

Assignment Recordation  
5th  
Public R

Re-10/1/10

Form PTO-1594 (Rev. 01-09)  
OMB Collection 0651-0027 (exp. 02/28)

10-01-2010



103608129

U.S. DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office

Assignment Recordation  
5th  
Public R

9/20/10

To the Director of the U. S. Patent and Trademark Office  
Documents or the new address(es) below.

**1. Name of conveying party(ies):**  
 Deloitte & Touche, Inc. In its capacity as Receiver Manager of A Mordo & Son Ltd.

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation- State: \_\_\_\_\_  
 Other Canadian Corporation

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached?  Yes  No

**2. Name and address of receiving party(ies)**  Yes  
 Additional names, addresses, or citizenship attached?  No

Name: Active Sports, Inc.  
 Internal  
 Address: \_\_\_\_\_  
 Street Address: 200 S. Owasso Blvd.  
 City: St. Paul  
 State: MN  
 Country: US Zip: 55117

Association      Citizenship \_\_\_\_\_  
 General Partnership      Citizenship \_\_\_\_\_  
 Limited Partnership      Citizenship \_\_\_\_\_  
 Corporation      Citizenship US MINNESOTA  
 Other \_\_\_\_\_      Citizenship \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)

**3. Nature of conveyance )/Execution Date(s) :**

Execution Date(s) March 19, 2010

Assignment                       Merger  
 Security Agreement               Change of Name  
 Other \_\_\_\_\_

**4. Application number(s) or registration number(s) and identification or description of the Trademark.**

A. Trademark Application No.(s) \_\_\_\_\_  
 B. Trademark Registration No.(s) 3,412,152

Additional sheet(s) attached?  Yes  No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

SAPIENT registration no. 3,412,152

**5. Name & address of party to whom correspondence concerning document should be mailed:**

Name: Law Offices DL Tschida  
 Internal Address: Suite 202  
 Street Address: 93 Little Canada Road West  
 City: St. Paul  
 State: MN Zip: 55117  
 Phone Number: \_\_\_\_\_  
 Fax Number: 651-488-8285  
 Email Address: DLTSCHIDA@AOL.COM

**6. Total number of applications and registrations involved:** 1

**7. Total fee (37 CFR 2.6(b)(6) & 3.41)** \$40.00

Authorized to be charged to deposit account  
 Enclosed

**8. Payment Information:**

Deposit Account Number \_\_\_\_\_  
 Authorized User Name \_\_\_\_\_

**9. Signature:** Douglas L. Tschida Signature                      September 13, 2010 Date

Douglas L. Tschida Name of Person Signing

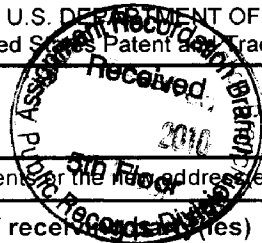
Total number of pages including cover sheet, attachments, and document: 18

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK  
REEL: 004292 FRAME: 0624

# RECORDATION FORM COVER SHEET TRADEMARKS ONLY

10/1/10



To the Director of the U. S. Patent and Trademark Office: Please record the attached documents for the following address(es) below.

**1. Name of conveying party(ies):**

Individual(s)       Association  
 General Partnership       Limited Partnership  
 Corporation- State: \_\_\_\_\_  
 Other Canadian Corporation

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached?  Yes  No

**2. Name and address of recipient(ies)**  Yes  No

Additional names, addresses, or citizenship attached?  Yes  No

Name: Active Sports, Inc.  
Internal \_\_\_\_\_  
Address: \_\_\_\_\_  
Street Address: 200 S. Owasso Blvd.  
City: St. Paul  
State: MN  
Country: US Zip: 55117

Association      Citizenship \_\_\_\_\_  
 General Partnership      Citizenship \_\_\_\_\_  
 Limited Partnership      Citizenship \_\_\_\_\_  
 Corporation      Citizenship US, Minnesota  
 Other \_\_\_\_\_      Citizenship \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)

