No. S-114513

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

CRAIG BARTON and

FAIRFAX FINANCIAL HOLDINGS LIMITED

PLAINTIFFS

AND

PAKIT INC.

DEFENDENT

FIRST REPORT OF ALVAREZ & MARSAL CANADA INC.
RECEIVER AND MANAGER
PAKIT INC.

MARCH 1, 2012

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1.0 INTRODUCTION

1.1 Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Receiver Manager**") was appointed as Receiver and Manager of all the assets, undertakings and properties of Pakit Inc. ("**Pakit**" or the "**Company**") on February 2, 2012, pursuant to the order (the "**Receivership Order**") pronounced by the Honourable Mr. Justice Burnyeat (the "**Order Date**") on the application of Fairfax Financial Holdings Limited ("**Fairfax**") for an order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended. The Receivership Order is attached hereto as Appendix "**A**".

1.2 Prior to the date of the Receivership Order, Pakit was operating under a stay of proceedings (the granted by this Honourable Court pursuant to an order granted on July 28, 2011 under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). The stay of proceedings under the CCAA expired February 2, 2012 contemporaneous with the date of the Receivership Order and the appointment of the Receiver Manager.

1.3 Upon granting the Receivership Order, this Honourable Court also directed the Receiver Manager to prepare and present to this Honourable Court by no later than March 1, 2012, a report containing information regarding the Receiver Manager's initial activities and in particular, an update and summary of the disposition of funds borrowed by the Receiver Manager under the Receiver's Borrowing Charge (as defined in the Receivership Order).

1.4 The Receiver Manager has established a website at www.alvarezandmarsal.com/pakit which contains relevant Court documents as well as notices to creditors and other related materials (the "**Receiver Manager's Website**").

2.0 PURPOSE OF REPORT

2.1 This is the Receiver Manager's first report (the "**First Report**") and is intended to provide this Honourable Court and the Company's stakeholders with an update on the following:

a) an overview of the Pakit's corporate structure, its current operating platform and sources of financing;
b) the Receiver Manager's initial receivership activities;
c) an estimate of the statement of affairs of Pakit (including a summary of Pakit's assets and liabilities) as at February 2, 2012;

d) a summary of the Receiver Manager's cash receipts and disbursements for the period February 2 through February 24, 2012;

e) prospective funding requirements and a cash flow forecast of the Receiver Manager for the 13 week period ending May 4, 2012; and

f) the Receiver Manager's concluding comments and proposed future course of action.

3.0 TERMS OF REFERENCE

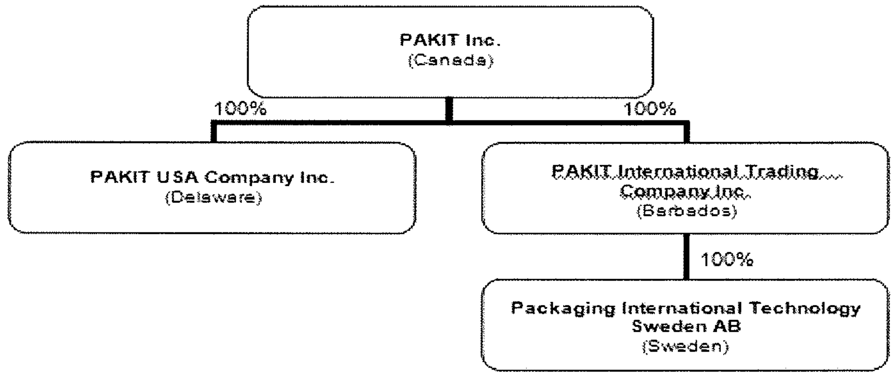
3.1 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by the Receiver Manager with input and assistance from certain management of Pakit and its subsidiary companies. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections and the variations could be material. In addition, historical information is referred to or has been relied upon in preparing this report. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information provided at this time.

3.2 Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

4.0 CORPORATE STRUCTURE, OPERATIONS AND FINANCING

4.1 Pakit has approximately 1,200 individual shareholders who have contributed approximately $78 million of equity during the period 2004 through to February 2012 representing approximately 110 million shares of outstanding common stock. A number of the shareholders include secured debenture holders (refer to section of 6.0 of this First Report). The equity contributions were made for the purpose of acquiring, developing and creating certain proprietary cellulose fibre moulding technology and processes relating to sustainable clean technology solutions for the packaging industry.

