

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

SUPERIOR COURT  
COMMERCIAL DIVISION

(Sitting as Tribunal designated under the  
*Companies' Creditors Arrangement Act*, R.S.C.  
1985, c. C-36)

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N°: 500-11-047820-143

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

**BÉTON BRUNET LTÉE;**

and

**7507852 CANADA INC. (doing business under the name Next Polymers);**

and

**GESTIONS R.C.F.L. INC. (doing business under the name Produits de béton Soulanges);**

and

**LES PRODUITS DE BÉTON CASAUBON INC.;**

and

**DISTRIBUTION BRUNET INC.;**

and

**BÉTON BRUNET 2001 INC./BRUNET CONCRETE 2001 INC.;**

and

**7956517 CANADA INC. (doing business under the name Industries B&X);**

and

**6353851 CANADA INC.;**

and

**9197-8379 QUÉBEC INC.;**

and

**7507917 CANADA INC.;**

**Debtors-Petitioners**

IG 2270

and

**GROUPE BÉTON BRUNET 2001 INC.;**

and

**LES ÉQUIPEMENTS BÉTON BRUNET 2001 INC.;**

and

**7507895 CANADA INC.;**

and

**7956509 CANADA INC.;**

and

**7507925 CANADA INC.;**

and

**8091188 CANADA INC.;**

and

**BERNARD BRUNET;**

**Mis en Cause Guarantors**

and

**7507879 CANADA INC.;**

**Mise en cause Guarantor HSBC**

and

**BANQUE HSBC CANADA;**

and

**ERNST & YOUNG INC. (Mister Martin P.  
Rosenthal, CPA, CA, CIRP);**

and

**7956592 CANADA INC.;**

and

**U.S. CONSTRUCTION SUPPLY CORP.;**

and

**CONCRETE PRODUCTS OF THE PALM  
BEACHES, INC.;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF BEAUHARNOIS;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF JOLIETTE;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF QUÉBEC;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF LAVAL;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF VAUDREUIL;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF GATINEAU;**

and

**LAND REGISTRAR OF THE LAND REGISTRY  
OFFICE OF LABELLE;**

**THE LAND REGISTRAR, LAND TITLES  
DIVISION OF GREENVILLE (NO. 15);**

**Other Mis en Cause**

and

**RAYMOND CHABOT INC. (Jean Gagnon, CPA,  
CA, CIRP);**

**Monitor**

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**SANCTION AND EXIT LENDER CHARGE ORDER**  
(Sections 6, 11 and 11.2 of the Companies' Creditors Arrangement Act  
(R.S.C. 1985, c. C-36) (the "CCAA"))

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**CONSIDERING** the *Requête pour l'homologation du Plan de transaction et d'arrangement et pour l'octroi d'une charge en faveur du prêteur à l'émergence et autres conclusions* dated February 26, 2015 (the "**Motion**") presented by Béton Brunet Ltée ("**Béton Brunet**"), 7507852 Canada Inc. (doing business as Next Polymers) ("**Polymères**"), Gestions R.C.F.L. Inc. (doing business as Produits de béton Soulanges ("**PBS**"), Les Produits de Béton Casaubon Inc. ("**Casaubon**"), Distribution Brunet Inc. ("**Distribution**"), Béton Brunet 2001 Inc. ("**BB 2001**"), 7956517 Canada Inc. (doing business as Industries B&X) ("**B&X**"), 6353851 Canada Inc. ("**3851**"), 9197-8379 Québec Inc. ("**8379**") and 7507917 Canada Inc. ("**7917**") (each, a "**Debtor**" and, collectively, the "**Debtors**") under the CCAA, the Exhibits filed in support thereof, the affidavit of Bernard Brunet in support thereof, and the submissions of counsel present during the hearing;

**CONSIDERING** the Monitor's Report in support of the Approval of the Plan dated February 9, 2015 and the Monitor's Report on the Sanction of the Plan dated February 26, 2015 (the "**Monitor's Report**") filed by Raymond Chabot Inc. (the "**Monitor**");

**CONSIDERING** the provisions of the CCAA;

**WHEREFORE, THE COURT:**

1. **GRANTS** the Motion.
2. **ISSUES** the present Sanction Order (the "**Order**");
3. **ORDERS** that capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Plan of Compromise and Arrangement dated January 30, 2015 ("*Plan de transaction et d'arrangement*") of the Debtors pursuant to the CCAA, as rectified on February 3, 2015 and executed February 4, 2015 (as amended on February 6, 2015, re-amended on February 24, 2015 and re-re-amended on February 25, 2015 and as it may be further amended by the Debtors from time to time, the "**Plan**"), filed as Exhibit R-1 in support of the Motion;

