

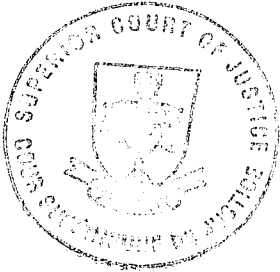
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)

WEDNESDAY, THE 18th

JUSTICE H.J. WILTON-SIEGEL)

DAY OF FEBRUARY, 2009.



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 SERTAPAK INC. (the "Applicant")

ORDER

THIS MOTION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Monitor's First Report and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Monitor, no one appearing for Bank of Montreal ("BMO"), Business Development Bank ("BDC") and Century Services LP ("Century") although duly served as appears from the affidavit of service of Tracey Baker sworn February , 2009;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that any and all defined terms not defined in this Order have the meanings as set out in the Order of the Honourable Mr. Justice Campbell, dated January 20, 2009 (the "Initial Order").

EXTENSION OF THE STAY PERIOD

3. THIS COURT ORDERS that the Stay Period as set out in paragraph 9 of the Initial Order is hereby extended to April 15, 2009.

PLAN OF ARRANGEMENT

4. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan") between, *inter alia*, the Applicant and one or more classes of its secured and/or unsecured creditors as it deems appropriate.

RESTRUCTURING

5. THIS COURT ORDERS that the Applicant shall have the right to:
- (a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding \$50,000.00 in any one transaction or \$250,000.00 in the aggregate, subject to paragraph 5(c), if applicable;
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the

Applicant and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

- (c) in accordance with paragraphs 6 and 7, vacate, abandon or quit the whole but not part of any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than fourteen (14) days notice in writing to the relevant landlord on such terms as may be agreed upon between the Applicant and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;
- (d) repudiate such of its arrangements or agreements of any nature whatsoever, whether oral or written, as the Applicant deems appropriate on such terms as may be agreed upon between the Applicant and such counter-parties, or failing such agreement, to deal with the consequences thereof in the Plan; and
- (e) pursue all avenues of refinancing and offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above),

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

6. THIS COURT ORDERS that until such time as the Applicant delivers a notice in writing to repudiate a real property lease in accordance with paragraph 5(c) of this Order (a "Notice of Repudiation"), the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, monthly on the first of each month, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid. Upon delivery

of a Notice of Repudiation, the Applicant shall pay all Rent due for the notice period stipulated in paragraph 4(c) of this Order, to the extent that Rent for such period has not already been paid.

7. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant repudiates the lease governing such leased premises in accordance with paragraph 4(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in paragraph 4(c) of this Order), and the repudiation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

8. THIS COURT ORDERS that if a Notice of Repudiation is delivered, then (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

9. THIS COURT ORDERS that the marketing and sales process in regards to the Property and/or Business as described in the Monitor's First Report is hereby approved. In addition, the Applicant is hereby granted the ability to vary the marketing and sales process and/or the

timetable for this process without the need for further court order, provided that the Monitor consents to such variations.

MONITOR'S POWERS

10. THIS COURT ORDERS that in addition to its prescribed rights and obligations set out in the CCAA or in the Initial Order (in particular paragraph 19) the Monitor is hereby directed and empowered to:

- (a) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (b) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (c) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan;
- (d) assist the Applicant in the marketing and sales process as required; and
- (e) perform such other duties as are required by this Order or by this Court from time to time.

11. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

12. THIS COURT ORDERS that the Monitor's preliminary report, filed in its capacity as proposed Monitor, dated January 16, 2009, and the Monitor's First Report, dated February 13, 2009, and the activities of the Monitor as described therein, are hereby approved.

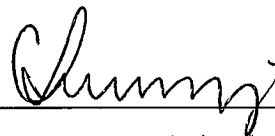
GENERAL

13. 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 Applicant, the Monitor and their respective 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

14. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

15. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

16. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



Christina Irwin
Registrar, Superior Court of Justice

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ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 19 2009

PER / PAR: 

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**ONTARIO SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED
AT TORONTO, ONTARIO

ORDER

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