

Court File No. 02-CL-4394

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY, THE 8TH DAY OF
JUSTICE *EROUND*) MAY, 2002

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 MICROFORUM INC.
APPLICATION UNDER *THE COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C.-36

ORDER

THIS MOTION made by Microforum Inc. ("Microforum") for an order, *inter alia*, approving the sale of the Purchased Assets as defined in the Asset Purchase Agreement (the "Agreement") dated April 26, 2002 between 1224164 Ontario Inc. and Microforum, was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Jason Meretsky sworn May 2, 2002 (the "Affidavit"), and on hearing the submissions of counsel for Microforum, the Monitor and 1224164 Ontario Inc., no one appearing for any other person on the service list, although properly served,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and motion record herein be and is hereby abridged such that this motion is properly

returnable today and further that service thereof upon any other interested party is hereby dispensed with.

2. **THIS COURT ORDERS** that the Agreement in the form attached as Appendix 1 to the Fourth Report of the Monitor, and the sale of the Purchased Assets in accordance with the terms and conditions of the Agreement, be and is hereby authorized and approved.

3. **THIS COURT ORDERS** that the Purchase Price as reflected in the Agreement is fair and reasonable and the sales process as described in the Affidavit is hereby approved.

4. **THIS COURT ORDERS** that Microforum be and is hereby authorized and directed to complete the sale and other transactions contemplated by the Agreement, upon and subject to the terms and conditions of the Agreement, and further that Microforum be and is hereby authorized to execute and deliver such additional or ancillary documents as may be reasonably necessary or advisable to conclude such sale and other transactions.

5. **THIS COURT ORDERS AND DECLARES** that upon being advised of the Purchase Price (as defined in the Agreement) having been paid in accordance with the Agreement and all conditions to Closing with respect to the sale of the Purchased Assets (as such terms are defined in the Agreement) having been satisfied or waived, the Monitor shall immediately file a certificate (the "Monitor's Certificate") with this Court, substantially in the form appearing at Schedule A hereto, confirming that the sale of the Purchased Assets has been completed to the satisfaction of the Monitor, and upon the filing of the Monitor's Certificate, the Purchased Assets described in the Agreement shall be vested absolutely in the Purchaser, free and clear of and from any and all right, title, interest, benefits, hypothecs, priorities, security interests (whether contractual, statutory, or otherwise), mortgages, estates, trusts or deemed trusts (whether contractual,

statutory, or otherwise), liens, assignments, executions, judgments, options, agreements, rights of distress, legal, equitable, contractual or contractual setoffs, claims, adverse claims, levies, agreements, taxes, disputes, debts, charges, liabilities (direct, indirect, absolute or contingent) or other claims (including claims provable in bankruptcy in the event that Microforum should be adjudged bankrupt) or encumbrances, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (individually, a "Claim" and collectively, the "Claims"), by or of any and all persons or entities of any kind whatsoever, including all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities and tribunals and all other natural persons or corporations whether acting in their capacity as principals or as trustees, executors, administrators or other legal representatives, including, without limiting the generality of the foregoing, (i) any encumbrances, charges or other Claims created by the Order of the Honourable Mr. Justice Spence dated January 29, 2002; and (ii) all charges, security interests or other Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (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.

6. **THIS COURT ORDERS AND DECLARES** that the Purchaser is not solely by virtue of this Order the successor employer of the employees hired by the Purchaser pursuant to section 5.02(a) of the Agreement and that the Purchaser shall not be liable to any of the employees for any obligation of Microforum with respect to (i) wages, as defined in the *Employment Standards Act* (Ontario), the *Pension Benefits Act* (Ontario), the *Labour Relations Act* (Ontario), the *Canada Labour Code*, the *Pension Benefit Standards Act* (Canada) or any other similar federal or provincial

statute, and/or (ii) severance pay, termination pay or vacation pay, except as provided for in section 5.02 (a) of the Agreement.

7. **THIS COURT ORDERS** that the agreement dated May 1, 2002 between Mohican Holdings Inc. and Microforum Inc. as described in the affidavit of Jason Meretsky sworn May 2, 2002 and attached thereto as Exhibit "A" (the "Settlement Agreement") be and is hereby approved, that the amount paid by Microforum pursuant to the Settlement Agreement is fair and reasonable and the Applicant is hereby authorized and directed to complete the transactions contemplated therein.

8. **THIS COURT ORDERS** that Microforum be and is hereby relieved from compliance with the provisions of Part V of the *Personal Property Security Act* (Ontario).

9. **THIS COURT ORDERS AND DECLARES** that the *Bulk Sales Act* (Ontario) does not apply to the transactions authorized herein.