**SERVICE AND MEETING**

4. **ORDERS AND DECLARES** that there has been good and sufficient service, delivery and notice of the Meeting Materials ("*Documents relatifs à l'assemblée des créanciers*") (made available to the Affected Creditors ("*Créanciers visés*") on February 6, 2015) and that the Creditors' Meeting ("*Assemblée des créanciers*") was duly called, convened held and conducted in accordance with the CCAA and the Orders ("*Ordonnances*") rendered by this Court, including without limitation the Filing of the Plan and Creditors' Meeting Order rendered by this Court on February 3, 2015 ("*Ordonnance relative au dépôt du Plan d'arrangement et à l'assemblée des créanciers*");
5. **DECLARES** that the Debtors have given sufficient prior notice of the presentation of this Motion to interested parties and **EXEMPTS** the Debtors from service or providing any notice of presentation of the Motion other than the service and notice already given;

**SANCTION OF PLAN**

6. **ORDERS AND DECLARES** that:

- (a) the Plan has been approved by the Required Majority of Affected Creditors ("*Majorité requise des Créanciers visés*");
- (b) the Debtors have complied with the provisions of the CCAA and the Orders rendered by this Court in the course of these CCAA proceedings;
- (c) the Court is satisfied that the Debtors have not nor purported to do anything that is not authorized by the CCAA;
- (d) the Debtors have acted in good faith and with due diligence and the Plan and the transactions contemplated therein are fair and reasonable;

7. **ORDERS AND DECLARES** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA and that, on the Plan Implementation Date ("*Date de mise en oeuvre*"), it shall be effective and applicable to the benefit of and be binding upon (i) the Debtors, (ii) the Monitor and its legal counsel in the CCAA Proceedings, (iii) the Mis-en-Cause Guarantors Groupe Béton Brunet 2001 Inc., Les Équipements Béton Brunet 2001 Inc., 7956509 Canada Inc., 7507925 Canada Inc., 7507895 Canada Inc., 8091188 Canada Inc. and Bernard Brunet (collectively, the "**Mis-en-Cause Guarantors**"), and (iv) the past or present directors or officers of the Debtors and of the Mis-en-Cause Guarantors (the "**Directors**") and any other past and present employees, legal counsel, accountants, financial advisors, consultants, mandataries and agents of the Debtors and the Mis-en-Cause Guarantors in those capacities (collectively, the "**Released Parties**" (les "*Parties quittancées*"));

#### PLAN IMPLEMENTATION

8. **DECLARES** that the Debtors and the Monitor are hereby authorized and directed to take all steps and actions, and to do all such things, as determined by the Debtors and/or the Monitor, respectively, to be necessary or appropriate to implement the Plan in accordance with its terms and as contemplated thereby, and to enter into, adopt, execute, deliver, implement and consummate all of the steps, transaction and agreements, as required by the Debtors and/or the Monitor, respectively, as contemplated by the Plan;
9. **DECLARES** that the payment of instalments by the Debtors to the Monitor and the distribution of monies by the Monitor, the whole pursuant to the Plan, require no approval in addition to this Order, such that no certificate nor authorization shall be issued and that the Directors and Monitor shall not incur any liabilities in relation thereto under any applicable Laws ("*Lois*"), including without limiting the foregoing section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada) and section 14 of the *Tax Administration Act* (Québec);
10. **ORDERS AND DECLARES** that all distributions and all the payments made by or at the direction of the Monitor, in each case on behalf of the Debtors, under the Plan, are for the account of the Debtors and the fulfillment of their obligations under the Plan;
11. **ORDERS** that the Plan and all associated steps, compromises, transactions, arrangements, releases, offsets, cancellations and reorganizations effected thereby are hereby approved, shall be deemed to be implemented and shall be binding and effective as of the Plan Implementation Date in accordance with the terms of the Plan and shall

enure to the benefit and be binding on the Released Parties, the Affected Creditors and all Persons ("*Personnes*") affected by the Plan;

12. **ORDERS** that upon delivery of a written notice from the Debtors of the fulfilment or waiver of the conditions precedent to the implementation of the Plan as set out in paragraph 8.1 of the Plan, the Monitor shall deliver the Plan Implementation Certificate ("*Attestation de mise en oeuvre*") in accordance with paragraph 8.3 of the Plan and shall file with the Court a copy of such certificate as soon as reasonably practicable on or following the Plan Implementation Date and shall post a copy of same, once filed, on the Monitor's website;
13. **ORDERS** that upon the filing with this Court of the Plan Implementation Certificate pursuant to paragraph 8.3 of the Plan, the Plan Implementation Date shall occur and all of the condition precedents to the implementation of the Plan set out in paragraph 8.1 of the Plan shall have been satisfied and be deemed to be satisfied and the Plan and associated steps, transactions, compromises, and arrangement shall be implemented in accordance with the terms of the Plan;