4.2 Pakit holds common share interests in Pakit International Trading Company Inc. ("**Pakit International**") who in turn owns the common shares of Packaging International Technology Sweden AB ("**PIT**"). Pakit International and PIT are domiciled in Barbados and Sweden, respectively. The subsidiary companies referenced are Pakit's principal operating subsidiaries and are not under any insolvency proceedings in the respective jurisdictions. The Receiver Manager's powers as conferred by the Receivership Order are limited in respect of these entities to the ability of the Receiver Manager to exercise any shareholder rights which Pakit may have. Summarized in the chart below is a overview of the corporate structure of Pakit and certain select subsidiaries[1] (the "**Pakit Group**"):



4.3 To date, Pakit's principal business activities include research and development and manufacturing for sale of its PAKIT100 machine and related tooling which incorporates its proprietary technologies and processes which are registered under patent in various jurisdictions. Most of Pakit's research and development and business operations are conducted through wholly owned subsidiaries, Pakit International and PIT.

4.4 The sources of funding of the Pakit Group included the equity investments referenced in 4.1 above as well as other secured and unsecured financings (refer to section 6.0 of this First Report) and have all been raised at the Pakit holding company level, with the exception of approximately $500,000. In order to fund the operations of Pakit International and PIT, Pakit advanced funds on an unsecured basis downstream to Pakit International and Pakit International then on-lent those funds to PIT where the principal research, development and manufacturing activities take place.

4.5 The principal business of Pakit International is the sales of PAKIT100 machines, ownership of the Pakit Group intellectual property (including all patents and trademarks) and ownership and financing of PIT.

4.6 PIT operates from a research and development and manufacturing facility in Norrköping, Sweden and employs approximately 20 individuals on a full time basis including a number of individuals who had originally developed and refined the intellectual property and tooling which represents the primary value inherent in the Pakit Group. All of PIT's activities and research and

[1] Other known subsidiary companies of Pakit include Pak-IT Manufacturing Co. Ltd., Packaging International Technology China AB and Pakit China Ltd. but are dormant and/or have immaterial assets and liabilities and are not reflected above.

development are for the benefit of Pakit International and PIT's cash costs are invoiced on a monthly basis to Pakit International with an offsetting credit for funds advanced by Pakit International to PIT.

5.0 **RECEIVER MANAGER'S INITIAL ACTIVITIES**

5.1 Since the date of the Receivership Order, the Receiver Manager's initial activities have included attending to the following:

a) taking possession of the assets and properties of the Company including securing the office premises of Pakit, seizing Pakit's bank accounts, changing locks at the corporate offices, restricting computer access and codes as appropriate and generally securing and safeguarding the assets and property of Pakit;

b) conducting an initial meeting with the employees of Pakit on February 2, 2012 to explain the powers and duties of the Receiver Manager, its role as an Officer of the Court and to discuss proposed terms of retention to assist the Receiver Manager during the receivership period;

c) meetings and discussions with the former President of Pakit including an explanation of the powers and duties of the Receiver Manager, the former Presdient's resignation effective February 2, 2012, the prospects of a potential refinancing of Pakit and/or an acquisition of Pakit's assets and the Receiver Manager's possible future course of action;

d) notifying the Company's insurance brokers of the Receivership Order and making arrangements for amendments to loss payees and named insured's under the current Pakit Group umbrella property and liability coverage and renewal of the coverage for the period commencing March 1, 2012;

e) meetings with the management and employees of Pakit International and PIT to discuss the powers and duties of the Receiver Manager, future financing of operations in those subsidiary companies and operations generally;

f) meetings and discussions with representatives of Fairfax and their legal counsel regarding the terms of the Receiver Managers' borrowings and the form of Receiver's Certificate, future funding requirements and cash flow forecasts of the operations of Pakit, Pakit International and PIT, potential realization strategies and the status of the receivership generally;

g) site meeting at the research and development facilities of PIT in Norrköping, Sweden on February 9-10, 2012 and related meetings and discussions with the management and employees of PIT including a review of current work in progress, the current financial position of PIT and its funding requirements on a go forward basis;

h) meetings and discussions with the President of Pakit International regarding the cash requirements of Pakit International, financing and security arrangements between Pakit, Pakit International and PIT and other related matters;

