

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MADAM  
JUSTICE SARAH E. PEPALL

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)

THURSDAY, THE 26<sup>th</sup> DAY  
OF OCTOBER, 2006

GENERAL MOTORS CORPORATION

Applicant

- and -

TENATRONICS LIMITED

Respondent



APPROVAL AND VESTING ORDER

**THIS MOTION**, made by Zeifman Partners Inc., acting solely in its capacity as receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Tenatronics Limited (the “**Debtor**”), for an Order, *inter alia*:

- (a) approving the sale of the Purchased Assets by the Receiver to C-Mac Invotronics, Inc. d/b/a Solelectron Invotronics (the “**Purchaser**”) pursuant to the Asset Purchase Agreement dated October 10, 2006 between the Receiver and the Purchaser (the “**Asset Purchase Agreement**”) as more particularly described in the First Report to the Court of the Receiver dated October 19, 2006 (the “**First Report**”);
- (b) vesting the Purchased Assets in the Purchaser;
- (c) amending paragraph 20 of the Order of this Honourable Court dated August 14, 2006 (the “**Appointment Order**”) to reflect an increase of the Receiver’s borrowing limit from \$2,000,000.00 to \$5,000,000.00; and

- (d) providing such further and other relief as counsel may request and this Honourable Court sees fit,

was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver's Notice of Motion, the First Report, and upon hearing counsel for the Receiver, the Purchaser and no other parties appearing although duly served as appears from the Affidavit of Service of Roxana Manea sworn October 20, 2006, as filed.

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is hereby abridged so that this Motion is properly returnable today, <sup>✓</sup>and ~~that further service of the Notice of Motion and the Motion Record upon interested parties be and is hereby dispensed with~~ <sup>✓</sup> and the service of the Notice of Motion and the Motion Record be and is hereby validated in all respects. SDP

**DEFINED TERMS**

2. **THIS COURT ORDERS** that all capitalized terms used herein which are not otherwise defined herein shall have the respective meaning ascribed to them in the Asset Purchase Agreement.

**ASSET PURCHASE AGREEMENT**

3. **THIS COURT ORDERS** that the execution and delivery of the Asset Purchase Agreement by the Receiver is hereby authorized and ratified.
4. **THIS COURT ORDERS** that the Asset Purchase Agreement, the sale by the Receiver of the Purchased Assets to the Purchaser substantially in accordance with the terms of the Asset Purchase Agreement and all transactions contemplated by the Asset Purchase Agreement are hereby authorized and approved.
5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed:
- (a) to proceed with the sale of the Purchased Assets;

- (b) to complete the transactions contemplated by and to perform the covenants under the Asset Purchase Agreement, subject to such amendments as the Purchaser and the Receiver may approve which do not materially and adversely alter the terms thereof;
- (c) to do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by the Asset Purchase Agreement; and
- (d) to execute and deliver all documents necessary to complete the transactions contemplated by the Asset Purchase Agreement.

### **VESTING OF ASSETS**

6. **THIS COURT ORDERS** that upon the filing with this Honourable Court by the Receiver of a certificate (the “**Closing Certificate**”) substantially in the form set out in Schedule “A” hereto, the Purchased Assets are hereby vested in the Purchaser absolutely and forever, free and clear of any and from any and all rights, title, interests, security interests, charges, estates, licenses, liens (whether contractual, statutory or otherwise), trusts, deemed trusts (whether contractual statutory or otherwise), benefits, pledges, mortgages, hypothecations, deeds of moveable hypothec, indentures, loan agreements, instruments, leases, assignments, rights of distress, set-off claims (whether legal, equitable or contractual), judgments, executions, writs of seizure and sale, options, adverse claims, levies, agreements (including title retention agreements and personal property agreements), taxes, claims, charges, encumbrances, or any other rights, rights of use, claims, disputes and debts of all persons or entities, including any governmental authority, of any kind whatsoever and howsoever arising, whether contractual, statutory, by operation of law or otherwise, whether secured, unsecured, perfected, attached, registered or filed, or otherwise and whether created by or pursuant to Orders made in these proceedings, (collectively and including (a) and (b) below, the “**Encumbrances**”), including, without limitation:

- (a) the Receiver’s Charge and the Receiver’s Borrowing Charge created by the Appointment Order, as amended; and

- (b) the security interests against personal property registered against the Debtor, including those *Personal Property Security Act* (Ontario) (the “PPSA”) registrations against the Debtor as set out in Schedule “B” hereto.

7. **THIS COURT ORDERS** that all of the Encumbrances with respect to the Purchased Assets under the terms of this Order shall continue to attach solely to and shall retain the same priorities with respect to the proceeds of the sale of the Purchased Assets paid to the Receiver pursuant to the Asset Purchase Agreement (the “**Proceeds**”), and the Proceeds shall stand in the place and stead of the Purchased Assets and shall solely stand charged with all such Encumbrances with the same validity, priority and enforceability as such Encumbrances had against the Purchased Assets prior to the vesting of the Purchased Assets in the Purchaser.

