December 31, 2004

ROCKWATER CAPITAL CORPORATION
BCE Place, 181 Bay Street
Suite 900, P.O. Box 779
Toronto (Ontario) M5J 2T3

Attention: Mr. William D. Packham, President and Chief Executive Officer

Dear Sirs:

1. SUBSCRIPTION

The undersigned, Caisse de dépôt et placement du Québec (the "**Subscriber**") and Rockwater Capital Corporation (the "**Company**") executed on December 31, 2004 a subscription agreement ("**Subscription Agreement**") pursuant to which the Company agrees to create, issue and sell to the Subscriber on the Closing Date, subject to the terms and conditions set forth in the Subscription Agreement, senior unsecured convertible debentures (the "**Convertible Debentures**"), representing a total principal amount and purchase price of thirty million dollars ($30,000,000) (the "**Purchase Price**").

The Convertible Debentures set out in Article 8 of their provisions contain certain general undertakings of the Company without which the Subscriber would not have purchased the Convertible Debenture.

All defined terms used herein and not otherwise defined have the meanings ascribed thereto in the Subscription Agreement

2. ENFORCEABILITY OF FURTHER UNDERTAKINGS.

2.1 It was agreed by the Subscriber and the Company that, for greater convenience to the Company, certain general undertakings of the Company which the Subscriber also considered material to its consent to subscribe for the Convertible Debentures, should be set out separately in this agreement, which is to be dated and executed concurrently with the Subscription Agreement and the Convertible Debentures.

2.2 All necessary corporate action shall be taken by the Company and the Subscriber to approve this Agreement concurrently with the Subscription Agreement and all representations and warranties, covenants and undertakings in the Subscription Agreement pertaining to the parties' corporate powers to execute and perform the Subscription Agreement and its indemnification provision shall be deemed to apply also to this Agreement as if it were incorporated in the Subscription Agreement, and all the recourses and remedies available under the Convertible Debentures and in particular in Article 9 thereof to the Subscriber in respect of the Company's undertakings in Article 8 thereof, shall also be available to the Subscriber in respect of the undertakings set out in Section 3 hereof as if they were incorporated in the Convertible Debentures.

3. FURTHER UNDERTAKINGS

3.1 As long as the Convertible Debentures are outstanding, in whole or in part, the Company undertakes in favour of the Subscriber:

3.1.1 To work with the Subscriber to identify an individual to be proposed to the shareholders of the Company at the Company's annual general meeting in every year starting 2005 and so long as the Subscriber will hold $10,000,000 principal amount of Convertible Debentures (subject to the approval of the Company's governance and nominating committee and the Board of Directors) to act as a director of the Company.

3.1.2 to maintain books of account in conformity with generally accepted accounting principles and to provide to the Subscriber on a quarterly basis all regulatory financial reports, questionnaires and statements which the Company or its regulated subsidiaries are required to file with the securities regulatory authorities in Canada within that quarter**;**

3.1.3 to provide to the Subscriber, as soon as it has been approved by the board of directors of the Company and in any event within 90 days following the end of each fiscal year, its business plan and consolidated capital and operating budgets for the Company and individual capital and operating budgets for each subsidiary or division, as applicable;

3.1.4 to provide all information, including budgets and other financial information which the Subscriber may reasonably request to assess its investment in the Convertible Debenture based on the Company's business, operating, credit and compliance risks;

3.1.5 notify the Subscriber promptly of:

any material change in the information contained herein or in the Subscription Agreement or in any schedules hereto and thereto relating to the Company, its business or assets, including, without limitation, any change of name or address of the Company;

the details of any material claims or litigation to which the Company or its subsidiaries are parties;

any loss or damage of a material amount to the assets of the Company on a consolidated basis**;**

in each case unless otherwise publicly disclosed;

3.1.6 not to do any of the things and not to take any of the decisions mentioned below unless the subject to be dealt with has been specifically disclosed to and approved by the Board of directors and approved by the Subscriber in the manner specified in Section 12.5 of the Convertible Debenture, such approval not to be unreasonably withheld:

3.1.6.1 other than the previously announced share consolidation, to amend the Articles and by-laws of the Company if such amendments could have a material and detrimental impact on the Debenture;

3.1.6.2 to change substantially the nature of the Company's business;

3.1.6.3 to issue secured convertible debt;

3.1.6.4 to make loans or guarantees in favour of third parties other than in the normal course of business, except to wholly owned subsidiaries or to employees or in connection with acquisitions of related businesses;

3.1.6.5 to sell all or substantially all of the assets (including any sale of shares of a material subsidiary) of the Company;

3.1.6.6 to declare or pay any dividends or purchase or redeem any of its shares or otherwise reduce its share capital while an Event of Default is occurring.

4. ASSIGNMENT, SUCCESSORS AND ASSIGNS

The Company shall not assign any rights or benefits under this Agreement, including its Schedules, including the benefit of any representation, warranty or covenant, without the prior written consent of the Subscriber. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators and other legal representatives, successors (including any successor by reason of amalgamation or statutory arrangement of any party) and permitted assigns.

The Subscriber shall not assign any rights or benefits under this Agreement, except to a registered affiliate of the Subscriber that is not engaged in a business in competition with that of the registered subsidiaries of the Company.

5. ENTIRE AGREEMENT

This Agreement, together with its Schedules, contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

5A. TERM

Notwithstanding the date of this Agreement this Agreement shall only come into effect on the Closing Date.

This Agreement shall terminate at such time as the Subscriber shall beneficially own less than $10,000,000 principal amount of Convertible Debentures.

The terms of the confidentiality agreement between the Subscriber and the Company dated <*> shall apply to this Agreement and continue in full force and effect.

6. GOVERNING LAW

This Agreement, together with its Schedules, is governed by the laws of the Province of Québec and the laws of Canada applicable therein. The Subscriber and the Company irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Québec.

7. TIME OF ESSENCE

Time shall be of the essence of this Agreement.

8. COUNTERPARTS, ETC.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

9. CONFIDENTIALITY

The Company will obtain prior approval of the Subscriber for any public disclosure which it intends to make in relation to the matters referred to in this Agreement and the Convertible Debentures, other than such disclosure in terms which will have been approved beforehand by the Subscriber, provided that prior notice in writing shall have been given to the Subscriber before the use of such pre-approved disclosure.

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Per: (Signed) Paul-Henri Couture
Name: Paul-Henri Couture
Title: Vice-President, Investments

Per: (Signed) Talel Sahraoui
Name: Talel Sahraoui
Title: Investment Manager, Financial Institutions

ACCEPTANCE

The above subscription is hereby accepted and agreed to by Rockwater Capital Corporation.

DATED in _Toronto_____________, this thirty-first (31st) day of December, 2004.

ROCKWATER CAPITAL CORPORATION

Per: (Signed) Gordon Weir
Name: Gordon Weir
Title: Chief Financial Officer

Per: (Signed) Richard Wyruch
Name: Richard Wyruch
Title: General Counsel and Corporate Secretary