

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC

No. : 200-11-019127-102

SUPERIOR COURT
(Sitting as a court designated pursuant to the
Companies Creditors' Arrangement Act, R.S.C.
1985, c. C-36)

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:**

DAVIE YARDS INC.

Petitioner-Debtor

and

**SAMSON BÉLAIR/DELOITTE & TOUCHE
INC.**

Monitor

and

7731299 CANADA INC., 333 Bay Street, Suite
2400, Toronto, Province of Ontario, M5H 2T6

and

**THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL
RIGHTS**, 1 rue Notre-Dame Est, 7th Floor,
Montréal, Province of Québec, H2Y 1B6

and

**THE LAND REGISTRAR FOR THE LAND
REGISTRY OFFICE FOR THE
REGISTRATION DIVISION OF LÉVIS**, Les
promenades de Lévis, 44 route du Président-
Kennedy, Lévis, Province of Québec, G6V 6C5

and

MÉCANARC INC., 180 rue Lucien-Thibodeau,
Portneuf, Province of Québec, G0A 2Y0

and

EXPORT DEVELOPMENT CANADA

Mis-en-cause

**MOTION FOR AUTHORIZATION TO SELL SUBSTANTIALLY ALL OF THE
ASSETS OF THE DEBTOR AND FOR THE ISSUANCE OF A VESTING ORDER
AND TO EXTEND THE STAY OF PROCEEDINGS**

(Sections 9, 11 and 36 of the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36)

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF QUÉBEC, PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

Background

1. The Petitioner Davie Yards Inc. (the “**Debtor**”) is a public company that operates in a single business segment and has a primary focus on building complex and technically advanced vessels for the offshore oil exploration and production services sector;
2. All of the Debtor’s property, plant and equipment are located at the Davie Shipyard facility, which is located in Lévis, Québec (the “**Davie Shipyard**”);
3. On February 25, 2010, the Honourable Martin Castonguay, J.S.C., rendered an initial order (as subsequently amended from time to time, the “**Initial Order**”) pursuant to the *Companies Creditors’ Arrangement Act*, R.S.C. 1985, c. C-36 (“**CCAA**”) in respect of the Debtor, as appears from the Court record;
4. Pursuant to the Initial Order, Samson Bélair/Deloitte & Touche Inc. (the “**Monitor**”) was appointed monitor of the Debtor;
5. As appears from the court record, the stay of proceedings granted pursuant to the Initial Order was extended on several occasions by this Honourable Court, including most recently on July 14, 2011 at which time the stay of proceedings was extended to July 22, 2011;
6. By the present motion, the Debtor respectfully requests that this Honourable Court render an order substantially in accordance with the conclusions hereof which include, *inter alia*, the approval of a transaction pursuant to which the Debtor will sell substantially all of its assets to 7731299 Canada Inc. (the “**Purchaser**”), the whole as detailed more fully below;

The Restructuring Process: Solicitation of Interest and National Shipbuilding Procurement Strategy (“NSPS”)

7. For the last 15 months, the core of the Debtor’s restructuring process has focused on two key elements: a solicitation of interest process and the participation in the NSPS, which are intimately intertwined and have been run in parallel;
8. On May 10, 2010, this Honourable Court approved the retainer of NM Rothschild & Sons Canada Ltd. and Rothschild Inc. (hereinafter collectively “**Rothschild**”) by the Debtor to act as its financial advisor and investment banker and in particular, to elaborate a restructuring strategy, evaluate its business plan, identify and approach potential third-party strategic and financial investors or partners;
9. On June 3, 2010, the Government of Canada announced the National Shipbuilding Procurement Strategy (“**NSPS**”) for the construction of large vessels;

10. The NSPS constitutes an important historic shift in shipbuilding procurement, moving from a project-by-project competition basis to a long-term strategic sourcing approach;
11. As part of the NSPS, two Canadian shipyards will be selected for the construction of all of the large vessels expected to be purchased by the Government of Canada over the upcoming decades and over 35 billions of dollars in contracts will be tendered;
12. At the outset, the NSPS was identified by the Debtor and Rothschild as an unforeseen opportunity that would likely become key to its restructuring efforts;
13. On August 27, 2010, further information with respect to the NSPS's request for proposal ("**RFP**") was communicated to industry members during a meeting called by Public Works and Government Services Canada, which meeting was attended by the Debtor's management;
14. It became immediately apparent that the implementation of the NSPS by the Government of Canada would likely have a significant positive impact on the Debtor's restructuring process including in particular, the Debtor's solicitation of interest efforts;
15. Indeed, in light of the discussion which ensued with potential third party strategic and financial investors or partners, it became evident that the NSPS constituted the most compelling opportunity for Davie to restructure its affairs with the view to ensuring a long term viability of its business;
16. In order to capitalize on this opportunity, the Debtor undertook all necessary steps to be pre-selected in accordance with the prequalification criteria provided in the publicly available NSPS RFP rules;
17. On October 11, 2010, the NSPS Secretariat announced that the Debtor was among five prequalified shipyards which would be allowed, subject to certain conditions, to submit a bid;
18. During the same period, Rothschild, with the assistance of the Debtor, identified a list of potential strategic investors or partners from around the world and prepared marketing materials to support a process initiated with a view to negotiate an investment in the Debtor's business, including an investment teaser and a management presentation;
19. With the assistance of the Monitor, the Debtor established a virtual data room to facilitate access for potential investors to all necessary and relevant information on its business and assets;
20. Rothschild and the Debtor reached out to all identified parties. These initiatives culminated in the conclusion of over a dozen confidentiality agreements. The Debtor also granted access to the virtual data room to all such parties;
21. Rothschild, together with the Debtor and with the participation of the Monitor, held several management presentations and numerous discussions with the various interested strategic and financial investors or partners;

