

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-038484-107

SUPERIOR COURT

Commercial Division

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

Montreal, February 25th, 2010

Present: The Honourable Martin Castonguay, J.S.C.

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

DAVIE YARDS INC., a legal person duly
constituted under the *Canada Business
Corporations Act*, having its head office at 22
George-D. Davie Street, Lévis, Québec, G6V 8V5

Petitioner

-and-

**SAMSON BÉLAIR/DELOITTE & TOUCHE
INC.**, a legal person duly constituted under *Canada
Business Corporations Act*, having its place of
business at 1, Place Ville Marie Suite 3000,
Montréal Québec, H3B 4T9

Monitor

INITIAL ORDER

ON READING Davies Yards Inc.'s petition for an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "CCAA") and the exhibits, the affidavit of Marc Veilleux filed in support thereof (the "**Petition**"), the consent of Samson Belair / Deloitte & Touche Inc. to act as monitor (the "**Monitor**") and the submissions of counsel and being advised that the interested parties, including secured creditors who are likely to be affected by the charges created herein were given prior notice of the presentation of the Petition;

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GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. GRANTS the Petition.

2. ISSUES an order pursuant to the CCAA (the “**Order**”), divided under the following headings:
 - Service
 - Application of the CCAA
 - Effective Time
 - Plan of Arrangement
 - Stay of Proceedings against the Petitioner and the Property
 - Stay of Proceedings against the Directors and Officers
 - Possession of Property and Operations
 - No Exercise of Rights or Remedies
 - No Interference with Rights
 - Continuation of Services
 - Non-Derogation of Rights
 - Directors’ and Officers’ Indemnification and Charge
 - Restructuring
 - Powers of the Monitor
 - Priorities and General Provisions Relating to CCAA Charges
 - General

Service

3. ORDERS that the time for service of the Petition is hereby abridged and hereby dispenses the Petitioner with further service thereof.

4. DECLARES that sufficient prior notice of the presentation of this Petition has been given by the Petitioner to the secured creditors who are likely to be affected by the changes created herein.

Application of the CCAA

5. DECLARES that the Petitioner is a debtor company to which the CCAA applies.

Effective time

6. DECLARES that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard / Daylight Time on the date of this Order (the “**Effective Time**”).

Plan of Arrangement

7. ORDERS that the Petitioner shall have the authority to file with this Court and to submit to its creditors one or more plans of compromise or arrangement (collectively, the “**Plan**”) in accordance with the CCAA.

Stay of Proceedings against the Petitioner and the Property

8. ORDERS that, until and including March 26, 2010, or such later date as the Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Petitioner, or affecting the Petitioner’s business operations and activities (the “**Business**”) or the Property (as defined herein below), except with leave of this Court. Any and all Proceedings currently under way against or in respect of the Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court. In accordance with subsection 11.1 CCAA, such stay of Proceedings shall not affect a regulatory body’s investigation in respect of the Petitioner or a Proceeding taken by or before the regulatory body other than the enforcement of a payment ordered by the regulatory body or the Court.

Stay of Proceedings against the Directors and Officers

9. ORDERS that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Petitioner nor against any person deemed to be a director or an officer of the Petitioner under subsection 11.03(3) CCAA (each, a “**Director**”, and collectively the “**Directors**”) in respect of any claim against such Director that arose prior to the Effective Time and that relates to any obligation of the Petitioner where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation until further order of this Court or until the Plan, if one is filed, is sanctioned by the Court or refused by the creditors or the Court.

Possession of Property and Operations

10. ORDERS that the Petitioner shall remain in possession and control of its present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the “**Property**”). Subject to further order of this Court, the Petitioner shall continue to carry on its operations and enterprise in a manner consistent with the preservation of the Business and Property.
11. ORDERS that, except as otherwise provided to the contrary herein, the Petitioner shall be entitled to pay all reasonable expenses incurred by them in carrying on the Business in the ordinary course from and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- a. All expenses and capital expenditures reasonably necessary for the preservation of the Petitioner’s Property or Business including, without limitation, payments on account of insurance (including directors’ and officers’ insurance), maintenance and security services; and
 - b. Payment for goods or services actually delivered or supplied to the Petitioner following the date of this Order.

