

SUPERIOR COURT

CANADA

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

No: 500-11-039401-100

Date: August 4, 2010

PRESIDING: Me Pierre Pellerin, Registrar

4425529 CANADA INC.,

Debtor/Respondent

-and-

1397225 ONTARIO LIMITED

Petitioner

-and-

RSM RICHTER INC.

Receiver

ORDER

CONSIDERING the Petitioner's Motion for the Appointment of a Receiver, the Affidavit and exhibits in support thereof and the representations made by counsel for the Petitioner;

FOR THESE REASONS, THE COURT:

- [A] **GRANTS** the present *Motion for the Appointment of a Receiver* (the "**Motion**");
- [B] **SHORTENS** and **WAIVES** the delays for service, filing and presentation of the **Motion** and permit same to be made *ex parte*;

- [C] **EXEMPTS 1397225 ONTARIO LIMITED** (hereinafter the "**Petitioner**") from the need to serve a Notice upon **4425529 CANADA INC.** (hereinafter the "**Debtor**" or "**Respondent**") in virtue of section 244 of the *Bankruptcy and Insolvency Act*;
- [D] **APPOINTS** RSM Richter Inc., through its representatives, Yves Vincent and Eric Rodier, to act as receiver (the "**Receiver**") to the property of the **Debtor**, pursuant to Section 243 of the *Bankruptcy and Insolvency Act*;
- [E] **AUTHORIZES** the **Receiver**, at the **Receiver's** discretion, to take possession of all of the **Debtor's** assets and exercise upon them, as well as on the **Debtor's** business, complete control and, without restricting the generality of the foregoing, **GRANTS** to the **Receiver** the following powers which, at the **Receiver's** discretion, may be utilized as follows:
- (a) All the necessary powers to collect the accounts receivable of the **Debtor**;
 - (b) All the powers necessary for the control of the receipts and disbursements of the **Debtor**;
 - (c) All powers necessary to negotiate, enter into, terminate, or continue any agreement or contract with respect to the **Debtor's** operations, business, assets and property, with the consent of the **Petitioner**;
 - (d) All the powers necessary to operate, on behalf of the **Debtor**, its business, including without limitation, the powers to hire employees, to purchase goods and services and to lease rooms/apartments and more generally, to do anything required or useful to continue the operations of the **Debtor**;
 - (e) All the powers necessary to hire, on behalf of the **Debtor**, any qualified nurse or other professional required, in its sole opinion, to operate the **Debtor's** business;
 - (f) All of the powers to sign and issue cheques of behalf of the **Debtor**;
 - (g) All the powers necessary to protect the interests of the **Petitioner**;
 - (h) All the powers necessary to take safeguard measures in order to prevent that the **Debtor** squanders its assets and/or erodes the value of the security of the **Petitioner**;
 - (i) Any other power necessary to the taking of safeguard measures regarding all of the **Debtor's** assets and operations;
 - (j) The power to open any required bank account on behalf of the **Debtor** according to terms and conditions that it will, in its sole discretion, consider appropriate, with any Canadian chartered bank, or any other acceptable financial institution, in order to deposit any sum payable to the **Debtor**, or

to its benefit, and make any payment that, in its opinion, is necessary, to the **Petitioner** or to the fulfilling of the **Receiver's** duties;

- (k) The power to contract any loan or other form of credit on behalf of the **Debtor** up to a capital amount of \$500,000.00 in order to allow the continuation of the **Debtor's** operations and to cover any cash shortfall thereto or to pay any unpaid fees to the **Receiver** or to counsel, and the charge or hypothec on any such debt or loan (plus the additional hypothec of 20%) will be ranked in preference and priority to any other existing guarantee or security, of any nature whatsoever, and will be paid in preference and priority by the **Receiver**;
- [F] **AUTHORIZES** the **Receiver** to conduct and supervise a sale process of the **Debtor's** assets and business with the consent of the **Petitioner**;
- [G] **AUTHORIZES** the **Receiver** to solicit privately or through public call for tenders or through any other means, offers or bids regarding the **Debtor's** assets and business;
- [H] **DECLARES** that the **Receiver** has all the powers necessary, required or appropriate in order to:
 - (a) Solicit bids for the **Debtor** and, more generally, to manage the call for tender process or any other sale process;
 - (b) Determine the means to contact potential buyers, through private mailings, publication in newspapers or otherwise, and proceed accordingly;
 - (c) Determine the means of commercializing the **Vista** property, and/or, amongst others, the groups of assets or the grouping of assets of the **Debtor**;
 - (d) Allow any potential buyer or any person having demonstrated or demonstrating an interest in the **Debtor**, to proceed to a due diligence or to any other analysis of the **Debtor**;
 - (e) Conclude any agreement, of any nature whatsoever, on behalf of the **Debtor**, with any person, in furtherance of a sale of the undertaking of the **Debtor**;
 - (f) Address this Honourable Court to obtain an order to vest the assets in the **Receiver** for the purposes of a sale on terms and conditions that this Honourable Court shall determine;
- [I] **DECLARES** that:
 - (a) The **Receiver** shall be entitled to institute appropriate proceedings, as the case may be and retain the services of legal advisors for the purposes of

