



Court File No. CV-12-9783-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.  
JUSTICE MORAWETZ

) FRIDAY, THE 5<sup>TH</sup>  
)  
) DAY OF OCTOBER, 2012

BETWEEN:

**COMERICA BANK**

Applicant

- and -

**PRECISION-TECH LIMITED**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the **“Receiver”**), without security, of all of the assets, undertakings and properties of Precision-Tech Limited (the **“Debtor”**) for an order, *inter alia*, (i) approving the Liquidation Services Agreement dated September 21, 2012 (the **“Liquidation Agreement”**) between the Receiver and Corporate Assets Inc. (the **“Liquidator”**) as appended in redacted form to the Third Report of the Receiver dated September 28, 2012 (the **“Third Report”**) and included in unredacted form as Confidential Appendix “1” and “2” to the Third Report, (ii) approving the transactions contemplated by the Liquidation Agreement (the **“Transactions”**), (iii) vesting in each purchaser (each, a **“Purchaser”**) of assets described in the

Liquidation Agreement all of the Debtor's right, title and interest in such assets, , (iv) approving the Third Report and the activities of the Receiver described therein; and, (iv) sealing the confidential appendices to the Third Report (the "**Confidential Appendices**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Third Report, and on hearing the submissions of counsel for the Receiver, counsel for Comerica Bank, 9TR7 and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Christine Doyle sworn September 28, 2012, filed;

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Third Report be and is hereby approved and the activities of the Receiver described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Confidential Appendices be and are hereby sealed until further order of this Honourable Court.
4. **THIS COURT ORDERS AND DECLARES** that the Transactions are hereby approved, and the execution of the Liquidation Agreement by the Receiver is hereby authorized and approved with such minor amendments as the Receiver and the Liquidator may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of any assets of the Debtor sold to any Purchaser in

accordance with the Liquidation Agreement (each a “**Specified Auction Asset**” and, collectively, the “**Specified Auction Assets**”).

5. **THIS COURT ORDERS** that the Liquidator is hereby authorized to market and sell the Specified Auction Assets in accordance with the Liquidation Agreement.

6. **THIS COURT ORDERS** that all Sales shall be conducted in accordance with the Liquidation Agreement and all exhibits attached thereto, subject to any variation thereto agreed to in writing by the Receiver and the Liquidator.

7. **THIS COURT ORDERS** that the Liquidator is hereby permitted to sell the Specific Auction Assets and that upon the Liquidator completing the sale of any of the Specified Auction Assets to a Purchaser and delivering a bill of sale or similar conveyance document to such Purchaser (a “**Bill of Sale**”), all of the Debtor's right, title and interest in and to the Specified Auction Assets described in such Bill of Sale shall vest absolutely in such Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Pattillo dated July 10, 2012 and the Order of the Honourable Mr. Justice Newbould dated August 1, 2012; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of the Claims, the net proceeds from the sale of each Specified Auction Asset, including, without limitation, any net minimum guarantee amount payable to the Receiver under the terms of the Liquidation Agreement, (the “**Proceeds**”), shall stand in the place and stead of that Specified Auction Asset, and that, from and after the delivery of the Bill of Sale in respect of that Specified Auction Asset, all Claims shall attach to the Proceeds with the same priority as they had with respect to each Specified Auction Asset immediately prior to the completion of the sale thereof.

9. **THIS COURT ORDERS** that, notwithstanding:

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

the sale and vesting of title to each Specified Auction Asset in a Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. **THIS COURT ORDERS AND DECLARES** that the Liquidation Agreement and the Transactions are exempt from the application of the *Bulk Sales Act* (Ontario).

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

OCT 05 2012

\* 38/111:



COMERICA BANK

- and -

PRECISION-TECH LIMITED

Applicant

Respondent

Court File No. CV-12-9783-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**ORDER  
(re Sale Approval and Vesting)**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
P.O. Box 754  
Toronto, ON M5J 2T9

**Sanjeev Mitra (LSUC # 37934U)**  
Tel: (416) 865-3085  
Fax: (416) 863-1515  
E-mail: [smitra@airdberlis.com](mailto:smitra@airdberlis.com)

**Sam Babe (LSUC # 49498B)**  
Tel: (416) 865-7718  
Fax: (416) 863-1515  
E-mail: [sbabe@airdberlis.com](mailto:sbabe@airdberlis.com)

*Lawyers for Duff & Phelps Canada Restructuring Inc. in its capacity  
as Receiver of Precision-Tech Limited*