12. ORDERS that the Petitioner shall be entitled but not compelled to pay the following expenses incurred prior to this Order, with the prior approval of the Monitor:
- a. all wages, salaries, management fees, commissions, vacation pay (when due), current service cost pension contributions and other benefits, and reimbursement of expenses (including, without limitation, amounts charged by employees to credit cards) payable to former or current employees, managers or Directors, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - b. all amounts owing to or in respect of individuals working as independent contractors in connection with the Petitioner's Business;
 - c. all amounts payable to third party customer brokers, agents, freight carriers, freight forwarders, shippers and creditors with the right to retain;
 - d. all outstanding and future fees and disbursements of the Monitor, the Monitor's and the Petitioners' legal counsel, and any financial advisers retained by the Petitioners in respect of the Plan, the Restructuring or these proceedings;
 - e. with the consent of the Monitor, expenses and capital expenditures reasonably necessary for the preservation of the Petitioner's Property or the Business.
13. ORDERS that, except as otherwise provided to the contrary herein, the Petitioner shall remit, in accordance with legal requirements, or pay:
- a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Québec Pension Plan, and (iv) income taxes, together with the employer's share of employment insurance premiums, Canada Pension Plan contributions, Quebec Pension Plan contributions or other similar wage levy;

- b. amounts accruing and payable by the Petitione in respect of employment insurance, Canada Pension Plan, workers compensation, employer health taxes and similar obligations of any jurisdiction with respect to employees;
- c. all goods and services or other applicable sales tax (collectively, “**Sales Tax**”) required to be remitted by the Petitioner in connection with the sale of goods and services by the Petitioner, but only where such Sales Tax are accrued or collected after the date of this Order; and
- d. any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the business by the Petitioner.

No Exercise of Rights or Remedies

- 14. ORDERS that during the Stay Period, and subject to subsection 11.1 CCAA, all rights and remedies of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being “Persons” and each being a “**Person**”) against or in respect of the Petitioner, or affecting the Business, the Property or any part thereof, are hereby stayed and suspended except with leave of this Court.
- 15. DECLARES that, to the extent any rights, obligations, prescription or time or limitation periods, including, without limitation, to file grievances, relating to the Petitioner or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights or obligations, or time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Petitioner becomes bankrupt or a receiver within the meaning of paragraph 243(2) of the

Bankruptcy and Insolvency Act (Canada) (the “**BIA**”) is appointed in respect of the Petitioner, the period between the date of the Order and the day on which the Stay Period ends shall not be calculated in respect of the Petitioner in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

No Interference with Rights

16. ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioner, except with the written consent of the Petitioner and the Monitor, or with leave of this Court.

Continuation of Services

17. ORDERS that during the Stay Period and subject to paragraph 18 hereof, all Persons having oral or written agreements with the Petitioner or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, utility or other goods or services made available to the Petitioner, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Petitioner, and that the Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of the Order are paid by the Petitioner, without having to provide any security deposit or any other Security, in accordance with normal payment practices of the Petitioner or such other practices as may be agreed upon by the supplier or service provider and the Petitioner, with the consent of the Monitor, or as may be ordered by this Court.
18. ORDERS that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Petitioner on or after the

date of this Order, nor shall any Person be under any obligation on or after the date of the Order to make further advances of money or otherwise extend any credit to the Petitioner.

19. ORDERS that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by the Petitioner with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of the Order or due on or before the expiry of the Stay Period or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by Petitioner and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into the Petitioner's account until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

Non-Derogation of Rights

20. ORDERS that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of the Petitioner shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

Directors' and Officers' Indemnification and Charge

21. ORDERS that the Petitioner shall indemnify its Directors from all claims, costs, charges and expenses relating to any obligations or liabilities they may incur by reason of or in relation to their respective capacities as directors or officers of the Petitioner, on or after the Effective Time, except where such obligations or liabilities were incurred as a result of such directors' or officers' gross negligence, wilful misconduct or intentional fault as further detailed in Section 11.51 CCAA.

22. ORDERS that the Directors of the Petitioner shall be entitled to the benefit of and are hereby granted a hypothec, mortgage, lien, charge and security interest in the Property to the extent of the aggregate amount of \$5,000,000 (the “**Directors’ Charge**”), as security for the indemnity provided in paragraph 21 of this Order as it relates to obligations and liabilities that the Directors may incur in such capacity after the Effective Time. The Directors’ Charge shall have the priority set out in paragraphs 38 and 39 herein.
23. ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Directors shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors are entitled to be indemnified in accordance with paragraph 21 of this Order.

Restructuring

24. DECLARES that, to facilitate the orderly restructuring of its business and financial affairs (the “**Restructuring**”) but subject to such requirements as are imposed by the CCAA, the Petitioner shall have the right, subject to approval of the Monitor or further order of the Court, to:
- (a) permanently or temporarily cease, downsize or shut down any of its operations or locations as it deems appropriate and make provision for the consequences thereof in the Plan;
 - (b) pursue all avenues to finance or refinance, market, convey, transfer, assign or in any other manner dispose of the Business or Property, in whole or part, subject to further order of the Court and under reserve of subparagraph (c);
 - (c) convey, transfer, assign, lease, or in any other manner dispose of the Property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed \$500,000 or \$1,000,000 in the aggregate;

- (d) terminate the employment of such of its employees or temporarily or permanently lay off such of its employees as it deems appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on such terms as may be agreed upon between the Petitioner and such employee, or failing such agreement make provision to deal with, any consequences thereof in the Plan, as the Petitioner may determine;
- (e) subject to the provisions of section 32 CCAA, disclaim or resiliate, any of its agreements, contracts or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Petitioner and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- (f) subject to section 11.3 CCAA, assign any rights and obligations of Petitioner.

