

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

BETWEEN:

2624492 ONTARIO INC.

Applicant

- and -

**VERTEX PRECISION MANUFACTURING INC., DELLCOM AEROSPACE INC.,
MERCAP HOLDINGS INC., 1527039 ONTARIO LTD., 867822 ONTARIO INC., AERO-
SAFE PROCESSING INC. and AERO-SAFE TECHNOLOGIES INC.**

Respondents

NOTICE OF MOTION
(returnable May 24, 2018)

Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Vertex Precision Manufacturing Inc. (“**Vertex**”), Dellcom Aerospace Inc. (“**Dellcom**”), Mercap Holdings Inc., 1527039 Ontario Ltd., 867822 Ontario Inc., Aero-Safe Processing Inc., and Aero-Safe Technologies Inc. (collectively, the “**Debtors**”), appointed pursuant to the Order of the Honourable Justice Hailey dated March 12, 2017 (the “**Receivership Order**”), will make a motion to a judge presiding over the Commercial List on Thursday, May 24, 2018, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

THE PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an order substantially in the form attached hereto as **Schedule “A”**, *inter alia*:
 - (a) if necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record of the Receiver, and dispensing with service on any person other than those served;

- (b) approving the sale transaction (the “**Dumur Transaction**”) under the Dumur APS (as defined below); and
 - (c) vesting the Purchased Assets in the Purchaser (as both terms are defined in the Dumur APS) free and clear of all claims and encumbrances;
2. an order substantially in the form attached hereto as **Schedule “B”**, *inter alia*:
- (a) if necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record of the Receiver, and dispensing with service on any person other than those served;
 - (b) approving the sale transaction (the “**Core Transaction**”) under the Core APS (as defined below); and
 - (c) vesting the Purchased Assets in the Purchaser (as both terms are defined in the Core APS) free and clear of all claims and encumbrances;
3. an order sealing the confidential appendices to the Second Report of the Receiver (the “**Second Report**”) until the filing of a Receiver’s certificate confirming completion of the Dumur Transaction and the Core Transaction or further order of this Court;
4. an order authorizing and directing the Receiver to make distributions to Core Industrial Finance & Capital, LLC (“**Core**”) as described in the Second Report;
5. an order approving the activities of the Receiver as described in the Second Report;
6. an order approving the fees and disbursements of the Receiver and its legal counsel, as described in the Second Report and accompanying affidavits;
7. an order discharging the Receiver upon its filing a certificate with the court confirming that the administration of the receivership has been completed; and
8. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. The Debtors are preferred Tier 1 suppliers to leading aerospace original equipment manufacturers, including Bombardier.
2. The Debtors' head office was located in Vaughan, Ontario, and their manufacturing facilities are located in Concord, Ontario and Fort Erie Ontario.
3. As of February 28, 2018, the Debtors were indebted to Bank of Montreal and Bank of Montreal d.b.a BMO Capital Partners (together, the "**Bank**") in the total amount of \$13,664,394.70 (the "**Loans**").
4. Pursuant to an Assignment of Loan and Related Documents and Rights dated March 1, 2018, Core purchased from the Bank and the Bank assigned to Core, all of the Bank's right, title and interest in and to the Loans along with the loan documents, guarantees, security, mortgages and other documents executed and delivered to the Bank in respect thereof.
5. On Application of 2624492 Ontario Inc., as agent and nominee for Core, this Court granted the Receivership Order appointing A&M as Receiver of the Property.

The Sale Process

6. Pursuant to the Order of Justice Hainey dated March 23, 2018 (the "**Sale Process Order**"), this Court (among other things) approved the sale process described therein (the "**Sale Process**") and authorized and directed the Receiver to implement the Sale Process.
7. As required pursuant to the Sale Process Order:
 - (a) the Receiver identified potential strategic buyers and other prospective purchasers (collectively, the "**Prospective Purchasers**");
 - (b) the Receiver distributed a teaser document to all Prospective Purchasers;

- (c) the Receiver set up a data room to facilitate Prospective Purchasers' due diligence that contained available documentation in respect of the Property, and granted access thereto to Prospective Purchasers who executed confidentiality agreements;
 - (d) the Receiver facilitated all due diligence requests submitted by interested parties, updated the data room as required, and arranged site visits, plant tours and meetings between key employees and/or key customers and interested parties; and
 - (e) prospective purchasers were asked to submit bids for any or all of the Property by April 23, 2018.
8. The terms of the Sale Process also expressly provided (among other things) that the Receiver may accept a bid from Core submitted after the Bid Deadline.

