

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N^o: 500-11-033234-085

DATE : June 4, 2009

PRESIDING: The Honourable Robert Mongeon, J.S.C.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED:**

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

ORDER

CONSIDERING the Petitioners' Motion for an Order Authorizing a Call for Tenders Process, the Affidavit and the Exhibit in support thereof and the representations made by Counsel for the Petitioners;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the Motion for an Order Authorizing a Call for Tenders Process (the "**Motion**");
- [2] **DECLARES** that notices given of the presentation of the Motion are proper and sufficient;
- [3] **APPROVES** the following timetable with the steps described therein and the deadlines provided for the fulfillment of such steps, the whole subject to modifications authorize by the Monitor RSM Richter Inc.:

<u>Steps</u>	<u>Description</u>	<u>Deadline</u>
1.	Execution of the confidentiality and the non-disclosure agreement by the interested parties	June 26, 2009
2.	End of the due diligence period and access to the virtual data room	July 10, 2009
3.	Filing of the offers	July 10, 2009
4.	Opening of the offers	July 10, 2009
5.	Clarification and improvement of the offers, if needed	July 17, 2009
6.	Approbation of the offers by the Petitioners	July 17, 2009
7.	Approval by the Court of the various offers accepted	July 24, 2009

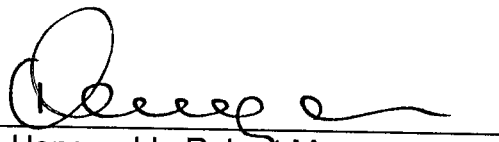
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- [4] **ORDERS** that any offer which the Petitioners will receive pursuant to this Order shall include the following terms and conditions:
 - (i) an attestation from a Canadian financial institution confirming the financial capacity of the offeror to satisfy all the financial obligations arising from its offer. If the financing is provided by a third party or a financial institution, a copy of the offer to finance must be joined to the offer;

- (ii) a deposit of ten percent (10%) of the purchase price offered will need to be remitted to the Monitor, who will keep such deposit in its trust account;
- (iii) a provision that the offeror will purchase the assets (or possibly the shares in the case of Jaymar Inc.) on an "as is where is basis";
- (iv) a provision that the offeror will purchase without representations and warranties, save that the relevant Petitioners are the owner of the purchased property;
- (v) the lots of the Non-Core Assets, Jaymar and the Shermag Business can only be purchased on an "*en bloc*" basis;
- (vi) the offer shall not be subject to any financing condition; and
- (vii) an undertaking to respect the timetable described above.

- [5] **ALLOWS** the Petitioners and the Monitor RSM Richter Inc. to seize this Court of any difficulty which might arise during the sale process that the Petitioners and the Monitor will undertake pursuant to this Order;
- [6] **APPROVES** the confidentiality agreement, the newspaper notice and the confidential information memorandums filed *en liasse* as Exhibit R-1, the whole subject to any amendments approved by the Monitor RSM Richter Inc.;
- [7] **ORDERS** the sealing of the confidentiality agreement, the press release and the confidential information memorandums filed *en liasse* as Exhibit R-1;
- [8] **DECLARES** that unless required by any purchaser, no other Court approval should be required to sell and dispose of the Non-Core Assets, Jaymar or the Shermag Business as defined at paragraph 8 of the Motion;
- [9] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security;

[10] THE WHOLE without costs.



The Honourable Robert Mongeon, J.S.C.

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