i) review and discussions with representatives of Hynell Patenttjanst AB, patent agents, regarding the nature and status of certain registered and "in application" patents and trademarks owned by Pakit International and the on-going requirements to maintain the patents in good standing;

j) meetings and discussions with Pakit management and engineering professionals regarding on-going product development activities and the status of current projects including the manufacture and commissioning of two PAKIT100 machines with Industrias San Cayetano S.L. ("**Cayetano**") and one PAKIT100 machine sold to Unisource Worldwide Inc. pursuant to an Equipment Purchase Agreement dated January 23, 2012 (the "**Unisource Contract**")

k) discussions with Pakit's Director of Sales regarding on-going sales activities and product development activities;

l) discussions and meeting on February 29, 2012 with representatives of Unisource Global Solutions ("**Unisource**") regarding the appointment of the Receiver Manager, the status of the Unisource Contract, costs to complete, personnel requirements, and other related matters;

m) preparing, reviewing and monitoring various cash flow forecasts in respect of the on-going operations at the corporate level and in respect of Pakit International and PIT;

n) day to day management of operations of Pakit including employee supervision, payroll matters, payments of suppliers and vendors, undertaking the redundancies of four head office management personnel effective February 21, 2012 and related administrative and financial reporting matters;

o) compilation and organization of various corporate materials, documentation and analysis in contemplation of any future sales and investment solicitation process for which approval by this Honourable Court will be sought;

p) statutory notices to creditors pursuant to requirements sections 245(1) and 246(1) of the BIA and to the notice of the Receivership Order under section 59(6) of the *Personal Property Security Act* of B.C.. The latter notice was placed in both the Vancouver Sun and Globe & Mail (National Edition) newspapers on February 10 and February 17, 2012; and

q) numerous and on-going meetings and discussions with various creditors (or their representatives), legal counsel to the Receiver Manager regarding various matters and with secured debenture holders, shareholders, interested parties and other Pakit stakeholders regarding the receivership generally.

6.0 ESTIMATED STATEMENT OF AFFAIRS OF PAKIT INC.

6.1 Summarized in the table below is the Receiver Manager's estimated statement of affairs of Pakit as at February 2, 2012. The information contained in the summary table is based primarily on the books and records of Pakit and has not been audited or otherwise verified by the Receiver Manager. Where information has been obtained by the Receiver Manager during the course of the receivership and certain asset or liability amounts have been confirmed, these adjusted balances are reflected herein.

PAKIT INC. Estimated Statement of Affairs as at February 2, 2012		
(CAD thousands)	Estimated Book Value	Report Ref.
Assets:		
Cash on hand	$ 44	
Term deposit	3	
Accounts receivable	160	
Prepaid expense and deposits	152	
	359	6.2
Investments	-	6.3
Fixed assets	94	6.3
Intercompany receivables:		
Pakit International Trading Company Inc.	74,927	6.3
Packaging International Technologoies Sweden AB	23	
Other	(22)	
	74,928	
	$ 75,381	
Liabilities:		
Accounts payable	$ 1,490	
Customer deposits	175	
Accrued liabilities	507	
	2,172	6.4-6.6
Unsecured loan - True Partners Financial Services, LLP	3,320	6.4-6.6
Guarantee claim - ATS Automation Tooling Systems Inc.	-	6.4-6.6
Shareholder loans	90	
Secured debentureholders:		
Fairfax Financial Holdings Limited	5,510	
Other	3,969	
	9,479	6.7
	15,061	
Shareholders' equity (net)	60,320	
	$ 75,381	

Assets

6.2 As indicated above, the current assets of Pakit were comprised of cash in Pakit's bank accounts formerly held at HSBC Bank Canada, certain deposits posted as cash collateral for a corporate credit card and various customer accounts receivable most of which have been collected by the Receiver Manager (refer to section 7.0 of this First Report). Reported prepaid expenses and deposits of approximately $152,000 are related primarily to unamortized prepaid insurance premiums and miscellaneous deposits none of which are likely to yield any realizations for the Receiver Manager.