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

- (a) the pendency of these proceedings;
- (b) the pendency of any petitions for a receiving order hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Microforum and any receiving order issued pursuant to any such petition; and
- (c) the provisions of any federal or provincial statute,

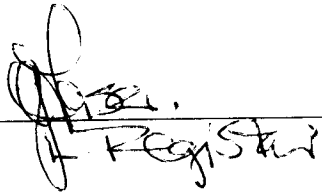
the Agreement, the Settlement Agreement and the transactions contemplated thereby shall be binding upon any trustee in bankruptcy that may be appointed in respect of Microforum and shall not be void or voidable by creditors and claimants of Microforum, nor shall they constitute nor be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

provincial legislation, nor do they constitute conduct meriting an oppression remedy.

11. **THIS COURT REQUESTS** and seeks the aid, recognition, and assistance of any court or administrative body in any province or territory of Canada, including the assistance of any court in Canada pursuant to sections 16 and 17 of the *Companies' Creditors Arrangement Act* (Canada), any Canadian Federal Court, administrative body and any Federal or State Court in the United States of America or elsewhere in connection with the implementation and carrying out of the terms of this Order and in connection with the authority granted hereunder to Microforum to proceed with and conclude the transactions contemplated by the Agreement.

12. **THIS COURT ORDERS** that the Fourth Report, and the activities of the Monitor to date as detailed in the Fourth Report, are hereby approved.

13. **THIS COURT ORDERS** that the Honourable Lloyd W. Houlden be appointed as the Claims Officer for the purposes of the Claims Procedure.



H. Registrar

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

MAY 08 2002

PER/PAR: 

SCHEDULE "A"

Court File No. 02-CL-4394

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**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 MICROFORUM INC.**

**APPLICATION UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36**

MONITOR'S CERTIFICATE

WHEREAS:

- A. On January 29, 2002, Microforum Inc. ("Microforum") brought an Application under the *Companies' Creditors Arrangement Act* ("CCAA"), seeking protection from its creditors and leave to file a proposal or a plan of compromise or arrangement.
- B. An Order was granted in the CCAA proceedings on January 29, 2002, which, amongst other things, appointed Ernst & Young Inc. as the court-appointed Monitor (the "Monitor") with the responsibilities set out therein.
- C. Microforum has entered into an Asset Purchase Agreement dated as at April 26, 2002 (the "Agreement") with 1224164 Ontario Inc. (the "Purchaser"), for the purchase of the Purchased Assets. Terms with an initial capital not otherwise defined in this Certificate have the meanings given to them in the Agreement.
- D. The Agreement was conditional upon, among other things, (a) Microforum having received Court approval for the sale of the Purchased Assets pursuant to the Agreement and the Vesting Order; and (b) the operation and effect of the Vesting Order not having been stayed, varied, superseded, set aside, vacated or appealed, nor any motion for that relief have been brought, at the time of Closing.

E. The vesting of the Purchased Assets pursuant to paragraph 5 of the Vesting Order is effective on (1) the Purchase Price having been paid in accordance with the Agreement; (2) all conditions to closing with respect to the sale of the Purchased Assets having been waived or satisfied; and (3) the filing with the Court of a certificate of the Monitor confirming that the sale of the Purchased Assets has been completed to the satisfaction of the Monitor.

F. Microforum, by virtue of the Order of Justice ● dated ● has received Court approval for the sale of the Purchased Assets pursuant to the Agreement and the Vesting Order.

NOW THEREFORE THE UNDERSIGNED HEREBY CERTIFIES THAT the Closing has occurred.

MADE at Toronto this day of , 2002.

Ernst & Young Inc., in its capacity as the Monitor of Microforum and not in its personal or corporate capacity

By: _____

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
C. 1985, c.C-36
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MICROFORUM INC.**

Court File No:02-CL-4394

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

MONITOR'S CERTIFICATE

STIKEMAN ELLIOTT

Barristers & Solicitors

5300 Commerce Court West

199 Bay Street

Toronto, Canada M5L 1B9

Peter F.C. Howard (LSUC#: 22056F)

Tel: (416) 869-5274

Lana J. Finney LSUC#: 37477L

Tel: (416) 869-5274

Fax: (416) 947-0866

Solicitors for the Applicant,
Microforum Inc.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
C. 1985, c.C-36
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MICROFORUM INC.**

Court File No. 02-CL-4394

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER

STIKEMAN ELLIOTT
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Peter F.C. Howard (LSUC#: 22056F)
Tel: (416) 869-5613

Lana J. Finney LSUC#: 37477L
Tel: (416) 869-5274
Fax: (416) 947-0866

Solicitors for the Applicant,
Microforum Inc.