

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-031896-075

DATE: March 31, 2008

BY: THE HONOURABLE CHANTAL CORRIVEAU, J.S.C

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

SR TELECOM INC.

Petitioner

AND

RSM RICHTER INC.

Monitor

AND

LAGASSÉ COMMUNICATIONS AND INDUSTRIES INC.

Mis-en-Cause

ORDER

[1] **CONSIDERING** the Petitioner's Motion for Authorization to Sell Certain Assets of the Petitioner, the Affidavit in support thereof, as well as the Report of the Designated Monitor in Conjunction with the Motion for Authorization to Sell the Assets of the Petitioner dated March 28, 2008;

[2] **CONSIDERING** the representations made by Counsel for the Petitioner;

[3] **FOR THESE REASONS, THE COURT:**

[4] **GRANTS** the present Motion for Authorization to Sell Certain Assets of the Petitioner ("**Motion**") and the remedies and relief sought by SR Telecom Inc. (the "**Petitioner**") therein;

[5] **DECLARES** that the time for service of the Motion is hereby abridged such that the Motion is properly presentable;

[6] **DECLARES** that the service of the Motion constitutes good and sufficient service on all persons and further **DECLARES** that the Petitioner is relieved of any other requirements for service of the Motion;

[7] **APPROVES** and **RATIFIES** the Asset Purchase Agreement dated as of March 22, 2008 (the "**APA**") between the Petitioner and Lagassé Communications and Industries Inc. (the "**Mis-en-Cause**") and **AUTHORIZES** Petitioner to perform its obligations pursuant thereto;

[8] **AUTHORIZES** RSM Richter Inc., in its capacity of Monitor to the Petitioner in its proceeding pursuant to the *Companies' Creditors Arrangement Act* and without any personal or corporate liability (the "**Monitor**"), to intervene into the APA and perform its obligations pursuant thereto;

[9] **AUTHORIZES** the sale, transfer and assignment of the Purchased Assets (as defined in the APA) (including the Transferred Contracts) to the Purchaser (as defined in the APA) in accordance with the terms of the APA (the "**Conveyance**") and **AUTHORIZES** the Petitioner and the Monitor to take any and all actions necessary to proceed with such Conveyance including, without limiting the generality of the foregoing, to execute any and all documents that may be necessary or useful to the consummation of the transaction contemplated in the APA (the "**Transaction**");

[10] **AUTHORIZES** the assignment and transfer to the Purchaser of each of the Assumed Contracts (as such term is defined in the APA) and each of the Contracts which may be assigned and transferred to the Purchaser as contemplated in Section 11.8(b) of the APA (collectively, the "**Transferred Contracts**") for which written consent of the other party to such Transferred Contract is required to effect its assignment and transfer and which consent will not have been obtained on or prior to the Closing Date

(as defined in the APA) in a form and substance satisfactory to the Purchaser and the assumption of the Assumed Liabilities (as such term is defined in the APA) related thereto, as provided in the APA;

[11] **ORDERS** the Monitor, upon the closing of the Transaction, to file with the Office of this Court a certificate in the form substantially similar to the draft attached (the "**Certificate**");

[12] **DECLARES** that upon the filing of the duly signed Certificate, any and all right, title and interest in and to the Purchased Assets (including the Transferred Contracts) shall be and are hereby vested in the Purchaser absolutely and forever free and clear of and from any and all encumbrances, liens, claims, rights, titles, interests, security interests, charges, pledges, mortgages, hypothecations, hypothecs, judgments, deemed trusts, executions, writs of seizure and sale, options, adverse claims, levies, charges, priorities, remedies from facts which exist as of the Closing Date whether known or unknown, or any and all other rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, whether contractual or statutory, by operation of law or equity or otherwise, whether perfected, attached, registered or filed, whether secured, unsecured or otherwise (each of which being referred to as an "**Encumbrance**"), including without limitation, the Encumbrances listed on Exhibit P-3 to the Motion. It is understood that any of the Petitioner's assets other than the Purchased Assets (including the Transferred Contracts), but specifically including the proceeds of the Transaction, will remain charged and subject to any secured or real rights affecting such other assets;

[13] **ORDERS** the Petitioner to remit forthwith to BNY Trust Company of Canada, in its capacity as administrative agent and collateral agent to Petitioner's Lenders (as such term is defined in the Motion) pursuant to the Amended and Restated Credit Agreement (as such term is defined in the Motion), the proceeds of the Transaction, namely, in the amount of CAD\$6,050,000, as well as all otherwise available cash on hand, in an amount to be determined by the Petitioner, the Lenders and the Monitor that shall not be less than CAD\$5,000,000, in reduction of Petitioner's obligations to such lenders;

[14] **DECLARES** that upon the filing of the Certificate with the office of this Court, the Transaction contemplated pursuant to the APA and any other document to be executed for the purposes of the Transaction, pursuant to the Order to be rendered pursuant to the present Motion, constitutes a sale by a public officer acting under judicial authority as per the provisions of the *Code of Civil Procedure*;

[15] **DECLARES** that the Transaction shall be considered as a forced sale as per the provisions of the *Civil Code of Quebec*;

[16] **DECLARES** that the Conveyance contemplated under the APA shall be binding on any Trustee in bankruptcy that may be appointed in respect of the Petitioner and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent

preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act*, Section 1631 and following of the *Civil Code of Québec* or any other applicable federal or provincial legislation;

[17] **EXEMPTS** the Petitioner and the Monitor, from the requirement (if any) to seek and obtain shareholders' approval pursuant to any Federal or Provincial legislation with regard to the APA, the consummation of the Transaction and the Conveyance;

[18] **AUTHORIZES AND ORDERS** the Petitioner, in accordance with Section 191 of the *Canada Business Corporations Act* to file within 10 days of the Closing Date articles of reorganization or any other document that may be required in order to change each of the Petitioner's name and any business names used by the Petitioner, containing any mention of "SR Telecom" without the requirement (if any) of obtaining director or shareholders' approval pursuant to any Federal or Provincial Legislation, and if Petitioner fails to do within the stipulated delay, **AUTHORIZES AND ORDERS** the Monitor, to do so;

[19] **DECLARES** that the Order sought constitutes the only authorization required by the Petitioner to proceed with the Transaction and the Conveyance and, for greater certainty, **DECLARES** that the parties involved in the Transaction are exempted from requiring or obtaining any authorization that may have been required from any person or authority whatsoever;

[20] **DECLARES** that the Order to be rendered pursuant to the present Motion shall have full force and effect in all of the provinces and territories in Canada;

[21] **ORDERS** the sealing of Exhibits P-1 and P-2;

[22] **DECLARES** that this Court seeks and requests the aid and recognition of any Court or administrative body in any province of Canada, and any Canadian Federal Court or administrative body, as well as any Court or administrative body in any of the States of the United States of America or any other jurisdiction and any Federal Court or administrative body of the United States of America or any other jurisdiction, to assist the Petitioner and the Monitor, to carry out the terms of the conclusions of the present Motion;

[23] **ORDERS** the provisional execution of the Order notwithstanding any appeal and without the necessity of furnishing any security;

[24] **THE WHOLE WITHOUT COSTS.**



CHANTAL CORRIVEAU, J.S.C.