6.3 The principal balance of Pakit's assets are represented by investment in subsidiary companies, fixed assets (primarily office furniture and computer equipment which are likely to be of modest realizable value) and inter-company advances to certain Pakit subsidiaries. The Company's books and records indicate that approximately $75 million is due from Pakit International to Pakit and represents the principal source of recovery to the creditors and stakeholders of Pakit. These advances are unsecured and any recovery will be dependent on the extent to which the share investment in Pakit International and/or the assets owned by Pakit International and PIT can be monetized for the benefit of Pakit. The Receiver Manager is not yet in a position to estimate what recoveries or realizations may be available to Pakit from these intercompany investments and advances.

Liabilities

6.4 As indicated in the table above, Pakit has reported total secured and unsecured debt obligations as at February 2, 2012 of approximately $15 million of which approximately $5.5 million is unsecured.

6.5 Unsecured liabilities of the Company include amounts owed to trade and other creditors as well as approximately $3.3 million due to True Partners Financial Services, LLP ("**True Partners**"). In addition, there is a potential unsecured claim against Pakit by ATS Automation Tooling Systems Inc. ("**ATS**") in respect of a guarantee of Pakit for services/materials sold by ATS to Pakit International in respect of two PAKIT100 machines sold to Cayetano in 2009 and 2010 which are the subject of a separate legal dispute between Pakit International and Cayetano. Pursuant to the terms of the Receivership Order, ATS or True Partners are not stayed or otherwise prevented from bringing proceedings under the BIA to have Pakit adjudged bankrupt (refer to paragraph 7 of the Receivership Order).

6.6 Included in the balance of reported accrued liabilities of approximately $507,000 is approximately $90,000 which may be due to Canada Revenue Agency (**"CRA")** for unremitted payroll withholdings. While the Receiver Manager has not yet completed its review of the books and records of the Company nor confirmed or validated the amount or priority of any claim by CRA or any other statutory creditors as of the date of this First Report, it is not aware of any other material claims by any statutory creditors of Pakit.

6.7 Approximately $9.5 million of Pakit's reported liabilities are subject to security interests under secured convertible debentures held by two groups: Fairfax (approximately $5.5 million) and other individual debenture holders (approximately $4.0 million). We understand that accrued interest and recoverable costs have not necessarily been brought current in the accounts of Pakit so the amounts due to Fairfax and other secured debenture holders could be greater than the figures presented herein. The Receiver Manager has not reviewed the validity and enforceability of the other individual debenture holders' security interests.

7.0 CASH RECEIPTS AND DISBURSEMENTS TO FEBRUARY 24, 2012

7.1 Summarized in the table below are the Receiver Manager's cash receipts and disbursements for the period ending February 24, 2012.

PAKIT INC. Statement of Cash Receipts and Disbursements For the Period Ended February 24, 2012	(CAD)	Report Ref.
Cash Receipts:		
Cash in Bank (HSBC)	$ 43,864	7.2
Accounts receivable collections	104,413	7.2
HST collected	2,340	
Recoverable HST	8,879	
Receiver Manager's borrowings	1,000,000	7.4-7.6
Petty cash	313	
	1,159,808	
Cash Disbursements:		
Salaries and wages	$ 28,427	7.7,7.8
Employee expenses (travel and other)	3,986	7.7,7.8
Intercompany transfers:		
Pakit Sweden	321,793	
Pakit International	28,000	
	349,793	7.8,7.9
Insurance premiums	33,011	7.7
Bank charges	228	
	$ 415,446	
Net cash balance-February 24, 2012	**$ 744,363**	

Cash Receipts

7.2 As indicated above, the Receiver Manager has realized approximately $160,000 of current assets of Pakit available as at February 2, 2012 including approximately $44,000 on hand in various bank accounts maintained by Pakit at HSBC Bank Canada, collections of approximately $104,000 of customer accounts receivable and various other miscellaneous amounts.

7.3 Not included in the statement of cash receipts and disbursements are receipts of approximately $265,000 realized during the receivership period which were collections under the Unisource Contract that were inadvertently paid by Unisource to Pakit International on February 8, 2012 rather than to Pakit and/or the Receiver Manager. As the Receiver Manager had not yet secured financing from Fairfax pursuant to its borrowing powers under the Receivership Order, the

Receive Manager in its discretion, directed Pakit International to on-lend those funds to PIT in order to provide funding of payroll and payroll taxes of PIT which was required on an urgent basis as well as to meet certain outstanding payroll obligations of Pakit International.

