

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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)

No.: 500-11-031896-075

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

SR TELECOM INC.

Petitioner

- and -

RSM RICHTER INC.

Monitor

SECOND MOTION TO EXTEND THE STAY TERMINATION DATE
(Articles 9 and 11 of the *Companies' Creditors Arrangement Act*)

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN
COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL,
PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

PETITIONER AND PROCEEDINGS

1. On November 19, 2007, an initial Order ("**Initial Order**") was rendered by Honourable Justice Chantal Corriveau, J.C.S., pursuant to the *Companies Creditors Arrangement Act* in relation to SR Telecom Inc. (the "**Petitioner**");
2. A detailed description of the circumstances of Petitioner and the reasons for requesting the Initial Order are set out in the Motion for an Initial Order pursuant to Sections 4, 5 and 11 of the *Companies Creditors Arrangement Act* dated November 18, 2007 (the "**Initial Motion**");
3. On December 10, 2007, an order (the "**December 10 Order**") was rendered by Honourable Justice Chantal Corriveau J.C.S. wherein the Court, *inter alia*:
 - (a) Approved a key employee retention program; and
 - (b) Authorized Petitioner to enter into an amended agreement with Lazard Frères & Co. LLC;

4. On December 17, 2007, an order (the “**First Extension Order**”) was rendered by Honourable Justice Chantal Corriveau J.C.S. wherein the Court extended the Stay Termination Date (as defined in paragraph 7 of the Initial Order) to February 29, 2007;
5. Any capitalized terms that are not defined herein shall have the meanings ascribed in the Initial Order;

PURPOSE OF THIS MOTION

6. The purpose of this motion is to seek an extension of the Stay Termination Date to May 2, 2008;

THE MONITOR’S REPORT

7. Petitioner files herewith as Exhibit P-1 the second report of the designated Monitor on the state of Petitioner’s financial affairs dated February 27, 2008 (the “**February Monitor’s Report**”);
8. The February Monitor’s Report deals, *inter alia*, with the following:
 - (a) the Petitioner’s ongoing efforts to sell its operating assets on a going concern basis (the “**Sales Process**”);
 - (b) the Petitioner’s attempts to monetize certain of its significant tax attributes;
 - (c) the sale transaction relating to Petitioner’s “SR 500”, “SR 100” and “Airstar” product lines, and the conclusion of a service agreement in relation thereto;
 - (d) the Petitioner’s negotiations in respect of the sale of its intellectual property relating to the “Airstar” product line;
 - (e) ongoing operational and other restructuring measures, including in relation to Petitioner’s: (i) customers and negotiation of accelerated payment terms, (ii) work force (iii) contract manufacturers, and (iv) foreign operations
 - (f) Petitioner’s financial position, including its balance sheet, cash balances, accounts receivable, accounts payable and other assets, its indebtedness and its liquidity position; and
 - (g) the activities of the Monitor;

CONCLUSIONS SOUGHT

9. As mentioned in the Initial Motion, the core of the Petitioner’s restructuring plan is to capitalize on the upcoming opportunities that WiMAX presents through the sale of its assets or business on a going concern basis to a strategic purchaser, who will be able to

provide continued employment for the employees and preserve customer and supplier relationships;

10. As appears from the February Monitor's Report, Petitioner has acted and is continuing to act in good faith and with due diligence in relation to its financial and operational restructuring, as well as in relation to the Sales Process, the whole with a view to preserving the value of its business and assets, to realizing such value to the benefit of its stakeholders in the context of the sales process and to being able to present a plan of arrangement to its creditors;
11. Petitioner requests an extension of the Stay Termination Date to May 2, 2008 in order to have the necessary time to (a) conclude the Sales Process, (b) continue the process in relation to the monetization of its tax attributes, and (c) present a plan of compromise or arrangement to its creditors, the whole under the continued and necessary protection afforded to it under the terms of the Initial Order;
12. It is also the Monitor's view that Petitioner:
 - (a) has and continues to act in good faith;
 - (b) needs additional time under court protection in order to complete the Sales Process and present a plan of arrangement to its creditors; and
 - (c) has not prejudiced its creditors and has paid for liabilities incurred since the rendering of the Initial Order;
13. Petitioner also submits that the extension requested is necessary in order to allow for its restructuring under the CCAA, and to protect and preserve the interests of its stakeholders, including its creditors, and that such extension will not prejudice any of the parties involved;
14. The present Motion is well founded in fact and in law;

WHEREFORE MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT this Motion;

DECLARE that the time for service of the present Motion is hereby abridged such that the Motion is properly presentable, and further the Petitioner is dispensed from any requirements for further service of the Motion;

ORDER that the order rendered Coriveau J. on November 19, 2007 (the "**Initial Order**") remain in full force and effect and that the Stay Termination Date (as defined in paragraph 7 of the Initial Order) be hereby extended to May 2, 2008;

DECLARE the orders to be rendered pursuant hereto executory notwithstanding any appeal therefrom or application seeking leave to appeal therefrom;

THE WHOLE WITHOUT COSTS, save and except in case of contestation.

