

Court File No. CV-14-10518-00CL

**THE CASH STORE FINANCIAL SERVICES INC.
AND RELATED APPLICANTS**

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

June 2, 2014

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF THE CASH STORE FINANCIAL
SERVICES INC., THE CASH STORE INC., TCS CASH STORE
INC., INSTALOANS INC., 7252331 CANADA INC., 5515433
MANITOBA INC., AND 1693926 ALBERTA LTD DOING
BUSINESS AS "THE TITLE STORE"

APPLICANTS

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On April 14, 2014, Regional Senior Justice Morawetz granted an Initial Order pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "CCAA") to The Cash Store Financial Services Inc., The Cash Store Inc., TCS Cash Store Inc., Instalozans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc. and 1693926 Alberta Ltd. doing business as "The Title Store" (collectively, the "**Applicants**" or "**Cash Store**") providing protections to the Applicants under the CCAA, including a stay of proceedings until May 14, 2014 (as extended from time to time, the "**Stay**"), appointing FTI Consulting Canada Inc. (the "**Monitor**") as CCAA monitor, and approving the engagement of Rothschild Inc. ("**Rothschild**") and Conway MacKenzie ("**Conway**") as financial advisors.

2. On April 15, 2014, the Court granted an Amended and Restated Initial Order (the “**Amended & Restated Initial Order**”) which, among other things, approved an interim CCAA credit facility (the “**Initial DIP**”) by Coliseum Capital LP, Coliseum Capital Partners II LP and Blackwell Partners LLC (collectively “**Coliseum**”) and appointed Blue Tree Advisors Inc. as Chief Restructuring Officer of the Applicants (the “**CRO**”). The proceedings commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
3. On May 17, 2014, Regional Senior Justice Morawetz granted an order, among other things extending the Stay to June 17, 2014 and approving an Amended and Restated Term Sheet providing for a DIP Facility by the following lenders (together, the “**DIP Lenders**”): Coliseum, Alta Fundamental Advisers, LLC, certain members of the *ad hoc* committee (the “**Ad Hoc Committee**”) of the Applicants’ 11 1/2% senior secured notes (the “**Notes**”).
4. The purpose of this Report is to provide the Court with information regarding the proposed settlement of the Computershare Motion (defined below), including the parties’ request for an order in the form attached hereto as **Schedule “A”**.

TERMS OF REFERENCE

5. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants’ books and records, certain financial information prepared by the Applicants and discussions with the Applicants’ management and advisers. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

COMPUTERSHARE MOTION

Background Information

7. The Monitor understands that Computershare Trust Company of Canada and Computershare Trust Company, N.A. are the indenture trustee (the “**Indenture Trustee**”) pursuant to the indenture dated January 31, 2012 providing for the issuance of the Notes. The Monitor further understands that Computershare Trust Company of Canada (the “**Collateral Trustee**”, and together with the Indenture Trustee, “**Computershare**”) is collateral trustee, holding the security granted to the Applicants’ senior lenders (Coliseum Capital Management LLC, 8028702 Canada Inc. and 424187 Alberta Ltd, together the “**Senior Lenders**”), pursuant to the Collateral Trust and Intercreditor Agreement dated January 31, 2012.
8. On May 2, 2014, Computershare served a Notice of Motion (the “**Computershare Motion**”) seeking, among other things, an order varying and/or amending paragraphs 42 and 44 of the Amended & Restated Initial Order to require payment by the Applicants of the reasonable fees and disbursements of the Trustee, Collateral Trustee and their legal counsel and, if necessary, the financial advisor retained by Computershare in relation to the CCAA Proceedings, and to include the Trustee, Collateral Trustee and their legal counsel and, if necessary, the financial advisor retained by Computershare as beneficiaries of the Administration Charge (defined below).
9. The Amended & Restated Initial Order provides, in paragraph 42, for the payment of reasonable fees and disbursements to the CRO, the Monitor, counsel to the Monitor, counsel to the Applicants, counsel to the Special Committee and the CRO, Rothschild, Conway, Michele McCarthy (the CCRO), and counsel to the DIP Lenders and Coliseum Capital Management, LLC, and entitles the Applicants to pay the reasonable costs and disbursements of Goodmans LLP, Houlihan