25. DECLARES that, if a notice of disclaimer or resiliation is given to a landlord of the Petitioner pursuant to section 32 of the CCAA and subsection 24 (e) of this Order, then
- (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Petitioner and the Monitor 24 hours prior written notice and
 - (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Petitioner, provided nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.
26. ORDERS that the Petitioner shall provide to any relevant landlord notice of the Petitioner's intention to remove any fittings, fixtures, installations or leasehold improvements at least seven (7) days in advance. If the Petitioner has already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between the Petitioner and the landlord.

27. DECLARES that, in order to facilitate the Restructuring, the Petitioner may, subject to approval of the Monitor, or further order of the Court:
- (a) settle claims of customers and suppliers that are in dispute; and
 - (b) establish a plan for the retention of key employees and the making of retention payments or bonuses in connection therewith.
28. ORDERS that the terms of the Key Employee Retention Plans, Exhibit **P-5** (the “**KERPs**”) are hereby approved, and the Petitioner is hereby authorized to implement the KERPs.
29. DECLARES that the KERPs contain sensitive and confidential information and shall be sealed in the court file in these proceedings and segregated from, and not form part of, the public record. On notice to the Petitioner, the Monitor and their respective legal counsel (as provided in section 51 hereof), any interested party may apply to the Court for authorization to receive a copy of Exhibit P-5.
30. DECLARES that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, the Petitioner is permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in its possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to its advisers (individually, a “**Third Party**”), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Petitioner binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Petitioner or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the

personal information in a manner which is in all respects identical to the prior use thereof by the Petitioner.

Powers of the Monitor

31. ORDERS that Samson Belair / Deloitte & Touche Inc. is hereby appointed to monitor the business and financial affairs of the Petitioner as an officer of this Court (the “**Monitor**”) and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

- (a) shall, without delay, (i) publish once a week for two (2) consecutive weeks or as otherwise directed by the Court, in in La Presse. Le Soleil and The Globe and Mail and (ii) within five (5) business days after the date of this Order (A) post on the Monitor’s website (the “**Website**”) a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against the Petitioner of more than \$1,000, advising them that the Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder;
- (b) may assist the Petitioner, to the extent required by the Petitioner, in dealing with its creditors and other interested Persons during the Stay Period;
- (c) may assist the Petitioner, to the extent required by the Petitioner, with the preparation of its cash flow projections and any other projections or reports and the development, negotiation and implementation of the Plan;
- (d) may advise and assist the Petitioner, to the extent required by the Petitioner, to review the Petitioner’s business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;

- (e) may assist the Petitioner, to the extent required by the Petitioner, with the Restructuring and in its negotiations with its creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan;
- (f) may report to this Court and interested parties, including but not limited to creditors affected by the Plan, with respect to the Monitor's assessment of, and recommendations with respect to, the Plan;
- (g) may report to the Court on the state of the business and financial affairs of the Petitioner or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order;
- (h) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- (i) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under the Order or under the CCAA;
- (j) may act as a "foreign representative" of the Petitioner in any proceedings outside of Canada;
- (k) may give any consent or approval as may be contemplated by the Order; and
- (l) shall perform such other duties as are required by the Order or the CCAA or by this Court from time to time.

The Monitor shall not otherwise interfere with the business and financial affairs carried

on by the Petitioner, and the Monitor is not empowered to take possession of the Property nor to manage any of the business and financial affairs of the Petitioner.

32. ORDERS that the Petitioner and its Directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Petitioner in connection with the Monitor's duties and responsibilities hereunder.
33. DECLARES that the Monitor may provide creditors and other relevant stakeholders of the Petitioner with information in response to requests made by them in writing addressed to the Monitor and copied to the Petitioner's counsel. In the case of information that the Monitor has been advised by the Petitioner is confidential, proprietary or competitive, the Monitor shall not provide such information to any Person without the consent of the Petitioner unless otherwise directed by this Court.
34. DECLARES that if the Monitor, in its capacity as Monitor, carries on the business of the Petitioner or continues the employment of the Petitioner's employees, the Monitor shall benefit from the provisions of section 11.8 of the CCAA.
35. DECLARES that no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven days notice to the Monitor and its counsel.
36. ORDERS that Petitioner shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Petitioner's legal counsel and other advisers, incurred in connection with or with respect to the Restructuring, whether incurred before or after the Order, and shall provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.