MONTREAL, February 27, 2008

(SGD) *Osler, Hoskin & Harcourt LLP*

OSLER, HOSKIN & HARCOURT L.L.P.
Attorneys for the Petitioner
SR TELECOM INC.

TRUE COPY

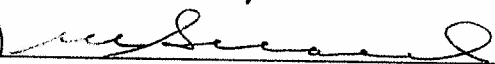
Osler, Hoskin & Harcourt LLP
Osler, Hoskin & Harcourt LLP

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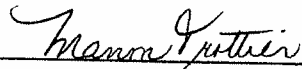
I, the undersigned, Marc Girard, business person, domiciled and residing at 392 Des Roselins, city of Verdun, district of Montréal, Province of Québec, H3E 1X8, solemnly declare the following:

1. I am the Chief Financial Officer of Petitioner and I am duly authorized for purposes hereof;
2. I have taken cognizance of the present Motion to Extend the Stay Termination Date;
3. All the facts alleged in the said motion are true.

AND I HAVE SIGNED

(SGD) 
Marc Girard

SOLEMNLY AFFIRMED BEFORE ME IN MONTRÉAL
on the 27th day of February 2008

(SGD) 
COMMISSIONER OF OATHS
FOR THE JUDICIAL DISTRICT OF



TRUE COPY


Osler, Hoskin & Harcourt LLP

NOTICE OF PRESENTATION

**TO: DDJ CAPITAL MANAGEMENT,
LLC
GUARDIAN CAPITAL L.P.
GREYWOLF LOAN
PARTICIPATION LLC
NORTH POLE CAPITAL
MASTER FUND
MORGAN STANLEY & Co.
INTERNATIONAL PLC
MORGAN STANLEY PRINCIPAL
STRATEGIES, INC.
THALES HOLDINGS LTD.
BNY TRUST COMPANY OF
CANADA**

C/O S. Mtre. Richard Orzy
BENNETT JONES LLP
3400 One First Canadian Place
PO Box 130
Toronto, Ontario, M5X 1A4

-and-

C/O Mtre. Gerald F. Kandestin
KUGLER KANDESTIN
1 Place Ville-Marie
Suite 2101
Montreal, Quebec, H3B 2C6

**Attorneys for the above noted
parties**

**TO: Mtre. Bertrand Giroux
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**Attorneys for Triton
Électronique inc.**

TO: Mtre. Jean Fontaine
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Montreal, Quebec, H3B 3V2

- and -

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Montreal, Quebec, H3B 3V2

Attorneys for the Monitor

TO: Mtre. Denis Ferland
**DAVIES WARD PHILLIPS
& VINEBERG**
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Montréal QC H3A 3N9
**Attorneys for Catalyst Fund
Limited Partnership I**

TO: Mtre. Marc F. Tremblay
**MORENCY SOCIÉTÉ
D'AVOCATS s.e.n.c.**
500 Place d'Armes
Suite 2420
Montreal, QC H2Y 2W2
**Attorneys for Components
International**

TAKE NOTICE that the attached *Motion to Extend the Stay Termination Date* will be presented for hearing and allowance in room 15.07 at 9:45 a.m. at the Montreal Courthouse, 1 Notre-Dame Street East, Montreal, on February 29, 2008, or so soon thereafter as Counsel may be heard.

DO GOVERN YOURSELF ACCORDINGLY.

MONTREAL, February 27, 2008

(SGD) Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT L.L.P.

Attorneys for the Petitioner

SR TELECOM INC.

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Osler, Hoskin & Harcourt LLP
Osler, Hoskin & Harcourt LLP

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Monitor

LIST OF EXHIBITS

TAKE NOTICE that in support of its Motion, Petitioner intends to introduce as evidence the following Exhibit:

P-1 Report of the Designated Monitor on the State of Petitioner's Financial Affairs dated February 27, 2008.

MONTREAL, February 27, 2008

(SGD) *Osler, Hoskin & Harcourt LLP*

OSLER, HOSKIN & HARCOURT L.L.P.

Attorneys for the Petitioner

SR TELECOM INC.

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No: 500-11-031896-075

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Commercial Division
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

SR TELECOM INC.,

Petitioner

and

RSM RICHTER INC.,

Monitor

**SECOND MOTION TO EXTEND THE STAY
TERMINATION DATE, AFFIDAVIT, NOTICE OF
PRESENTATION, LIST OF EXHIBITS AND
EXHIBIT P-1**

COPY

M^c Martin Desrosiers
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Code : BO 0323n/d: **MD4746-1106255**

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