**3. Nature of conveyance /Execution Date(s) :**

Execution Date(s) March 19, 2010

Assignment       Merger  
 Security Agreement       Change of Name  
 Other \_\_\_\_\_

**4. Application number(s) or registration number(s) and identification or description of the Trademark.**

A. Trademark Application No.(s) \_\_\_\_\_  
B. Trademark Registration No.(s) 3,412,152

Additional sheet(s) attached?  Yes  No

**C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):**

SAPIENT registration no 3,412,152

**5. Name & address of party to whom correspondence concerning document should be mailed:**

Name: Law Offices DL Tschida  
Internal Address: Suite 202  
Street Address: 93 Little Canada Road West  
City: St. Paul  
State: MN Zip: 55117  
Phone Number: 651-488-8285  
Fax Number: 651-488-8305  
Email Address: DLTSCHIDA@AOL.COM

**6. Total number of applications and registrations involved:** 1

**7. Total fee (37 CFR 2.6(b)(6) & 3.41)** \$ 40.00

Authorized to be charged to deposit account  
 Enclosed

**8. Payment Information:**

Deposit Account Number \_\_\_\_\_  
Authorized User Name \_\_\_\_\_

**9. Signature:** Douglas L. Tschida      September 27, 2010  
Signature      Date

Douglas L. Tschida      Total number of pages including cover sheet, attachments, and document: 18  
Name of Person Signing

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

THIS BILL OF SALE dated the 19<sup>th</sup> day of March, 2010.

BETWEEN:

Deloitte & Touche Inc.  
In its capacity as Receiver Manager of A Mordo & Son Ltd., and not in its personal  
capacity  
2800-1055 Dunsmuir Street  
Vancouver, BC V7X 1P4

(the "Vendor")

OF THE FIRST PART

AND:

Active Sports, Inc./The House  
200 S Owasso Blvd  
St. Paul Minnesota, 55117  
United States of America

(the "Purchaser")

OF THE SECOND PART

WHEREAS the Vendor:

- A. Was appointed Receiver Manager of A Mordo & Son Ltd. (the "Company") on November 9, 2009 by the Supreme Court of British Columbia, a copy of that Order is attached as Schedule B.
- B. Has reached an agreement with the Purchaser for the sale to the Purchaser of certain of the assets of the Company as hereinafter set forth.

NOW THEREFORE THIS INDENTURE WITNESSES, that in consideration of the sum of five thousand (\$ 5,000) of **lawful money of the United States of America**, representing the purchase price of five thousand dollars (\$5,000) paid by the Purchaser to the Vendor, the receipt whereof the Vendor hereby acknowledges, the Vendor hereby sells, assigns, transfers and sets over the assets listed in Schedule A ("the Assets") and the goodwill related to the trademarks being purchased.

The Vendor acknowledges that the recitals to this Agreement are true and correct.

TRADEMARK

REEL: 004292 FRAME: 0626

The Purchaser acknowledges that the sale of the Assets is on an "as is where is" basis and that the Vendor gives no warranty as to title to or condition of the Assets.

The Purchaser acknowledges that it has examined the Assets and that the Vendor is not liable for their quality or fitness for any purpose.

The Purchaser acknowledges that the Vendor is authorized to sell any inventory held at the time of its appointment which has any of the listed trademarks in use, and any purchaser from the Vendor is authorized to further sell any inventory purchased.

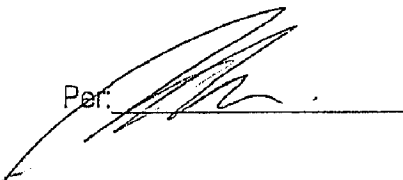
The Purchaser is responsible for all costs associated with transfer, registration and maintenance of the trademarks being purchased.

IN WITNESS WHEREOF the Vendor and Purchaser have executed this Bill of Sale the day and year first above written.