#### **COMPROMISE OF AFFECTED CLAIMS ("*Réclamations visées*")**

14. **ORDERS AND DECLARES** that pursuant to and in accordance with the Plan, on the Plan Implementation Date, any and all Affected Claims of any nature whatsoever against the Released Parties shall be forever compromised, discharged and released and the ability of any Person to proceed against the Released Parties in respect of or relating to any such Affected Claims shall be and shall be deemed to be forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims shall be permanently stayed against the Released Parties. Thus, on the Plan Implementation Date, a novation will be effected such that the only obligation of the Debtors in respect of the Affected Claims will be those prescribed by the Plan, and the only rights of the Affected Creditors in respect of the Affected Claims will be to receive distributions in respect of their Proven Claims in the manner and to the extent provided for by the Plan;
15. **DECLARES** that all Proven Claims determined in accordance with the Claims Process Order ("*Ordonnance relative au traitement des réclamations*") and the Plan are final and binding on the Debtors on all the Affected Creditors;
16. **ORDERS AND DECLARES** that any Affected Claims, including Claims ("*Réclamations*") for which a Mis-en-Cause Guarantor is or may be responsible in whole or in part, in its capacity as guarantor of the Debtors or otherwise, but, for greater clarity, excluding any claim of any creditor against the Mis-en-cause Guarantor for any obligation unrelated to a Claim, for which a Proof of Claim ("*Preuve de Réclamation*") has not been filed by the "Claims, Claims against the Directors and Officers and Claims against the Other Brunet Parties Bar Date" ("*Date limite de dépôt des Réclamations, des Réclamations contre les Administrateurs et les Dirigeants et des Réclamations contre les Autres parties Brunet*") in accordance with the Claims Process Order or any subsequent Order shall be and are hereby forever barred, extinguished and released, whether or not the holder of such Claim has received notification of the claims process established by the Claims Process Order. Nothing in the Plan extend to or shall be interpreted as extending or amending the Bar Date to File Claims and Claims Against Officers and Directors and the Bar Date for Restructuring claims or gives or shall be interpreted as giving any rights to any

Person in respect of claims that have been barred or extinguished pursuant to the Claims Process Order;

17. **ORDERS** that each Person named or referred to in, or subject to, the Plan, shall be and is hereby deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and each Person named or referred to in, or subject to, the Plan, shall be and is hereby deemed to have executed and delivered to the Debtors all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
18. **ORDERS** that from and after the Plan Implementation Date, each Person shall be deemed to have waived any right of recourse against the Released Parties because of the defaults of the Debtors (save and except the defaults in respect to the liens, contracts, acts, discharges or other documents delivered or concluded in respect of or pursuant to the Plan) then existing or previously committed or caused by the Debtors, directly or indirectly, or the non-performance of a commitment, commitment to do or not to do, guarantee, declaration, modality, disposition, condition or obligation, express or implied, of a contract, a credit document, a sale agreement, a lease or any contract, written or verbal, as well as their modifications or supplements, existing between these Persons and the Debtors and stemming from the Procedures pursuant to the CCAA or the transactions envisioned in the Plan or furthermore, all notices of default and demands for payment under any instrument, including any guarantee stemming from this default, shall be deemed to have been annulled;
19. **DECLARES** that, subject to the performance by the Debtors of their obligations under the Plan, all contracts, leases, agreements and other arrangements to which the Debtors are parties and that have not been terminated or resiliated pursuant to the Initial Order ("*Ordonnance initiale*") shall be and remain in full force and effect, unamended, as of the Plan Implementation Date, and that no Person who is a party to any such contract, lease, agreement or other arrangement may terminate, rescind, refuse to perform or otherwise refuse to uphold its obligations or accelerate their maturity thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract, lease, agreement or other arrangement and no automatic termination shall have any validity or effect, by reason of:
- (a) any event that occurred on or prior to the Plan Implementation Date and is not continuing and that would have entitled such Person to enforce those rights or remedies (including defaults, events of default, or termination events arising as a result of the insolvency of the Debtors or of any transaction or arrangement completed as part of the Plan);
  - (b) the insolvency of the Debtors or the fact that the Debtors sought or obtained relief under the CCAA; and
  - (c) any compromises or arrangements effected pursuant to the Plan or any action taken or transaction completed pursuant to the Plan;

**FUND AND DISTRIBUTIONS BY THE MONITOR**

20. **ORDERS AND DECLARES** that the Fund ("*Fonds*") be established by the Debtors with the Monitor and that it be distributed by the Monitor to the holders of Proven Claims ("*Réclamations prouvées*") in the manner set forth in the Plan;

**RELEASES AND DISCHARGES**

21. **ORDERS AND DECLARES** that the compromises and releases set out in Article 6 of the Plan are approved and shall be binding and effective as of the Plan Implementation Date;
22. **ORDERS AND DECLARES** that from and after the Plan Implementation Date any and all Persons shall be and are hereby forever stayed from commencing, taking, applying for or issuing or continuing any and all steps, proceedings, claims, actions, causes of action, counterclaims, suits, whether directly, indirectly or otherwise, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Parties in respect of all Claims, indebtedness, liability, obligations and matters which are released and discharged pursuant to paragraph 21 of this Order and Article 6 of the Plan, whether directly, indirectly or otherwise;

**STAY OF PROCEEDINGS**

23. **EXTENDS** the Stay Period ("*Période de suspension*", as defined in the Initial Order and as extended from time to time) until the Plan Implementation Date;
24. **DECLARES** that the protections afforded under paragraph 12 and 13 of the Initial Order, as amended and extended from time to time, shall apply *mutatis mutandis* to the Released Parties;
25. **DECLARES** that all Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, exception to the extent that such Orders are varied by, or inconsistent with, this Order or any further Order of this Court;