Receiver Manager's Borrowings

7.4 The Receiver Manager has been empowered to borrow up to $1,000,000 (or such greater amount as the Honourable Court may be further Order advise) and did so effective February 6, 2012 by way of issuance of a Receiver's Certificate No. 1 to Fairfax in the amount of $1,000,000. Receiver's Certificate No. 1 is attached hereto as Appendix "**B**".

7.5 The terms of the Receiver Manager's borrowings under the Receiver's Certificate include an interest rate of 15% per annum which, in the Receiver Manager's view, is commercially reasonable in the circumstances.

7.6 On a confidential basis, the Receiver Manager did discuss the prospect of financing under a Receiver's Certificate with another alternative lender familiar with Pakit and was satisfied based on that due diligence that the rate of interest to paid to Fairfax was reasonable given the lack of tangible asset backing for loans to Pakit, the current contractual rates of interest in the secured convertible debentures held by Fairfax (12% p.a.) and the fact that the advances are at risk and were more akin to equity financing where the expected return to an investor/lender may exceed the stated rate of interest reflected in Receiver's Certificate No.1.

Cash Disbursements

7.7 The Receiver Manager's principal disbursements to date have been payroll related expenses for management and employees of Pakit, inter-company transfers to Pakit International and PIT (refer to sections 7.8 and 7.9, respectively) and payment of insurance premiums in respect of property, liability and Directors' and Officers' cover for the Pakit Group for the six month period commencing March 1, 2012.

7.8 As indicated above, the only source of financing available to Pakit International and PIT are the Receiver Manager's borrowings. To date, the Receiver Manager has advanced directly and indirectly to Pakit International and PIT a total of approximately $615,000[2] to fund on-going operations including payroll, statutory payroll taxes and arrears, operating expenses such as rent

[2] Comprised of $350,000 of direct advances and $265,000 advanced indirectly from a receipt under the Unsiource Contract (refer to 7.3 above).

and rental arrears, patent fees and patent fee arrears, payment of contractors and parts to fulfill the Unisource Contract.

7.9 The Receiver Manager has made available funding to Pakit International and PIT on the basis that the funds advanced directly to Pakit International and funds transferred to PIT on behalf of Pakit International have been made on the understanding that security will be granted to Pakit and/or the Receiver Manager against the assets and undertakings of Pakit International. The Receiver Manager's legal counsel has been directed to work with Pakit International and independent legal counsel in Barbados to effect security registrations in support of advances and future advances from the Receiver Manager.

8.0 SHORT TERM CASH FLOW FORECAST

8.1 A consolidated cash flow forecast for Pakit, Pakit International and PIT prepared by the Receiver Manager based on information provided by Pakit International and PIT for the 13-week period ending May 4, 2012, including actual results for the 3 week period ending February 24, 2012 and forecast for the 10 weeks ending May 4, 2012 (the "**Cash Flow Forecast**"), is summarized below.

PAKIT GROUP
Consolidated Cash Flow Forecast Summary
For the 13-week period ending May 4, 2012
(CAD thousands)

	Feb 4 to 24, 2012 Actual Total	Feb 25 to May 4, 2012 Forecast Total	Feb 4 to May 4, 2012 Total
Receipts			
Receiver borrowings	$ 1,000	$ -	$ 1,000
Other	497	165	662
Total Receipts	**$ 1,497**	**$ 165**	**$ 1,662**
Disbursements			
Payroll, benefits and payroll taxes	227	758	986
Other general and administrative costs	43	163	206
Rent	79	214	293
Receivership professional fees	-	325	325
Taxes (Sweden VAT)	70	140	210
Other liabilities (Pakit International and PIT)	148	101	250
Other	41	463	505
Contingency	(1)	150	149
Total Disbursements	**$ 608**	**$ 2,315**	**$ 2,923**
Net Cash Flow	**$ 889**	**$ (2,150)**	**$ (1,261)**
Cash Position			
Opening Cash Position	83	972	83
Closing Cash Position (Note 1)	**$ 972**	**$ (1,178)**	**$ (1,178)**

8.2 The Cash Flow Forecast indicates a net funding deficit to May 4, 2012 of approximately \$1.2 million. As the Receiver Manager's borrowing powers were limited to \$1.0 million in the Receivership Order, the Cash Flow Forecast does not reflect additional borrowings by the Receiver Manager. Based on current forecasts of operating costs through to May 4, 2012, it would appear that the Receiver Manager will require additional funding before the end of March 2012 in order to continue operations.