22. In mid-November 2010, the Debtor implemented a more formal solicitation of interest process which culminated in the receipt, in early December 2010, of five non-binding indications of interest in respect of its business and/or assets;
23. Each potential investor required, as a condition to their letter of interest, that they obtain exclusive negotiating rights prior to performing, inter alia, a complete due diligence and negotiating the terms of a definitive transaction;
24. In addition, all but one of the potential strategic investors indicated that a final transaction would be conditional on the Debtor being selected pursuant to the NSPS;
25. In November and December 2010, as well as on January 7, 2011, the Debtor participated in meetings convened by the Government of Canada in the context of the NSPS. These meetings were essentially intended to inform the five preselected shipyards of the selection criteria and the NSPS RFP process and solicit their feedback;
26. Although it terminated the services of Rothschild effective January 31, 2011, the Debtor continued, along with the Monitor, in its efforts to enter into an agreement with a strategic or financial partner or investor;
27. On March 31, 2011, after lengthy discussions and negotiations, and with the approval of this Honourable Court, the Debtor granted exclusivity to the group composed of Fincantieri - Cantieri Navali Italiani S.p.A. and DRS Technologies Canada Ltd. (jointly the "**Fincantieri / DRS Group**"), the whole as appears from the court record;
28. Since the beginning of April 2011, the Debtor worked very closely with the representatives of the Fincantieri / DRS Group as well as representatives of the Government of Québec ("**GQ**") to advance discussions with regards to a possible transaction and to prepare a bid under the NSPS RFP;
29. Given the importance of the Debtor's business for the shipbuilding industry in Quebec and its indirect interest as stakeholder, GQ has closely been involved in the discussions regarding Davie's restructuring;
30. On June 30, 2011, the exclusivity granted to the Fincantieri/DRS Group lapsed;
31. However, on July 5, 2011, Davie granted a new exclusivity to the Fincantieri/DRS Group for the period up to and including July 21, 2011, as appears from a copy of a letter dated as of July 5, 2011 addressed by the Debtor to the Fincantieri/DRS Group, filed in support hereof as **Exhibit P-1**;
32. Although all parties dedicated significant time, effort and resources to negotiating the terms of a transaction, on July 12, 2011, given the number of outstanding issues and challenges, the Fincantieri/DRS Group advised GQ that it believed it was clear that the parties would be unable to close the proposed transaction in time to allow the purchaser thereunder to submit a compliant bid under the NSPS, which was a condition precedent to the transaction, as appears from a copy of this letter filed in support hereof as **Exhibit P-2**;

33. On July 13, 2011, GQ verbally advised the Debtor, *inter alia*, that it was unable to agree with the Fincantieri/DRS Group on several critical terms of the proposed transaction, and that the GQ intended to terminate all discussions with the Fincantieri/DRS Group effective immediately. This was followed by a letter of GQ to the Fincantieri/DRS Group pursuant to which GQ confirmed that it effectively terminated all negotiations;
34. On July 13, 2011, in view of the above and given that the participation of GQ was a condition *sine qua non* of any transaction with the Fincantieri/DRS Group, the Debtor advised the Fincantieri/DRS Group that it had no alternative but to terminate all discussions, negotiations and agreements with it regarding a proposed transaction and to put an end to the exclusivity previously granted, effective immediately, as appears from a copy of such letter filed in support hereof as **Exhibit P-3**;
35. After termination of the negotiations with the Fincantieri/DRS Group and the exclusivity granted to them, discussions took place between Upper Lakes Group Inc. ("**Upper Lakes**"), SNC Lavalin Defence Contractors Inc. ("**SNC**") and Daewoo Shipbuilding & Marine Engineering Co. Ltd. ("**DSME**"), GQ and the Debtor with regards to a potential transaction which would allow the purchaser of the Davie Shipyard to qualify as an eligible bidder under the NSPS and submit a bid thereunder;
36. This transaction would also likely allow for the resumption of the Davie Shipyard's operations and activities at near full capacity, the assumption of certain secured indebtedness of the Debtor by the Purchaser and the payment of an amount which would be available for distribution to the Debtor's unsecured creditors pursuant to a plan of arrangement ("**Plan**") or otherwise;
37. After intense discussions and negotiations, the parties agreed to, *inter alia*, the terms of a transaction for the purchase of all or substantially all of the assets of the Debtor ("**Transaction**") as more fully described in the Asset Purchase Agreement ("**APA**"), a copy of which is filed herewith under seal as **Exhibit P-4**;
38. The deadline to submit a bid under the NSPS, which was initially July 7, 2011, was postponed and as of the date hereof, the deadline to submit a bid is July 21, 2011 at 2:00 p.m. The Transaction (as defined below) is intended to enable the Purchaser to qualify (in lieu of the Debtor) and file a bid in connection with the NSPS on or before the deadline;
39. One fundamental aspect of the Transaction is the participation by the Purchaser in the NSPS RFP;
40. Given the importance of the NSPS in relation to the primary objective pursued by Davie throughout its restructuring, i.e. to ensure the long-term viability of Davie Shipyard, the Transaction is subject to a resolutive condition in favour of Davie in the event that the Purchaser is not qualified as an eligible bidder under the NSPS, the whole as more fully detailed in the APA;
41. It is anticipated that qualification matters will be determined by the NSPS authorities in the days following the deadline for submission of bids;

42. As appears from the APA, it is also a condition of closing that the Debtor and the Monitor be provided with all relevant information and documentation regarding qualification under the NSPS and that the Purchaser confirm in writing that, subject to the closing of the Transaction, the Purchaser meets all mandatory requirements to be qualified as an eligible bidder under the NSPS;

The Proposed Transaction

43. The Purchaser is a wholly-owned subsidiary of Upper Lakes;
44. It is the Debtor's understanding that a joint venture has been entered into between Upper Lakes, SNC and DSME;
45. The salient features of the Transaction are as follows:
- (a) the Purchaser will purchase all of the Debtor's rights, title and interest in and to the assets relating to the Davie Shipyard and defined in the APA as the Purchased Assets, including without limitation, all the immoveable property, real estate, equipment, machinery, intellectual property and inventory, on an "as is, where is, basis";
 - (b) the Purchaser will not purchase the assets defined in the APA as the Excluded Assets, including without limitation cash, cash deposits, tax credits and will not take an assignment of any contracts between the Debtor and third parties other than the Cecon Contracts (as defined below);
 - (c) the consideration for the purchase of the Purchased Assets (the "**Purchase Price**") will be as follows:
 - (i) the assumption by the Purchaser of all indebtedness owing by the Debtor to Investissement Québec at Closing Time (as defined in the APA), in the aggregate approximate amount of \$25,690,000 (the "**Assumed Debt**"). The Debtor will not be released of its obligations in respect of the Assumed Debt; and
 - (ii) payment of an amount of \$1,000,000 in consideration of all immoveable property included in the Purchasers Assets at closing of the Transaction (the "**Cash Payment**"); and
 - (iii) the assumption of the Assumed Liabilities (as defined in the APA);
 - (d) the assignment of the contracts entered into between the Debtor and Cecon ASA with respect to the construction of Hulls 717, 718 and 719, the whole in accordance with the terms of a consent to assignment between the Purchaser, Cecon ASA and the Debtor (the "**Cecon Contracts**"), which assignment provides, *inter alia*, for the renunciation by Cecon of its right to participate in any distribution to unsecured creditors of the Debtor, in the context of a Plan made by the Debtor, and approved by its creditors and the Court, the whole as appears

from a copy of the Amending Letter Agreement (the “**Amending Letter Agreement**”) filed in support hereof under seal as **Exhibit P-5**;