**EXTENT OF THE ADMINISTRATION CHARGE**

26. **DECLARES** that the Administration Charge ("*Charge d'administration*") granted pursuant to the Initial Order in favour of the Monitor, the Monitor's legal counsel, the Debtors' legal counsel and the Monitor and the Debtors' respective advisers, in an amount of \$750,000, on all present and future movable and immovable, corporeal and incorporeal, personal and real, tangible and intangible assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively, "**Property**") of the Debtors as security for the professional fees and disbursements incurred both before and after the making of the Initial Order and directly related to these CCAA proceedings, the restructuring of Debtors' business and financial affairs and the Plan filed as Exhibit R-1 in support of the Motion, also applies to the Property of Mis-en-Cause Guarantors (excluding Bernard Brunet);



**DISCHARGE OF THE D&O CHARGE AND OF THE POLYMERS' CRITICAL SUPPLIER CHARGE AND REDUCTION OF THE AMOUNT OF THE LATTER CHARGE**

27. **ORDERS AND DECLARES** that the Directors' Charge ("*Charge des Administrateurs*") granted pursuant to the Initial Order in an amount of \$750,000 against the Property of Debtors will be released and forever discharged on the Plan Implementation Date, namely upon filing with this Court of the Plan Implementation Certificate, pursuant to paragraph 8.3 of the Plan;
28. **ORDERS AND DECLARES** that Polymers' Critical Supplier Charge ("*Charge des fournisseurs essentiels de Polymères*"), granted by the Order of this Court rendered on February 3, 2015 on Polymers' Property to secure Polymers' obligations towards Gestion Plastiques Management S.L., Wexford International, Fryman's Recycling #1 Inc. and Tartan Color ("**Polymers' Critical Suppliers**") up to an amount of \$500,000, is hereby reduced to a maximum value of \$100,000;
29. **ORDERS AND DECLARES** that upon the filing with the Court of a certificate confirming the full repayment of the amounts owed to Polymers' Critical Suppliers by the Monitor, Polymers' Critical Suppliers Charge will be forever released and discharged;

**EXIT LENDER CHARGE**

30. **RATIFIES AND APPROVES** the Exit Facility Commitment Letter dated February 23, 2015 between the Exit Lender Maynards Financial LP ("*Prêteur d'émergence*"), the Debtors, the Mis-en-Cause Guarantors and Bernard Brunet (as same may be amended, supplemented or replaced from time to time, the "**Exit Facility Agreement**"), filed *under seal* as Exhibit R-2 in support of the Motion;
31. **ORDERS** that the Debtors and the Mis-en-Cause Guarantor Groupe Béton Brunet 2001 Inc. be and are hereby authorized to borrow, repay and reborrow from the Exit Lender such amounts provided by the Exit Facility Agreement, on the terms and conditions set forth therein and in the Exit Financing Documents (as defined in paragraph 36 hereinafter), for the purpose of (i) repaying HSBC in accordance with the agreement dated February 3, 2015 between HSBC and the Debtors and their related parties, (ii) acquiring new equipment as approved by the Exit Lender; (iii) providing working capital as approved by the Exit Lender; and (iv) paying the fees and expenses associated with the Exit Financing Documents and such other amounts as may be permitted as per the terms of the Order and of the Exit Financing Documents (the "**Exit Facilities**");
32. **ORDERS** that the Debtors and the Mis-en-Cause Guarantors are hereby authorized to execute and deliver such credit agreements, security documents and other definitive documents (collectively the "**Exit Financing Documents**") as may be required by the Exit Lender in connection with the Exit Facilities, and the Debtors and the Mis-en-Cause Guarantors are hereby authorized to perform all of their obligations under the Exit Financing Documents;
33. **ORDERS** that the Debtors and the Mis-en-Cause Guarantors shall pay to the Exit Lender, when due, all amounts owing (including principal, interest, fees and expenses) provided by the Exit Financing Documents and shall perform all of their other obligations

to the Exit Lender pursuant to the Exit Financing Agreement, the Exit Financing Documents and the Order;