Sale Transactions

(i) The Dumur Transaction¹

9. The Receiver has entered into an Asset Purchase Agreement dated May 17, 2018 (the "**Dumur APA**") with 2119485 Alberta Ltd., a wholly-owned subsidiary of 1343080 Alberta Ltd. (d/b/a Dumur Industries), subject to court approval and certain other conditions which the Receiver does not expect to be obstacles to successful completion of the Dumur Transaction.
10. The Purchased Assets under the Dumur APA are comprised of all of the property, assets and undertaking of Dellcom (not including cash or accounts receivable), all computer hardware and software of Vertex used in connection with the business of Dellcom, and all intellectual property, business and domain names, industry affiliations, and authorizations of Vertex.
11. The Purchase Price is comprised of cash consideration in an amount to remain confidential for the reasons set out in the Second Report.

¹ All capitalized terms not defined in this section are used as defined in the Dumur APA.

12. The Purchaser has advised that it intends to retain substantially all of the existing employees of Dellcom.
13. The Closing Date is the fifth business day following the date on which the Approval and Vesting Order is granted, or such later or earlier date as agreed to by the parties. The Receiver can extend the Closing Date if, prior to Closing, the Dumur Approval and Vesting Order (or any orders dismissing appeals thereof) shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Dumur Transaction. The Purchaser can terminate the transaction if the Closing has not occurred within 60 days following the date of the Dumur APA.

(ii) The Core Transaction²

14. The Receiver expects to enter into an Agreement of Purchase and Sale (the “**Core APS**”) with 2624492 Ontario Inc., an entity related to Core, subject to court approval and certain other conditions which the Receiver does not expect to be obstacles to successful completion of the Core Transaction.
15. The Purchased Assets under the Core APS will essentially be comprised of all of the property, assets and undertaking of the Debtors not being sold under the Dumur APA, which will include: all cash of the Debtors over and above the total amount of Priority Payables and the Receivership Expenses; all of the Debtors’ outstanding accounts receivable; the Real Property (being the properties municipally known as 1767 Pettit Rd, Fort Erie, Ontario and 1380 Commerce Parkway, Fort Erie, Ontario); and certain other assets of the Debtors other than Dellcom.
16. The Purchase Price will be comprised of (a) a credit bid in an amount to remain confidential for the reasons set out in the Second Report; (b) cash consideration in an amount equal to the total amount of Priority Payables and the Receivership Expenses, less any cash on hand to satisfy such amounts; and (c) the accrued and unpaid Assumed Liabilities.

² All capitalized terms not defined in this section are used as defined in the Core APS.

17. The Purchaser has advised that it intends to retain substantially all of the existing employees of ASP and AST.
18. The Closing Date will be the Closing Date under the Dumur APA.

(iii) Receiver's Recommendations on the Sale Transactions

19. The Receiver recommends that the Dumur Transaction and the Core Transaction (the "**Recommended Transactions**") be approved by the Court for the following reasons:
 - a) the Sale Process was carried out in accordance with the terms of the Sale Process Order. The Receiver is of the view that the Sale Process was commercially reasonable, including the timelines, the extent of the canvassing of the market and information made available to interested parties;
 - b) while expedited, it is the Receiver's view that the duration of the Sale Process was sufficient to allow prospective purchasers to perform diligence and submit offers, particularly given the canvassing of the market prior to this proceeding;
 - c) the Recommended Transactions are expected to preserve employment for substantially all of the Companies' remaining employees;
 - d) Core has consented to the Recommended Transactions notwithstanding that it is projected to incur a substantial shortfall on the amounts owing to it by the Companies;
 - e) the Receiver is of the view that further time spent marketing the Companies' businesses and assets would not result in a superior transaction. In addition, there is no funding available for an extended sale process;
 - f) the Receiver is of the view that the conditions to the Dumur APA and the Core APA do not present significant closing risk. The other offers submitted in the Sale Process did not have less significant conditions than the Recommended Transactions; and

- g) the value of the Recommended Transactions exceeds the liquidation value of the Companies' assets.