Capital LLC and McMillan LLP. In paragraph 44 of the Amended & Restated Initial Order, the Court ordered that the CRO, Monitor, counsel to the Monitor, Applicants' counsel, the Special Committee's and CRO's counsel, Rothschild, Conway, the CCRO, counsel to the DIP Lenders and Agent, Goodmans LLP and Houlihan Capital LLC are entitled to the benefit of and granted a charge (the "**Administration Charge**") on the Property (as defined therein) not exceeding an aggregate amount of \$1,500,000, as security for fees and disbursements. Pursuant to paragraphs 53 and 55 of the Amended & Restated Initial Order, the Administration Charge ranks in first in priority to all other Charges or other Encumbrances (each as defined therein).

10. Upon learning of Computershare's intended motion, counsel for the Monitor requested information from Computershare's counsel as to Computershare's intended role in the CCAA Proceedings and the basis for Computershare's request, for consideration by the Monitor. In response to that request, the Monitor received a letter dated April 25, 2014, attached to the Computershare Motion Record at Tab 3(c), from counsel for Computershare. Given the relationships among Computershare and the Ad Hoc Committee, Monitor's counsel received permission to share this letter with counsel to the Ad Hoc Committee and the Monitor encouraged discussions to take place between counsel to Computershare and counsel to the Ad Hoc Committee with a view to addressing Computershare's motion consensually.
11. After initial discussions were not able to successfully resolve matters, Computershare delivered its Motion Record dated May 16, 2014 and the Ad Hoc Committee delivered its Responding Motion Record dated May 22, 2014.
12. Among other things, Computershare cited its rights and obligations under the Intercreditor Agreement and Trust Indenture (including that the Applicants are required to reimburse Computershare promptly for all reasonable disbursements, advances, and expenses incurred as Trustee and Collateral Agent, including reasonable compensation, disbursements, and expenses of agents and counsel)

and concerns for the representation of holders of the Notes who are not participating in the Ad Hoc Committee (the “**Unrepresented Noteholders**”) in light of possible Noteholder conflicts.

13. The Ad Hoc Committee opposed the relief sought by Computershare, noting, among other things that, with respect to Computershare’s role as Collateral Trustee, all Senior Lenders are represented by counsel in the CCAA Proceedings and, with respect to Computershare’s role as Indenture Trustee, the Ad Hoc Committee represents holders of approximately 65% of the Notes who did not want or require representation by the Indenture Trustee in these proceedings and, pursuant to the Trust Indenture, the holders of a majority of the aggregate principal amount of the Notes may direct the Indenture Trustee in respect of the time, method or place of conducting (or not conducting) any proceeding or exercising any remedy (or not exercising any remedy) in respect of the Notes.
14. Among other sections of the Trust Indenture cited by the parties are the following:
 - (a) Section 6.05 of the Trust Indenture:

Subject to the terms of the Collateral Documents, Holders of a majority in principal amount of the then total outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The trustee, however, may refuse to allow any direction that conflicts with law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of a Note (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such direction is unduly prejudicial to such Holders) or that would involve the Trustee in personal liability.

- (b) Section 7.06 of the Trust Indenture:

The Company shall pay to the Trustee from time to time such compensation for its acceptance of this Indenture and services provided hereunder as Trustee and Paying Agent and as Collateral Agent hereunder and under the Collateral Documents, as the parties shall agree in writing from time to time. The Trustee’s and the Collateral Agent’s compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee and the Collateral Agent promptly upon request for all reasonable disbursements, advances and expenses incurred or made by them in

addition to the compensation for their services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's and Collateral Agent's agents and counsel. Any amount due under this Section 7.06 and unpaid 30 days after request for such payment shall bear interest from the expiration of such 30 days at a rate per annum equal to the then current rate charged by the Trustee from time to time, payable on demand. After default, all amounts so payable and the interest thereon payable out of any funds coming into the possession of the Trustee or its successors in the trusts hereunder in priority to any payment of the principal of, or interest or Premium, if any, on, the Notes.

