



Court File No. 31-1995891

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE

JUSTICE

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THURSDAY, THE 24th DAY

OF SEPTEMBER, 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

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Richter Advisory Group Inc., in its capacity as the Court-appointed receiver (the "**Receiver**" or "**Seller**") of the undertaking, property and assets of Daco Manufacturing Ltd. ("**Daco**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and 2380775 Ontario Ltd. ("**238 Ontario**" or the "**Purchaser**") dated September 18, 2015 (the "**Purchase Agreement**") and appended to the Report of the Receiver dated September 21, 2015 (the "**Report**") of the personal property Daco located on the property municipally known as 401 Vaughan Valley Blvd in Woodbridge, ON, as described in the Purchase Agreement (the "**Purchased Assets**") and vesting all of the Seller's right, title and interest in and to the Purchased Assets absolutely in 238 Ontario, free and clear of all liens, claims and other interest; was heard this day at 330 University Avenue, Toronto, Ontario.

*[Signature]* **ON READING** the Report and on hearing the submissions of counsel for the Receiver,  
~~counsel to Meridian Credit Union Limited~~, no one appearing for any other person on the service

list, although properly served as appears from the affidavit of Alma Cano sworn September 21, 2015 filed:

### **SERVICE**

1. THIS COURT ORDERS AND DECLARES that the time for service of the Notice of Motion, Motion Record, and Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

### **APPROVAL OF ACTIVITIES AND RECIEPTS AND DISBURSMENTS OF RECEIVER**

2. THIS COURT ORDERS that the Report and the activities of the Receiver outlined therein be and are hereby approved.

3. THIS COURT ORDERS that the receipts and disbursements of the Receiver from July 17, 2015 until September 16, 2015, as set out in the Report, be and are hereby approved.

### **APPROVAL OF PURCHASE AGREEMENT AND VESTING**

4. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Purchase 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.

5. 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 Seller's right, title and interest in and to the Purchased Assets described in the Purchase Agreement and listed on Schedule B hereto 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 Order of the Honourable Justice Wilton-Siegel dated July 17, 2015; 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 and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to the Purchased Assets ("**Encumbrances**") are hereby expunged and discharged as against the Purchased Assets.

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, 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.

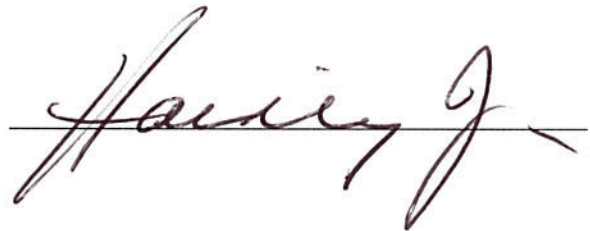
9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

#### **SEALING**

10. THIS COURT ORDERS that Confidential Exhibit "A" and Confidential Exhibit "B" to the Report are hereby sealed and shall not form part of the public record until such time as the Receiver's Certificate has been filed with the Court or further order of the Court.

#### **GENERAL**

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.

A handwritten signature in cursive script, appearing to read "Haining J.", is written over a horizontal line.

**Schedule A – Form of Receiver's Certificate**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**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**

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Purchase Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser") and provided for the vesting in the Purchaser of the Seller's right, title and interest in and to 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 section • of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) 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 Purchase 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 Purchase Agreement;
2. The conditions to Closing as set out in section • of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**RICHTER ADVISORY GROUP INC., in its capacity  
as receiver of the undertaking, property and assets of  
Daco Manufacturing Ltd., and not in its personal  
capacity**

Per: \_\_\_\_\_

Name:

Title:

## **Schedule B – Purchased Assets**

All of the Vendor's right, title and interest in, to and under, or relating to, the personal property owned by Daco and located on the Premises as at the Closing Date including all inventory, computer systems, machinery and equipment, and Accounts Receivable, save and except for:

- (a) Phone systems;
- (b) Alarm systems;
- (c) Front reception desk;
- (d) All minute books, stock ledgers and tax records of Daco;
- (e) All personnel records that Vendor or Daco is required by law to retain in its possession;
- (f) Any insurance policies and all rights thereunder;
- (g) All claims for refunds or credits in respect of Taxes; and
- (h) All fixtures or assets otherwise incorporated into or forming part of the building envelope.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED  
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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(BANKRUPTCY AND INSOLVENCY)**

(PROCEEDING COMMENCED AT TORONTO, ONTARIO)

**APPROVAL AND VESTING ORDER**

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Lawyers for the Receiver