

No. S-114513
Vancouver Registry

In the Supreme Court of British Columbia

Between

Craig Barton and
Fairfax Financial Holdings Limited

Plaintiffs

And

Pakit Inc.

Defendant

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) 12/June/2012
MR. JUSTICE BURNYEAT)

ON THE APPLICATION of Alvarez & Marsal Canada Inc., the Court Appointed Receiver and Manager of Pakit Inc. (the "**Receiver**") coming on for hearing at Vancouver, British Columbia on June 12, 2012 and on hearing Magnus C. Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto;

THIS COURT ORDERS that:

1. The time for service of this Notice of Application and supporting materials is hereby abridged so that this Application is properly returnable today, and the need for further service of the Notice of Application and supporting materials is hereby dispensed with.
2. The sale (the "**Sale**") of the Purchased Assets, as defined in and pursuant to the terms and conditions of the Agreement and Purchase of Sale dated as of May 11, 2012 (the "**Purchased Assets**") (a copy of which is exhibited in the Third Report of the Receiver dated June 8, 2012 filed in this proceeding), to Fairfax Financial Holdings Limited or an affiliate thereof (the "**Purchaser**"), is commercially reasonable and is hereby approved.

3. The Receiver is hereby authorized to complete, execute and register any documents required to complete the Sale.

4. Subject to the terms of this Order, the Purchased Assets be conveyed to and vest absolutely in the Purchaser free and clear of and from any estate, right, title, interest, equity of redemption, security interest (whether contractual, statutory or otherwise), hypothec, mortgage, trust or deemed trust (whether contractual, statutory or otherwise), lien, execution, levy, charge, or other financial or monetary claim, whether or not it has attached or been perfected, registered or filed and whether secured, or unsecured or otherwise and whether at law or in equity and all other claims of any parties, and, without restricting the generality of the foregoing, all right, title, interest, claim, estate and equity of redemption of the holder of any security interest or charge in respect of the Purchased Assets, or any portions thereof, or anyone claiming by or through any such security or charge holder shall be extinguished.

5. The Receiver and all persons claiming by, through or under them or any of them deliver up vacant possession of the Purchased Assets to the Purchaser within five (5) business days after the pronouncement of this Order, or such other date as the Purchaser and the Receiver may agree to in writing, provided that the purchase price has been paid by that date.

6. For the purposes of issuing title as aforesaid in respect of the Purchased Assets, financing statements registered in the British Columbia Personal Property Registry, other than those registered by the Purchaser, be released and discharged, and the Receiver or its solicitor may file financing change statements in the British Columbia Personal Property Registry to effect the discharge of any registrations against Pakit Inc.

7. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* in respect of Pakit Inc. and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Pakit Inc.;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Pakit Inc., or any party comprising Pakit Inc., and shall not be void or voidable by creditors of Pakit Inc. nor shall it constitute nor be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. The Receiver and the Purchaser be at liberty to apply for such further and other directions and relief as may be necessary to carry out the full purport and effect of this Order.

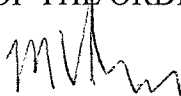
9. THIS COURT HEREBY REQUESTS the aid and recognition of other Canadian and foreign Court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. Notwithstanding paragraph 4 above, the Receiver shall retain the sum of \$67,682.66 in respect of the obligations of Pakit Inc. to Canada Revenue Agency ("CRA") for unremitted employee source deductions for income tax, employment insurance and Canada Pension Plan. The Receiver is authorized to pay to CRA some or all of the \$67,682.66 if agreement is reached among CRA, the Purchaser and the Receiver as to the amount owing and its priority, failing which payment will be subject to further Court Order.

11. Nothing in this Order alters or determines the nature, validity or enforceability of any advance or inter-corporate account between Pakit Inc. and any of its subsidiaries.

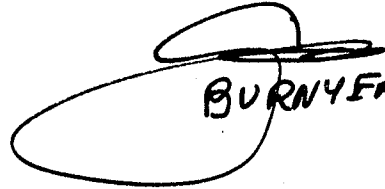
12. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:




Signature of Magnus C. Verbrugge

☐ party ☒ lawyer for Applicant
Alvarez & Marsal Canada Inc.,
the Court Appointed Receiver
and Manager of Pakit Inc.


BURNYFAT, J.

By the Court.



Registrar



SCHEDULE "A"

(List of Counsel)

Name of Counsel	Counsel for:
Neva Beckie	Department of Justice on behalf of Canada Revenue Agency
Peter Rubin	Fairfax Financial Holdings Limited
John McLean and Emelie Kozak	ATS Automation Tooling Systems Inc.

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