8. **THIS COURT ORDERS** that no holder of any Encumbrance that has been vested out pursuant to paragraph 6 of this Order shall take any steps, proceedings, or make any filings or claims in connection therewith against any of the Purchased Assets or against the Purchaser in connection with any such Encumbrance.

9. **THIS COURT ORDERS AND DECLARES** that the *Bulk Sales Act* (Ontario) does not apply to the sale of the Purchased Assets under the Asset Purchase Agreement and no notice is required under the PPSA or any similar statute in any other jurisdiction, provincial or otherwise.

10. **THIS COURT ORDERS** that, notwithstanding the pendency of these or any other proceedings pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) in respect of the Debtor or the provisions of any other federal or provincial statute, the Asset Purchase Agreement and the transactions contemplated therein and by this Order will not be void, voidable or opposable by creditors, claimants, shareholders or other persons and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances, transactions under value or other reviewable transactions under the BIA or any other applicable federal or provincial legislation, and they do not constitute conduct meriting an oppression remedy and shall be binding upon any trustee in bankruptcy appointed in respect of the Debtor.

**INCREASE TO RECEIVER'S BORROWING LIMIT**

11. **THIS COURT ORDERS** that paragraph 20 of the Appointment Order shall be amended to reflect an increase of the Receiver's borrowing limit from \$2,000,000.00 to \$5,000,000.00 so that new paragraph 20 shall read as follows:

**THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **\$5,000,000.00** (or such greater amount as this Court may be further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

**AID AND RECOGNITION**

12. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body or tribunal in any province or territory of Canada, including any court in Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States of America and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

14. **THIS COURT FURTHER ORDERS** that the costs of the Receiver in preparation of this motion and of these proceedings, up to and including the hearing of this motion and the entry of this Order (including applicable goods and services tax), be paid to the Receiver from the estate herein.

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PER/PAR

**SCHEDULE "A"**  
**FORM OF CLOSING CERTIFICATE**

**Court File No. 06-CL-6596**

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

**GENERAL MOTORS CORPORATION**

Applicant

- and -

**TENATRONICS LIMITED**

Respondent

**RECEIVER'S CERTIFICATE**

RE: Zeifman Partners Inc., in its capacity as receiver and manager (the "**Receiver**") of the current and future assets, undertakings and properties of Tenatronics Limited.

AND RE: Asset Purchase Agreement dated October 10, 2006 between the Receiver and C-Mac Invotronics, Inc. d/b/a Solectron Invotronics (the "**Asset Purchase Agreement**")

This Certificate is delivered pursuant to paragraph 6 of the Approval and Vesting Order of the Honourable ● Justice ● of the Ontario Superior Court of Justice dated October ●, 2006.

The Receiver hereby certifies that all of the terms and conditions under the Asset Purchase Agreement have been satisfied or waived to the satisfaction of the Receiver and that the transaction under the Asset Purchase Agreement has been completed.

**[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

DATED AT Toronto, Ontario this ● day of ●, 2006.

**ZEIFMAN PARTNERS INC.**, in its capacity  
as receiver and manager of Tenatronics  
Limited, and not in its personal capacity

By: \_\_\_\_\_

Name: Allan Rutman

Title: President



## **SCHEDULE "B"**

### **PERSONAL PROPERTY REGISTRATIONS TO BE VESTED OUT**

1. Financing Statement registered under the *Personal Property Security Act* (Ontario) in favour of CIT Financial Ltd. reference file no. 604659537, Registration No. 20040416 1436 1616 2713;
2. Financing Statement registered under the *Personal Property Security Act* (Ontario) in favour of CIT Financial Ltd. reference file no. 868513311, Registration No. 20001220 1645 1424 5851;
3. Financing Statements registered under the *Personal Property Security Act* (Ontario) in favour of The Toronto-Dominion Bank reference file no. 035736669, Registration Nos. 19920226 1542 0049 2454, 19950124 2154 1513 2067, 19980115 1730 1513 3226, 20010122 1811 1531 7958, and 20040116 1935 1531 7983, and assigned to General Motors Corporation, Registration No. 20060724 1523 1590 9725.

**GENERAL MOTORS CORPORATION**  
Applicant

-and -

**TENATRONICS LIMITED**  
Respondent

Court File No. 06-CL-6596

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

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
Canadian Pacific Tower  
Suite 3200  
100 Wellington St. West  
P.O. Box 329  
Toronto, ON M5K 1K7

**Larry C. Ellis (LSUC# 49313K)**  
Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for the Applicant and the Receiver