34. **DECLARES** that all of the Debtors' and the Mis-en-Cause Guarantors' Property, excluding Bernard Brunet's Property, is hereby subject to a charge and security for a maximum amount of \$20,000,000 (such charge and security is referred to herein as the "**Exit Lender Charge**" ("*Charge du prêteur d'urgence*")) in favour of the Exit Lender as security for all present and future amounts owing (including principal, interest, fees and expenses) by the Debtors and the Mis-en-Cause Guarantors to the Exit Lender under the Exit Facility Agreement and the Exit Financing Documents. The Exit Lender Charge shall have the priority established by paragraphs 38, 39 and 39(m)(i) of this Order;
35. **ORDERS** that the Exit Lender may, notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to publish, register, record or perfect the Exit Lender Charge in all jurisdictions where it deems it is appropriate and **ORDERS** that, upon request of the Exit Lender as the case may be, the Registrar of the Register of Personal and Movable Real Rights and the Registrars of each of the Land Registries in respect of each of the immovable properties described in this Order, and the equivalent officials for equivalent registries in the other provinces of Canada shall publish and record this Order as a charge, hypothec or other security interest, as the case may be, in favour of the Exit Lender as herein described;
36. **ORDERS** that the Exit Lender shall not take any enforcement steps in respect of the Exit Lender Charge without providing at least 5 business days written notice (the "**Notice Period**") of a default thereunder to the Debtors, the Mis-en-Cause Guarantors, the Monitor and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Exit Lender shall be entitled to take any and all steps under the Exit Facility Agreement, the Exit Lender Charge and any other recourses permitted at law (the "**Realization Proceedings**") (including, for greater certainty, hypothecary recourses under the *Civil Code of Quebec*), but without having to send any demands under Section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**");
37. **ORDERS AND DECLARES** that, for a period of 18 months following the date of this Order and subject to the rights of an interested Person to apply to this Court to vary or rescind the present conclusion of the Order, the Exit Lender may, in the course of Realization Proceedings, enter into the immovables or real property leased and occupied by the Debtors or the Mis-en-Cause Guarantors (the "Premises") and remove or take possession of any Property of the Debtors or of the Mis-en-cause located therein, subject however to the rights of secured creditors, if any, having rights in such Property, including, without limitation, such creditors' prior rights of enforcement and realization, if applicable. In the context of Realization Proceedings, the Exit Lender may also remain on the Premises for a maximum period of 90 days (subject to any postponement agreed by the parties) for the purpose of keeping, maintaining and storing all, or any portion, of the Property of the Debtors or of the Mis-en-cause Guarantors and foreclosing on the Exit Lender Charge applicable thereto by selling same on or within the Premises in one or more public or private sales in accordance with the terms, conditions and covenants of the applicable leases, subject to the payment by the Exit Lender:(i) to the landlords by the Exit Lender of a use and occupancy fee equal to the rent and additional rent under the applicable leases, including any utilities and/or conservatory

costs, if any, paid by the tenant to third parties, prorated for each day the Exit Lender remains on the Premises or, (ii) where a secured creditor has commenced enforcement against the immovable or real property, to such secured creditor a maintenance, security and occupancy fee of the Premises to be negotiated with it. For the avoidance of doubt, no fee shall be payable by the Exit Lender to merely enter and remove its collateral;

38. **DECLARES** that, notwithstanding paragraph 47 of the Initial Order and any subsequent orders rendered by this Court, the priorities of the Administration Charge, the Directors' Charge, the Exit Lender Charge, the Polymers' Critical Supplier Charge and the Additional Charge of HSBC to Guarantee the Excess Margin Deficit ("*Charge additionnelle de HSBC pour garantir le Déficit de margination excédentaire*") in an amount of \$4,000,000 against the Debtors' Property granted by the Initial Order in order to secure any Excess Margin Deficit ("*Déficit de margination excédentaire*", as defined in the Initial Order) and other valid and enforceable hypothecs and/or security interests of any secured creditor existing as of the date of the Initial Order, as between them with respect to all of each Debtor's present and future property in stock and inventory (excluding any equipment owned by the Debtors) and claims of any nature (including accounts receivable and incorporeal or intangible property) (the "Debtors' Current Assets"), shall be as follows:

- (a) first, the Administration Charge;
- (b) second, the Polymers' Critical Supplier Charge, but only in respect of Polymers' Current Assets (being understood that said charge, as reduced to \$100,000 in accordance with paragraph 28 herein, will be discharged in accordance with paragraph 29 hereto);
- (c) third, the Exit Lender Charge;
- (d) fourth, the Additional Charge of HSBC to Guarantee the Excess Margin Deficit;
- (e) fifth, the Directors' Charge (being understood that said charge will be discharged on the Plan Implementation Date); and
- (f) sixth, the other valid and enforceable hypothecs and/or security interests of any secured creditor existing as of the date of the Initial Order;

39. **DECLARES** that, notwithstanding paragraph 47 of the Initial Order and any subsequent orders rendered by this Court, the priorities of the Administration Charge, the Directors' Charge, the Exit Lender Charge, the Polymers' Critical Supplier Charge, the Additional Charge of HSBC to Guarantee the Excess Margin Deficit and the other valid and enforceable hypothecs and/or security interests of any secured creditor existing as of the date of the Initial Order, as between them with respect to all of the Debtors' Property other than the Debtors' Current Assets (including for greater certainty all of the Debtors' equipment and immovable assets), and including the following immovables (the "Debtors' Long Term Assets"):

- (a) Vacant land, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 444 of the Cadastre of Quebec, Registration Division of Beauharnois;