8.3 The major Cash Flow Forecast assumptions are summarized below:

a) payroll, benefits and payroll taxes of \$758,000 are expected to be incurred including \$195,000 for Pakit Inc., \$90,000 for Pakit International, and \$473,000 for PIT. Pakit employee head count at head office in Vancouver is reduced to 3 from 8 individuals effective March 1, 2012. Head count at Pakit International and PIT is expected to remain generally unchanged;

b) rent, general and administrative costs are expect to remain consistent with current run rates;

c) other liabilities of \$101,000 are expected to be paid primarily relating to arrears of patent related legal fees required to preserve the value of intellectual property owned by Pakit International;

d) other disbursements include raw material and production costs relating to the PAKIT100 machine sold to Unisource including shipping, crane, fence and tooling costs as well as patent related legal fees, consulting fees and research and development costs;

e) Pakit International operations continue to be funded by Pakit in order to maintain its corporate structure with the President of Pakit International (the sole employee of Pakit International) continuing to assist the Receiver Manager;

f) the Receiver Manager will continue to fund Pakit International and PIT as determined to be appropriate by the Receiver in order to maintain the current level of operations and to continue to build out and complete delivery of the PAKIT100 machine sold to Unisource under the Unisource Contract. During the 10 weeks ending May 4, 2012, Pakit is expected to fund approximately \$1.1 million to Pakit International on a secured basis which will in turn advance approximately \$900,000 to PIT;

g) no other sales of PAKIT100 machines are forecast during the period ending May 4, 2012; and

h) a "Contingency" of $150,000 is included in the Cash Flow Forecast to allow for unforeseen costs and expenses relating to operations.

9.0 CONCLUDING COMMENTS

9.1 The primary realizable value that may be available to Pakit's creditors and stakeholders is the investment in and advances to its subsidiary companies which hold the intellectual property of the Pakit Group and includes the "know-how", technology and processes (and tooling) that has been developed by PIT for use in the PAKIT100 machine technology and otherwise.

9.2 In order to preserve the value of the Pakit Group or its enterprise (which includes the intellectual property owned by Pakit International and the team of management and employees assembled in Sweden), it is the Receiver Manager's strongly held view that these operations will need to be maintained and funded at least until such time as a realization of Pakit's assets and undertakings, can be completed. This is of course dependent on obtaining additional financing beyond the end of March 2012.

9.3 Notwithstanding the fact that there is nominal amounts left to recover under the Unisource Contract which was entered into prior to the Receivership Order, it appears to be in the interests of the stakeholders that operations of Pakit Sweden be funded so that this contract may be completed within negotiated delivery and installation schedules so as to reinforce and possibly enhance the market value of the PAKIT100 machine and related technology and intellectual property.

9.4 Subject to the directions of this Honourable Court and consultation with various stakeholders, it is the intention of the Receiver Manager to advance discussions with Fairfax on additional funding under Receiver's Certificates. The Receiver Manager advises that it expects to bring before this Honourable Court, in rather short order, an application to increase the Borrowing Powers of the Receiver Manager to $2.5 million.

9.5 Given the significant on-going cash burn of maintaining the Pakit Group enterprise and its operations and the uncertainty surrounding value and potential realizations that may be available to Pakit's creditors and its stakeholders, the Receiver Manager is of a view that an expedited sales and investment solicitation process should commence as soon as possible. The Receiver Manager advises that it expects to bring before this Honourable Court, in rather short order, an application for a sales and investment solicitation process

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All of which is respectfully submitted to this Honourable Court this 1st day of March, 2012.

