

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)
JUSTICE CONWAY)
MONDAY, THE ~~MONDAY~~ ^{8th})
DAY OF JUNE, 2015)



**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION OF
DACO MANUFACTURING LTD. OF THE CITY OF TORONTO IN THE PROVINCE
OF ONTARIO**

ORDER

THIS MOTION made by Daco Manufacturing Ltd. (the "Company") for an order, among other things, extending the time to file a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Matthew Lunetta sworn June 3, 2015 and the exhibits thereto (the "Lunetta Affidavit"), the report (the "First Report") of Richter Advisory Group Inc. in its capacity as the Proposal Trustee (the "Proposal Trustee") dated June 3, 2015, and on hearing the submissions of counsel for the Company, the submissions of counsel for the Proposal Trustee, ~~and the submission of~~, no one else appearing,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF BID PROCESS

2. **THIS COURT ORDERS** that the bid process (the "**Bid Process**") described in the First Report be and it is hereby approved.

3. **THIS COURT ORDERS** that the Company and the Proposal Trustee be and they are hereby authorized and empowered to take such steps as are necessary or desirable to carry out and perform their obligations under the Bid Process.

ADMINISTRATION CHARGE

4. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all current and future assets, rights, undertakings, and properties of the Company, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the "**Property**"), which Administration Charge shall not exceed an aggregate amount of CAD \$150,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings.

5. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

6. **THIS COURT ORDERS** that the Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, notwithstanding the order of perfection or attachment.

EXTENSION OF TIME TO FILE PROPOSAL

7. **THIS COURT ORDERS** that the time within which a proposal must be filed with the Official Receiver, and the stay of proceedings herein, be and it is hereby extended to July 17, 2015.

SERVICE AND NOTICE

8. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which may be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and

paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.richter.ca/en/insolvency-cases/d/daco-manufacturing-ltd.

9. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Proposal Trustee, counsel for the Proposal Trustee, and counsel for the Company are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or notice by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

10. **THIS COURT ORDERS** that the Company or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

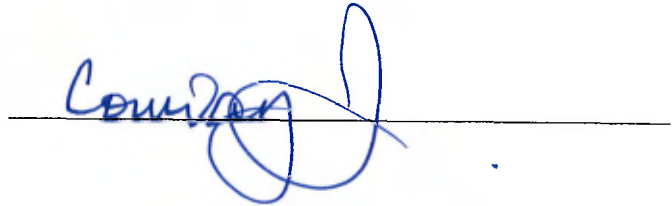
11. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company or the Property.

12. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee 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 any other Order issued in these proceedings.

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



JUN - 8 2015



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