

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**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 GREENING DONALD CO. LTD. AND 1548735 ONTARIO
LIMITED**

BETWEEN:

AUTOLIV ASP, INC.

Applicants

- and -

**GREENING DONALD CO. LTD.
AND 1548735 ONTARIO LIMITED**

Respondents

**APPLICATION UNDER section 11 of the *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36, as amended**

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on _____, at _____, at 330 University Avenue, Toronto, ON.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date November , 2006

Issued by _____

Local registrar

Address of
court office

TO: Greening Donald Co. Ltd.
16 Commerce Road
Orangeville, Ontario
L9W 2X7

AND TO: 1548735 Ontario Limited
16 Commerce Road
Orangeville, Ontario
L9W 2X7

AND TO: Davies Ward Phillips & Vineberg LLP
44th Floor, 1 First Canadian Place
PO Box 63, Stn. 1st Canadian Place
Toronto, ON M5X 1B1

Attention: Jay A. Swartz
Tel: 416.863.5520
Fax: 416.863.0871
Email: jswartz@dwpv.com

Counsel for Greening Donald Co. Ltd., 1548735 Ontario Limited and Second City Capital Partners I, Limited Partnership

AND TO: Minden Gross LLP
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Attention: Kenneth L. Kallish
Tel: 416.369.4124
Fax: 416.864.9223
Email: kkallish@mindengross.com

Counsel for Royal Bank of Canada

AND TO: 1555208 Ontario Inc.
c/o ThyssenKrupp USA Company
3155 West Big Beaver Road
P.O. Box 2601
Troy, MI 48007-2601

AND TO: United Steelworkers of America
234 Eglinton Avenue East
Suite 800
Toronto, ON M4P 1K7

Attention: Paula Turtle
Tel: 416.487.1571
Fax: 416.487.8826

APPLICATION

1. The Applicants make an application for:
 - (a) an order, if necessary, abridging the time for, validating the manner of, and/or dispensing with service of this Notice of Application and the Application Record;
 - (b) an order declaring that the Respondents are companies to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") applies and for further relief on the terms set out in the form of Order appended to this Notice of Application; and
 - (c) such further and other relief as this Honourable Court deems just.
2. The grounds for the application are:
 - (a) the Respondents are insolvent;
 - (b) the Applicant is the customer who purchases nearly all of the Respondents' products. The Applicant requests a stay to protect the just-in-time inventory processes of the automotive industry in Ontario and to protect the creditors of the Respondents;
 - (c) the Respondents are companies to which the CCAA applies;
 - (d) the Respondents urgently require a stay of proceedings from their creditors;
 - (e) the Respondents urgently require additional financing in order to continue as a going concern, and such financing cannot be obtained except pursuant to these proceedings and the Order sought by the Applicant;
 - (f) the protection sought will provide the Respondents with an orderly and effective forum for addressing the various claims against them, as well as the time and opportunity necessary to assess and implement a successful restructuring strategy;

- (g) such further and other grounds as counsel may advise;
 - (h) Rules 2.03, 3.02 and 14.05(2) of the *Rules of Civil Procedure*;
 - (i) the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended and this Honourable Court's equitable and statutory jurisdiction thereunder; and
 - (j) such further and other grounds as counsel may advise and this Honourable Court may permit.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The affidavit of Dan Leininger, sworn November 15, 2006;
 - (b) The consent of Deloitte & Touche Inc. to act as Monitor dated November 15, 2006; and
 - (c) Such further and other materials as counsel may advise and this Honourable Court permits.

Date: November 16, 2006

GOODMANS LLP
250 Yonge Street
Suite 2400
Toronto, ON M5B 2M6

Fred Myers (LSUC# 26301A)
Joseph A. Pasquariello (LSUC# 37389C)

Tel: (416) 979-2211

Fax: (416) 979-1234

Solicitors for the Applicants

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE ●) FRIDAY, THE 17TH
)
JUSTICE ●) DAY OF NOVEMBER 2006

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 GREENING DONALD CO. LTD. AND 1548735 ONTARIO LIMITED

BETWEEN:

AUTOLIV ASP, INC.

Applicant

- and -

GREENING DONALD CO. LTD.
AND 1548735 ONTARIO LIMITED

Respondents

INITIAL ORDER

(Short Form)

THIS APPLICATION, 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 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Dan Leininger sworn November 15, 2006 (the "Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Respondents Royal Bank of Canada ("RBC"), the United Steelworkers of

America Local Union 6266 and counsel for Deloitte & Touche Inc. in its capacity as proposed monitor, and on reading the consent of Deloitte & Touche Inc. to act as the Monitor (the "Monitor"),

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Respondents are companies to which the CCAA applies.

