

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.

)

TUESDAY, THE 15TH DAY

)

JUSTICE MORAWETZ

)

OF JANUARY, 2013

BETWEEN:

COMERICA BANK

Applicant

- and -



PRECISION-TECH LIMITED

Respondent

**APPROVAL AND VESTING ORDER
(2067322 ONTARIO INC.)**

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*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale dated November 8, 2012 (the “**Sale Agreement**”) between the Receiver, as vendor, and 2067322 Ontario Inc., as purchaser (the “**Purchaser**”), a copy of which is appended as Confidential Appendix “3” to the fourth report of the Receiver dated January 7, 2013 (the “**Fourth Report**”), and vesting in the Purchaser all of the Debtor’s right, title and interest in and

to the property described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Christine Doyle sworn January 8, 2013, filed,

1. **THIS COURT ORDERS** that the Fourth Report and the actions of the Receiver described therein be and are hereby approved.

2. **THIS COURT ORDERS** that Confidential Appendices “1”, “2” and “3” to the Fourth Report be and is hereby sealed until the completion of the Transaction, or until further order of this Honourable Court.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved with such minor amendments as the Receiver 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 Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the 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 Orders of the Honourable Mr. Justice Pattillo dated July 10, 2012 and of the Honourable Mr. Justice Morawetz dated October 5, 2012; (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; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets

with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

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

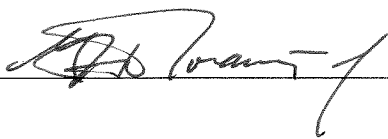
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 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 Transaction is 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.



ENTERED AT / INSCRIT A TORONTO
CN / BOOK NO.:
LE / DANS LE REGISTRE NO.:



JAN 15 2013

Schedule "A" – Form of Receiver's Certificate

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

COMERICA BANK

Applicant

- and -

PRECISION-TECH LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

(A) Pursuant to an Order of the Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 10, 2012 (the "**Order**"), Duff & Phelps Canada Restructuring Inc. was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Precision-Tech Limited (the "**Debtor**").

(B) Pursuant to an Order of the Court dated January 15, 2013, the Court approved the agreement of purchase and sale dated November 8, 2012 (the "**Sale Agreement**") between the Receiver, as vendor, and 2067322 Ontario Inc., as purchaser (the "**Purchaser**"), and provided for the vesting in the Purchaser all of the Debtor's right, title and interest in and to the real property described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a

certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction contemplated by the Sale Agreement (the “**Transaction**”) has been completed to the satisfaction of the Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**DUFF & PHELPS CANADA
RESTRUCTURING INC.**, solely in its
capacity as the receiver of all of the assets,
undertakings and properties of Precision-Tech
Limited, and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF PROPERTY

PIN: 03767-0082 (LT)

Lots 12 and 13, Plan 1427, Cambridge; S/T WS651941; Cambridge

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY

PIN: 03767-0082 (LT)

1. Instrument No. WR28934 being a Notice of Security Interest registered March 31, 2004 in favour of Comerica Bank.
2. Instrument No. WR334304 being a Transfer registered October 5, 2007 in favour of Precision-Tech Limited.
3. Instrument No. WR581981 being a Charge/Mortgage registered November 22, 2010 in favour of Comerica Bank.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

PIN: 03767-0082 (LT)

1. Instrument No. 67R-2287 being an R-Plan registered May 10, 1985.
2. Instrument No. WS651941 being a Transfer of Easement registered April 1, 1986 in favour of The Corporation of the City of Cambridge and the Hydro Electric Commission of Cambridge and North Dumfries.
3. Instrument No. WS684159Z being Restrictive Covenants registered February 16, 1988.

COMERICA BANK

- and -

PRECISION-TECH LIMITED

Applicant

Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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

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

Lawyers for Duff & Phelps Canada Restructuring Inc.