37. DECLARES that the Monitor, the Monitor's legal counsel, if any, the Petitioner's legal counsel and the Monitor and the Petitioner's financial advisers, as security for the professional fees and disbursements incurred both before and after the making of the Order in respect of these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted a hypothec, mortgage, lien, charge and security interest in the Property to the extent of the aggregate amount of \$1,000,000 (the "**Administration Charge**"), having the priority established by paragraphs 38 and 39 hereof.

Priorities and General Provisions Relating to CCAA Charges

38. DECLARES that the priorities of the Administration Charge and Directors' Charge (collectively, the "**CCAA Charges**"), as between them with respect to any Property to which they apply, shall be as follows:

(a) first, the Administration Charge;

(b) second, the Directors' Charge.

39. DECLARES that subject to sections 81.3 to 81.6 of the BIA, each of the CCAA Charges shall rank in priority to 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 save and except any Encumbrances resulting from leases, financial leases, conditional sales agreements and/or instalment sales agreements or in favour of Banque Nationale du Canada.

40. ORDERS that, except as otherwise expressly provided for herein, the Petitioner shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Petitioner obtains the prior written consent of the Monitor and the prior approval of the Court.

41. DECLARES that each of the CCAA Charges shall attach, as of the Effective Time, to all present and future Property of the Petitioner, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

42. DECLARES that the CCAA Charges and the rights and remedies of the beneficiaries of such Charges and that the KERPs and payments made or to be made thereunder, as applicable, 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 herein; (ii) any petition for a receiving order filed pursuant to the BIA in respect of the Petitioner or any receiving order made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioner; 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 Petitioner (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

(a) the creation of any of the CCAA Charges shall not create or be deemed to constitute a breach by the Petitioner of any Third Party Agreement to which it is a party; and

(b) any of the beneficiaries of the CCAA Charges shall not have 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 CCAA Charges.

43. DECLARES that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any application for a bankruptcy order filed pursuant to the BIA in respect of the Petitioner and any bankruptcy order allowing such application or any assignment in bankruptcy made or deemed to be made in respect of the Petitioner, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Petitioner pursuant to the Order, the granting of the CCAA Charges and the payment of any amounts under the KERPs, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

44. DECLARES that the CCAA Charges shall be valid and enforceable as against all Property of the Petitioner and against all Persons, including, without limitation, any

trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Petitioner, for all purposes and DECLARES that any payments made or to be made under the KERPs shall be valid and enforceable as against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Petitioner, for all purposes.

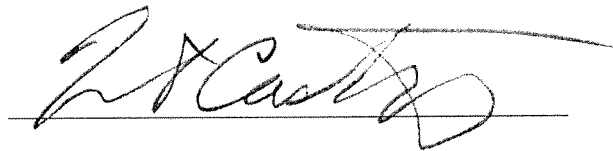
General

45. ORDERS that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors, employees, legal counsel or financial advisers of the Petitioner, without first obtaining leave of this Court, upon seven days written notice to the Petitioner's counsel and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.
46. DECLARES that the Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Petitioner under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.
47. DECLARES that, except as otherwise specified herein, the Petitioner is at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Petitioner and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.
48. DECLARES that the Petitioner and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Petitioner shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter.


49. DECLARES that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on the solicitors for the Petitioner and the Monitor and has filed such notice with this Court, or appears on the service list prepared by the monitor or its attorneys;
50. DECLARES that the Petitioner or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other.
51. DECLARES that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon seven days notice to the Petitioner, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order:
- (i) Sandra Abitan
Martin Desrosiers
OSLER, HOSKIN & HARCOURT LLP
1000 De La Gauchetière Street West, Suite 2100
Montréal QC H3B 4W5
Counsel for Petitioner
Emails: sabitan@osler.com
mdesrosiers@osler.com
 - (ii) Mr. Pierre Laporte
Mr. Jean-François Nadon
SAMSON BÉLAIR/DELOITTE TOUCHE INC.
1, Place Ville-Marie, Bureau 3000
Montréal QC H3B 5K1
Monitor
Emails: pilaporte@deloitte.ca
jnadon@deloitte.ca
 - (iii) Me Mason Poplaw
MCCARTHY TÉTRAULT
1000, rue De La Gauchetière Ouest, Bureau 2500
Montréal QC H3B 0A2
Counsel for the Monitor
Email: mpoplaw@mccarthy.ca

52. DECLARES that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
53. DECLARES that the Monitor, with the prior consent of the Petitioner, shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Monitor shall be the foreign representative of the Petitioner. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.
54. REQUESTS the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.
55. ORDERS the provisional execution of the Order notwithstanding any appeal and without the necessity of furnishing any security.

Montreal, February 25, 2010



Honourable Martin Castonguay, j.s.c.

COPIE CONFORME

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