

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-033234-085

**S U P E R I O R C O U R T**  
(Commercial Division)  
(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36)

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

**SHERMAG INC.**

and

**JAYMAR FURNITURE CORP.**

and

**SCIERIE MONTAUBAN INC.**

and

**MÉGABOIS (1989) INC.**

and

**SHERMAG CORPORATION**

and

**JAYMAR SALES CORPORATION**

Petitioners

and

**RSM RICHTER INC;**

Monitor

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**EIGHTH MOTION FOR AN ORDER EXTENDING THE STAY PERIOD**  
(Sections 9 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. (1985), c. C-36 ) (the "CCAA")

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT SITTING IN  
COMMERCIAL DIVISION IN AND FOR THE DISTRICT OF MONTRÉAL, THE  
PETITIONERS RESPECTFULLY SUBMIT:**

1. By the present Eighth Motion for an Order Extending the Stay Period (the "Motion"), Shermag Inc., Jaymar Furniture Corp., Scierie Montauban Inc., Mégaboïs (1989) Inc.,

Shermag Corporation and Jaymar Sales Corporation (collectively the “**Petitioners**”) seek the extension of the Stay Period up to and including August 12, 2009.

2. The Petitioners will file in support of this Motion the tenth report of the Monitor RSM Richter Inc. (the “**Monitor’s Tenth Report**”) which contains a more detailed overview of the various issues mentioned in this Motion. A copy of said Monitor’s Tenth Report will be communicated as **Exhibit R-1**.
3. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order issued on May 5, 2008 (the “**Initial Order**”), as subsequently amended or extended.
4. This Court extended the Stay Termination Date of the Stay Period on several occasions and the last time to August 5, 2009, the whole as more fully appears from the Court record.
5. On June 2, 2009, the Petitioners filed a motion entitled *Motion for an Order Authorizing a Call for Tenders Process* (the “**Auction Process**”), the whole as more fully appears from the Court record.
6. The Petitioners have conducted said Auction Process, the whole as more fully detailed in the *Motion for an Order Approving a Transaction, Extending the Stay Period and Granting an Interim Financing* (the “**Motion to Approve a Transaction**”) which has being filed in this Court record on July 31, 2009.
7. Upon completion of the Auction Process, the Petitioners have accepted the offer (the “**Offer**”) presented by the Groupe Bermex Inc. (“**Bermex**”), the whole as more fully detailed in the Motion to Approve a Transaction.
8. Bermex is currently negotiating an agreement with Geosam Investments Limited (“**Geosam**”), the Petitioners' lender, pursuant to which the latter would agree to extend its financing until October 16, 2009 at the latest.
9. Geosam indicated that it is agreeable to the requested extension provided certain conditions are met. Bermex and Geosam are currently discussing the terms and

conditions of the agreement mentioned at paragraph 8 above. The Petitioners are confident that an agreement will be reached before the hearing of the Motion to Approve a Transaction scheduled for August 12, 2009.

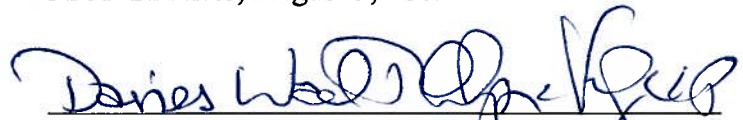
10. The extension of the Stay Period is in the best interest of all stakeholders and shall allow Bermex and Geosam sufficient time to finalize the ongoing discussions.
11. Since the issuance of the Initial Order, the Petitioners have acted, and continue to act, in good faith and with due diligence.
12. The extension of the Stay Period sought is supported by the Monitor.
13. Geosam supports the request for extension and the present motion and has agreed to extend the Forbearance Agreement accordingly.
14. The Petitioners respectfully submit that the circumstances are such that extending the Stay Period is appropriate.
15. Based on the foregoing, the Petitioners pray this Court to extend the Stay Period up to and including August 12, 2009, which date shall then be the new Stay Termination Date, the whole subject to all the other terms of the Initial Order;
16. The Petitioners will file in support hereof their cash flow projections, which were prepared in conjunction with the Monitor.
17. The Petitioners respectfully submit that the notices given of the presentation of the Motion are proper and sufficient;
18. The Motion is well founded both in fact and in law;

**WHEREFORE, MAY IT PLEASE THIS COURT TO:**

- [1] **GRANT** the present Motion;
- [2] **DECLARE** that all capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order issued on May 5, 2008 as subsequently amended or extended;