FURTHER HEARING

3. THIS COURT ORDERS that a further hearing in this Application shall be held on December 18, 2006 or such alternate date as this Court may fix, at which time this Order may be supplemented or otherwise varied, and the Stay Period (as herein defined) extended or terminated. The Applicant and the Monitor shall serve their materials for this further hearing on all parties who serve a Notice of Appearance on the Applicant and the Monitor, such materials to be served by no later than two days prior to the date scheduled for the further hearing.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Respondents shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Respondents shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property.

5. THIS COURT ORDERS that the Respondents shall be required to pay all outstanding and future wages, salaries, regularly scheduled contributions that are due or that become due to any registered pension plan, vacation pay and employee reimbursement expenses payable on or

after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Respondents shall be required to pay all reasonable expenses incurred by the Respondents in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including existing directors and officers liability insurance), maintenance and security services; and
- (b) payment of rent for the use of machinery and equipment pursuant to true operating leases but not under leases intended as security.

7. THIS COURT ORDERS that the Respondents shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Respondents in connection with the sale of goods and services by the Respondents, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Respondents.

8. THIS COURT ORDERS that, except as specifically permitted herein, the Respondents are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Respondents to any of their respective creditors as of this date except with the written consent of the Monitor;
- (b) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of their respective Property except as provided for in this or subsequent Orders of this Honourable Court;
- (c) to enter into no contracts or other binding commitments of any kind with any affiliate (as defined in the *Business Corporations Act (Canada)*);
- (d) to not grant credit or incur liabilities except in the ordinary course of the Business;
- (e) to make no payments to shareholders whether by way of dividends, in money or in kind, in respect of share capital, whether by way of agreement, shareholder redemption, retraction or otherwise on account of the capital stock of the Respondents;
- (f) to issue no equity interests of any kind, including shares, options, rights, warrants or any other form of equity participation; and
- (g) to make no payments to employees, officers, directors or shareholders on account of bonuses, incentive payments, honouraria, salary increases or otherwise except as may be approved in further Orders of this Honourable Court

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

9. THIS COURT ORDERS that until and including December 18, 2006, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, except with the written consent of the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Respondents or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing collectively being "Persons" and each being a "Person") against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) apply to any right of any Person against any direct or indirect subsidiary of a Respondent which is not a Respondent.

NO INTERFERENCE WITH RIGHTS

11. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Respondents, except with the written consent of the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any or all of the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, shipping services, custom brokerage services (or similar), tooling, utility or other services to the Business or any of the Respondents, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Respondents, and that the Respondents shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Respondents in accordance with normal payment practices of the Respondents, or such other practices as may be agreed upon by the supplier or service provider and each of the Respondents and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

13. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of the Respondents shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Respondents.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

14. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Respondents with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Respondents whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Respondents, if one is filed, is sanctioned by this Court or is refused by the creditors of the Respondents or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

15. THIS COURT ORDERS that the Respondents shall indemnify their directors and officers, from all claims, costs, charges and expenses relating solely to any failure of the Respondents to make payments of the nature referred to in subparagraphs 7(a), 7(b) and 7(c) of this Order which first become due from and after the date of this Order and which they sustain or incur only by reason of or in relation to their respective capacities as directors and/or officers of the Respondents from and after the date of this Order except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

16. THIS COURT ORDERS that the directors and officers of the Respondents shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge in the aggregate amount of \$100,000, as security for the indemnity provided in paragraph 15 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

17. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Respondents' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 15 of this Order.

APPOINTMENT OF MONITOR

18. THIS COURT ORDERS that Deloitte & Touche Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Respondents' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein.

19. The Respondents' and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Respondents' pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations.

20. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Respondents' receipts and disbursements to the extent it deems necessary to preserve and protect the Property and the Business and to enable the Monitor to review and, if appropriate, approve expenditures by the Respondents pursuant to paragraphs 8(a), 8(b) and 8(h) above;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Respondents in their daily operating activities to the extent deemed necessary or advisable by the Monitor;
- (d) to engage in discussions with, and, if appropriate, negotiate with any union representing employees of the Respondents and any stakeholder concerning matters that may arise during these proceedings;
- (e) disseminate to the Applicant and its counsel on at least a weekly basis, such reports and information as they may request with respect to any and all matters pertaining to the Respondents, the Business, any Property, the marketing and sales process to be undertaken by the Monitor or any other matter required by the Applicant;
- (f) prepare the Respondents' cash flow statements and reporting required by the Applicant, which information shall be reviewed with the Monitor and delivered to the Applicant and its counsel on a periodic basis, but not less than at least a weekly basis, or as otherwise agreed to by the Applicant from time-to-time;
- (g) assist in the refinement of, and move before this Honourable Court for the approval of the marketing and sales process for the Property and the Business;

- (h) have full and complete access to the books, records and management, employees and advisors of the Respondents and to the Business and the Property to the extent required to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel, consultants, agents, experts, financial advisors, including in each case, affiliates of the Monitor and the Applicant, or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

21. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

22. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

23. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

PAYMENT OF FEES AND THE ADMINISTRATION CHARGE

24. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel retained by the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, including such fees and disbursements related to preparing for the CCAA proceedings, by the Respondents as part of the costs of these proceedings. The Respondents are hereby directed to pay the accounts of the counsel to the Monitor, the Monitor and counsel retained by the Applicant on a weekly basis.

