

SUPERIOR COURT

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

N°: 500-11-039687-104

DATE : October 7, 2010

PRESIDING: ~~ME. Pierre Pellerin, registraire~~ REGISTRAR

IN THE MATTER OF THE RECEIVERSHIP OF:

4425537 CANADA INC.

Debtor/Respondent

-and-

ROYAL BANK OF CANADA

Petitioner

-and-

RSM RICHTER INC.

Mise-en-cause/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 THE 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;

- [C] **APPOINTS** RSM Richter Inc., through its representative, Mr. Yves Vincent, trustee and FCA, to act as receiver (the “**Receiver**”) to the property of Debtor/Respondent, 4425537 Canada Inc. (the “**Debtor**”), pursuant to Section 243 of the *Bankruptcy and Insolvency Act*;
- [D] **GRANTS** to the Receiver the following powers which, at the Receiver’s discretion, may be utilized :
- (a) all the necessary powers to collect all the accounts receivables of Debtor;
 - (b) all the powers necessary to the control of the receipts and disbursements of Debtor;
 - (c) all the powers necessary to operate, on behalf of Debtor, its business, including without limitation, the powers to hire employees, to purchase goods and services and to lease rooms and more generally, to do anything required or useful to continue the operations of Debtor.
 - (d) all the powers necessary to hire, on behalf of Debtor, any qualified nurse or other professional required, in its sole opinion, to operate Debtor’s business;
 - (e) all the powers to sign and issue cheques on behalf of Debtor;
 - (f) all the powers necessary to protect the assets of the Debtor given in guarantee or as security;
 - (g) all the powers necessary to take safeguard measures in order to prevent that Debtor squanders its assets and/or erodes the value of its assets;
 - (h) any other power necessary to the taking of safeguard measures regarding all of Debtor’s assets and operations;
 - (i) 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, including the Petitioner or any other acceptable financial institution, in order to cash in any sum payable to 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; and
 - (j) contract with Petitioner, the Royal Bank of Canada (the “**Petitioner**”), any loan or other form of credit on behalf of the Debtor up to a capital amount of \$400,000 (to financial conditions not more onerous than those of the loan agreement between the Debtor and the Petitioner dated November 21, 2007 as subsequently amended (Exhibit R-1)) in order to allow the continuation of Debtor’s operations, 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;

- [E] **AUTHORIZES** the Receiver to conduct and supervise a sale process of Debtor's assets and business;
- [F] **AUTHORIZES** the Receiver to solicit, through private or public call for tenders or through any other means, bids regarding Debtor's assets and business;
- [G] **DECLARES** that the Receiver has all the powers necessary, required or appropriate in order to:
 - (a) solicit bids for Debtor and, more generally, to manage the call for tenders 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 Debtor, and/or, amongst others, the groups of assets or the grouping of assets of Debtor;
 - (d) allow any potential buyer or any person having demonstrated or demonstrating an interest in Debtor to proceed to a due diligence or to any other analysis of Debtor; and
 - (e) conclude any agreement, of any nature whatsoever, on behalf of Debtor, with any person, in order to receive bids regarding Debtor;
- [H] **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 *Bankruptcy and Insolvency Act* as if it were a trustee and if necessary, to execute any necessary document to place Debtor into bankruptcy (file an assignment in bankruptcy) or to file a Notice of intention to make a proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*;
 - (b) in addition to the foregoing, the Receiver shall not be liable for any debt that came into existence prior to the service of the judgment to be rendered herein;
- [I] **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 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 Quebec* and seq., or a sale by the creditor within the meaning of article 2786 *Civil Code of Quebec*;

- (b) the Receiver will not be considered as operating or continuing the enterprise of 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 his 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 *Bankruptcy and Insolvency Act* 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 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;

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

[K] **ORDERS** 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;

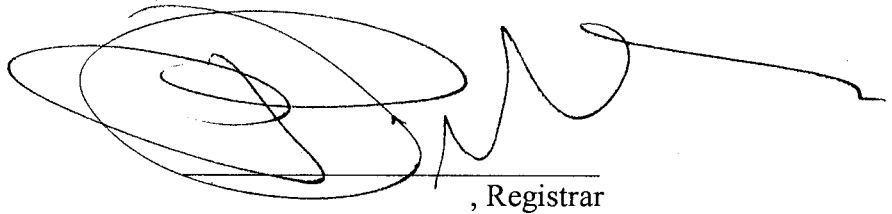
[L] **ORDERS** Debtor and its representatives and employees to grant access to and to surrender to the Receiver all of its accounting records, books and other accounting or financial documents of any nature whatsoever, notwithstanding their medium, and fully assist and help the Receiver in accomplishing its duties and in analyzing such documents;

[M] **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;

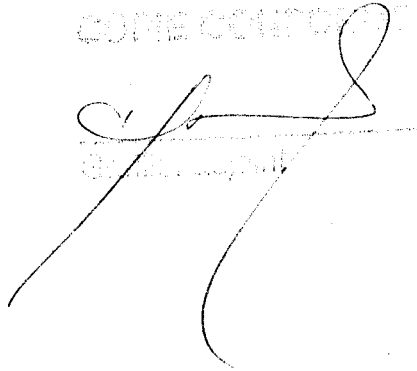
[N] **AUTHORIZES** the Receiver to pay out any advance regarding its fees and disbursements, with the agreement of the Petitioner, the whole subject to taxation in conformity with the law;

[O] **EXEMPTS** the Petitioner from serving any prior notice for the presentation of the Motion;

- [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] **ALLOWS**, as the case may be, a shorter time for presentation;
- [S] **RENDERS** any other remedy appropriate in the circumstances;
- [T] **THE WHOLE** without costs, save in case of contestation.



, Registrar



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