- (b) Land and building erected thereon bearing civic number 1625, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lots number 3 245 440 and 3 245 421 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (c) Land and buildings erected thereon bearing civic numbers 1695 and 1697, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 441 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (d) Land and building erected thereon bearing civic number 587, Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 418 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (e) Land and building erected thereon bearing civic number 581, Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 417 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (f) Land and building erected thereon bearing civic number 577, Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 416 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (g) Land and building erected thereon bearing civic number 567, Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 407 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (h) Land and building erected thereon bearing civic number 553, Ladouceur Street and a vacant land on Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lots number 3 938 012 and 3 938 013 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (i) Vacant land, Chevrier Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 420 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (j) Land and building erected thereon bearing civic number 2145, rang de la Rivière du Sud and a vacant land on Saint-Thomas Street, in Ste-Élisabeth, known and designated as being lots number 4 780 584 and 4 781 632 of the Cadastre of Quebec, Registration Division of Joliette;
- (k) Vacant land, Rivard Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 938 017 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (l) Land and building erected thereon bearing civic number 340, Churchill West Road, Prescott, Ontario, known and designated as PIN 68164 – 0143 (LT) and more fully described as PT LT R PL 19 PRESCOTT AS IN PR20513; T/W PR20513; T/W AN EASEMENT AS IN PR209090; T/W AN EASEMENT AS IN PR209089; TOWN OF PRESCOTT; and

- (m) Vacant land, Churchill West Road, Prescott, Ontario, known and designated as PIN 68164 – 0160 (LT) and more fully described as PT LT R PL 19 PRESCOTT PT 1 15R10844; T/W R-OF-WAY OVER PT 2, 15R10844 AS IN GC5882; TOWN OF PRESCOTT;

shall be as follows:

- (i) first, the Administration Charge;
- (ii) second, Polymers' Critical Supplier Charge, but only in respect of Polymers' Long Term Assets (being understood that said charge, as reduced to \$100,000 in accordance with paragraph 28 herein, will be discharged in accordance with paragraph 29 herein);
- (iii) third, the other valid and enforceable hypothecs and/or security interests of any secured creditor existing as of the date of the Initial Order, except HSBC;
- (iv) fourth, the Exit Lender Charge;
- (v) fifth, the Additional Charge of HSBC to Guarantee the Excess Margin Deficit; and
- (vi) sixth, the Directors' Charge (it being understood that said charge will be discharged on the Plan Implementation Date);

40. **DECLARES** that, notwithstanding the order rendered by this Court on February 3, 2015, the priorities of the Administration Charge, the Exit Lender Charge, the HSBC Charge on the Property of Additional Guarantors ("*Charge de HSBC sur les Biens des Cautions additionnelles donnés en garantie supplémentaire*") against the Property of Les Équipements Béton Brunet 2001 Inc., Groupe Béton Brunet 2001 Inc. and 7507895 Canada Inc., in an amount of \$3,000,000 granted by the order of this Court rendered on February 3, 2015 in order to secure any Excess Margin Deficit, and the other valid and enforceable hypothecs and/or security interests of any secured creditor existing as of the date of this Order, as between them with respect to the Property of the Mis-en-Cause Guarantors, including the following immovables (or, in the case of common areas, the Mis-en-Cause Guarantors' share therein):

- (a) Land and building erected thereon bearing civic number 11, local 1, East Park Street, in Salaberry-de-Valleyfield, known and designated as a private portion being lot number 4 724 276 of the Cadastre of Quebec, Registration Division of Beauharnois, with all shares in common portions related thereto;
- (b) Land and building erected thereon bearing civic number 11, local 3, East Park Street, in Salaberry-de-Valleyfield, known and designated as a private portion being lot number 4 724 278 of the Cadastre of Quebec, Registration Division of Beauharnois, with all shares in common portions related thereto;
- (c) Vacant land, East Park Street, in Salaberry-de-Valleyfield, known and designated as private portion being lots number 4 724 280 of the Cadastre of Quebec,

Registration Division of Beauharnois, with all shares in common portions related thereto;

- (d) Vacant land, East Park Street, in Salaberry-de-Valleyfield, known and designated as private portion being lots number 4 728 792 of the Cadastre of Quebec, Registration Division of Beauharnois, with all shares in common portions related thereto
- (e) Land and building erected thereon bearing civic number 11 East Park, local 103, in Salaberry-de-Valleyfield, known and designated as a private portion being lots number 4 122 233 of the Cadastre of Quebec, Registration Division of Beauharnois, with all shares in common portions related thereto;
- (f) Land and building erected thereon bearing civic number 11 East Park, local 104, in Salaberry-de-Valleyfield, known and designated as a private portion being lot number 4 122 234 of the Cadastre of Quebec, Registration Division of Beauharnois, with all shares in common portions related thereto;
- (g) Vacant land, MGR-Langlois Boulevard/East and North Side of Impasse Martin, in Salaberry-de-Valleyfield, known and designated as being lots number 3 473 441, 3 244 693, 3 244 744 and 3 473 442 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (h) Land and building erected thereon bearing civic number 1767, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lot number 3 244 694 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (i) Vacant land, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lot number 3 244 692 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (j) Vacant land, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 435 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (k) Land and building erected thereon bearing civic number 1595, MGR-Langlois Boulevard, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 439 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (l) Land and building erected thereon bearing civic number 573, Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 415 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (m) Land and building erected thereon bearing civic number 568, Ladouceur Street, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 438 of the Cadastre of Quebec, Registration Division of Beauharnois;