these proceedings or for any other need. Moreover, such **Receiver** shall be entitled to file any motion for directions within the meaning of section 34 of the *BIA* as if it were a trustee and if necessary to execute any necessary document to place the **Debtor** into bankruptcy;

- (b) The **Receiver** has the power and authority to act on behalf of the **Debtor** to place the **Debtor** in bankruptcy, by executing any necessary document or in filing an assignment in Bankruptcy pursuant to section 49 and following of the *BIA*;
- (c) Subject to its discretion, the **Receiver** shall not be liable for any debt that came into existence prior to the service of the judgment to be rendered herein;

[J] **DECLARES** that:

- (a) The **Receiver** shall not be considered the employer, for all intents and purposes, and shall not incur any liability whatsoever regarding third parties, the **Receiver** acting for and on behalf of the **Debtor**, among others, as if it were a taking of possession for purposes of administration within the meaning of articles 2773 of the *Civil Code of Québec* and seq., or a sale by the creditor within the meaning of article 2786 of the *Civil Code of Québec*;
- (b) The **Receiver** shall not be considered as operating or continuing the enterprise of the **Debtor**, for any purposes whatsoever;
- (c) The **Receiver** shall not incur any liability whatsoever regarding third parties or the **Debtor** for any act done under the judgment to be rendered herein;
- (d) All the powers, obligations and duties of the **Receiver** shall be exercised in its sole discretion and according to the judgment to be rendered herein;
- (e) The **Receiver** shall benefit from the protection of sections 14.06 of the *BIA* and more particularly the **Receiver** shall not, as a result of the judgment to be rendered herein or anything done in pursuance of the **Receiver's** duties and powers under the judgment to be rendered herein, be deemed to be in possession of any of the property of the **Debtor** within the meaning of any federal, provincial or other legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination and regulations thereunder;

[K] **ORDERS** the **Debtor** and its representatives and employees to surrender all of those assets the **Receiver** requires to implement the order to be rendered herein, upon service of said order;

- [L] **ORDERS** the **Debtor** and its representatives and employees to fully collaborate and cooperate with the **Receiver** and help and assist the **Receiver** in the fulfilling of its duties;
- [M] **ORDERS** the **Debtor** and its representatives and employees to grant access to and to surrender to the **Receiver** all of its accounting records, books and other accounting or financial documents of any nature whatsoever, notwithstanding their medium, and fully assist and help the **Receiver** in accomplishing its duties and in analyzing such documents;
- [N] **AUTHORIZES** the **Receiver**, on behalf of the **Debtor**, to retain or to terminate the services of any person or enterprise, including nurses or doctors, in order to effectively fulfill its duties and to delegate whenever suitable to the **Receiver**, such powers to any person or enterprise and appoint any agent or other representative;
- [O] **AUTHORIZES** the **Receiver** to pay out any advance regarding its fees and disbursements, on terms and conditions agreeable to the **Petitioner**, the whole subject to taxation in conformity with the Law;
- [P] **ORDERS** that these proceedings shall have full force and effect in all of the provinces and territories in Canada;
- [Q] **ORDERS** that the judgment to be rendered herein be executory, notwithstanding appeal and without any need to give security;
- [R] **RENDERS** any other remedy appropriate in the circumstances;
- [S] **THE WHOLE** without costs, save in case of contestation.

(s) Dionie Pellerin, Registrar
ME PIERRE PELLERIN, REGISTRAR