46. The Cash Payment will enable a dividend distribution to the Debtor’s unsecured creditors. In this regard, IQ has undertaken not to participate in any dividend distribution resulting from the Cash Payment in the context of a Plan. There are no secured creditors on the Owned Immoveable Property (as defined in the APA) save and except those referred to and dealt with hereafter under the heading “Encumbrances on the Purchased Assets”;
47. The closing of the transactions contemplated by the APA (the “**Closing**”) is conditional upon, *inter alia*, the rendering of an order by the Superior Court of Québec substantially in accordance with the conclusions hereof (the “**Order**”), by no later than July 20th, 2011 (the “**Closing Date**”) which Order shall, *inter alia*:
 - (a) authorize and approve the APA and the Transaction contemplated therein;
 - (b) authorize the Debtor to enter into the APA and to perform its obligations pursuant thereto;
 - (c) declare that title to the Purchased Assets shall be transferred to the Purchaser on the Closing Date free and clear of any and all Encumbrances (as defined in the conclusions hereof), other than the Permitted Encumbrances (as defined in the conclusions hereof);
 - (d) amend the articles of the Debtor to effect a change of its name without director or shareholder approval and authorize the Debtor and the Monitor to execute for and on behalf of Debtor any such documents or agreements as may be necessary to change the Debtor’s name and to consent to the use of the Debtor’s name by the Purchaser; and
 - (e) provide for provisional execution notwithstanding appeal and shall not have been stayed, suspended, set aside, varied or appealed;
48. As indicated above, the closing of the Transaction is also conditional upon the Purchaser providing to the Vendor and the Monitor, a complete copy of all information and documentation it intends to provide in connection with the NSPS RFP procedure set forth in Section 1.2.5 of the NSPS RFP and the Purchaser confirming in writing to the Debtor and the Monitor that, to the best of its information, knowledge and belief, subject only to the closing of the Transaction, the Purchaser shall, at Closing, meet all mandatory requirements to be qualified as an eligible bidder under the NSPS RFP and shall subject a bid under the NSPS RFP by the deadline imposed under the NSPS;
49. Finally, given the importance of the NSPS as outlined more fully above, the APA includes a resolution clause which, if triggered, will result in the resolution of the Transaction and the Purchased Assets shall revert to the Debtor in accordance with the terms of the APA and the conclusions hereof (the “**Resolutive Clause**”);

The Transaction is in the interest of the Debtor and its stakeholders

50. Along with its advisors and the Monitor, the Debtor has dedicated significant time, effort and resources to enable Davie or a potential acquiror of its business and/or assets to submit a compliant and attractive bid, as the NSPS represents the best hope for the resumption of the Davie Shipyard's operations and activities at potentially full capacity;
51. The Proposed Transaction is in the best interests of the Debtor and its stakeholders for the following reasons:
 - (a) since February 2010, the Debtor, with the assistance of its advisors and the Monitor, has been diligently attempting to restructure its business with a view to ensuring the long term viability and operation of the Davie Shipyard;
 - (b) in view of the significant efforts expended to solicit offers, to canvass the global market and to negotiate and agree to the Transaction, and in view of the difficulties relating thereto, the Debtor believes that the process leading to the proposed sale is reasonable in the circumstances, and that it is highly unlikely that it will obtain a more favourable offer than the APA, including an offer which would also allow for the possibility of participating in the NSPS and the resumption of operation and activities on a long term basis;
 - (c) throughout the process, the Debtor was in constant communication and consultation with IQ, its secured creditor and DIP lender, and GQ;
 - (d) it provides for the assumption of the secured indebtedness owing by the Debtor to IQ;
 - (e) it will allow for a distribution of a dividend to the Debtor's unsecured creditors;
 - (f) it provides for the activities of the Davie Shipyard to recommence in the relatively short term with the completion of the Cecon vessels ;
 - (g) it will enable the Purchaser to qualify and file a bid pursuant to the NSPS with the hope that the Purchaser will be selected as one of the two shipyards and awarded billions of dollars of contracts for the construction of vessels over a significant period of time;
 - (h) the consummation of the Proposed Transaction would ensure employment for a certain number of the Debtor's employees and preserve the possibility that numerous laid off employees be recalled in the future;
 - (i) during the course of the restructuring process, four (4) agreements in principle were concluded with the unions representing employees of Davie which agreements were ratified by the employees;
 - (j) a successful restart of the Davie Shipyard's operations and activities would yield significant economic benefits for the Province of Québec;

- (k) the Transaction would be more beneficial than a bankruptcy to the Debtor's stakeholders, including its creditors, suppliers, employees (both current employees and those who have been laid off during the restructuring process) and clients, as it will, *inter alia*, likely lead to the resumption of the Davie Shipyard's operations on a long term basis, the assumption of certain secured debts and a distribution to the Debtor's unsecured creditors,;
- (l) the consideration to be received for the Purchased Assets as a result of the Transaction is reasonable and fair when taking into account the other offers and expressions of interests received by potential strategic partners and investors during the solicitation process;
- (m) the Resolution Clause provides that the Transaction will be resolved if the Purchaser is not qualified as an eligible bidder under the NSPS, in which case the Purchased Assets will revert to the Debtor as if the Transaction had not occurred, and thus enables the Purchaser to have a chance at resuming the Davie Shipyard's operations and activities at near full capacity failing which, the Debtor will recover the Purchased Assets and conduct a due process to liquidate its assets in a liquidation context rather than a going-concern context;

Support of the Transaction by the Monitor

- 52. The Monitor has advised the Debtor that it agrees that the Transaction is in the best interests of the Debtor and its stakeholders for the reasons listed above, and thus supports the Transaction and will file a report in support of the present Motion;
- 53. The Monitor obtained an opinion from its legal advisors confirming that IQ holds valid security on the moveable assets comprising the Purchased Assets in support of the indebtedness owed by the Debtor to IQ;