Alvarez & Marsal Canada Inc.,
in its capacity as Receiver and Manager of
Pakit Inc. and not in its personal capacity

PBoparai

Per: Pam K. Boparai
Vice President

APPENDIX A

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	)	THURSDAY, THE 2ND DAY
	)	
MR. JUSTICE BURNYEAT	)	OF FEBRUARY, 2012.
	)	

ON THE APPLICATION of Fairfax Financial Holdings Limited ("**Fairfax**") for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing Alvarez & Marsal Canada Inc. as Receiver and Manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Pakit Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the material filed, including the Notice of Application dated July 14, 2011, the Affidavit of #1 and #2 of Craig Barton dated July 13, 2011, the Affidavit #1 of Paula Sawyers dated July 14, 2011, the Affidavit #2 of Paula Sawyers dated August 24, 2011, the Affidavit #1 of Hoa Ung dated August 24, 2011, and the Affidavit #1 of Jennifer Pratap dated January 26, 2012, and the consent of Alvarez & Marsal Canada Inc. to act as the Receiver; AND ON HEARING Peter Rubin, Counsel for Fairfax and other counsel as listed on Schedule "A" hereto.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

   (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

   (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

   (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the other business, or cease to perform any contracts of the Debtor;

   (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect, in cash or in kind, all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

  (i) without the approval of this Court in respect of any transaction not exceeding \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and

  (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

  and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have, provided that the Receiver shall not, solely as a result thereof, be deemed to be a director, management, managing mind or similar person with respect to any corporate person in respect of which such rights are exercised; and

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.

4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be

disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

6. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

7. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Debtor and the Receiver, and provided that nothing in this order shall prevent ATS Automation Tooling Systems Inc. or True Partners Financial Services, LLC from bringing proceedings under the BIA to have Pakit Inc. adjudged bankrupt or prevent the Receiver from assigning Pakit Inc. into bankruptcy.

NO EXERCISE OF RIGHTS OR REMEDIES

8. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body

as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

9. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

11. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

12. Subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable

legislation. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act,* 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection* Act, S.B.C. 1997, c. 21 and regulations thereunder (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

    (a) any gross negligence or wilful misconduct on its part; or

(b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to: Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA; amounts deemed held in trust for Her Majesty the Queen in right of Canada under the *Excise Tax Act*, R.S.C., 1985, C. E-15 and *Income Tax Act*, R.S.C., c.1; and to any court ordered priority charges in the proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 before the Supreme Court of British Columbia, Action No. S – 115028 (the "**CCAA Proceedings**").

17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to: the Receiver's Charge; amounts deemed held in trust for Her Majesty the Queen in right of Canada under the *Excise Tax Act* and *Income Tax Act*; and

the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subject to any court ordered priority charges in the CCAA Proceedings.

20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

23. That any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

24. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction, 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 such courts, tribunals and 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.

27. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. Fairfax shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of Fairfax's security or, if not so provided by Fairfax's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

30. Endorsement of this Order by counsel appearing on this application other than Fairfax is hereby dispensed.

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

BURNYEAT, J.

APPROVED BY:

Signature of Peter Rubin
Lawyer for Fairfax Financial Holdings Limited

BY THE COURT

D/ DISTRICT REGISTRAR

CHECKED as to form only

SCHEDULE "A"

Counsel	Appearance
John McLean, Q.C.	*Counsel for ATS Automation Tooling Systems Inc.*
Warren Milman	*Counsel for Pakit Inc.*
Magnus Verbrugge	*Counsel for Alvarez & Marsal Canada Inc.*
Danielle Toigo	*Counsel for True Partners Financial Services LLC*
Neva Beckie	*Counsel for the Canada Revenue Agency*

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________________

AMOUNT $ ______________________

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the Receiver and Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of Pakit Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the 2nd day of February, 2012 (the "**Order**") made in SCBC Action No. S-114513 has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $__________, being part of the total principal sum of $__________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank __________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ____________, British Columbia.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _______________, 201__.

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name:
Title:

APPENDIX B

RECEIVER CERTIFICATE

CERTIFICATE NO.	One (1)
HOLDER:	FAIRFAX FINANCIAL HOLDINGS LIMITED
AMOUNT:	$1,000,000

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the Receiver and Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of Pakit Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the 2nd day of February, 2012 (the "**Order**") made in SCBC Action No. S-114513 has received as such Receiver from Fairfax Financial Holdings Limited, the holder of this certificate (the "**Lender**") the principal sum of $1,000,000, which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily not in advance on the last day of each month after the date hereof at a rate of fifteen per cent (15%) per annum.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 95 Wellington Street West, Suite 800, Toronto, Ontario, M5J 2N7.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 6th day of February, 2012.

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name: TODD M. MARTIN
Title: SENIOR VICE PRESIDENT