

**IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI**

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC, ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of The *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

BETWEEN:

**THE BANK OF NOVA SCOTIA, a Canadian chartered bank
with a registered office in the City of Saint John, Province of
New Brunswick**

APPLICANT



- and -

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC, ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

APPROVAL AND VESTING ORDER

Sw
3 Dec 2010

THIS MOTION, made by Ernst & Young Inc. in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of the Respondents (the "**Receiver**") for an order, *inter alia*, authorizing the Receiver to sell the Airport Hanger (as defined below), authorizing and approving the execution of the APS (as defined below) by the Receiver; authorizing and directing the Receiver to take such steps and execute such additional documents as may be necessary or desirable for the completion of the Airport Hanger sale transaction; vesting the Airport Hanger in and to the Purchaser (as defined below) free and clear of any liens or encumbrances, and authorizing and empowering the Receiver to utilize the net sale proceeds of the Airport Hanger for the purpose of making payments (including interim payments) required or permitted by the Receivership Order, was heard this day at 673 King George Highway, Miramichi, New Brunswick.

ON READING the Fifteen Report of the Receiver dated December 1, 2010 and the appendices attached thereto (the "**Fifteenth Report**"), and on hearing the submissions of counsel for the Receiver and such other counsel in attendance,

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion, the Fifteenth Report and the Record on Motion shall be and is hereby abridged and validated so that the motion is properly returnable today, and that any further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS AND DECLARES** that the sale of the airport hanger owned by Atcon Logistics Inc. ("**Atcon Logistics**") and situated on land leased by Atcon Logistics from the Miramichi Airport Commission (1993) Inc. municipally known as 50 Airport Road, Miramichi, New Brunswick and identified as Parcel 2 on Airport Apron, West side of Plan of Survey 92-14-2 (the "**Airport Hanger**") pursuant to the agreement of purchase and sale between the Receiver and Bryce Holdings Inc. (the "**Purchaser**") dated November 12, 2010 (the "**APS**") is hereby approved.
3. **THIS COURT ORDERS AND DECLARES** that the execution of the APS by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the conveyance of to the Purchaser.

Jeff
3 Dec 2010

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of Atcon Logistics' right, title and interest in and to the Airport Hanger shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by Order of The Honourable Mr. Justice Riordon granted in these proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (New Brunswick), the *Land Titles Act* (New Brunswick), or any other 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 Airport Hanger are hereby expunged and discharged as against the Airport Hanger.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Airport Hanger shall stand in the place and stead of the Airport Hanger, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Airport Hanger with the same priority as they had with respect to the Airport Hanger, as if the Airport Hanger had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;

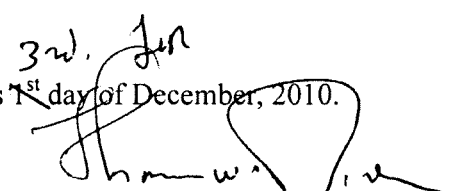
Jem
3 Dec 2010

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Atcon Logistics and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Atcon Logistics;

the vesting of the Airport Hanger in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy appointed in respect of Atcon Logistics and shall not be void or voidable by creditors of Atcon Logistics, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS** that the Receiver is authorized and empowered, upon receipt of the net sale proceeds under the APS (the "**Net Sale Proceeds**"), to utilize the Net Sale Proceeds for the purpose of making payments (including interim payments) required or permitted by the Receivership Order dated March 2, 2010 granted in these proceedings as amended by the Order dated March 30, 2010 granted in these proceedings.

Dated at Miramichi, New Brunswick, this 3rd day of December, 2010.


Thomas W. Riordon
Judge of the Court of Queen's Bench of
New Brunswick

Schedule A – Form of Receiver's Certificate

N/M/17/10.

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IN BANKRUPTCY AND INSOLVENCY
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INC., ATCON VENEER PRODUCTS INC, ATCON LOGISTICS INC., ATCON
CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL
LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM
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CONSTRUCTION LTD., ATCON STRUCTURES INC. AND
ENVIREM TECHNOLOGIES INC., all of which are carrying
on business in the Province of New Brunswick**

RESPONDENTS

RECEIVER'S CERTIFICATE

*Just
3 Dec 2010*

RECITALS

A. Pursuant to an Order of The Honourable Mr. Justice Riordon of The Court of Queen's Bench of New Brunswick (the "**Court**") dated March 2, 2010, as amended, Ernst & Young Inc. was appointed as receiver and receiver manager in respect of the property, assets and undertakings of the Respondents (the "**Receiver**").

B. Pursuant to an Order of the Court dated December 3, 2010 (the "**Approval and Vesting Order**"), the Court approved the agreement for purchase and sale made as of November 12, 2010 (the "**APS**") between the Receiver and Bryce Holdings Inc. (the "**Purchaser**"), and provided for the vesting in the Purchaser of the right, title and interest of Atcon Logistics Inc. in and to the Airport Hanger, which vesting is to be effective with respect to the Airport Hanger upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for the Airport Hanger; (ii) that the conditions to closing as set out in the APS have been satisfied or waived by the appropriate party; and (iii) the transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APS or the Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Airport Hanger payable on the closing date pursuant to the APS;
2. The conditions to closing as set out in the APS have been satisfied or waived by the Receiver or the appropriate party; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

Jul
30th 2010

**ERNST & YOUNG INC. in its capacity as the
Receiver of the Respondents and not in its
personal or corporate capacity**

By: _____

Name:

Title:

Jan
3 Dec 2011