Distribution to Core

- 20. Core is the Companies' principal secured creditor, and is owed over \$13.6 million plus interest and costs which continue to accrue.
- 21. The Receiver has obtained an opinion from its legal counsel that the security interests held by Core are valid and enforceable, subject to customary assumptions and qualifications.
- 22. The Receiver proposes, with the approval of the Court, to make a distribution to Core from the proceeds that the Receiver expects to collect from the Dumur Transaction and to hold back funds pending completion of the administration of this proceeding in amount estimated by the Receiver to be sufficient to fund the completion of the administration of this proceeding. The Receiver further proposes to make additional distributions to Core to the extent that funds held by the Receiver are not required in the administration of this proceeding.
- 23. Based on the foregoing, the Receiver recommends that the Court issue an order authorizing and directing the Receiver to make distributions to Core, including from the proceeds generated by the Dumur Transaction, up to the amount of the Companies' indebtedness owing to Core, without further order of the Court.

Sealing Order

- 24. The Receiver respectfully requests that the confidential appendices to the Second Report be sealed until the filing of a Receiver's certificate confirming completion of the Dumur Transaction and the Core Transaction or further order of this Court, as the documents contain confidential information. If these documents are not sealed, and if the aforesaid transactions are not completed for any reason, the information in these documents may negatively impact realizations in the event the Receiver has to re-market the Property for sale.
- 25. The Receiver is not aware of any party that will be prejudiced if this information is sealed.

Approval of Activities and Fees

26. In the Second Report, the Receiver had included a detailed description of its activities, its fees and disbursements, and the fees and disbursements of its lawyers, Chaitons LLP.
27. It is respectfully submitted that these activities, fees and disbursements are reasonable and appropriate and should be approved by this Court.

Discharge of the Receiver

28. Upon completion of the Dumur Transaction and the Core Transaction, the Receiver expects that its administration of the receivership will be substantially complete, subject to certain tasks described in the Second Report.
29. In order to avoid the cost of another motion to discharge the Receiver, the Receiver respectfully requests an order discharging it upon its filing a certificate with the Court confirming that the administration of the receivership has been completed.

Other Grounds

30. Rules 2.03, 3.02, and 37 of the *Rules of Civil Procedure* (Ontario); and
31. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Second Report; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

May 17, 2018

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**Lawyers for Alvarez & Marsal Canada Inc.
in its capacity as the court-appointed
receiver and manager of the assets,
undertakings and properties of the
Respondents**

TO: SERVICE LIST

SCHEDULE A

and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list attached as Schedule "A", although properly served as appears from the affidavit of ■ sworn ■, 2018 filed:

1. 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.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all of the Debtors' 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 Order of the Honourable Justice Hainey dated March 12, 2018; (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**") 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.

3. 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.

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

5. 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 Company's records pertaining to the Debtors' past and current employees, including personal information of all Transferred Employees, as such term is 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 the Debtors.

6. 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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

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 Debtors and shall not be void or voidable by creditors of the Debtors, 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.

7. 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.

Schedule "A" – Service List

Court File No. CV-18-593678-00CL

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

B E T W E E N

2624492 ONTARIO INC.

Applicant

- and -

**VERTEX PRECISION MANUFACTURING INC., DELLCOM AEROSPACE INC.,
MERCAP HOLDINGS INC., 1527039 ONTARIO INC., 867822 ONTARIO INC., AERO-
SAFE PROCESSING INC. and AERO-SAFE TECHNOLOGIES INC.**

Respondents

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AND TO: ELLIOT-MATSUURA CANADA INC.
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AND TO: ELEMENT FINANCIAL CORPORATION
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AND TO: STONEBRIDGE LEASE FINANCING CORPORATION
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AND TO: GE CANADA LEASING SERVICES COMPANY
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AND TO: GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P.
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AND TO: CIT FINANCIAL LTD.
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AND TO: WELLS FARGO EQUIPMENT FINANCE COMPANY
2550 Victoria Park Ave
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AND TO: CWB NL FINANCIAL INC
855 - 2 Street SW, Suite 3500
Calgary, AB T2P 4J8

AND TO: BANK OF MONTREAL
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AND

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Toronto, ON M5X1A3

Schedule "B" – Form of Receiver's Certificate

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2624492 ONTARIO INC.

