

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

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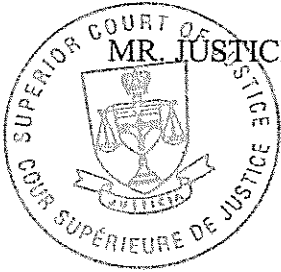
THURSDAY, THE 25TH

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MR. JUSTICE LEDERMAN

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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) extending the Stay of Proceedings provided for at paragraph 22 of the Initial Order, as previously extended by Orders of this Court, from October 25, 2007 to and including November 8, 2007;
- (c) authorizing 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 Fourth Report of the Monitor (the "Fourth Report") dated October 22, 2007, pursuant to a Purchase Order numbered 178623, attached as Exhibit "C" to the Fourth Report (the "Purchase Agreement");

- (d) Authorizing and approving the Company to undertake the sale of inventory at such prices and on such terms as the Company may negotiate and the Bank and the Monitor may agree, without Court approval, notwithstanding paragraph 18(e)(ii) of the Initial Order;
- (e) Authorizing the distribution to Wachovia Capital Finance Corporation (Canada) (the "Bank") of the proceeds of sale of inventory to the Purchaser; and
- (f) 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 Fourth Report, and on hearing the submissions of counsel for the Company, counsel for the Bank, counsel for the United Steelworkers, counsel for Durez Inc. 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 the stay of proceedings provided for at paragraph 22 of the Initial Order be and is hereby extended from October 25, 2007 to and including

November 8, 2007, and that all other terms of the Initial Order shall remain in full force and effect, except as may be required to give effect to this paragraph.

3. **THIS COURT ORDERS** that 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.

4. **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.

5. **THIS COURT ORDERS** that no holder of any Claim that has been vested out pursuant to paragraph 4 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.

6. **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 sale proceeds shall be ~~returned~~ ^{retained} pending further order of this Court.

7. **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.

8. **THIS COURT ORDERS** that the Company be and it is hereby authorizes to undertake such sales of inventory of the Company as it may negotiate on such terms and at such price as the Monitor and the Bank may agree, without further approval by this Court, notwithstanding the provisions of paragraph 18(e)(ii) of the Initial Order.
9. **THIS COURT ORDERS** that the relief is sought in paragraph (e) above is adjourned to be heard together with a motion for the distribution of the proceeds of sale of the Company's equipment and intellectual property.



G. JOHNSON
DEPUTY REGISTRAR, SUPERIOR COURT OF JUSTICE
GREFFIER ADJOINT, COUR SUPÉRIEURE DE JUSTICE

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

OCT 25 2007

PER/PAR:



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

O R D E R

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