Proposed Resolution

15. On June 2, 2014, the Monitor was advised that Computershare and the Ad Hoc Committee negotiated a resolution of the Computershare Motion, subject to certain relief being obtained from the Court. The Monitor understands that the following are the key terms of the proposed resolution:
- (a) Members of the Ad Hoc Committee to provide a direction to Computershare pursuant to the Trust Indenture in the form attached hereto as **Schedule "B"** (the "**Majority Noteholder Direction**"), which includes the following direction (as well as, among other things, an agreement that the directing Noteholders not support a plan of arrangement or compromise in respect of the Company that does not contain a release in the requested form):

The Trustee shall take no further action in the CCAA Proceedings on behalf of the Holders of the Notes, provided, however, that, this instruction shall not apply to the Trustee's actions in fulfilling its obligations, if any, under the Indenture to (i) file a proof of claim in the CCAA proceedings for amounts due and owing under the Indenture in accordance with an order of the Court setting forth a general bar date with respect to the filing of proofs of claim, and (ii) make distributions to the Holders of any money or property paid on account of the Notes in the CCAA proceedings, or any other insolvency proceedings.

- (b) Computershare fees incurred to date, including fees of its legal and financial advisors, to be partially paid by the Applicants in the amount of \$75,000 (the "**Fee**

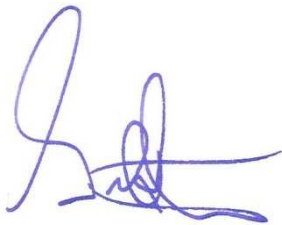
- Payment**”) (provided the Indenture Trustee first provides copies of its relevant invoices and those of its advisors). All parties reserve their respective rights with respect to Computershare's remaining fees and expenses, including those of its professional advisors; and,
- (c) The parties seek the draft order attached hereto as **Schedule “A”**, among other things, approving the form of the Majority Noteholder Direction, providing that Computershare shall have no liability to any person or party for accepting and complying with the Majority Noteholder Direction and providing that, “in accordance with the Indenture, the reasonable disbursements, advances and expenses of the Trustee (including the reasonable compensation, disbursements and expenses of the Trustee and its agents and counsel) incurred or made in connection with seeking recognition of this Order in any foreign jurisdiction, shall be paid by the Company, and shall be secured by a lien on and paid in priority to and out of any distributions, dividends, securities, and other properties that the holders of the Notes may be entitled to receive in any liquidation, plan of reorganization or arrangement or otherwise”.
16. The Monitor notes the following with respect to the proposed settlement, which will be presented to the Court on June 5, 2014 by counsel to the Ad Hoc Committee and Computershare:
- (a) The Monitor understands that the above resolution is acceptable to the CRO and the DIP Lenders;
 - (b) The Monitor indicated to the parties its concern regarding the Applicants’ cash constraints (as reflected in the cashflow forecasts filed with the Court) and the importance of avoiding unnecessary or duplicated costs. The Monitor understands that the result of the proposed settlement will be that Computershare will act in accordance with the Majority Noteholder Direction and will not be incurring additional costs with respect to these CCAA Proceedings (other than as set out in the Majority Noteholder Direction) to be claimed from the Applicants;

- (c) The Monitor understands that Computershare (and its counsel and advisors) have already incurred significant costs – in an amount well in excess of the Fee Payment - for work it performed prior to delivery of a direction;
 - (d) The Monitor is mindful that a contested hearing and potential future disputes (if the matter is not resolved) will burden the Applicants with additional costs; and
 - (e) The evidence indicates that the Indenture Trustee had not been contacted by any Noteholders (as at May 15, 2014) and the Ad Hoc Committee has indicated that any Noteholder may contact the Ad Hoc Committee and its advisors and/or the Monitor at any time such that Unrepresented Noteholders appear to have an avenue for representation in this proceeding. Unrepresented Noteholders (like any stakeholder) are welcome to contact the Monitor with any issues or concerns.
17. For the foregoing reasons, the Monitor does not oppose the resolution proposed by Computershare and the Ad Hoc Committee as set out herein.

The Monitor respectfully submits to the Court this Fifth Report.

Dated this 2nd day of June, 2014.

