No/No.Article Cnt	Line No
46		M957 1125 MP LOT #: 10	17,543.00lb	10305372	1
46		<b>Net Weight</b>  <b>Totals:</b> (kg): 7,596.46 (lb): 16,747.30	<b>Gross Weight</b>  7,957.38 17,543.00		
46		<b>Report Totals:</b> (kg): 7,596.46 (lb): 16,747.30	<b>Net Weight</b> 7,596.46 <b>Gross Weight</b> 7,957.38 16,747.30 17,543.00		

Customer Phone:

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transport, according to the applicable regulations of the Department of Transportation. (49CFR)  
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FOR CHEMICAL EMERGENCY IN CANADA, CONTACT CANUTEC, 613-996-6888

FOR CHEMICAL EMERGENCY IN THE US, CONTACT CHEMTREC, 24 HOURS PER DAY. CALL 703-527-3887 (collect) or 1-800-424-9300 (toll free)

Nylene Canada Inc., 200 McNab Street, Arnprior, ON K7S 3P2, 800-267-7394 or 613-623-3191

Shipper, Per: Brent Barrie

Agent, Per: *[Signature]*

Date: 04-17-12

**THIS IS EXHIBIT "C" TO THE AFFIDAVIT OF ARTHUR QUINT AFFIRMED JUNE 10, 2012**

---

**From:** ROGERS, LINC [LINC.ROGERS@blakes.com]

**Sent:** Friday, June 01, 2012 3:23 PM

**To:** David Ullmann; dkuiper@millerthomson.com

**Cc:** Raymond M. Slattery; john.p.mckenna@ca.pwc.com; michelle.pickett@ca.pwc.com; HUFF, PAM

**Subject:** RE: Kraus Inc., etc.

David,

Thank you for your e-mail. PricewaterhouseCoopers Inc. was appointed as Interim Receiver on May 28, 2012 with limited authority to monitor receipts and disbursements. The Interim Receiver is not in possession of the business or assets of Kraus. Accordingly, your client's rights under 81.1, if any, will not have been triggered by the Interim Receivership Order.

If your client has questions about its outstanding invoices, it should contact Kraus.

Kind regards,

Linc

Linc A. Rogers

Partner

Email: [linc.rogers@blakes.com](mailto:linc.rogers@blakes.com)

Dir: 416-863-4168

---

**Blake, Cassels & Graydon LLP | Toronto**

Tel: 416-863-2400 Fax: 416-863-2653

**blakes.com | Twitter**

**Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents**

This email communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return email and delete this communication and any copy immediately. Thank you.

L'information paraissant dans ce message électronique est CONFIDENTIELLE. Si ce message vous est parvenu par erreur, veuillez immédiatement m'en aviser par téléphone ou par courriel et en détruire toute copie. Merci.

---

**From:** David Ullmann [mailto:DUllmann@mindengross.com]

**Sent:** Thursday, May 31, 2012 5:02 PM

**To:** ROGERS, LINC; 'dkuiper@millerthomson.com'

**Cc:** Raymond M. Slattery

**Subject:** RE: Kraus Inc., etc.

Gentlemen,

Please see the attached demand under section 81.1, as per my email below. I understand that my client is sending the notice to Kraus directly as well. Also, please add us to the service list as counsel to Nylene Canada Inc.. We will send a Notice of Appearance tomorrow.

Regards,

David

---

**From:** David Ullmann  
**Sent:** Thursday, May 31, 2012 3:33 PM  
**To:** 'linc.rogers@blakes.com'; 'dkuiper@millertthomson.com'  
**Subject:** Kraus Inc., etc.

Mr. Rogers and Mr. Kuiper,

We understand that you are counsel to PWC, the receiver of Kraus and Kraus Inc. respectively. We are being contacted by a supplier of Kraus in respect of whom I believe we will be attempting to file an 81.1 notice today. Section 81.1 requires that the notice be presented to the Receiver or the Purchaser. We intend to provide it to each of you by email shortly. Please confirm that you will be able to accept and process this notice and bring it to the attention of those people in possession of the supplies in question, or if not, to whose attention the notice should also be sent.