Applicant

- and -

**VERTEX PRECISION MANUFACTURING INC., DELLCOM AEROSPACE INC.,
MERCAP HOLDINGS INC., 1527039 ONTARIO LTD., 867822 ONTARIO INC., AERO-
SAFE PROCESSING INC., and AERO-SAFE TECHNOLOGIES INC.**

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated March 12, 2018, Alvarez & Marsal Canada Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Vertex Precision Manufacturing Inc., Dellcom Aerospace Inc., Mercap Holdings Inc., 1527039 Ontario Ltd., 867822 Ontario Inc., Aero-Safe Processing Inc., and Aero-Safe Technologies Inc., (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated ■, 2018, the Court approved the agreement of purchase and sale made as of April 23, 2018 (the "**Sale Agreement**") between the Receiver and

2119485 Alberta Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors' 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 6 of the Sale 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 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 section 6 of the Sale 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].

ALVAREZ & MARSAL CANADA INC., in its capacity as Receiver of the undertaking, property and assets of Vertex Precision Manufacturing Inc., Dellcom Aerospace Inc., Mercap Holdings Inc., 1527039 Ontario Ltd. 867822 Ontario Inc., Aero-Safe Processing Inc., and Aero-Safe Technologies Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule "C" – Permitted Encumbrances

Nil.

SCHEDULE B

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list attached as Schedule "A", although properly served as appears from the affidavit of ■ sworn ■, 2018 filed:

1. 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.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "Receiver's Certificate"), all of the Debtors' 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 Order of the Honourable Justice Hainey dated March 12, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems except for any such charges listed on Schedule "C"; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Deleted Encumbrances"), and, for greater certainty, this Court orders that all of the Deleted Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, and that all encumbrances and Claims listed on Schedule "D" shall be treated as Permitted Encumbrances and not expunged nor discharged from the title of the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Registry Division of [Niagara North (No. 30) and]Niagara South (No. 59) 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 “E” hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property of all of the Claims relating to the Real Property listed in Schedule “C” hereto. **[NTD: Dentons Real Property Group to review]**

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 AND DIRECTS the Receiver to take the necessary steps to effectuate corporate name changes in respect of each of Aero-Safe Processing Inc., Vertex Precision Manufacturing Inc.] and Aero-Safe Technologies Inc.]**

7. 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 Company's records pertaining to the Debtors' past and current employees, including personal information of all Transferred Employees, as such term is 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 the Debtors.

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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

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 Debtors and shall not be void or voidable by creditors of the Debtors, 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 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.

Schedule "A"
to Approval and Vesting Order

Service List

Schedule "B"
to Approval and Vesting Order
Form of Receiver's Certificate

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

2624492 ONTARIO INC.

Applicant

- and -

**VERTEX PRECISION MANUFACTURING INC., DELLCOM AEROSPACE INC.,
MERCAP HOLDINGS INC., 1527039 ONTARIO LTD., 867822 ONTARIO INC., AERO-
SAFE PROCESSING INC., and AERO-SAFE TECHNOLOGIES INC.**

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated March 12, 2018, Alvarez & Marsal Canada Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Vertex Precision Manufacturing Inc., Dellcom Aerospace Inc., Mercap Holdings Inc., 1527039 Ontario Ltd., 867822 Ontario Inc., Aero-Safe Processing Inc., and Aero-Safe Technologies Inc., (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated ■, 2018, the Court approved the agreement of purchase and sale made as of May __, 2018 (the "**Sale Agreement**") between the Receiver and 2524492 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the

Debtors' 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 6 of the Sale 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 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 section 5 of the Sale 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].

ALVAREZ & MARSAL CANADA INC., in its capacity as Receiver of the undertaking, property and assets of Vertex Precision Manufacturing Inc., Dellcom Aerospace Inc., Mercap Holdings Inc., 1527039 Ontario Ltd. 867822 Ontario Inc., Aero-Safe Processing Inc., and Aero-Safe Technologies Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule "C"
to Approval and Vesting Order

Deleted Encumbrances

Real Property

1. The following encumbrances in connection with the Real Property are to be treated as Deleted Encumbrances:

1767 Petit Rd, Fort Erie, Ontario

PIN: 64238-0067 (LT)

Reg. No.	Date	Instrument Type	Parties From	Parties To
SN 434697	2015/05/21	Charge	867822 Ontario Inc.	Rodway, Margaret

1380 Commerce Parkway, Fort Erie, Ontario

PIN: 64238-0090 (LT)

Reg. No.	Date	Instrument Type	Parties From	Parties To
SN 434698	2015/05/21	Charge	1527039 Ontario Ltd.	Rodway, Margaret

Personal Property

1. The following PPSA registrations are to be treated as Deleted Encumbrances:

Aero-Safe Technologies Inc.

REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
706227579	Margaret Rodway	• Aero-Safe Technologies Inc.	May 19, 2015

Aero-Safe Processing Inc.

REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
706227561	Margaret Rodway	• Aero-Safe Processing Inc.	May 19, 2015

Dellcom Aerospace Inc.

REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
735965937	Stonebridge Lease Financing Corporation	• Dellcom Aerospace Inc.	January 25, 2018

**Schedule “D”
to Approval and Vesting Order**

Permitted Encumbrances

1. The Obligations remaining after reduction of same in the amount of the Credit Bid, on a dollar for dollar basis.
2. All Encumbrances in favour of the Purchaser securing the remaining Obligations, including pursuant to the Loan Documents.
3. The following PPSA and Real Property registrations:

Vertex Precision Manufacturing Inc.

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
1.	706176909	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	<ul style="list-style-type: none"> • Vertex Precision Manufacturing Inc./Fabrication de Precision Vertex Inc. • Fabrication de Precision Vertex Inc./Vertex Precision Manufacturing Inc. • Vertex Precision Manufacturing Inc. • Fabrication de Precision Vertex Inc. 	May 19, 2015
2.	706176918	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	<ul style="list-style-type: none"> • Vertex Precision Manufacturing Inc./Fabrication de Precision Vertex Inc. • Fabrication de Precision Vertex Inc./Vertex Precision Manufacturing Inc. • Vertex Precision Manufacturing Inc. • Fabrication de Precision Vertex Inc. 	May 19, 2015
3.	706239567	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	<ul style="list-style-type: none"> • Vertex Precision Manufacturing Inc./Fabrication de Precision Vertex Inc. • Fabrication de Precision Vertex Inc./Vertex Precision 	May 20, 2015

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
			Manufacturing Inc. • Vertex Precision Manufacturing Inc. • Fabrication de Precision Vertex Inc.	
4.	706239576	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	• Vertex Precision Manufacturing Inc./Fabrication de Precision Vertex Inc. • Fabrication de Precision Vertex Inc./Vertex Precision Manufacturing Inc. • Vertex Precision Manufacturing Inc. • Fabrication de Precision Vertex Inc.	May 20, 2015

Aero-Safe Processing Inc.

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
1.	706227498	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	Aero-Safe Processing Inc.	May 19, 2015
2.	706227516	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	Aero-Safe Processing Inc.	May 19, 2015
3.	693083178	CIT Financial	Aero-Safe Processing Inc.	January 10, 2014

Aero-Safe Technologies Inc.

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
1.	706227534	Core Industrial Finance & Capital, LLC	Aero-Safe Technologies Inc.	May 19, 2015

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
		<i>[assigned by Bank of Montreal]</i>		
2.	706227543	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	Aero-Safe Technologies Inc.	May 19, 2015
3.	[707849793]	RCAP Leasing Inc.	Aero-Safe Technologies Inc.	July 8, 2015 – Client to confirm]]

867822 Ontario Inc.

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
1.	706227462	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	867822 Ontario Inc.	May 19, 2015
2.	706227471	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	867822 Ontario Inc.	May 19, 2015

1527039 Ontario Ltd.

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
1.	706227444	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	1527039 Ontario Ltd.	May 19, 2015
2.	706227453	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	1527039 Ontario Ltd.	May 19, 2015

Dellcom Aerospace Inc.

NO.	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION
1.	683643807	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	Dellcom Aerospace Inc. <i>[changed from Dellcom Industries Inc. on Dec. 27/12]</i>	December 18, 2012
2.	683643816	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	Dellcom Aerospace Inc.	December 18, 2012
3.	684643825	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal]</i>	Dellcom Aerospace Inc. <i>[changed from 2341748 Ontario Inc. on Dec. 27/12]</i>	December 18, 2012
4.	683643924	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	Dellcom Aerospace Inc.	December 18, 2012
5.	683643942	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	Dellcom Aerospace Inc. <i>[changed from Dellcom Industries Inc. on Dec. 27/12]</i>	December 18, 2012
6.	683643969	Core Industrial Finance & Capital, LLC <i>[assigned by Bank of Montreal, d.b.a. BMO Capital Partners]</i>	Dellcom Aerospace Inc. <i>[changed from 2341748 Ontario Inc. on Dec. 27/12]</i>	December 18, 2012

1767 Pettit Rd, Fort Erie, Ontario

PIN: 64238-0067 (LT)

REG. NO.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO.
RO106181	1969/07/31	Bylaw		
59R2757	1979/01/02	Plan Reference		

