

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-057679-199

SUPERIOR COURT
Commercial Division

Montreal, December 18, 2020

The Honourable Marie-Anne Paquette, J.S.C.

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

INVESTISSEMENT QUÉBEC

Applicant / Secured Creditor

- and -

FORTRESS GLOBAL ENTERPRISES INC.

- and -

FORTRESS SPECIALTY CELLULOSE INC.

- and -

FORTRESS BIOENERGY LTD.

- and -

FORTRESS XYLITOL INC.

- and -

9217-6536 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

ORDER

ON READING the Applicant's *Application for the Issuance of an Order Establishing a Charge in Favour of Hydro-Québec* pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "**CCAA**") and the affidavit of Mr. Ludovic Coderre filed in support thereof (the "**Application**"), relying upon the submissions of counsel and being advised that the parties listed on the service list prepared by the Applicant were given prior notice of the presentation of the Application;

GIVEN the order rendered by this Court in the present matter on December 16, 2019, which was amended on December 26, 2019, and then amended and restated on January 10, 2020;

GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. **GRANTS** the Application;
2. **ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Application;
3. **DECLARES** that, as security for the amounts which Fortress Specialty Cellulose Inc. ("**Fortress Specialty**") or Fortress Bioenergy Ltd. ("**Fortress Bioenergy**", together with Fortress Specialty, "**Fortress**") may owe going forward to Hydro-Québec ("**HQ**") pursuant to the terms of the agreements entitled *Contrat d'approvisionnement en électricité* entered into between Fortress Specialty and HQ on or about May 5, 2010 and May 12, 2014, respectively, as amended, from time to time (collectively, the "**HQ Agreements**"), HQ shall be entitled to the benefit of and is hereby granted a charge and security in the present and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively, the "**Property**"), of the Debtors to the extent of the aggregate amount of \$840,000 (the "**HQ Charge**");
4. **ORDERS** that the HQ Charge shall rank in priority to: (a) any and all CCAA Charges granted by this Court pursuant to the Amended and Restated Initial Order rendered on January 10, 2020, as such order may have been amended from time to time (the "**ARIO**"), except for the Administration Charge, and to (b) any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**") affecting the Property charged by such Encumbrances;
5. **ORDERS** that except as otherwise expressly provided for herein or in the ARIO, the Debtors shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, the HQ Charge, unless the prior written consent of HQ and the Monitor or the prior approval of the Court is obtained;
6. **DECLARES** that the HQ Charge shall attach, as of the date of this Order, to all present and future Property of the Debtors, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent including, without limitation, the registration of this Order on the Property;

7. **DECLARES** that the HQ Charge and the rights and remedies of HQ in relation with the HQ Charge shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made in these proceedings; (ii) any application for a receiver order filed pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) in respect of the Debtors or any receiving order made pursuant to any such application or any assignment in bankruptcy made or deemed to be made in respect of the Debtors; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtors (a “**Third Party Agreement**”), and notwithstanding any provision to the contrary in any Third Party Agreement:
 - (a) the creation of the HQ Charge shall not create or be deemed to constitute a breach by the Debtors of any Third Party Agreement to which it is a party; and
 - (b) HQ shall have no liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the HQ Charge;
8. **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any application for a receiving order filed pursuant to the BIA in respect the Debtors and any receiving order allowing such application or any assignment in bankruptcy made or deemed to be made in respect of the Debtors, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtors pursuant to any order rendered by this Court and the granting of the HQ Charge, do not and will not constitute a settlement, a fraudulent preference, a fraudulent conveyance or other challengeable or reviewable transaction or conduct meriting an oppression remedy under any applicable law;
9. **DECLARES** that the HQ Charge shall be valid and enforceable as against all Property of the Debtors, including, without limitation, any trustee in bankruptcy, receiver and manager or interim receiver of the Debtors, for all purposes.
10. **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.
11. **WITHOUT COSTS.**

Montreal, December 18, 2020

The Honourable Marie-Anne Paquette, j.s.c.