

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N^o: 500-11-033234-085
DATE : November 4, 2008

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

- and -

INDUSTRIAL RECOVERY SERVICES, INC.

- and -

M.G. MARTIN AUCTIONEERS INC.

ORDER

CONSIDERING Petitioners' Motion for an Order Approving an Agreement, the Affidavit in support thereof and the representations made by Counsel for the Petitioners;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** Petitioners' Motion for an Order Approving an Agreement;
- [2] **DECLARES** 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] **DECLARES** sufficient the service of Petitioners' Motion for an Order Approving an Agreement and prior notice of its presentation;
- [4] **AUTHORIZES** Shermag Inc. ("**Shermag**") to enter into the Agreement with Industrial Recovery Services, Inc. ("**IRS**") and M.G. Martin Auctioneers Inc. ("**Martin**") communicated as Exhibit R-1 and **DECLARES** that same is valid and enforceable;
- [5] **ORDERS** the sealing of Schedule "**A**" of the Agreement (Exhibit R-2);
- [6] **AUTHORIZSE** Shermag, IRS and Martin to modify, by mutual consent, the content of Schedule "**A**". Said modification(s) or change(s) to Schedule "**A**" shall be in writing;
- [7] **AUTHORIZES** Shermag to sign and execute any agreement, contract, deed or any other document ancillary or related to the Agreement, which could be required or useful to give full and complete effect thereto;
- [8] **ORDERS AND DECLARES** that upon completion of the sales contemplated by the Agreement, the surplus equipment more fully described in the Agreement at Schedule "**A**" (the "**Auctioned Surplus Equipment**"), shall be vested to the purchaser of said equipment, free and clear of and from any and all encumbrances, rights, claims, security interests, hypothecs, trusts or deemed

trusts, liens, charges, mortgages, priorities, whether or not they have been rendered opposable against third persons or have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing, the CCAA Charges (as defined in the Initial Order) and any charges, hypothecs or other security interests Geosam Investment Limited ("**Geosam**") has on said Auctioned Surplus Equipment but in that latter case, upon remittance to it of the purchase price related to said Auctioned Surplus Equipment, less the Flat Fee, Buyer's Premium and the Consignee Fee (as said terms are defined in the Agreement);

- [9] **DECLARES** that the Agreement and any sale concluded pursuant thereto cannot be attacked or voided as a reviewable transaction or for any other reason whatsoever and that it shall be deemed valid for all intents and purposes;
- [10] **DECLARES** that the vesting of the Auctioned Surplus Equipment pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioner and shall not be void or voidable nor shall it be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the CCAA or the Bankruptcy and Insolvency Act or any other applicable federal or provincial legislation;
- [11] **ORDERS** Martin and IRS to pay by wire transfer the proceeds of the sale of the Auctioned Surplus Equipment directly to Geosam less the Flat Fee, Buyer's Premium and the Consignee Fee (as said terms are defined in the Agreement);
- [12] **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 States of the United States of America and any Federal Court or administrative body of the United States to assist Petitioners in carrying out the terms of this Order;

[13] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

[14] **THE WHOLE** without costs.

(S) ROBERT MONGEON
The Honourable Robert Mongeon, J.S.C.

COPIE CONFORME
Jules Fournier
Greffier adjoint