

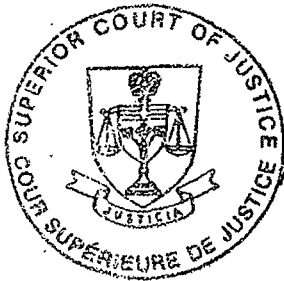
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT

THE HONOURABLE MR.
JUSTICE H.J. WILTON-SIEGEL

WEDNESDAY, THE 25TH
DAY OF NOVEMBER, 2009

BETWEEN:

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 BRUCE R. SMITH LIMITED

Applicant

ORDER

THIS MOTION, made by the Applicant for an Order approving an Equipment Return Protocol as hereinafter described and other relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of John Henry Smith, sworn November 17, 2009, the Second Report of the Monitor, dated November 17, 2009, and on hearing the submissions of counsel for the Applicant, the Monitor, Royal Bank of Canada, GE Canada Equipment Finance G.P., Wells Fargo Equipment Finance Company, ~~Reynat Capital~~ and CIT Financial Ltd. and such other counsel as may be present and on consent of the parties,

1. **THIS COURT ORDERS** that the Equipment Return Protocol attached as Schedule "A" is hereby approved.

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

NOV 25 2009

PER / PAR: *TJ*

[Handwritten signature]

SCHEDULE "A"

November 23, 2009

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

COURT FILE NO. 09-8399-00CL

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

**AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF
BRUCE R. SMITH LIMITED**

EQUIPMENT RETURN PROTOCOL

With respect to any contracts with any creditor who claims a security interest in equipment which Bruce R. Smith Limited (the "Applicant") intends to return, the following protocol shall apply:

1. The Applicant may return equipment to any secured creditor (in each case, the "Equipment") immediately upon written approval by the Monitor, The Fuller Landau Group Inc., and/or the Ontario Superior Court of Justice (the "Court").
2. The creditor's claim to a secured interest in the Equipment including any documentation provided by the Applicant and/or the creditor in support of such claim, shall be reviewed by the Monitor and its solicitors.
3. If it is determined by the Monitor and its solicitors or the Court (or another Court of competent jurisdiction) that the creditor claiming a secured interest in Equipment has a valid and enforceable purchase money security interest in accordance with Section 33(2) of the Personal Property Security Act (Ontario) (the "PPSA"), in and to the Equipment, the creditor shall sell the Equipment and apply the net sale proceeds after deducting reasonable direct costs of sale of the Equipment as agreed by the Applicant and the Creditor (in consultation with the Monitor) or as determined by the Court obtained by it in the disposal/sale of the Equipment or any part thereof to the Applicant's outstanding indebtedness to it in respect of such Equipment. Any surplus shall be paid to the Applicant, with notice of such payment made to the Monitor, who shall advise Royal Bank of Canada, GE Canada Equipment Finance G.P. and Roynat Capital of such surplus payment.
4. If it is determined by the Court (or any other court of competent jurisdiction) that the creditor claiming a secured interest in Equipment does not have a valid and enforceable purchase-money security interest in accordance with Section 33(2) of the PPSA in and to the Equipment, and/or if it is determined by the Court that another party has a security interest or any other interest in the Equipment, statutory or otherwise, in priority to the creditor's interest therein, if any, the creditor shall forthwith return the Equipment to the

Applicant and/or immediately pay to the Applicant any net sale proceeds after deducting reasonable direct costs of sale of the Equipment as agreed by the Applicant and the Creditor (in consultation with the Monitor) or as determined by the Court obtained by it in the disposal/sale of the Equipment or any part thereof without recoupment, setoff, defence or counterclaim or any other deduction whatsoever.

5. In accordance with paragraph 3 of the Court's Order dated November 5, 2009, the Applicant is authorized to reduce the monthly interest payable to any creditor who claims a security interest in Equipment on a pro rata basis calculated per diem per unit as units of Equipment are returned to that creditor.
6. This Equipment Return Protocol (the "Protocol") shall be binding upon any and all creditors claiming a security interest in (i) Equipment, and/or (ii) any proceeds in connection with such Equipment.
7. Nothing in the Protocol is intended to waive the rights and obligations of the parties as prescribed by Section 32 of the Companies' Creditors Arrangement Act.

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF BRUCE R. SMITH LIMITED**
Applicant

Court File No. 09-8399-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT
PROCEEDING COMMENCED AT
TORONTO**

ORDER

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