25. THIS COURT ORDERS that the Monitor, the counsel to the Monitor, and counsel retained by the Applicant shall be entitled to the benefits of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

DIP FINANCING

26. THIS COURT ORDERS that the Monitor is authorized and directed to execute on behalf of the Respondents a Commitment Letter substantially in the form attached hereto as Appendix "A" ("DIP Loan Agreement") to bind the Respondents to obtain a revolving credit facility (the "DIP Facility") from the Applicant in order to finance the Respondents' working capital requirements and other general corporate purposes provided that the total principal amount owing under the DIP Facility shall not at any time exceed \$ _____ unless permitted by further Order of this Court.

27. THIS COURT ORDERS that the DIP Facility shall be on such terms and subject to such conditions as set forth in the DIP Loan Agreement as amended from time to time with the Monitor's consent.

28. THIS COURT ORDERS AND DECLARES that all Property is hereby charged by:

- (a) a charge, mortgage, hypothec, lien and security interest; and
- (b) any charge, mortgage, hypothec, lien or security interest contemplated by the DIP Loan Agreement,

(the charges, mortgages, hypothecs, liens and security interests referred to in the foregoing paragraphs (a) and (b) being collectively referred to as the "DIP Charge") in favour of the Applicant, as security for payment of all present and future indebtedness, obligations and liabilities of the Applicant (and of any one or more of them) to the Applicant pursuant to or in respect of the DIP Loan Agreement or any and all guarantees, security agreements, debentures and other agreements and documents (collectively, the "Definitive Documents") referred to in, contemplated by or delivered to the Applicant pursuant to the DIP Loan Agreement or this Order. The DIP Charge shall have the priorities set out in paragraphs 36 and 38 hereof.

29. THIS COURT ORDERS that notwithstanding any other provision of this Order, the Applicant shall be permitted to exercise the following rights:

- (a) to take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Documents or any other security then held by it;
- (b) upon the occurrence of a Default (as defined by the DIP Loan Agreement) to refrain from extending any further credit pursuant to the DIP Loan Agreement and declare the obligations in respect of the DIP Loan Agreement to be immediately due and payable;

- (c) upon the occurrence of an Event of Default (as defined by the DIP Loan Agreement) to:
- (i) refrain from extending any further credit pursuant to the DIP Loan Agreement;
 - (ii) demand payment by any of the Respondents of all amounts then owing by them to the Applicant pursuant to or in respect of the DIP Loan Agreement or any of the Definitive Documents;
 - (iii) set off and combine any amounts then owing by the Applicant to one or more of the Respondents against the obligations of any or all of the Respondents to the Applicant;
 - (iv) subject to the further order of this Court, realize on the DIP Charge and any and all other security delivered by the Respondents (or any of them) to the Applicant;
 - (v) exercise the powers and rights of a secured party under the *Personal Property Security Act* (Ontario) or any legislation of similar effect applicable to the DIP Loan Agreement;
 - (vi) subject to the further order of this Court, exercise any and all other rights and remedies of the Applicant against the Respondents or their respective Property pursuant to the DIP Loan Agreement, the DIP Charge and the Definitive Documents;
 - (vii) apply to the Court for the appointment of a receiver, receiver and manager or interim receiver of all or any of the assets of the Respondents; and
 - (viii) seek the issuance of a bankruptcy order against one or more of the Respondents and the appointment of a trustee in bankruptcy of one or more of the Respondents,

Subject to the priorities set out in paragraph 38 of this Order; and the foregoing rights and remedies shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any or all of the Respondents or of any or all of the Property.

30. THIS COURT ORDERS AND DECLARES that the Applicant shall be treated as unaffected in any plan of arrangement or compromise filed in respect of the Respondents under the CCAA or in any proposal in respect of the Respondents under the BIA with respect to all indebtedness now or hereafter owing by the Respondents to the Applicant pursuant to or in respect of the DIP Loan Agreement, the Definitive Documents or the DIP Charge.