- (n) Land and building erected thereon bearing civic number 475, Impasse Martin, in Salaberry-de-Valleyfield, known and designated as being lot number 3 245 455 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (o) Land and building erected thereon bearing civic number 501, Impasse Martin and a vacant land on Impasse Martin, in Salaberry-de-Valleyfield, known and designated as being lots number 3 248 233 and 3 245 462 of the Cadastre of Quebec, Registration Division of Beauharnois;
- (p) Land and building erected thereon bearing civic number 1925, Léon-Harmel Street, in Québec City, known and designated as being lots number 1 738 040 and 1 738 039 of the Cadastre of Quebec, Registration Division of Quebec;
- (q) Land and buildings erected thereon bearing civic number 4300, Saint-Elzéar Boulevard and 4455 Louis-B.-Mayer Street, in Laval, known and designated as being lot number 2 575 643 of the Cadastre of Quebec, Registration Division of Laval;
- (r) Land and buildings erected thereon bearing civic number 1202, de l'Église Road and a vacant land on Cité des Jeunes Road, in St-Polycarpe, known and designated as being lots number 3 766 309 and 3 765 098 of the Cadastre of Quebec, Registration Division of Vaudreuil;
- (s) Land and building erected thereon bearing civic number 17A, du Pont Street, in Gracefield, known and designated as being lot 28-9-1, Range 5, Township of Wright, Registration Division of Gatineau;
- (t) Land and building erected thereon bearing civic number 300, du Moulin Avenue, in Mont-Laurier, known and designated as being lots number 3 048 514, 3 048 522 and 3 048 523 of the Cadastre of Quebec, Registration Division of Labelle;
- (u) Land and building erected thereon bearing civic number 379, de la Montagne Street, in Maniwaki, known and designated as being lots number 2 982 373 and 2 983 512 of the Cadastre of Quebec, Registration Division of Gatineau;
- (v) Land and building erected thereon bearing civic number 1550, Albiny-Paquette Boulevard and a vacant land on de la Providence Street, in Mont-Laurier, known and designated as being lots number 3 048 587 and 3 048 589 of the Cadastre of Quebec, Registration Division of Labelle;
- (w) Land and building erected thereon bearing civic number 1900, Cunard Street, in Laval, known and designated as being lot number 1 731 585 of the Cadastre of Quebec, Registration Division of Laval;
- (x) Vacant land, St-Thomas Street, in Ste-Elisabeth, known and designated as being lot number 4 780 583 of the Cadastre of Quebec, Registration Division of Joliette;
- (y) Land and building erected thereon bearing civic number 660, Ste-Anne Street, in Nominigüe, known and designated as being lot number 70, Range 6, Township of Loranger, Registration Division of Labelle;

- (z) Land and building erected thereon bearing civic number 333 Churchill Road West, in Prescott, Ontario, known as PIN 68 158-0051(LT) and more fully described as PT LT 1 W/S WALKER ST, 2 W/S WALKER ST BLK 15 PL 19 PRESCOTT; PT PARK LT 2 BLK 14 PL 19 PRESCOTT; PT WALKER ST PL 19 PRESCOTT CLOSED BY PR22701; LT 1 E/S WALKER ST BLK 15 PL 19 PRESCOTT; PT LT 2 E/S WALKER ST BLK 15 PL 19 PRESCOTT; PT LT M PL 19 PRESCOTT; PT LT 13 BLK 14 PL 19 PRESCOTT; LT 14 BLK 14 PL 19 PRESCOTT; PT LT 15-18 BLK 14 PL 19 PRESCOTT PT 1, 2, AND 8, 15R7564 S/T PR131958, T/W PR131958; PRESCOTT;
- (aa) Vacant land, East Park Street, in Salaberry-de-Valleyfield, known and designated as a private portion being lot number 4 728 793 of the Cadastre of Quebec, Registration Division of Beauharnois, with all shares in common portions related thereto;
- (bb) Vacant land on Chevrier Street, in Salaberry-de-Valleyfield, known and designated as being lot 3 245 419 of the Cadastre of Quebec, Registration Division of Beauharnois; and
- (cc) Land and building erected thereon bearing civic number 536 Montpetit Street, in Salaberry-de-Valleyfield, known and designated as being lot 3 938 015 of the Cadastre of Quebec, Registration Division of Beauharnois;

shall be as follows:

- (i) first, the valid and enforceable hypothecs and/or security interests of any secured creditors existing as of the date of this Order, except HSBC;
  - (ii) second, the Administration Charge;
  - (iii) third, the Exit Lender Charge; and
  - (iv) fourth, the HSBC Charge on the Property of Additional Guarantors, but only with respect to the Property of Les Équipements Béton Brunet 2001 Inc., Groupe Béton Brunet 2001 Inc. and 7507895 Canada Inc.;
41. **ORDERS** that, except as otherwise expressly provided for herein, the Debtors and the Mis-en-Cause Guarantors shall not grant any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**") in or against any Property that rank in priority to, or *pari passu* with, the Exit Lender Charge, other than with the prior consent of the Exit Lender;
42. **DECLARES** that the Exit Lender Charge attach to all present and future Property of the Debtors and of the Mis-en-Cause Guarantors, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent;
43. **DECLARES** that the Exit Lender Charge and the rights and remedies thereunder shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made herein; (ii) any application for a bankruptcy order filed pursuant to the BIA in respect of a Debtor or a Mis-en-Cause