Regards,

David Ullmann

David T. Ullmann

**Minden Gross LLP**

145 King Street West, Suite 2200

Toronto, Ontario, Canada M5H 4G2

**Tel:** (416) 369-4148 **Fax:** (416) 864-9223

**Email:** [dullmann@mindengross.com](mailto:dullmann@mindengross.com)

[www.mindengross.com](http://www.mindengross.com)

**MERITAS LAW FIRMS WORLDWIDE**

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**THIS IS EXHIBIT "D" TO THE AFFIDAVIT OF ARTHUR QUINT AFFIRMED JUNE 10, 2012**

**From:** Shiraz Meghji

**Sent:** Friday, June 01, 2012 2:12 PM

**To:** 'brent.mcdermott@krausflooring.com'

**Cc:** Arthur Quint; 'mwagner@krausflooring.com'

**Subject:** FW: COD Agreement

Hi Brent, attached is the signed COD letter. Please note that in signing this letter we are reserving our rights to demand payment of our outstanding invoices. Further we confirm that we will not conduct any new business with Kraus until you acknowledge receipt of our letter of May 31 sent to Mike Wagner and that you confirm that the goods identified therein have been segregated as required by that letter. As you are aware, we are under no obligation to supply you with further product. In the event we do supply with any further product hereafter, we will not by that action be acknowledging an obligation to or agreeing to make any further supply to you and we reserve the right to terminate making any further supply to you at any time. Please note that any further supply will be made by and to the account of Custom Resin. Please adjust your purchase orders to reflect this fact.

Thanks,

Shiraz.

---

**From:** Brent McDermott [mailto:brent.mcdermott@krausflooring.com]

**Sent:** Thursday, May 31, 2012 3:35 PM

**To:** Shiraz Meghji

**Cc:** Angela Blandford; Betty Ann Mohr

**Subject:** COD Agreement

Shiraz,

Could you please complete the attached forms and return them to me ASAP? It basically states that we agree to pay COD for new shipments and you agree to apply the money to the new shipments. Once I have confirmation of the agreement I will release the funds for wire.

Thanks,

Brent McDermott

Controller, Kraus Carpet Mills & Strudex Fibres Ltd.

65 Northfield Drive West, Waterloo, ON, N2L 0A8

P: 519.884.2310 ext. 272

F: 519.884.3443

[www.krausflooring.com](http://www.krausflooring.com)

65 Northfield Dr. W.,  
Waterloo, ON  
Canada N2L 0A8  
Phone: (519) 884-2314, ext 201  
Fax: (519) 884-3443



Nylene Canada Inc.  
20 McNab St.  
Arnprior, Ontario K7S 3P2

May 31, 2012

Dear Shiraz,

**Continued terms of trade with Strudex Fibres Limited, Kraus Inc and Kraus Canada Inc - All in Interim Receivership (the "Companies")**

Further to our earlier conversation, I confirm that the Companies are continuing to trade in Interim Receivership.

Under the terms of the Receivership Order, the Companies will make payments to you for goods ordered and delivered after the date of the Receivership Order on a cash on delivery basis. However, before further payments are made to you, I should be grateful if you would sign and return a copy of this letter confirming that all future payments are to be applied against the most recently delivered order or unpaid invoice, and are not available for set off against any arrears which may exist and relate to the period prior to 28 May 2012.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brent McDermott", with a long horizontal line extending to the right.

**Brent McDermott**  
Controller, Strudex & Kraus Carpet

I confirm my agreement to the terms outlined in this letter.

Signed: Shiraz Meghji Name: SHIRAZ MEGHJI  
Position: VP, Fin. & Acctg. Date: June 1, 2012

For and on behalf of Nylene Canada Inc.

65 Northfield Dr. W.,  
Waterloo, ON  
Canada N2L 0A8  
Phone: (519) 884-2314, ext 201  
Fax: (519) 884-3443



Nylene Canada Inc.  
20 McNab St.  
Arnprior, Ontario K7S 3P2

May 31, 2012

Dear Shiraz,

**Continued terms of trade with Strudex Fibres Limited, Kraus Inc and Kraus Canada Inc - All in Interim Receivership (the "Companies")**

Further to our earlier conversation, I confirm that the Companies are continuing to trade in Interim Receivership.