Encumbrances on the Purchased Assets

- 54. As appears more fully from the index of immovables, filed in support hereof as **Exhibit P-6** *en liasse* and summarized in Annex III hereof, there is a hypothec on the Debtor's Immovable Property (as defined in the conclusions hereof) registered in favour of Export Development Canada ("**EDC**"). As of the date hereof, all amounts owing to EDC the Debtor have been paid in full and accordingly the Debtor respectfully requests that the Land Registrar for the Land Registry Office in the Registration Division of Lévis be ordered, upon presentation of a true copy of this order and of the Monitor's Certificate (as defined in the conclusions hereof), to proceed with the total cancellation, release and discharge of the EDC hypothec described in Annex III as more fully described in the conclusions hereof;
- 55. Similarly, as more fully appears from Register of Personal and Movable Real Rights ("**RPMRR**"), filed in support hereof as **Exhibit P-7** *en liasse* and summarized in Annex IV hereof, there is a movable hypothec on the Debtor's Movable Property (as defined in the conclusions hereof) registered in favour of Export Development Canada ("**EDC**"). For the reason given in the preceding paragraph, the Debtor respectfully requests that the Registrar of the RPMRR be ordered, upon presentation of a true copy of this order and of

the Monitor's Certificate, to proceed with the total cancellation, release and discharge of the EDC movable hypothec described in Annex IV as more fully described in the conclusions hereof;

56. As appears from the "Avis d'inscription d'une hypothèque légale d'une personne ayant participé à la construction ou à la rénovation d'un immeuble" (*sic*) filed in support hereof as **Exhibit P-8**, on March 9, 2010, Mécanarc Inc. registered a notice of legal hypothec on the Immovable Property (the "**Mécanarc Notice**");
57. As appears from the Index of Immovables Exhibit P-3, Mécanarc Inc. also registered a prior notice of exercise of hypothecary right ("**Notice of Exercise**") on August 5, 2010 in relation to the Mécanarc Notice;
58. The Debtor respectfully requests that the Land Registrar for the Land Registry Office in the Registration Division of Lévis be ordered, upon presentation of a true copy of this order and of the Monitor's Certificate, to proceed with the total cancellation, release and discharge of the Mécanarc Notice described in Annex III as more fully described in the conclusions hereof and that any secured right of Mécanarc, without admission as to the validity thereof, shall attach to the Cash Payment as provided in the conclusions hereof;
59. As appears from the RPMRR, the National Bank of Canada registered a \$20,000 movable hypothec on the sums contained in a bank account of the Debtor. Such sums are included in the Excluded Assets. Accordingly, this security interest will be unaffected the whole as appears from the conclusions hereof ;
60. As appears from the APA, the Purchaser shall assume all outstanding indebtedness of the Debtor to IQ, its secured lender and interim financing lender owing as at Closing, which as of the date hereof is estimated to be in the approximate amount of \$25,690,000;
61. In accordance with the terms of the APA, the Debtor shall not be released from any of its obligations or liability to IQ in connection with this assumption of liabilities by the Purchaser;
62. Accordingly, all encumbrances and charges against the Purchased Assets in favour of IQ shall remain as Permitted Encumbrances (as defined in the conclusions hereof), the whole as more fully detailed in the conclusions of the present motion;

Approval of the Transaction

63. The Court's approval of the Transaction is urgently required because the terms of the APA contemplate the closing of the Proposed Transaction by no later than July 20, 2011 in order to allow the Purchaser to submit a compliant bid under the NSPS RFP;
64. The Debtor and the Purchaser are not related persons within the meaning of the CCAA;

Extension of the Stay of Proceedings

65. As appears from the court record, the stay of proceedings ordered pursuant to the Initial Order, as amended from time to time, expires on July 22, 2011;

66. In light of the Transaction, the Debtor requires additional time to formulate a Plan for its creditors, run a claims process and hold a meeting of creditors to consider the Plan with the hope of having it approved by its creditors and the Court;
67. The Debtor has sufficient cash resources to continue to meet its obligations until July 28, 2011;
68. The Debtor intends to secure additional financing and/or liquidities in the coming week;
69. Accordingly, the Debtor respectfully requests that this Honourable Court extend the stay of proceedings to July 28, 2011;

Conclusion

70. As indicated above, the Monitor supports the present Motion;
71. The Debtor has acted and continues to act in good faith and with due diligence;
72. The present Motion is urgent given the facts set forth above, including the Purchaser's requirement that the Transaction close by no later than July 20, 2011;
73. Considering the Transaction, the urgency of the matter and the NSPS bid submission deadline and requirements, it is important that the order to be rendered pursuant to this motion be executory notwithstanding appeal;
74. Given the confidential and sensitive nature of the APA and the Cecon Assignment, it is requested that these exhibits be filed and remain under seal until further order of this Court;
75. The present Motion is well founded in fact and in law;

WHEREFORE MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present Motion for authorization to sell substantially all of the assets of the Debtor and for the issuance of a vesting order and to extend the stay of proceedings (the "**Motion**") and the remedies and relief sought by Davie Yards Inc. (the "**Debtor**") therein;
2. **DECLARE** that the time for service of the Motion is hereby abridged such that the Motion is properly presentable;
3. **DECLARE** that the service of the Motion constitutes good and sufficient service on all persons and further **DECLARE** that the Debtor is relieved of any other requirements for service of the Motion;
4. **AUTHORIZE** the Debtor to enter into the document entitled Asset Purchase Agreement (the "**APA**") as Vendor with 7731299 Canada Inc. (the "**Purchaser**"), a copy of which is filed in support of the Motion as **Exhibit P-4**, with such alterations, changes,

amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor (defined hereinbelow) and Investissement Québec;

5. **AUTHORIZE** the Debtor to perform its obligations under the APA;
6. **DECLARE** that any capitalized term not defined herein shall have the meaning ascribed thereto in the APA;
7. **AUTHORIZE** the sale, transfer and assignment of the Purchased Assets (as defined in the APA) to the Purchaser in accordance with the terms of the APA (the “**Conveyance**”) and **AUTHORIZE** the Debtor and Samson Bélair/Deloitte & Touche Inc., in its capacity of Monitor to the Debtor and without any personal or corporate liability (the “**Monitor**”) to take any and all actions necessary to proceed with such Conveyance including, without limiting the generality of the foregoing, to execute the APA, the Amending Letter Agreement (as hereinafter defined) as well as any and all documents that may be necessary or useful to the consummation of the transaction contemplated in the APA (the “**Transaction**”);
8. **AUTHORIZE** the Debtor to:
 - a) execute the Transaction and to execute and deliver any documents and assurances governing or giving effect to the Transaction as the Debtor in its discretion, may deem to be reasonably necessary or advisable to conclude the Transaction, including the execution of such deeds, contracts, or documents as may be contemplated in the Transaction and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and
 - b) take steps, as are, in the opinion of the Debtor necessary or incidental to the performance of their obligations pursuant to the Transaction;
9. **DECLARE** that the Cash Payment (as defined in the APA) to be remitted by the Purchaser at Closing (as defined in the APA) will be held by the Monitor in escrow on behalf of the Purchaser and **ORDER** the Monitor to remit the Cash Payment to the Purchaser in the event the Transaction contemplated in the APA is resolved and **DECLARE** that in such an event, the Cash Payment will be reputed irrevocably having been at all time the property of the Purchaser;
10. Under express reserve of the terms of the preceding paragraph and in the event the resolatory clause provided in the APA ceases to apply for all legal purposes, and only in such event, **DECLARE** that the Cash Payment will then, and only then, be deemed to be held by the Monitor in escrow for the Vendor and shall stand in the place and stead of the Immovable Property (as hereinafter defined) and that all Encumbrances (as hereinafter defined), if any, shall attach thereto in the same order of priority;
11. **PRAY ACT** of the assignment of all of the Debtor’s right, title and interest in and to the following contracts executed between Cecon ASA (“**Cecon**”) and the Debtor in accordance with the terms of Amending Letter Agreement between Cecon, the Purchaser

and the Debtor (the “**Amending Letter Agreement**”), a copy of which is filed under seal as **Exhibit P-5**:

