

Court File No. 04-CL-5603

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

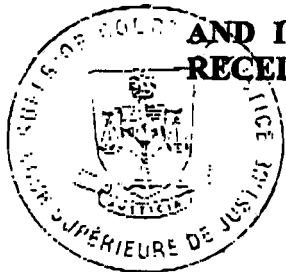
THE HONOURABLE  
MR. JUSTICE SPENCE

) FRIDAY, THE 26<sup>th</sup> DAY  
)  
) OF AUGUST, 2005

**IN THE MATTER OF AN APPLICATION UNDER SECTION 47.1 (1) OF  
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B.3, AS  
AMENDED**

**AND IN THE MATTER OF THE APPOINTMENT OF AN INTERIM  
RECEIVER OF NORTH AMERICAN PRINTING INC.**

**Applicant**



**APPROVAL AND VESTING ORDER**

**THIS MOTION** made by DOYLE SALEWSKI INC., in its capacity as the Court-appointed interim receiver (the "Interim Receiver") of the assets, undertakings and property of North American Printing Inc. (the "Debtor"), appointed pursuant to an Order of the Ontario Superior Court of Justice of the Honourable Madam Justice Lax dated November 12, 2004 (the "Receivership Order") pursuant to Section 47.1(1) of the *Bankruptcy and Insolvency Act* (Canada) (as amended or supplemented from time to time) (the "BIA"), for an Order, *inter alia*, (i) abridging the time for, and validating service of, this Notice of Motion and the materials filed in support of this Motion; (ii) approving the Fourth Report of the Proposal Trustee and Interim Receiver dated August 22, 2005 (the "Fourth Report") and the Supplement to the Fourth Report

dated August 25, 2005 (the "**Fourth Supplement**") and the actions and activities set out therein; (iii) authorizing the Interim Receiver to complete an agreement of purchase and sale with NAP -U.S. LLC, in trust for a corporation to be incorporated ("**Newco**") dated as of the 30<sup>th</sup> day of August, 2005 (the "**Newco APS**") substantially in the form filed as Appendix "A" to the Fourth Supplement; (iv) vesting in Newco all of the Interim Receiver's right, title and interest, if any, in and to the assets included in the Newco APS (the "**Newco Purchased Assets**"); and (v) declaring that the *Bulk Sales Act*, R.S.O. 1990, c. B-14, provisions of Part V of the *Personal Property Security Act*, R.S.O. 1990, c. P-10, as amended, does not apply to the sale of the Newco Purchased Assets to Newco pursuant to the Newco APS; was heard this day at 393 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion dated August 24, 2005, filed, the Fourth Report, filed, the Fourth Supplement, filed, the affidavits of service of John David Russo sworn August 25, 2005, filed, and on hearing the submissions of counsel for the Interim Receiver, counsel for the Debtor, counsel for Newco, and such other counsel as may be present.

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in respect of this Motion be and it is hereby abridged, and that the Motion is properly returnable today; and further, that the requirement for service of the Notice of Motion and Motion Record herein upon interested parties, other than those served, is hereby dispensed with after service of the Notice of Motion and the Motion Record herein, as effected by the Interim Receiver, is hereby validated in all respects.

**REPORT AND SUPPLEMENT**

2. **THIS COURT ORDERS** that the activities of the Interim Receiver as outlined in the Fourth Report and the Fourth Supplement be and the same are hereby approved.

**SALE OF NEWCO PURCHASED ASSETS**

3. **THIS COURT ORDERS** that unless specified herein, all capitalized forms shall have the meanings ascribed to them in the Newco APS.

4. **THIS COURT ORDERS** that the Newco APS, substantially in the form filed and the transactions contemplated therein, be and are hereby approved.

5. **THIS COURT ORDERS** that the Interim Receiver is hereby authorized and directed to, *nunc pro tunc*, enter into the Newco APS and complete the transactions contemplated therein (collectively, the "Newco Transaction") and that the Interim Receiver is further authorized, empowered and directed to implement and complete the Newco Transaction in accordance with the terms and conditions of the Newco APS, with such alterations, amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Newco APS.