- [3] **EXTEND** the Stay Period and the Stay Termination Date up to and including August 12, 2009, the whole subject to all other terms and conditions of the Initial Order;
- [4] **RENEW**, in full but with the necessary adaptations, if need be, the Initial Order, until August 12, 2009;
- [5] **APPROVE** the Monitor's activities, as described in the Monitor's Tenth Report (Exhibit R-1);
- [6] **DECLARE** that notices given of the presentation of the Motion are proper and sufficient;
- [7] **ORDER** the provisional execution of the Order to be rendered notwithstanding any appeal and without the necessity of furnishing any security;
- [8] **THE WHOLE** without costs, except if contested, and then with costs against each opposing party;

MONTREAL, August 5, 2009

  
**DAVIES WARD PHILLIPS & VINEBERG LLP**  
Attorneys for Petitioners Shermag Inc., Jaymar Furniture Corp., Scierie Montauban Inc., Mégaboïs (1989) Inc., Shermag Corporation and Jaymar Sales Corporation

## NOTICE OF PRESENTATION

TO: Me Sandra Abitan and Me Martin Desrosiers  
**Osler, Hoskin & Harcourt LLP**  
1000 De La Gauchetière Street West, Suite 2100  
Montréal (Québec) Canada H3B 4W5  
Attorneys for Geosam Investments Limited

AND TO: Me Louis Gouin  
**Ogilvy Renault LLP**  
1981 McGill College Avenue, Suite 1100  
Montréal (Québec) Canada H3A 3C1  
Attorneys for the Monitor

AND TO: Mr. Yves Vincent, CA  
**RSM Richter Inc.**  
2 Place Alexis Nihon, Suite 2200  
Montréal, (Québec) Canada H3Z 3C2  
Monitor

AND TO: Me Claude Gravel  
**Gowling Lafleur Henderson LLP**  
1, Place Ville Marie  
Montréal (Québec) Canada H3B 3P4  
Attorneys for Godbout, Plante associés enr;

AND TO : Me François Viau  
**Gowling Lafleur Henderson LLP**  
1, Place Ville Marie  
Montréal (Québec) Canada H3B 3P4  
Attorneys for Industries Wajax

AND TO : Me Annie Claude Beauchemin  
**BCF LLP**  
1100 René-Lévesque Blvd. West, 25th Floor  
Montréal (Québec) Canada H3B 5C9  
Attorneys for Hachette Filipacchi Media U.S. Inc;

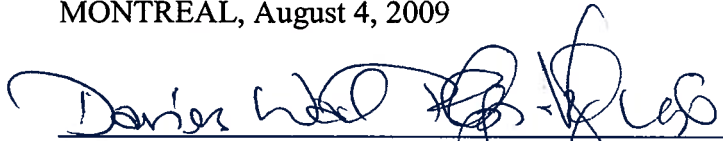
AND TO : Me Marc-André Blain / Me Jean Roch Boivin  
**Marchand Melançon Forget, LLP**  
1 Place Ville-Marie  
Suite 1900  
Montréal QC H3B 2C3

Attorneys for Bermex Group Inc;

**TAKE NOTICE** that the present “Eighth Motion for an Order Extending the Stay Period” will be presented for adjudication before one of the judges of the Superior Court, sitting in the Commercial Division, in and for the judicial district of Montréal, on August 5, 2009, at 9:15 a.m., in room 16.12 of the Montréal Courthouse, located at 1 Notre-Dame Street East, in the City of Montréal, Province of Québec, or so soon thereafter as counsel may be heard;

**DO GOVERN YOURSELVES ACCORDING;**

MONTRÉAL, August 4, 2009



**DAVIES WARD PHILLIPS & VINEBERG LLP**  
Attorneys for Petitioners Shermag Inc., Jaymar  
Furniture Corp., Scierie Montauban Inc., Mégabois  
(1989) Inc., Shermag Corporation and Jaymar Sales  
Corporation

jNo. 500-11-033234-085

**S U P E R I O R C O U R T**  
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COMPROMISE OR ARRANGEMENT OF:**

**SHERMAG INC. ET ALS.**

Petitioners

and

**RSM RICHTER INC.**

Monitor

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**EIGHTH MOTION FOR AN ORDER  
EXTENDING THE STAY PERIOD**  
(Sections 9 and 11 *CCAA* and Section 133 *CBCA*)

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**ORIGINAL**

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Attorneys for Petitioners  
Per: Me Denis Ferland  
Me Christian Lachance  
Dir 514 841 6423  
O/F 223966

**DAVIES**

**DAVIES WARD PHILLIPS & VINEBERG LLP**

1501 McGill College Avenue  
26<sup>e</sup> Floor  
Montréal Canada H3A 3N9  
Tel 514 841 6400  
Fax 514 841 6499  
BP-0181