FTI Consulting Canada Inc.
The Monitor of
The Cash Store Financial Services Inc.
and Related Applicants



Greg Watson
Senior Managing Director

**Schedule A
Draft Order**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE REGIONAL) THURSDAY, THE 5TH
)
SENIOR JUSTICE MORAWETZ) DAY OF JUNE, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE
CASH STORE FINANCIAL SERVICES INC., THE CASH STORE INC., TCS CASH STORE
INC., INSTALOANS INC., 7252331 CANADA INC., 5515433 MANITOBA INC., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

COMPUTERSHARE ORDER

THE MOTION made by (i) Computershare Trust Company, N.A., as U.S. Trustee, and Computershare Trust Company of Canada ("**CS Canada**"), as Canadian Trustee and Collateral Agent (together, the "**Trustee**"), under an Indenture (the "**Indenture**") dated as of January 31, 2012 by and among The Cash Store Financial Services Inc. (the "**Company**"), as Issuer, the Trustee, and the Guarantors as defined therein, pursuant to which the Company issued \$132,500,000 of its 11½% Senior Secured Notes Due 2017 (the "**Notes**"), and (ii) CS Canada, as Collateral Trustee pursuant to the provisions of a Collateral Trust and Intercreditor Agreement dated January 31, 2012, pursuant to

the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario (the "**Computershare Motion**").

ON READING the Computershare Motion and the Response of the Ad Hoc Committee of Cash Store Noteholders (the "**Ad Hoc Committee**") of The Cash Store Financial Services Inc. and its affiliates (the "**Company**"), and the accompanying affidavits thereto, and on hearing the submissions of counsel for the CRO, the Monitor, the DIP Lenders, the Trustee, the Ad Hoc Committee, and such other counsel present, no other person appearing although duly served.

DEFINITIONS

1. THIS COURT ORDERS that all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order dated April 15, 2014, as amended.

TERMS

2. THIS COURT ORDERS that the form of direction (the "**Majority Noteholder Direction**") attached hereto as Exhibit "A" is approved.

3. THIS COURT ORDERS that upon receipt by the Trustee of a duly executed Majority Noteholder Direction, signed by beneficial holders of a majority of the aggregate outstanding principal amount of the Notes, the Trustee shall have no liability to any person or party for accepting and complying with the Majority Noteholder Direction.

GENERAL

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom, or in the United States, to give effect to this Order and to assist the Company, the Monitor, the Trustee and

their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company, the Trustee, and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Company, the Trustee and the Monitor and their respective agents in carrying out the terms of this Order.

5. THIS COURT ORDERS that each of the Company, the Trustee and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor 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.

6. THIS COURT ORDERS AND DECLARES that, in accordance with the Indenture, the reasonable disbursements, advances and expenses of the Trustee (including the reasonable compensation, disbursements and expenses of the Trustee and its agents and counsel) incurred or made in connection with seeking recognition of this Order in any foreign jurisdiction, shall be paid by the Company, and shall be secured by a lien on and paid in priority to and out of any distributions, dividends, securities, and other properties that the holders of the Notes may be entitled to receive in any liquidation, plan of reorganization or arrangement or otherwise.

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CV-14-10518-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
THE CASH STORE FINANCIAL SERVICES INC., THE CASH STORE INC., TCS
CASH STORE INC., INSTALOANS INC., 7252331 CANADA INC., 5515433
MANITOBA INC., 1693926 ALBERTA LTD. DOING BUSINESS AS "THE TITLE
STORE"

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

COMPUTERSHARE ORDER

Goodmans LLP

Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Robert Chadwick (LSUC#: 35165K)
Brendan O'Neill (LSUC#433311)

Tel: 416.979.2211
Fax: 416.979.1234

Counsel for The Ad Hoc Committee of Cash
Store Noteholders

Schedule B
Majority Noteholder Direction

MAJORITY NOTEHOLDER DIRECTION

Dated as of _____, 2014

Reference is hereby made to the indenture (the "Indenture") dated as of January 31, 2012 by and among The Cash Store Financial Services Inc. (the "Company"), as Issuer, Computershare Trust Company, N.A., as U.S. Trustee, and Computershare Trust Company of Canada, as Canadian Trustee and Collateral Agent (together, the "Trustee"), and the Guarantors as defined therein, pursuant to which the Company issued \$132,500,000 of its 11% Senior Secured Notes Due 2017 (the "Notes"), and the collateral trust and intercreditor agreement (the "Collateral Trust Agreement") dated as of January 31, 2012, pursuant to which Computershare Trust Company of Canada acts as Collateral Trustee. Capitalized terms used but not otherwise defined in this Direction (the "Direction") shall have the meanings ascribed to them in the Indenture.