6. **THIS COURT ORDERS** that in completing the Newco Transaction subject to the terms and conditions of the Newco APS, the Interim Receiver be and is hereby authorized:

- (a) to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Newco Transaction as the Interim Receiver, in its discretion, may deem to be reasonably necessary or advisable to

conclude the Newco Transaction, including the execution of such authorizations, directions, powers of attorney, conveyances, deeds and documents in the name and on behalf of the Debtor;

- (b) to execute and deliver such authorizations, directions, transfers, conveyances, deeds, bills of sale and/or other similar documents required to transfer any real property described in the Newco APS and any transfers, assignments or other conveyances to be registered at any Land Titles Office shall be deemed to be validly executed if signed by the Interim Receiver; and
- (c) to take such steps as are necessary or incidental to the performance of its obligations pursuant to the Newco APS.

7. **THIS COURT ORDERS** and declares that the Purchase Price set out in the Newco APS is fair and-commercially reasonable and was arrived at in a commercially reasonable manner.

8. **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 Newco Transaction, and the Newco Transaction may be completed without compliance with the provisions of Part V of the *Personal Property Security Act*, R.S.O. 1990, c. P-10, as amended.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;

- (b) the pendency of any applications for a bankruptcy order hereafter issued pursuant to the BIA in respect of the Debtor and any bankruptcy order issued pursuant to such applications; and
- (c) the provisions of any federal or provincial statute,

neither the Newco APS nor the Newco Transaction contemplated thereby, will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances 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.

#### **VESTING PROVISIONS**

10. **THIS COURT ORDERS AND DECLARES**, upon the Purchase Price being paid by Newco on the closing of the Newco Transaction in accordance with the Newco APS and all conditions to closing with respect to the Newco Purchased Assets having been satisfied or waived, the Interim Receiver shall immediately file a certificate (the "**Interim Receiver's Certificate**") substantially in the form attached at Schedule "A" hereto with this Honourable Court, and provide a copy to Newco.

11. **THIS COURT ORDERS** that, effective immediately upon the filing with this Honourable Court of the Interim Receiver's Certificate, and the Closing Payments having been made by the Interim Receiver, all of the Debtor and Interim Receiver's right, title and interest, if any, in and to the Newco Purchased Assets shall vest and are hereby vested in and to Newco, absolutely and forever, free and clear of and from any and all estate, right, title, interest, claims,

hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interest, security notices, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions or any nature whatsoever, including, without limitation, any rights or interests of any creditors of the Debtor, whether or not they have attached or been perfected, registered or filed, whether secured or 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 as agents, trustees, executors, administrators or other legal representatives (collectively, the "Claimants"), save and except for: (i) the liens, charges or rights in respect of any Assumed Liabilities.

12. **THIS COURT ORDERS** that the Purchase Price, net of the Closing Payments and any taxes and expenses arising from the implementation of the Newco APS (the "Net Purchase Price"), shall stand in the place and stead of the Newco Purchased Assets, without prejudice to any Claims being advanced against same as could have been advanced against the Purchased Assets and that any such Claims against the Net Purchase Price shall be subject to the same priorities as could have been claimed against the Newco Purchased Assets as if the sale of the Purchased Assets had not occurred.

13. **THIS COURT ORDERS** that the Interim Receiver is hereby authorized and directed to pay the Closing Payments, less a reserve of \$100,000 to be retained by the Interim Receiver, out of the proceeds of sale at the time and as part of Closing, and as soon as practicable thereafter,

any taxes and expenses arising from the implementation of the Newco APS, the amounts outstanding under the Administration Charge, Critical Supplier Charge and Interim Receiver's Borrowings Charge (as such terms are defined in the Receivership Order), and all amounts due by the Debtor for obligations incurred by it after the date the Debtor filed its Notice of Intention to Make a Proposal (being November 2, 2004) out of the Net Purchase Price and to hold the Net Purchase Price (less the \$100,000 reserve) then remaining, if any, pending further order of the Court.

