

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

THE HONOURABLE ) WEDNESDAY, THE 23<sup>RD</sup>  
 )  
JUSTICE CAVANAGH ) DAY OF NOVEMBER, 2022

B E T W E E N :

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**CUTTING EDGE PRECISION SERVICES ULC,  
PROPER WINDSOR HOLDINGS ULC and  
SGM REAL ESTATE HOLDINGS ULC**

Respondents

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Albert Gelman Inc., in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of each of Cutting Edge Precision Services ULC (“**Cutting Edge**”), Proper Windsor Holdings ULC and SGM Real Estate Holdings ULC, for an order approving the sale and transfer (the “**Transaction**”) of the Purchased Assets (other than the Real Property) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver, as seller, and each of 3305 Deziel Inc. and Arlen Tool Co. Ltd. (the “**Purchaser**”), as purchasers, dated November 4, 2022 and appended to the First Report of the Receiver dated November 14, 2022 (the “**First Report**”), and vesting in the Purchaser, all of Cutting Edge’s right, title and interest in and to all of the Purchased Assets (as defined in the Sale Agreement), excluding the Real Property (the “**Purchased Assets**”), was

heard this day at 330 University Avenue, Toronto, Ontario via videoconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of the Receiver, including the First Report, and on hearing the submissions of counsel for the Receiver, and all other parties listed on the Counsel Slip, and no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Samantha Hans sworn November 14, 2022, filed:

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service 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.

### **DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Sale Agreement.

### **APPROVAL AND VESTING**

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.

**THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchasers substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of Cutting Edge's right, title and interest in and to the Purchased Assets (other than the Real Property) 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 Kimmel dated October 21, 2022; (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 B 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 C hereto) 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.

4. **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.

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

6. **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 respect of the Employees (as defined in the Sale Agreement). 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 Cutting Edge.

7. **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) (the “**BIA**”) in respect of Cutting Edge and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Cutting Edge;

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 any of Cutting Edge and shall not be void or voidable by creditors of Cutting Edge, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA 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.

8. **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.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01a.m. on the date of this Order and is enforceable without the need for entry or filing.

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

Court File No. CV-22-00688427-00CL

***ONTARIO***

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**B E T W E E N :**

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**CUTTING EDGE PRECISION SERVICES ULC,  
PROPER WINDSOR HOLDINGS ULC and  
SGM REAL ESTATE HOLDINGS ULC**

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Kimmel of the Ontario Superior Court of Justice (the “**Court**”) dated October 21, 2022, Albert Gelman Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of each of Cutting Edge Precision Services ULC (“**Cutting Edge**”), Proper Windsor Holdings ULC and SGM Real Estate Holdings ULC (collectively, the “**Debtors**”).

B. Pursuant to an Order of the Court dated November 23, 2022, the Court approved the agreement of purchase and sale as of November 4, 2022 (the “**Sale Agreement**”) between the Receiver, 3305 Deziel Inc., and Arlen Tool Co. Ltd. (the “**Purchaser**”), and provided for the vesting in the Purchaser of Cutting Edge’s right, title and interest in and to the Purchased Assets

(other than the Real Property), 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 Purchasers of the Purchase Price for the Purchased Assets; (ii) the Debtors have obtained an Order of the Court approving the balance of transactions contemplated by the Sale Agreement and vesting in 3305 Deziel Inc., SGM Real Estate Holdings ULC's right, title and interest in and to the Real Property (as defined in the Sale Agreement); (iii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iv) that the Transactions (as defined in the Sale Agreement) have 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 Purchasers have 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 Purchasers;
3. The Transactions have been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Albert Gelman Inc.**, in its capacity as Receiver of the undertaking, property and assets of the Debtors, and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule B – Claims to be deleted and expunged from title to the Purchased Assets**

None.

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Purchased Assets**

**(unaffected by the Vesting Order)**

None.

**THE TORONTO-DOMINION BANK**  
Applicant

- and -

**CUTTING EDGE PRECISION SERVICES ULC, et al.**  
Respondents

Court File No. CV-22-00688427-00CL

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

**Proceedings commenced at Toronto**

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**APPROVAL AND VESTING ORDER**

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