

Court File No. 07-CL-7106

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 15TH
)
MR. JUSTICE SIEGEL) DAY OF OCTOBER, 2007

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BRAKE PRO, LTD.**

ORDER

THIS MOTION made by Brake Pro, Ltd., (the "Company") for an Order:

- (a) abridging the time for service of the Notice of Motion and Motion Record herein, validating the service of such motion material and dispensing with the service of such motion material on interested parties not served;
- (b) authorizing, *nunc pro tunc*, the Company to enter into an agreement to sell, and approving the sale of certain of the inventory of the Company (the "Assets") to BRF Precision Inc., a division of United Auto Parts Inc. (the "Purchaser") as those Assets are described in the Supplement to the Third Report of the Monitor (the "Supplementary Report") dated October 12, 2007, pursuant to a Purchase Order numbered 178622, attached as Appendix I to the Supplementary Report (the "Purchase Agreement");

- (c) amending paragraph 18(e)(ii) of the Initial Order of Justice Stinson dated July 24, 2007 to change the reference to \$50,000 to \$100,000, and the reference to \$250,000 to \$500,000; and
- (d) such further and other relief as this Honourable Court may deem just.

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

ON READING the Supplementary Report, and on hearing the submissions of counsel for the Company, counsel for Wachovia Capital Finance Corporation (Canada), counsel for USW and counsel for the Monitor, no one else appearing;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this Motion is properly returnable today and that any requirement for service of the Motion and the Motion Record on any parties other than the parties actually served with the Notice of Motion and the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that, *nunc pro tunc*, the Company is hereby authorized and directed to sell the Assets to the Purchaser on the terms contained in the Purchase Agreement and to complete the sale in accordance with the terms and conditions of the Purchase Agreement, with such alterations, amendments, deletions and additions as the Company and the Purchaser may agree to.
3. **THIS COURT ORDERS** that, effective immediately upon the payment in full by the Purchaser for the Assets in immediately payable funds, all right, title and interest of the Applicant in and to the Assets shall vest and is hereby vested in and to the Purchaser,

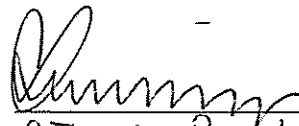
absolutely and forever, free and clear of any and from any and all right, title, interest, claims, hypothecs, mortgages, pledges, charges, liens, security interests, assignments, consignments, royalty claims, actions, levies, taxes, judgments, executions, writs of seizure and sale, trust or deemed trusts, adverse claims, levies, options, agreements, disputes, debts, encumbrances or any other rights, limitations or restriction of any nature whatsoever, including, without limitation, any rights or interests of any creditors of the Applicant of any kind whatsoever and howsoever arising, whether contractual, statutory, by operation of law or otherwise, whether perfected, attached, registered or filed, whether secured, unsecured or otherwise, whether liquidated, unliquidated or contingent (collectively, the "Claims"), by or of all persons or entities of any kind whatsoever including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or agents, trustees, executors, administrators or other legal representatives, (collectively, the "Claimants") including for greater certainty and without limiting the generality of the foregoing, (i) any encumbrances or charges created by the Order of the Honourable Justice Stinson herein dated July 24, 2007; (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.

4. **THIS COURT ORDERS** that no holder of any Claim that has been vested out pursuant to paragraph 5 of this Order shall take any steps, proceedings, or make any filings or claims in connection therewith, against the Assets in connection with any such Claim or Claims.

5. **THIS COURT ORDERS** that the net proceeds of sale stemming from the Purchase Agreement (the "Sale Proceeds"), shall stand in the place and stead of the Assets, without prejudice to any Claims being advanced against same as could have been advanced against the Assets and that any such Claims against the Sale Proceeds shall be subject to the same priorities as could have been claimed against the Assets as if the sale of the Assets had not occurred. The Applicant shall hold the Sale Proceeds pending a further Order of this Court as to the distribution of the Sale Proceeds.


6. **THIS COURT ORDERS AND DECLARES** that the *Bulk Sales Act*, R.S.O. 1990, c. B-14, as amended, and any other legislation affecting sales in bulk do not apply to the Purchase Agreement.

7. **THIS COURT ORDERS** that paragraph 18(e)(ii) of the Initial Order dated July 24, 2007 be and is hereby amended to change "\$50,000" to "100,000". and to change "250,000" to "500,000".

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C. Irwin, Registrar

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

OCT 15 2007

PER/PAR: 

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BRAKE PRO, LTD.

Court File No. 07-CL-7106

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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