- (a) Vessel Construction Contract between Davie Yards Inc. (“**Davie**”) and Cecon ASA (“**Cecon**”) for the construction of an Offshore construction Vessel of Vik-Sandvik V5 4220 design, known as Hull 717, dated February 4, 2007, as amended by Amendment No. 1 dated March 1, 2007, Amendment No. 2 dated March 17, 2007 and Amendment No. 3 dated February 16, 2009, including all annexes and exhibits thereto;
 - (b) Vessel Construction Contract between Davie and Cecon for the construction of an Offshore construction Vessel of Vik-Sandvik V5 4220 design, known as Hull 718, dated February 4, 2007, as amended by Amendment No. 1 dated March 1, 2007, Amendment No. 2 dated March 17, 2007 and Amendment No. 3 dated February 16, 2009, including all annexes and exhibits thereto;
 - (c) Vessel Construction Contract between Davie and Cecon for the construction of an Offshore construction Vessel of Vik-Sandvik V5 4220 design, known as Hull 719, dated February 4, 2007, as amended by Amendment No. 1 dated February (day not specified), 2007, Amendment No. 2 dated March 17, 2007, Amendment No. 3 dated July 4, 2007 and Amendment No. 4 dated February 16, 2009, including all annexes and exhibits thereto;
12. **ORDER** and **DECLARE** that upon the delivery of a Monitor’s Certificate to the Purchaser at the Closing Time (as defined in the APA), substantially in the form attached as Annex I to the order to be rendered pursuant hereto (the “**Monitor’s Certificate**”), any and all right, title and interest of the Debtor in and to the Purchased Assets shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all encumbrances, liens, claims, liabilities, obligations, rights, titles, interests, security interests (whether contractual, statutory, legal or otherwise), charges (including any and all charges created pursuant to the Debtor’s proceedings pursuant to the *Companies Creditors’ Arrangement Act*, R.S.C. 1985, c. C-36), pledges, mortgages, hypothecations, hypothecs, judgments, trusts, deemed trusts, executions, writs of seizure and sale, options, adverse claims, levies, priorities, remedies from facts which exist as of the Closing Date whether known or unknown, or any and all other rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, whether contractual, statutory or legal, by operation of law or equity or otherwise, whether perfected, attached, registered or filed, whether secured, unsecured or otherwise (each of which being referred to as an “**Encumbrance**”), save and except the Permitted Encumbrances (as defined in the APA), as listed in Annex V hereto;
13. **ORDER** the Monitor to file with the Court a copy of the Monitor’s Certificate as soon as reasonably practicable after delivery thereof to the Purchaser, but in no case no later than July 22, 2011 at 10 o’clock a.m.;
14. **AUTHORIZE** the Debtor and the Purchaser to execute deeds of transfer and any other necessary documents to transfer all rights, title and interests of the Debtor in the immovable property identified on Annex II hereto (the “**Immovable Property**”) as

contemplated by the Conveyance (the “**Immovable Transfers**”) and **ORDER** the Land Registrar for the Land Registry Office in the Registration Division of Lévis (the “**Land Registrar**”) to register the Immovable Transfers as to convey the Immovable Property to the Purchaser upon presentation of the required applications for registration and payment of the prescribed fees;

15. **ORDER** Export Development Canada and Mécanarc Inc. to execute deeds of mainlevée with respect to the immovable encumbrances listed on Annex III hereto that currently affect the Immovable Property no later than ten (10) days after this order has been rendered;
16. **ORDER** the Land Registrar, upon presentation of the required applications for registration, a true copy of this order, payment of the prescribed fees and presentation of the Monitor’s Certificate, to proceed with the total cancellation, radiation and discharge of the registration of all the immovable encumbrances listed on Annex III hereto that currently affect the Immovable Property;
17. **ORDER** the Registrar of the Register of Personal and Movable Real Rights, upon presentation of the required applications, a true copy of this order, payment of the prescribed fees, if any, and presentation of the Monitor’s Certificate, to cancel, radiate and discharge the registration of all movable encumbrances listed on Annex IV hereto, such that all of the movable assets included in the Purchased Assets are no longer affected by movable encumbrances;
18. **PRAY ACT** of the Debtor’s undertaking in the APA to cooperate with the Purchaser in order to facilitate the assignment of certain of its contracts to the Purchaser, at the latter’s request, and **RESERVE** the Debtor’s right to apply to this Court to obtain an order assigning to the Purchaser the rights and obligations of the Debtor pursuant to certain of its contracts which will have been identified by the Purchaser;
19. **PRAY ACT** of Investissement Québec’s undertaking to not participate in any dividend distribution to the unsecured creditors of the Debtor in respect of the Cash Payment;
20. **DECLARE** that upon the filing of the Certificate with the office of this Court, the Transaction contemplated pursuant to APA and any other document to be executed for the purposes of the Transaction, pursuant to the Order to be rendered pursuant to the present Motion, constitutes a sale by a public officer acting under judicial authority as per the provisions of the *Code of Civil Procedure*, R.S.Q., c. C-25;
21. **DECLARE** that the Transaction shall be considered as a forced sale as per the provisions of the *Civil Code of Québec*, S.Q. 1991, c. 64 (the “**Civil Code**”);
22. **EXEMPT** the Debtor and the Monitor, from the requirement (if any) to seek and obtain shareholders’ approval pursuant to any federal or provincial legislation with regard to the APA, the consummation of the Transaction and the Conveyance;
23. **AUTHORIZE** the Debtor to file articles of amendments to change its name without the requirement (if any) of obtaining director or shareholders’ approval pursuant to any

federal or provincial legislation, and if Debtor fails to comply within the stipulated delay, **AUTHORIZE** and **ORDER** the Monitor, to do so;