Under the terms of the Receivership Order, the Companies will make payments to you for goods ordered and delivered after the date of the Receivership Order on a cash on delivery basis. However, before further payments are made to you, I should be grateful if you would sign and return a copy of this letter confirming that all future payments are to be applied against the most recently delivered order or unpaid invoice, and are not available for set off against any arrears which may exist and relate to the period prior to 28 May 2012.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

**Brent McDermott**  
Controller, Strudex & Kraus Carpet

I confirm my agreement to the terms outlined in this letter.

Signed: Shiraz Meghji Name: SHIRAZ MEGHJI  
Position: VP, Fin & Acctg. Date: June 1 2012

For and on behalf of Nylene Canada Inc.

**THIS IS EXHIBIT "E" TO THE AFFIDAVIT OF ARTHUR QUINT AFFIRMED JUNE 10, 2012**

**From:** Mike Wagner [mailto:mike.wagner@krausflooring.com]

**Sent:** Thursday, June 07, 2012 1:33 PM

**To:** Arthur Quint

**Subject:** FW:

Dear Mr. Quint,

I refer to the correspondence addressed to Walter and myself dated May 31 2012, regarding your purported "30 day" product claims. I thought it would be helpful for me to clarify the exact status of the product detailed in your claim, and avoid incurring the expense of attorney's fees if at all possible.

As you are aware we are due enter Bankruptcy and Receivership on 11 June 2012. Any claims for the repossession of goods invoiced prior to 12 May 2012 would not be valid under the BIA s81.1, as these goods were delivered in excess of 30 days from the potential date of Kraus's Bankruptcy and Receivership. In your letter you detailed the following invoices dated prior to 12 May 2012:

<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Amount (USD)</b>
110130	04/17/2012	32,040.95
110131	04/17/2012	62,006.22
110157	04/24/2012	22,257.52
110158	04/24/2012	29,391.98
110159	04/24/2012	36,597.80
110225	05/10/2012	22,674.68
110150	04/23/2012	70,783.20
110163	04/25/2012	70,783.20
110129	04/17/2012	39,741.34
110160	04/24/2012	42,473.85
110191	05/03/2012	52,331.29

These invoices which amount to \$481,082.03, fall outside of this period.

This leaves the following invoices to be reconciled:

<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Amount (USD)</b>
110247	05/16/2012	62,172.18
110276	05/24/2012	70,783.20
110281	05/25/2012	70,783.20
110241	05/16/2012	47,375.52

These amount to \$251,114.10.

A wire transfer for invoice #110281 was sent June 5<sup>th</sup> to Bank of Montreal Kanata Account #4681221. . In regards to 110276 and 110241, unfortunately these goods have already been converted into product. However, we do anticipate that there will be around 13,000lbs of unused yarn in stock that relates to invoice 110247. Accordingly, in relation to your claim, we estimate we will have on hand, stock with a value of \$30,000 which would be potentially liable for a 30 day claim.

We are looking forward to meeting with Sol and Don on 13 June 2012 where we hope we can come to an amicable solution to our dispute.

Sincerely,

Mike Wagner

**THIS IS EXHIBIT "F" TO THE AFFIDAVIT OF ARTHUR QUINT AFFIRMED JUNE 10, 2012**

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**From:** David Ullmann  
**Sent:** Thursday, June 07, 2012 11:10 PM  
**To:** 'dkuiper@millerthomson.com'  
**Cc:** Raymond M. Slattery; 'linc.rogers@blakes.com'  
**Subject:** RE: Kraus Inc., etc.

Mr. Kuiper,

As you are aware, we are counsel to Nylene Canada, Inc. Further to our client's letter to The Kraus Group dated May 31, 2012 (which we also provided to you on that date), our client today received a response, which is set out below. Our client disagrees with the position taken by your client in that email.