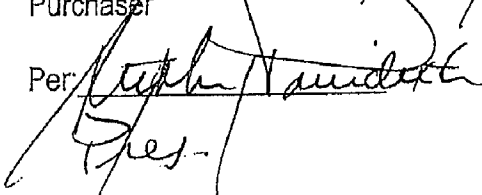
**Deloitte & Touche Inc.**

In its capacity as Receiver Manager of A Mordo & Son Ltd.,  
and not in its personal capacity.



Per: 

~~ACTIVE SPORTS, INC / THE HOUSE~~  
Purchaser

Per:   
Pres.



# Schedule A

## Trade-Mark, Trade-Mark Registrations, Trade-Mark Applications Assets

<u>Trade-Mark</u>	<u>Regn. No</u>	<u>Regn. Date</u>
Sapient	US 3,412,152	April 15, 2008
Sapient	Canada TMA 621420	October 1, 2004
Sapient	China 4548048	January 6, 2009
Sapient	EU CTM 003764834	August 23, 2005
Sapient	Japan 4818169	November 12, 2004
Sapient (Application)	US Appl No. 78/382,606	December 4, 2001



A handwritten mark or signature, possibly initials, enclosed in an oval shape.A handwritten signature or mark.

---

IN THE SUPREME COURT OF BRITISH  
COLUMBIA

---

BETWEEN:

HSBC BANK CANADA

Plaintiff

- and -

A. MORDO & SON LTD., formerly known as  
Gabriel A. Mordo & Son Ltd. et al

Defendants

---

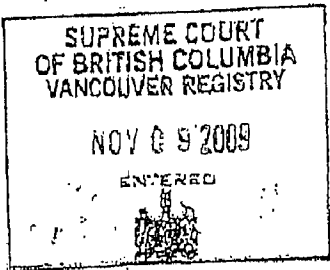
RECEIVERSHIP ORDER

MIAB/6169

314832-66

---

Davis:1007884.S



No. S097894  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

HSBC BANK CANADA

Plaintiff

- and -

A. MORDO & SON LTD., formerly known as  
Gabriel A. Mordo & Son Ltd., ACS DISTRIBUTIONS CANADA LTD.,  
formerly known as Ambient Sports Inc., F.C. CYCLES INTERNATIONAL INC.,  
AMS SHIP BUILDING & CHARTERS LTD.,  
660940 BRITISH COLUMBIA LTD., and THE MORDO TRUST 2003

Defendants

ORDER

BEFORE THE HONOURABLE ) MONDAY, THE 9<sup>TH</sup> DAY  
 )  
MR. JUSTICE BURNYEAT ) OF NOVEMBER, 2009  
 )

THE APPLICATION of HSBC Bank Canada (the "Bank"), for an Order pursuant to Rule 47 of the *Supreme Court Rules* and s. 243(11) of the 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 Deloitte & Touche Inc. as Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of A. Mordo & Son Ltd., formerly known as Gabriel A. Mordo & Son Ltd., ACS Distributions Canada Ltd., formerly known as Ambient Sports Inc., F.C. Cycles International Inc., AMS Ship Building & Charters Ltd., 660940 British Columbia Ltd., and The Mordo Trust 2003 (collectively the "Debtors") coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

Davis:1007884.5



AND ON READING the Notice of Motion dated October 27, 2009, the Affidavit #1 of Jervis Rodrigues sworn October 14, 2009 in B.C.S.C. Action No. S097594, the Affidavit #1 of John K.W. Lee sworn October 27, 2009 and the Affidavit #1 of Fran Thibodeau sworn October 30, 2009; AND ON HEARING Mary I.A. Buttery, Counsel for the Bank, and Daniel Parlow, Counsel for the Debtors, and on being advised of the consent of Deloitte & Touche Inc. to act as the Receiver.