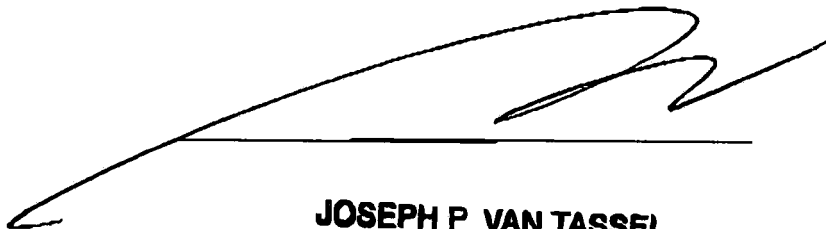
14. **THIS COURT ORDERS** that this Order shall be subject to provisional execution and may be implemented notwithstanding the issuance of any appeal or motion seeking leave to appeal unless an Order is obtained expressly staying the operation of this Order.

#### **ASSISTANCE PROVISION**

15. **THIS COURT REQUESTS** the aid, recognition and assistance of any court, tribunal, administrative body or registrar in any jurisdiction in Canada in connection with the implementation and carrying out of the terms of this Order.

#### **FACSIMILE TRANSMISSION**

16. **THIS COURT ORDERS** that service of this Order may be effected by facsimile transmission.



**JOSEPH P VAN TASSEL**

**REGISTRAR**

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

**AUG 26 2005**

**SCHEDULE "A"****FORM OF INTERIM RECEIVER'S CERTIFICATE**

Court File No. 04-CL-5603

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)****IN THE MATTER OF AN APPLICATION UNDER SECTION 47.1 (1) OF  
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B.3, AS  
AMENDED****AND IN THE MATTER OF THE APPOINTMENT OF AN INTERIM  
RECEIVER OF NORTH AMERICAN PRINTING INC.****Applicant****INTERIM RECEIVER'S CERTIFICATE****RECITALS**

- A. Pursuant to an Order of the Honourable Madam Justice Lax of this Honourable Court dated November 12, 2004, Doyle Salewski Inc. was appointed as the interim receiver (the "Interim Receiver") of North American Printing Inc. (the "Debtor") pursuant to Section 47.1(1) of the *Bankruptcy and Insolvency Act* (Canada) (as amended or supplemented from time to time);
- B. Pursuant to an approval and vesting Order granted by this Honourable Court on August 26, 2005 (the "Vesting Order") the Court approved the Agreement of Purchase and Sale (the "APS") between the Interim Receiver and NAP-U.S. LLC, in trust for a corporation to be incorporated (the "Purchaser").
- C. Pursuant to the Vesting Order the Court provided for the vesting of the Purchased Assets (as defined in the APS) in the Purchaser, which vesting is to be effective with respect to the Purchaser upon the filing of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that all of the conditions to closing of the APS have been satisfied or waived; and (iii) the transaction described in the APS has been completed to the satisfaction of the Interim Receiver.



D. Unless otherwise indicated herein, terms with initial capitals have the meaning set out in the Vesting Order.

**THE INTERIM RECEIVER HEREBY CERTIFIES THE FOLLOWING:**

1. The Purchaser has paid and the Interim Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the APS;
2. All of the Interim Receiver's conditions to closing under the APS have been satisfied or waived in accordance with the APS; and
3. The transaction described in the APS has been completed to the satisfaction of the Interim Receiver.

**DATED** at Ottawa, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

**DOYLE SALEWSKI INC.**, in its capacity as interim receiver of North American Printing Inc. and not in its personal or corporate capacity

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

**IN THE MATTER OF AN APPLICATION UNDER SECTION 47.1 (1) OF  
THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B.3, AS AMENDED  
AND IN THE MATTER OF THE APPOINTMENT OF AN INTERIM RECEIVER OF  
NORTH AMERICAN PRINTING INC.**

**Court File No. 04-CL-5603**

**ONTARIO**

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

Proceeding commenced at TORONTO

**APPROVAL AND VESTING ORDER**

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Solicitors for Doyle Salewski Inc.  
in its capacity as Interim Receiver  
and Proposal Trustee of the Applicant