24. **DECLARE** that the Order sought constitutes the only authorization required by the Debtor to proceed with the Transaction and the Conveyance and, for greater certainty, **DECLARE** that the parties involved in the Transaction are exempted from requiring or obtaining any authorization that may have been required from any person or authority whatsoever;
25. **ORDER** and **DECLARE** that, notwithstanding:
- (i) the pendency of these proceedings;
 - (ii) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
 - (iii) any assignment in bankruptcy made in respect of the Debtor;

the Conveyance contemplated under the APA shall be binding on any Trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA, article 1631 and following of the Civil Code or any other applicable federal or provincial legislation;

26. **DECLARE** that in the event of the resolution of the Transaction in accordance with the terms of the APA, all right, title and interest of the Vendor in the Purchased Assets shall revert to the Debtor, and shall become subject to all Encumbrances existing as at the Closing Time, without necessity of any further order of this Court;
27. **ORDER** that the APA, **Exhibit P-4** and the Amending Letter Agreement, **Exhibit P-5** be sealed until further order of this Court;
28. **ORDER** that the stay of proceedings granted in favour of the Debtor pursuant to the Initial Order issued on February 25, 2010, as amended from time to time, is extended to July 28, 2011;
29. **ORDER** the provisional execution of the Order notwithstanding any appeal therefrom and without the necessity of furnishing any security;

THE WHOLE WITHOUT COSTS, save and except in case of contestation.

MONTREAL, July 19, 2011

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for the Petitioner-Debtor

ANNEX I: MONITOR'S CERTIFICATE

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC

No. : 200-11-019127-102

SUPERIOR COURT
(Sitting pursuant to the *Companies Creditors'*
Arrangement Act)

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:

DAVIE YARDS INC.

Petitioner-Debtor

and

SAMSON BÉLAIR/DELOITTE & TOUCHE
INC.

Monitor

and

7731299 CANADA INC.

and

THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL RIGHTS

and

THE LAND REGISTRAR FOR THE LAND
REGISTRY OFFICE FOR THE
REGISTRATION DIVISION OF LÉVIS

and

MÉCANARC INC.

and

EXPORT DEVELOPMENT CANADA

Mis-en-cause

MONITOR'S CERTIFICATE

(pursuant to the judgment rendered on ● July, 2011)

Pursuant to an Order of the Honourable Martin Castonguay, J.C.S. of the Superior Court of Québec (the “**Court**”) dated February 25, 2010, Samson Bélaire/Deloitte & Touche Inc. was appointed monitor (the “**Monitor**”) of Davie Yards Inc. (the “**Debtor**”) under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36;

Pursuant to an Order of the Court dated July ●, 2011, (the “**Authorization of Sale and Vesting Order**”) the Court, *inter alia*, approved the transaction and conveyance contemplated by the Asset Purchase Agreement by and between the Debtor and 7731299 Canada Inc. (the “**Purchaser**”) (the “**APA**”), and provided for, among other things, the vesting in the Purchaser of the Debtor’s right, title and interest in the Purchased Assets, the whole in accordance with the Authorization of Sale and Vesting Order, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of this certificate;

Unless otherwise indicated herein, capitalized terms have the meaning set out in the Authorization of Sale and Vesting Order;

THE MONITOR HEREBY CERTIFIES that:

1. the Purchaser has provided to the Monitor a complete copy of all information and documentation the Purchaser is required to provide in connection with the NSPS RFP procedure set forth in Section 1.2.5 of the NSPS RFP; and
2. the Purchaser has confirmed in writing that, to the best of its information, knowledge and belief, subject only to the closing of the transaction contemplated by the APA, the Purchaser complies with all mandatory requirements to be qualified as an eligible bidder under the NSPS RFP and shall submit a compliant bid under the NSPS RFP rules prior to the deadline imposed thereunder; and
3. it has received written confirmation from each of the Debtor and the Purchaser that the closing of the Transaction has occurred;

MADE AT MONTRÉAL, THIS ● DAY OF JULY, 2011.

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.,
in its capacity as Court-Appointed Monitor of the Debtor

Per: _____

Name:

Title:

ANNEX II: IMMOVABLE PROPERTY

ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE FOLLOWING:

An emplacement situated in the City of Lévis, Province of Québec, known and designated as being composed of the following, namely:

- (i) lot number **THREE MILLION TWENTY THOUSAND FIVE HUNDRED AND FORTY-SEVEN (3 020 547)** of the Cadastre du Québec, Registration Division of Lévis;
- (ii) lot number **FOUR MILLION TWO HUNDRED SEVENTY THOUSAND AND SIXTY (4 270 060)** of the Cadastre du Québec, Registration Division of Lévis;
- (iii) lot number **THREE MILLION TWENTY THOUSAND FIVE HUNDRED AND SEVENTY-FIVE (3 020 575)** of the Cadastre du Québec, Registration Division of Lévis;
- (iv) lot number **THREE MILLION TWENTY THOUSAND FIVE HUNDRED AND EIGHTY-THREE (3 020 583)** of the Cadastre du Québec, Registration Division of Lévis;
- (v) lot number **THREE MILLION TWENTY-ONE THOUSAND SEVEN HUNDRED AND SIXTY-SIX (3 021 766)** of the Cadastre du Québec, Registration Division of Lévis;
- (vi) lots number **THREE MILLION FOUR HUNDRED AND ONE THOUSAND SIX HUNDRED AND EIGHTY-ONE (3 401 681)** of the Cadastre du Québec, Registration Division of Lévis;
- (vii) lot number **THREE MILLION TWENTY-ONE THOUSAND SEVEN HUNDRED AND SIXTY-TWO (3 021 762)** of the Cadastre du Québec, Registration Division of Lévis;
- (viii) lot number **THREE MILLION TWENTY-ONE THOUSAND THREE HUNDRED AND TWENTY-TWO (3 021 322)** of the Cadastre du Québec, Registration Division of Lévis;
- (ix) lot number **THREE MILLION TWENTY-ONE THOUSAND SEVEN HUNDRED AND SIXTY-THREE (3 021 763)** of the Cadastre du Québec, Registration Division of Lévis; and
- (x) lot number **THREE MILLION TWENTY-ONE THOUSAND SEVEN HUNDRED AND SIXTY-FOUR (3 021 764)** of the Cadastre du Québec, Registration Division of Lévis.

With all plants, buildings, structures, improvements, appurtenances and fixtures thereon erected.

