

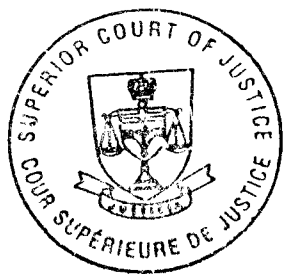
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR .) THURSDAY, THE TWENTY-EIGHTH
)
JUSTICE LEDERMAN) DAY OF AUGUST, 2008

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PCL PACKAGING CORPORATION

APPROVAL AND VESTING ORDER



THIS MOTION, made by PCL Packaging Corporation (the "Vendor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Vendor and 0804235 B.C. Ltd. (the "Purchaser") made as of August 15, 2008, and vesting in the Purchaser the Vendor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the report of the BDO Dunwoody Limited, in its capacity as monitor of the Vendor (the "Monitor") dated August 22, 2008 (the "Seventh Report") and on hearing the submissions of counsel for the Vendor, counsel for the Monitor and counsel for GMAC Commercial Finance Corporation - Canada, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Patricia Kokkinakos sworn August 22, 2008 filed:

EXTENSION OF STAY PERIOD

1. THIS COURT ORDERS that the Stay Period referred to in paragraph 14 of the Initial Order be and the same is hereby extended until January 16, 2009 or such later date as this Court may order.

APPROVAL OF MONITOR'S ACTIVITIES

2. THIS COURT ORDERS that the Seventh Report and all of the activities of the Monitor described therein be and they are hereby approved.

APPROVAL AND VESTING

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Vendor and its stakeholders. The execution of the Sale Agreement by the Vendor is hereby authorized and approved, and the Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Vendor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including the real property described in Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Campbell dated January 25, 2008; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for

greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS that upon the registration in the Land Registry Office No. 20 for the Land Titles Division of Halton of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

6. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a settlement,

fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

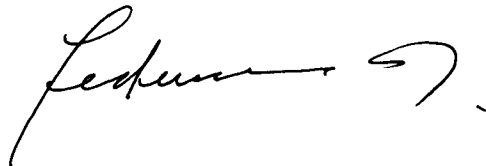
9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

TEMPORARY SEALING ORDER

10. THIS COURT ORDERS that Appendices E and G of the Seventh Report shall be sealed until the transactions contemplated by the Sale Agreement have been completed or until further order of this Court.

AID AND RECOGNITION

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 02 2008

PER/PAR:  Joanne Nicoara
Registrar, Superior Court of Justice

Schedule A – Form of Monitor’s Certificate

Court File No. 08-CL-7375

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PCL
PACKAGING CORPORATION

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (the "Court") dated January 25, 2008, BDO Dunwoody Limited was appointed as the Monitor (the "Monitor") of PCL Packaging Corporation (the "Vendor").

B. Pursuant to an Order of the Court dated August 28, 2008, the Court approved the agreement of purchase and sale made as of August 15, 2008 (the "Sale Agreement") between the Vendor and 0804235 B.C. Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Vendor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article ~~12~~¹³ of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 11 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**BDO Dunwoody Limited, in its capacity as
Monitor of PCL Packaging Corporation, and
not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Real Property

2300 Speers Road, Oakville

PIN 24850-0623 (LT):

Parcel 28-12, Section T16
Part Lot 29, Concession 3, Trafalgar SDS,
being Part 1, Plan 20R5542

PIN 24850-0624 (LT):

Parcel 28-18, Section T16
Part Lot 29, Concession 3, Trafalgar SDS,
being Parts 12 and 22, Plan 20R5542,
subject to Instrument No. H165127

PIN 24850-0625 (LT):

Parcel 28-8, Section T16
Part Lot 29, Concession 3, Trafalgar SDS,
being Parts 1 and 2, Plan 20R525,
together with Instrument No. H62013 and
subject to Instrument No. H186443

PIN 24850-0626 (LT):

Part Lot 28, Concession 3, Trafalgar SDS,
being Parts 1 to 12, Plan 20R566
together with Instrument No. 360108and
subject to Instrument No. 253159 and 360108E

Oakville/Trafalgar

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. HR85991, being a Charge registered on November 23, 2001 in favour of The Toronto-Dominion Bank.
2. Instrument No. HR451273, being a Charge registered on January 31, 2006 in favour of GMAC Commercial Finance Corporation.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Instrument No. BL451, being a by-law registered on May 31, 1950.
2. Instrument No. 116026, being a by-law registered on October 4, 1960.
3. Instrument No. 133411, being an Order of the Ontario Municipal Board in the matter of the amalgamation of the Town of Oakville and the Township of Trafalgar registered on January 11, 1962.
4. Instrument No. 253159, being an easement registered on August 14, 1968 in favour of The Bell Telephone Company of Canada.
5. Instrument No. E360108, being an easement registered on April 27, 1973 in favour of The Corporation of the Town of Oakville.
6. Instrument No. H165127, being an easement registered on March 20, 1981 in favour of The Corporation of the Town of Oakville.
7. Instrument No. H186443, being an easement registered on June 1, 1982 in favour of The Corporation of the Town of Oakville.

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PCL PACKAGING CORPORATION

(Short title of proceeding)

Court File No. 08-CL-7375

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(RETURNABLE AUGUST 28, 2008)**

McMILLAN LLP
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Toronto, Ontario
M5J 2T3

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Solicitors for the Applicant