Our client does not accept the principal conclusion in your client's response: that the appointment of the interim receiver under section 46(1) of the Bankruptcy and Insolvency Act, prevents the application of section 81.1 or that your client is somehow entitled to consume our client's goods without payment during the period of the interim receiver's appointment. On the contrary, it is clear that section 46(1) is designed to ensure that creditors' assets are protected from conversion or depletion pending the appointment of the trustee in bankruptcy, not to allow for their silent consumption expressly against the wishes of such a creditor who provides notice. The endorsement of Justice Morawetz makes it clear that the order of May 28 was granted specifically to facilitate the protection of the estate.

Further, the letter accompanying our client's 81.1 note required that your client isolate our client's goods while this issue was determined, and in the absence of payment, to make no use of them. Although a note was received from the interim receiver contesting the applicability of the 81.1 notice, there was no response from your client until today. If your client disagreed with our client's position, it was obliged to respond. In the absence of a response, our client assumed that your client had agreed to segregate the goods and not to use same pending payment. Indeed, this reasonable assumption was further buttressed by the fact that your client subsequently made payment in the amount of \$70,000 in order to make use of some of the segregated supply.

Our client does not accept that your client now need only pay it for a small portion of the goods which were the subject of the letter of May 31 (being those which were delivered after May 12, 2012 and which remain unused). Rather, it is our client's position that your client has been on notice, since the letter of May 31<sup>st</sup> to segregate all those goods and, unless payment was made, to make no use of them.

It would seem to us that the claims of our client are therefore priority claims (like those other claims under section 81) which, according to the summary of the proposed transaction contained in the Interim Receiver's report, must be paid or dealt with prior to closing of the proposed transaction. We expect to receive instructions to bring this fact to the attention of the Court on Monday if this matter remains unresolved at that time and to seek such other relief as may be available under section 81.1 or otherwise. We encourage you to advise your client to reconsider their position in the interim.

Regards,

David Ullmann

**From:** Mike Wagner [mailto:mike.wagner@krausflooring.com]  
**Sent:** Thursday, June 07, 2012 1:33 PM  
**To:** Arthur Quint  
**Subject:** FW:

Dear Mr. Quint,

I refer to the correspondence addressed to Walter and myself dated May 31 2012, regarding your purported "30 day" product claims. I thought it would be helpful for me to clarify the exact status of the product detailed in your claim, and avoid incurring the expense of attorney's fees if at all possible.

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110163	04/25/2012	70,783.20
110129	04/17/2012	39,741.34
110160	04/24/2012	42,473.85
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We are looking forward to meeting with Sol and Don on 13 June 2012 where we hope we can come to an amicable solution to our dispute.

Sincerely,

Mike Wagner

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**From:** David Ullmann  
**Sent:** Thursday, May 31, 2012 5:01 PM  
**To:** 'linc.rogers@blakes.com'; 'dkuiper@millertthomson.com'  
**Cc:** Raymond M. Slattery  
**Subject:** RE: Kraus Inc., etc.

Gentlemen,  
Please see the attached demand under section 81.1, as per my email below. I understand that my client is sending the notice to Kraus directly as well. Also, please add us to the service list as counsel to Nylene Canada Inc.. We will send a Notice of Appearance tomorrow.

Regards,  
David

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**From:** David Ullmann  
**Sent:** Thursday, May 31, 2012 3:33 PM  
**To:** 'linc.rogers@blakes.com'; 'dkuiper@millertthomson.com'  
**Subject:** Kraus Inc., etc.

Mr. Rogers and Mr. Kuiper,  
We understand that you are counsel to PWC, the receiver of Kraus and Kraus Inc. respectively. We are being contacted by a supplier of Kraus in respect of whom I believe we will be attempting to file an 81.1 notice today. Section 81.1 requires that the notice be presented to the Receiver or the Purchaser. We intend to provide it to each of you by email shortly. Please confirm that you will be able to accept and process this notice and bring it to the attention of those people in possession of the supplies in question, or if not, to whose attention the notice should also be sent.

Regards,

David Ullmann  
David T. Ullmann  
**Minden Gross LLP**  
145 King Street West, Suite 2200  
Toronto, Ontario, Canada M5H 4G2  
**Tel:** (416) 369-4148 **Fax:** (416) 864-9223  
**Email:** dullmann@mindengross.com  
[www.mindengross.com](http://www.mindengross.com)

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