On April 14, 2014, the Company and certain of its affiliates commenced proceedings under the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as amended (the "CCAA Proceedings") before the Ontario Superior Court of Justice (the "Court"), which proceedings remain pending before the Court.

An Event of Default has occurred and is continuing under Section 6.01 of the Indenture as a result of the commencement of the CCAA Proceedings.

The undersigned beneficial holders of more than a majority of the aggregate principal amount of the Notes outstanding (the "Directing Holders"), have retained the law firm of Goodmans LLP to represent them in the CCAA Proceedings and, in accordance with Section 6.05 of the Indenture, hereby instruct the Trustee as follows:

The Trustee shall take no further action in the CCAA Proceedings on behalf of the Holders of the Notes, provided, however, that, this instruction shall not apply to the Trustee's actions in fulfilling its obligations, if any, under the Indenture to (i) file a proof of claim in the CCAA proceedings for amounts due and owing under the Indenture in accordance with an order of the Court setting forth a general bar date with respect to the filing of proofs of claim, and (ii) make distributions to the Holders of any money or property paid on account of the Notes in the CCAA proceedings, or any other insolvency proceedings.

This Direction is subject to the Order of the Court dated [June 5, 2014] (the "Direction Order") authorizing the Trustee to comply with this Direction, and protecting the Trustee from liability in doing so, on the terms and conditions set forth in the Direction Order.

Each Directing Holder hereby represents, warrants and certifies that, as of the date hereof, such Directing Holder is the beneficial owner of the unpaid principal amount of the Notes set forth below such Directing Holder's signature hereto and as evidenced with signature medallion stamp, and that the within instructions constitute a legal, binding and enforceable obligation on each Directing Holder.

This Direction and the representations and warranties contained herein shall be binding on the Directing Holders and the Trustee and their respective successors and assigns.

The Directing Holders and the Trustee shall keep the content of this Direction, including the identity of all parties to this Direction, and the holdings of Notes of any Holder party to this Direction, strictly confidential, except that parties to this Direction may disclose such matters to: (i) other parties to this Direction and their respective legal and accounting professional and other internal personnel; (ii) the Directing Holders' and the Trustee's regulators; (iii) potential transferees of Notes from the Directing Holders, provided that such potential transferee agrees to maintain the confidentiality of this Direction in accordance with the terms hereof; and (iv) where required by law or rule or demanded by any regulatory agency, or if any party is served with a subpoena, discovery request, or an official request from a government agency for information regarding this Direction or the identity of the parties to this Direction, the party receiving such subpoena or request shall notify the Trustee within ten (10) days of receipt. To the extent allowed by law, regulation or order, the Trustee shall notify all other parties to this Direction as soon as practicable and, if any party wishes to oppose the production of such information, it may do so at its own expense. It is understood and agreed by the parties that money damages may be an insufficient remedy for any breach of this Direction by any party, and the non-breaching party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order or judgment of a court of competent jurisdiction requiring any party to comply promptly with any of its obligations hereunder.

Each of the Directing Holders acknowledges and agrees that, other than with respect to the acceptance of this Direction, and compliance therewith, nothing contained in this Direction shall alter the rights and obligations of the Trustee under the Indenture or the Collateral Trustee under the Collateral Trust Agreement, including, without limitation, the right of the Trustee under Section 6.05 of the Indenture to refuse to follow certain other directions that may be provided (other than the Direction, which shall be complied with).