Guarantor or any receiving order made pursuant to any such application or any assignment in bankruptcy made or deemed to be made in respect of a Debtor or a Mis-en-Cause Guarantor; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds a Debtor or a Mis-en-Cause Guarantor (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) the creation of any of the Exit Lender Charge shall not create or be deemed to constitute a breach by a Debtor or a Mis-en-Cause Guarantor of any Third Party Agreement to which it is a party; and
  - (b) the Exit Lender shall not have liability to any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the Exit Lender Charge;
44. **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any application for a bankruptcy order filed pursuant to the BIA in respect of the Debtors and any receiving order allowing such application or any assignment in bankruptcy made or deemed to be made in respect of a Debtor or a Mis-en-Cause Guarantor, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by a Debtor or a Mis-en-Cause Guarantor pursuant to the Order and the granting of the Exit Lender Charge, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law;
45. **DECLARES** that the Exit Lender Charge shall be valid and enforceable as against all Property of the Debtors and of the Mis-en-Cause Guarantors and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtors, for all purposes;
46. **ORDERS** that the Exit Facility Agreement shall be kept confidential and placed under seal by the Court and this, until the Court orders otherwise;
47. **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 30 to 46 hereof unless either (a) notice of a motion for such order is served on the Debtors, the Mis-en-Cause Guarantors, the Monitor and the Exit Lender by the moving party within seven (7) days after that party was served with the Order or (b) the Debtors, the Mis-en-Cause Guarantors, the Monitor and the Exit Lender consent to such order;

**INDEMNIFICATION OF HSBC AND CHARGE IN FAVOUR OF HSBC TO GUARANTEE POTENTIAL LOSSES IN CONNECTION WITH CHEQUES DEPOSITED WITH HSBC**

48. **PRAYS ACT** of the Debtors' undertaking to indemnify HSBC for (i) any amount in excess of the limit of \$41,000,000 of the line of credit (the "*Prêt d'exploitations*" as defined in the applicable facility letter dated July 12, 2013), exclusive of interest after

February 27, 2015, and (ii) any losses equal to the value of any cheques deposited by a Debtor with HSBC prior to this Order that is dishonoured for payment for any reason (a "**Chargeback**") in the period of 40 days following February 27, 2015, up to the amount of \$500,000 and only to the extent that such Chargeback, if it had occurred immediately prior to the closing of the line of credit, would have resulted in the limit of the line of credit of \$41,000,000 (exclusive of interest after February 27, 2015) being exceeded without taking into account any payment received pursuant to the agreement with HSBC dated February 3, 2015 (the "**HSBC Indemnity**")

49. **DECLARES** that the Mis-en-Cause Guarantor HSBC guarantees the HSBC Indemnity and that such guarantee is secured by a charge and security on the immovable listed hereinafter for a maximum amount of \$ 500,000 in favour of HSBC, ranking ahead any other hypothecs and/or security interests of any secured creditor existing as of the date of this Order:
- (a) Vacant land on Rang Sainte-Rose, in Notre-Dame-de-Lourdes, known and designated as being composed of parts of lots 5,6 and 7 of the Cadastre of the Parish of Sainte-Elisabeth, Registration Division of Joliette;
50. **DECLARES** that paragraphs 36, 41, 42, 43, 44, 45 and 47 of this Order apply, *mutatis mutandis* to HSBC's Charge to Guarantee the Deposits;

#### **GENERAL**

51. **ORDERS AND DECLARES** that the Debtors and the Monitor may apply to this Court for any advice, directions or determinations required to resolve any matter or dispute relating to, or to the subject matter of or rights and benefits under the Plan or this Order, including, without limitation, the distribution mechanics under the Plan;
52. **ORDERS** that notwithstanding:
- (a) the pendency of these proceedings and the declarations of insolvency made therein;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of any of the Debtors and any bankruptcy order issued pursuant to such application; and
- (c) any assignment in bankruptcy made in respect of any of the Debtors; or
- (d) the provisions of any federal or provincial statute, including section 36.1 of the CCAA and sections 95 to 101 of the BIA;

none of the transactions contemplated to be performed or effected pursuant to the Plan, shall: (i) constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue or other challengeable or reviewable transactions under the BIA, article 1631 and following of the Civil Code or other any applicable Laws, federal, provincial or otherwise or (ii) constitute conduct meriting an oppression remedy under any applicable statute and shall be binding on an interim receiver, receiver, liquidator or trustee in bankruptcy in respect of any of the Debtors;

53. **ORDERS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA), and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada, the legislature of any province or otherwise and any court or any judicial, regulatory or administrative body of the United States of America and the states or other subdivisions of the United States of American or any other nation or state to act in aid of and to be complementary to this court in carrying out the terms of this Order where required; and
54. **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity for furnishing any security;
55. **THE WHOLE WITHOUT COSTS.**

February 27, 2015



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THE HONOURABLE LOUIS GOUIN, J.S.C.