59R9149	1995/04/21	Plan Reference		
59R9471	1996/03/26	Plan Reference		
SN434677	2015/05/21	Charge	867822 Ontario Inc.	Bank of Montreal
SN434678	2015/05/21	Notice Assignment of Rents General	867822 Ontario Inc.	Bank of Montreal
SN434679	2015/05/21	Charge	867822 Ontario Inc.	Bank of Montreal
SN434680	2015/05/21	Notice Assignment of Rents General	867822 Ontario Inc.	Bank of Montreal
SN520623	2017/07/28	Notice	867822 Ontario Inc.	Bank of Montreal
SN520624	2017/07/28	Notice	867822 Ontario Inc.	Bank of Montreal
SN544552	2018/03/01	Transfer of Charge	Bank of Montreal	Core Industrial Finance & Capital, LLC
SN544553	2018/03/01	Transfer of Charge	Bank of Montreal	Core Industrial Finance & Capital, LLC
SN544554	2018/03/01	Notice Assignment of Rents General	Bank of Montreal	Core Industrial Finance & Capital, LLC
SN544555	2018/03/01	Notice Assignment of Rents General	Bank of Montreal	Core Industrial Finance & Capital, LLC

1380 Commerce Parkway, Fort Erie, Ontario

PIN: 64238-0090 (LT)

REG. NO.	DATE	INSTRUMENT TYPE	PARTIES FROM	PARTIES TO.
RO106181	1969/07/31	Bylaw		
59R11780	2002/07/18	Plan Reference		
LT219899	2002/08/16	Application to Register Restriction	The Corporation of the Town of Fort Erie	
LT219902	2002/08/16	Transfer Easement	1527039 Ontario Ltd.	The Corporation of the Town of Fort Erie

LT236439	2003/02/17	Notice	The Corporation of the Town of Fort Erie	
SN434681	2015/05/21	Charge	1527039 Ontario Ltd.	Bank of Montreal
SN434682	2015/05/21	Notice Assignment of Rents General	1527039 Ontario Ltd.	Bank of Montreal
SN434683	2015/05/21	Charge	1527039 Ontario Ltd.	Bank of Montreal
SN434684	2015/05/21	Notice Assignment of Rents General	1527039 Ontario Ltd.	Bank of Montreal
SN520621	2017/08/28	Notice	1527039 Ontario Ltd.	Bank of Montreal
SN20622	2017/07/08	Notice	1527039 Ontario Ltd.	Bank of Montreal
SN44556	2018/03/01	Transfer of Charge	Bank of Montreal	Core Industrial Finance & Capital, LLC
SN44557	2018/03/01	Transfer of Charge	Bank of Montreal	Core Industrial Finance & Capital, LLC
SN44558	2018/03/01	Notice Assignment of Rents General	Bank of Montreal	Core Industrial Finance & Capital, LLC
SN44559	2018/03/01	Notice Assignment of Rents General	Bank of Montreal	Core Industrial Finance & Capital, LLC

Schedule "E"
to Approval and Vesting Order

Real Property

1767 Pettit Rd, Fort Erie, Ontario

PIN: 64238-0067 (LT)

Property Description: PT LT 6 CON 5 NIAGARA RIVER BERTIE PT 1, 59R9471; FORT ERIE

1380 Commerce Parkway, Fort Erie, Ontario

PIN: 64238-0090 (LT)

PT LT 6 CON 5 NR BERTIE BEING PTS 6 & 7, 59R11780; S/T EASE IN FAVOUR OF THE CORPORATION OF THE TOWN OF FORT ERIE OVER PT 7, 59R11780 AS IN LT219902; TOWN OF FORT ERIE

2624492 ONTARIO INC.

- and -

VERTEX PRECISION MANUFACTURING INC., DELLCOM AEROSPACE INC., MERCAP HOLDINGS INC., 1527039 ONTARIO LTD., 867822 ONTARIO INC., AERO-SAFE PROCESSING INC. and AERO-SAFE TECHNOLOGIES INC.

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable May 24, 2018)

CHAITONS LLP
5000 Yonge Street, 10th Floor
North York, ON M2N 7E9

George Benchetrit
Tel: (416) 218-1141
Fax: (416) 218-1841
Email: george@chaitons.com

**Lawyers for Alvarez & Marsal Canada Inc. in
its capacity as the court-appointed receiver
and manager of the assets, undertakings and
properties of the Respondents**