ANNEX III: IMMOVABLE ENCUMBRANCES

- (i) Hypothec granted by Davie Yards Inc. / Chantier Davie Inc. in favour of **Export Development Canada** and resulting from a deed of hypothec executed before Mtre. Reynald Lagueux, notary and registered at the Land Registry Office for the Registration Division of Lévis on July 31, 2009 under **number 16 422 370**; and
- (ii) Legal hypothec in favour of **Mécanarc Inc.** resulting from a notice executed under private writing on March 4, 2010 and registered at the Land Registry Office for the Registration Division of Lévis on March 3, 2010 under number 16 987 815, with a prior notice pertaining to the exercise of a hypothecary right executed under private writing on August 5, 2010 and registered at the said Land Registry Office on August 5, 2010 under **number 17 445 328**.

ANNEX IV: MOVABLE ENCUMBRANCES

- (i) a conventional hypothec without delivery granted by Davie Yards Inc. / Chantiers Davie Inc. in favour of Export Development Canada / Exportation et Développement Canada and registered at the Register of Personal and Movable Real Rights (“**RPMRR**”) at 9:35 a.m. on July 31, 2009 under number **09-0469527-0001**.

ANNEX V: PERMITTED ENCUMBRANCES

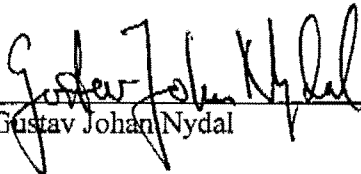
- (i) a conventional hypothec without delivery granted by Chantiers Davie Inc. / Davie Yards Inc. in favour of Investissement Québec and registered at the Register of Personal and Movable Real Rights (“RPMRR”) at 2:36 p.m. on September 2, 2009 under number **09-0544566-0001**;
- (ii) a conventional hypothec without delivery granted by Chantiers Davie Inc. / Davie Yards Inc. in favour of Investissement Québec and registered at the Register of Personal and Movable Real Rights (“RPMRR”) at 1:56 p.m. on September 2, 2009 under number **09-0544389-0001**;
- (iii) a conventional hypothec without delivery granted by Chantiers Davie Inc. / Davie Yards Inc. in favour of Investissement Québec and registered at the Register of Personal and Movable Real Rights (“RPMRR”) at 1:33 p.m. on September 2, 2009 under number **09-0544308-0001**;
- (iv) a conventional hypothec without delivery granted by Chantiers Davie Inc. in favour of Investissement Québec and registered at the Register of Personal and Movable Real Rights (“RPMRR”) at 9:00 a.m. on January 15, 2009 under number **09-0018223-0001**;
- (v) a conventional hypothec without delivery granted by Chantiers Davie Inc. in favour of Investissement Québec and registered at the Register of Personal and Movable Real Rights (“RPMRR”) at 9:00 a.m. on November 4, 2008 under number **08-0632796-0001**; and
- (vi) a conventional hypothec without delivery granted by 4370422 Canada Inc. in favour of Investissement Québec and registered at the Register of Personal and Movable Real Rights (“RPMRR”) at 1:49 p.m. on October 13, 2006 under number **06-0594771-0001**.

AFFIDAVIT

I, the undersigned, Gustav Johan Nydal, exercising my profession at Davie Yards Inc., 22 George-D.-Davie Street, Lévis, Province of Québec, G6V 8V5, solemnly declare the following:

1. I am the President and Chief Executive Officer of Davie Yards Inc.;
2. I have read the Debtor's Motion;
3. The facts alleged in the said Motion are true.

AND I HAVE SIGNED:


Gustav Johan Nydal

SOLEMNLY DECLARED BEFORE ME,
IN LÉVIS, THIS 19th DAY OF JULY 2011.



COMMISSIONER FOR OATHS FOR
ALL JUDICIAL DISTRICTS OF QUÉBEC

184436

ATTESTATION OF AUTHENTICITY
(Article 82.1 of the *Code of Civil Procedure*, R.S.Q. c. C-25)

I, the undersigned, Julien Morissette, attorney, exercising my profession at Osler, Hoskin & Harcourt LLP, situated at 1000 rue de La Gauchetière Ouest, Suite 2100, in the city and district of Montréal, Province of Québec, solemnly declare the following:

1. I am one of the attorneys of the Petitioner to the present Motion for authorization to sell substantially all of the assets of the Debtor and for the issuance of a vesting order and to extend the stay of proceedings, in Court file number 200-11-019127-102;
2. On July 19, 2011 at 6:36 p.m. (Montréal time), Osler, Hoskin & Harcourt LLP received by fax the Affidavit of Gustav Johan Nydal, a duly authorized representative of Davie Yards Inc., dated the same day;
3. The copy of the Affidavit attached hereto is a true copy of the Affidavit of Gustav Johan Nydal received by fax from Marc Veilleux, from the city of Lévis, Province of Québec, from fax number 418.833.3265;
4. All of the facts alleged herein are true.

AND I HAVE SIGNED:



JULIEN MORISSETTE

SOLEMNLY DECLARED BEFORE ME,
IN MONTRÉAL, THIS NINETEENTH DAY OF JULY 2011.



DANIELLE BHERER
COMMISSIONER FOR OATHS FOR
ALL JUDICIAL DISTRICTS OF QUÉBEC



NOTICE OF PRESENTATION

- TO: INVESTISSEMENT QUÉBEC**
393 rue Saint-Jacques, Suite 500
Montréal QC H2Y 1N9
Me Pierre Lafrenière
email: pierre.lafreniere@invest-quebec.com
- TO: STEIN MONAST** **Counsel to Investissement Québec**
70 rue Dalhousie, Suite 500
Québec QC G1K 4B2
Me Marie-Paule Gagnon
email: marie-paule.gagnon@steinmonast.ca
- TO: SAMSON BÉLAIR/DELOITTE TOUCHE INC.** **Court-Appointed Monitor**
1 Place Ville-Marie, Suite 3000
Montréal QC H3B 5K1
M. Pierre Laporte
M. Jean-François Nadon
email: pilaporte@deloitte.ca
jnadon@deloitte.ca
- TO: MCCARTHY TÉTRAULT** **Counsel to Monitor**
1000 rue De La Gauchetière Ouest, Suite 2500
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Me Mason Poplaw
Me Miguel Bourbonnais
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mbourbonnais@mccarthy.ca
- TO: BORDEN LADNER GERVAIS** **Counsel to Ocean Hotels I Limited, Ocean Hotels II Limited and Ocean Hotels PLC**
1000 rue De La Gauchetière Ouest, Suite 900
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Me Jacques S. Darche
Me Jean-Marie Fontaine
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Design Norway AS and
Wärtsilä Norway AS**

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**Counsel to Upper Lakes
Group Inc. and 7731299
Canada Inc.**