#### APPOINTMENT

1. THIS COURT ORDERS that pursuant to Section 47(1) of the BIA and Section 39 of the LEA Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

#### RECEIVER'S POWERS

2. THIS COURT ORDERS that 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) take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, changing of locks and security codes, relocating of Property to safeguard it, engaging of independent security personnel, the taking of physical inventories and placement of such insurance coverage as may be necessary or desirable;
  - (c) manage, operate and carry on the business of the Debtors, 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 other business, or cease to perform any contracts of the Debtors;
  - (d) 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 powers and duties conferred by this Order;
  - (e) purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part thereof;

- (f) receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) 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 Debtors, for any purpose pursuant to this Order;
- (i) undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) 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 Debtors, 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, provided that nothing in this Order shall authorize the Receiver to defend or settle the action(s) in which this Order is made unless otherwise directed by this Court;
- (k) market any or all 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) sell, convey, transfer, lease, assign or otherwise dispose of 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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 amounts 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) 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) 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 with such Persons, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) apply for any permits, licences, approvals or permissions and any renewals thereof as may be required by any governmental authority for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- (q) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any Property owned or leased by the Debtors;
- (r) exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) take any steps reasonably incidental to the exercise of these powers;

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 Debtors, and without interference from any other Person.

#### DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. THIS COURT ORDERS that (i) the Debtors, (ii) all of the Debtors' 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 such 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. THIS COURT ORDERS that 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 Debtors, 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 documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

5. THIS COURT ORDERS that 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 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. THIS COURT ORDERS that 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 DEBTORS OR THE PROPERTY**

7. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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.

#### NO EXERCISE OF RIGHTS OF REMEDIES

8. THIS COURT ORDERS that all rights and remedies (including, without limitation, set-off rights) against the Debtors, 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 paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### NO INTERFERENCE WITH THE RECEIVER

9. THIS COURT ORDERS that 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 Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined in Section 65.1 of the BIA) with the Debtors from terminating such contract or exercising any rights of set-off, in accordance with its terms.

#### CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' 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 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. THIS COURT ORDERS that 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 or disposition 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 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. THIS COURT ORDERS that, subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. 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.
13. THIS COURT ORDERS that 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 or dispositions 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 the 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

14. THIS COURT ORDERS that 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 construed 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. THIS COURT ORDER that the Receiver shall incur no personal liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. 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. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and 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 (the "Receiver's Charge").
17. THIS COURT ORDERS that 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. THIS COURT ORDERS that 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. THIS COURT ORDERS that 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 of such borrowing does not exceed \$500,000 (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.

20. THIS COURT ORDERS that 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. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
22. THIS COURT ORDERS that 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. THIS COURT ORDERS 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.

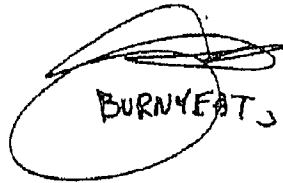
#### GENERAL

24. THIS COURT ORDERS that 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. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
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.
27. THIS COURT ORDERS that 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 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.

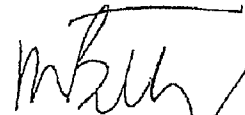
28. THIS COURT ORDERS that the Plaintiff/Petitioner/Applicant shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Plaintiff/Petitioner/Applicant's security or, if not so provided by the Plaintiff/Petitioner/Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than two (2) 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.

  
BURNYEAT, J.

BY THE COURT

  
DISTRICT REGISTRAR

APPROVED BY:

  
\_\_\_\_\_  
Mary I.A. Buttery

  
\_\_\_\_\_  
Daniel Parlow

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT

\$ \_\_\_\_\_

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the [Interim Receiver and/or Receiver and Manager] (the "Receiver") of all of the assets, undertakings and properties of [DEBTOR'S NAME] 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 \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_ (the "Order") made in SCBC Action No. \_\_\_\_\_ and/or SCBC Action No. \_\_\_\_\_/Estate No. \_\_\_\_\_ 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 [REDACTED] day of [REDACTED], 200[REDACTED].

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per:  
 Name:  
 Title:

Davis;1007884.5