Each of the Directing Holders hereby also acknowledges and agrees that, subject to the Trustee having complied with the Direction and the Indenture, the Directing Holders will not support any plan of arrangement or compromise in respect of the Company that does not contain a release and exculpation in substantially the form annexed hereto as Exhibit A (the "Plan Release"); provided, however, that the Plan Release shall not apply to any dispute that is pending between the Trustee and the Directing Holders regarding the reasonableness of the fees and expenses incurred by the Trustee under the Indenture as of the time of the entry of an order providing for the Plan Release.

This Direction may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. This Direction may be delivered by facsimile or scanned electronic copy and such facsimiles or scanned electronic copies shall be treated as originals for all purposes. Notwithstanding the date of execution or transmission of any counterpart, each counterpart and this Direction shall be deemed to be effective as of the date first written above.

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SIGNED this _____ day of _____, 2014.

Principal Amount of 11 1/2% Notes held as of _____, 2014.

Beneficial Holder's Name: _____

_____ (Authorized Signature(s) for Beneficial Holder)

Authorized Signatory's Name(s) & Phone No.: _____

Beneficial Holder's Address: _____

STATUTORY DECLARATION

11 ½% Senior Secured Notes Due 2017

I, •, of • (the "**Directing Holder**") do solemnly declare as follows:

- (1) that, as of _____ 2014 (and as at the date hereof), the Directing Holder has beneficial ownership in respect of \$• principal amount of 11 ½% Senior Secured Notes Due 2017 (the "**Notes**");
- (2) that this Statutory Declaration may be relied upon by Computershare Trust Company, N.A. and Computershare Trust Company of Canada (the "**Canadian Trustee**") in their capacity as trustee (the "**Trustee**") under that certain trust indenture dated as of January 31, 2012 (the "**Indenture**"), and relied upon by the Canadian Trustee, in its capacity as Collateral Trustee under that certain collateral trust and intercreditor agreement dated January 31, 2012 in respect of the Notes for purposes of taking instructions from the Directing Holders; and
- (3) that the Trustee and the Collateral Trustee may rely on this Statutory Declaration for the purposes specified in the foregoing (2) until such time as the Directing Holder shall advise the Trustee in writing that they may no longer rely on this Statutory Declaration.

AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true, and knowing that it is of the same force and effect as if it was made under oath.

DECLARED BEFORE ME at _____) _____
 _____, this _____) Signature
 (City, Province/ State)) Address of Directing Holder
 _____ day of _____, 2014) _____
 _____) Telephone Number
 Commissioner of Oaths/Notary Public) _____
 _____) Fax Number

EXHIBIT A

None of (a) Computershare Trust Company, N.A., as U.S. Trustee (b) Computershare Trust Company of Canada, as Canadian Trustee, Collateral Agent, and Collateral Trustee, or any of the respective successors or assigns, members, directors, officers, employees, advisors, attorneys, professionals, agents, partners, stockholders, or affiliates of any of the parties identified in the foregoing clauses (a) and (b) (collectively, the “Released Parties”, and each a “Released Party”) shall have or incur, and each of the Released Parties shall be forever released and discharged from, any liability to (i) the Company, (ii) the Guarantors, (iii) any current, former or future Holder under the Indenture, (iv) any holder of a claim against or interest in the Company and/or the Guarantors or any other party in interest in the CCAA Proceedings, or (v) any Party under the Collateral Trust and Intercreditor Agreement, or any of the respective successors or assigns, members, directors, officers, employees, advisors, attorneys, professionals, agents, partners, stockholders, or affiliates of any of the parties identified in the foregoing clauses (i) through (v), for any act or omission in connection with, relating to, or arising out of, compliance with the Direction, the CCAA Proceedings, the sale of any of the Company’s and/or the Guarantor’s assets thereunder, the formulation, negotiation, or implementation of a plan of reorganization or liquidation thereunder (the “Plan”), the solicitation of acceptances of the Plan, the pursuit of court approval of the Plan, court approval of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, distributions made on account of the Notes to the Holders under the Plan or otherwise as the result of insolvency or bankruptcy proceedings pertaining to the Company, except for acts or omissions that are the result of gross negligence, or willful misconduct, or willful violation of laws or regulations (in each case as determined by a final judgment of a court that is binding on such Released Party), and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities with respect to the foregoing.