Me Éric Ménard
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TO: LANGLOIS KRONSTRÖM DESJARDINS
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Me Gerry Apostolatos
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**Counsel to Export
Development Canada**

(Montréal)

TO: LANGLOIS KRONSTRÖM DESJARDINS
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Me John O'Connor
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(Québec)

TO: BRISSET BISHOP s.e.n.c.
2020 rue University, Suite 2020
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**Counsel to Comfact
Corporation**

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Montréal QC H3A 3H3
Me Neil Peden
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**Counsel to NM Rothschild &
Sons Canada Ltd. and
Rothschild Inc.**

TO: LAMBERT SOMEC
1505 rue des Tanneurs
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Me Stéphane Moisan
email: smoisan@lambertsomec.com

TO: OGILVY RENAULT
1 Place Ville Marie, Suite 2500
Montréal QC H3B 1R1
Me Sylvain Rigaud
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**Counsel to Fincantieri -
Cantieri Navali Italiani S.p.A.**

TO: FRASER MILNER CASGRAIN
1 Place Ville Marie, Suite 3900
Montréal QC H3B 4M7
Me Louis Dumont
Me Martin Poulin
email: louis.dumont@fmc-law.com
martin.poulin@fmc-law.com

**Counsel to SNC Lacalin
Defence Contractors Inc.**

**TO: THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL RIGHTS**
1 rue Notre-Dame Est, 7th Floor
Montréal QC H2Y 1B6

**TO: THE LAND REGISTRAR FOR THE LAND
REGISTRY OFFICE FOR THE
REGISTRATION DIVISION OF LÉVIS**
Les promenades de Lévis, 44 route du Président-
Kennedy,
Lévis QC G6V 6C5

TO: MÉCANARC INC.
180 rue Lucien-Thibodeau
Portneuf QC G0A 2Y0

email: info@mecanarc.com

TO: CAIN LAMARRE CASGRAIN WELLS
580 Grande Allée Est, Suite 440
Québec QC G1R 2K2

Counsel to Mécanarc Inc.

Me Stéphane Martin

email: stephane.martin@clcw.ca

**TO: SYNDICAT DES TRAVAILLEURS DU
CHANTIER NAVAL DE LAUZON INC.**
14 rue George-D. Davie
Lévis QC G6V 3A5

Mr. Paul-André Brulotte

email: delegate@bellnet.ca

**TO: SYNDICAT DES EMPLOYÉS DU CORPS DE
SÉCURITÉ DE DAVIE INC.**

623 rue Drouin
Pintendre QC G6V 1L5

Mr. Gérald Belleau

email: g2.belleau@videotron.ca

**TO: ASSOCIATION DES DESSINATEURS
MARITIMES DE LAUZON**

339, route 279
St-Lazare QC G0R 3J0

Mr. Serge Bilodeau

email: bilogou@hotmail.com

**TO: SYNDICAT DES EMPLOYÉS DE BUREAU DU
CHANTIER MARITIME DE LAUZON (CSD)**

702 rue Marc-Aurèle Fortin
Pintendre QC G6C 1P4

Ms. Diane Bernier

email: bernierdiane55@hotmail.com

TAKE NOTICE that the attached Motion will be presented for hearing and allowance before one of the judges of the Superior Court (Commercial Division), in and for the District of Québec, in room 3.07 of the Québec City Courthouse, located at 300 Jean Lesage Boulevard, Québec City, Québec, on July 20, 2011, at 3:00 p.m. or so soon thereafter as counsel may be heard.

It will also be possible to participate in the hearing by phone conference at the following numbers:

514-392-3280 or 1-866-279-9198
Code : 4964657

MONTREAL, July 19, 2011

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Petitioner-Debtor

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC

No. : 200-11-019127-102

SUPERIOR COURT
(Sitting pursuant to the *Companies Creditors'*
Arrangement Act)

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:**

DAVIE YARDS INC.

Petitioner-Debtor

and

**SAMSON BÉLAIR/DELOITTE & TOUCHE
INC.**

Monitor

and

7731299 CANADA INC.

and

**THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL RIGHTS**

and

**THE LAND REGISTRAR FOR THE LAND
REGISTRY OFFICE FOR THE
REGISTRATION DIVISION OF LÉVIS**

and

MÉCANARC INC.

and

EXPORT DEVELOPMENT CANADA

Mis-en-cause

<p>LIST OF EXHIBITS</p>

EXHIBIT P-1 : Letter dated July 5, 2011

EXHIBIT P-2 : Letter dated July 12, 2011

EXHIBIT P-3 : Letter dated July 13, 2011

EXHIBIT P-4 : Asset Purchase Agreement (under seal)

- EXHIBIT P-5 :** Amending Letter Agreement (under seal)
- EXHIBIT P-6 :** Index of immovables (*en liasse*)
- EXHIBIT P-7 :** Register of personal and movable real rights extracts (*en liasse*)
- EXHIBIT P-8 :** Avis d'inscription d'une hypothèque légale d'une personne ayant participé à la construction ou à la rénovation d'un immeuble (*sic*)

MONTRÉAL, July 19, 2011

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Petitioner-Debtor

No: 200-11-019127-102

S U P E R I O R C O U R T

(Sitting as a court designated pursuant to the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36)

PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC

IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:

DAVIE YARDS INC.

Petitioner-Debtor

and

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Monitor

and

7731299 CANADA INC.

and THE REGISTRAR OF THE REGISTER OF PERSONAL
AND MOVABLE REAL RIGHTS
and THE LAND REGISTRAR FOR THE LAND REGISTRY
OFFICE FOR THE REGISTRATION DIVISION OF LÉVIS
and MECANARC INC.
and EXPORT DEVELOPMENT CANADA

Mis-en-cause

**MOTION FOR AUTHORIZATION TO SELL
SUBSTANTIALLY ALL OF THE ASSETS OF THE DEBTOR
AND FOR THE ISSUANCE OF A VESTING ORDER AND TO
EXTEND THE STAY OF PROCEEDINGS (Sections 9, 11 and
36 of the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c.
C-36), ANNEXES, AFFIDAVIT, ATTESTATION OF
AUTHENTICITY, NOTICE OF PRESENTATION, LIST OF
EXHIBITS**

ORIGINAL

M^c Sandra Abitan Tel.: (514) 904-5648

M^c Martin Desrosiers Tel.: (514) 904-5649

Osler, Hoskin & Harcourt LLP

Attorneys for the Petitioner-Debtor

1000 de la Gauchetière Street W., Suite 2100

Montréal QC Canada H3B 4W5 Fax: (514) 904-8101

Code : BO 0323 o/f: **SA4747-1112472**