31. THIS COURT ORDERS that, notwithstanding any other provision of this Order, each of the Monitor on behalf of the Respondents is hereby directed:

- (a) to execute and deliver such guarantees, mortgages, charges, hypothecs, security agreements, debentures and other agreements and documents as are contemplated by the DIP Loan Agreement or as may be reasonably required by the Applicant from time to time with respect thereto; and
- (b) to cause any and all of the direct and indirect subsidiaries of such Respondent, to the extent required by the Applicant, to execute and deliver to the Applicant, guarantees of payment of all present and future indebtedness and liability now or hereafter owing by the Respondents (or by any one or more of them) to the Applicant pursuant to or with respect to the DIP Facility, charges of all their respective existing and after-acquired assets and undertaking as security for their respective guarantees, and all related documents required by the Applicant with respect thereto, all in form and substance satisfactory to the Applicant.

32. THIS COURT ORDERS AND DECLARES that the DIP Charge and all security delivered by any of the Respondents to the Applicant (and all security interests granted thereby) shall attach, as of the effective time of this Order, to all Property of each of the Respondents.

33. THIS COURT ORDERS that the DIP Loan Agreement and each of the Definitive Documents, whether executed by the Respondents, an affiliate of the respondents or by the Monitor on behalf of any of them, shall constitute legal, valid and binding obligations of each of the Respondents enforceable against them in accordance with the terms thereof.

34. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the Respondents are hereby directed to pay to the Applicant when due all amounts now or hereafter owing to the Applicant, and to perform all their other obligations to the Applicant, pursuant to or in respect of the DIP Loan Agreement, the Definitive Documents and this Order (and any of them). Without limiting the generality of the foregoing the Respondents shall make no payments of any kind from and after the date of this Order except in accordance with section ● of the DIP Loan Agreement that requires the Monitor's prior confirmation that the proposed expenditure is an acceptable use funds in accordance with the Definitive Documents. The Monitor assent may be given informally such as by way of initialling a requisition or by email, as the Monitor deems appropriate;

35. THIS COURT ORDERS that no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the DIP Facility, the DIP Loan Agreement, the DIP Charge or any of the Definitive Documents unless either:

- (a) notice of a motion for such order is served on the Applicant by the moving party within 10 days after such moving party is served with a copy of this Order; or
- (b) the Applicant applies for or consents to such order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Charge, as among them, shall be as follows:

First – Administration Charge;

Second – DIP Charge; and

Third – Directors' Charge .

37. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
38. THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge and the DIP Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.
39. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Charge, unless the Respondents also obtain the prior written consent of the Monitor, the Applicant and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.
40. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the DIP Loan Agreement, the Definitive Documents and the DIP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the Applicant thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing

loan document, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Respondents, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Loan Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the Respondents of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Respondents entering into the DIP Loan Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Respondents pursuant to this Order, the DIP Loan Agreement or the Definitive Documents, and the granting of the DIP Loan Agreement, Definitive Documents and the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

SALES AND RESTRUCTURING PROCESS

41. THIS COURT ORDERS that the Monitor will forthwith prepare a marketing and sale process to explore available alternatives for the sale of the assets of the Respondents or the refinancing of the Respondents within a structure that the Monitor will bring forward for approval by this Honourable Court within thirty (30) days.

SERVICE AND NOTICE

42. THIS COURT ORDERS that the Monitor shall, within ten (10) business days of the date of entry of this Order, send a copy of this Order to the Respondents' known creditors, other than employees and creditors to which the Respondents owe less than \$500, at their addresses as they appear on the Respondents records, and shall promptly send a copy of this Order (a) to all parties

filing a Notice of Appearance in respect of this Application, and (b) to any other interested Person requesting a copy of this Order, and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

43. THIS COURT ORDERS that the Applicant, the Respondents and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Respondents creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing without the necessity of any acknowledgement of receipt being delivered or proven in respect of such service.

44. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on its website at www.deloitte.ca.

GENERAL

45. THIS COURT ORDERS that any of the Applicant, the Respondents or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

46. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Respondents, the Business or the Property.

47. 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 Respondents and 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, the Respondents 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, the Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

48. THIS COURT ORDERS that each of the Applicant, the Respondents 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.

49. THIS COURT ORDERS that any interested party (including the Applicant, the Respondents 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.

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

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

Court File No.: 06-CL-

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF GREENING DONALD CO. LTD and 1548735 ONTARIO
LIMITED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

Goodmans LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Canada M5B 2M6

Fred Myers (LSUC#: 26301A)
Joseph A. Pasquariello (LSUC#: 37389C)

Tel: 416.979.2211
Fax: 416.979.1234

Solicitors for the Applicant

GOODMANS MYERS F5376213.4

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
GREENING DONALD CO. LTD.

Court File No: »

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

NOTICE OF APPLICATION

GOODMANS LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Canada M5B 2M6

Fred Myers LSUC#: 26301A
Joseph A. Pasquariello LSUC#: 37389C
Tel: 416.597.5923
Fax: 416.979.1234

Solicitors for the Applicant