

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

MAAX Corporation, *et al.*,

Foreign Applicants in Foreign Proceedings.

Chapter 15

Case No. 08-11443 (CSS)

Jointly Administered

ORDER GRANTING RECOGNITION AND RELATED RELIEF

This matter was brought before the Court by Alvarez & Marsal Canada ULC, the court-appointed monitor (the "**Monitor**") and authorized foreign representative of the MAAX Corporation and certain of its direct and indirect wholly owned subsidiaries (together, the "**MAAX Group**")¹ in proceedings (the "**Canadian Proceedings**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Quebec Superior Court (Commercial Division) (the "**Quebec Court**"), to consider the Verified Petitions for Recognition of the Canadian Proceeding which were filed on July 14, 2008 for each member of the MAAX Group (collectively, the "**Chapter 15 Petitions**")² commencing the above-captioned chapter 15 cases (collectively, the "**Chapter 15 Cases**") pursuant to sections 1504, 1515 and 1517 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), and seeking enforcement pursuant to sections 1507, 1520, 1521, 363 and 105 of the Bankruptcy Code of (i) the Initial Order of the Quebec Court dated June 12, 2008 (the "**Initial Order**"), as extended on June 26, 2008 and on July 10, 2008 (collectively, the "**Initial Orders**") and (ii) the Sale and Vesting Order of the Quebec Court dated July 10, 2008 (the "**Vesting Order**"). Due

¹ The MAAX Group includes MAAX Corp., MAAX Canada Inc., 4200217 Canada Inc., MAAX Spas (Ontario), Inc., MAAX Cabinets Inc., MAAX KSD LLC, Pearl Baths LLC, MAAX-Hydro Swirl Manufacturing Corp., MAAX Midwest, Inc., MAAX Spas (Arizona), Inc. and Aker Plastics Company, Inc.

² Capitalized terms not defined herein have the meanings ascribed to them in the Vesting Order.

and timely notice of the filing of the Chapter 15 Petitions was given in accordance with this Court's order dated July 14, 2008, approving the form of notice and manner of service thereof, which notice is deemed adequate for all purposes such that no other or further notice thereof need be given. The Court has considered and reviewed the other pleadings and exhibits submitted by the Monitor in support of the Chapter 15 Petitions including the Initial Orders annexed hereto as Exhibits 1A, 1B and 1C respectively, the Vesting Order annexed hereto as Exhibit 2 and the Asset Purchase Agreement between the MAAX Group and the Purchaser dated June 11, 2008 (the "**Purchase Agreement**") annexed hereto as Exhibit 3 (collectively the "**Supporting Papers**"). Any objections to the Chapter 15 Petitions that have not been withdrawn or resolved have been overruled.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

- (A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.
- (B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- (C) Venue is proper in this District pursuant to 28 U.S.C. §§ 1410 (1) and (3).
- (D) The Monitor is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each member of the MAAX Group within the meaning of section 101(24) of the Bankruptcy Code.
- (E) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- (F) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.
- (G) The Canadian Proceedings are foreign proceedings within the meaning of section 101(23) of the Bankruptcy Code.
- (H) The Canadian Proceedings are entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

(I) The Canadian Proceedings are pending in Canada, which is the location of each member of the MAAX Group's center of main interests, and as such, constitute foreign main proceedings pursuant to section 1502(4) of the Bankruptcy Code and are entitled to recognition as foreign main proceedings pursuant to section 1517(b)(1) of the Bankruptcy Code.

(J) The Monitor is entitled to all the relief provided by section 1520 of the Bankruptcy Code without limitation.

(K) The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(L) The interest of the public will be served by this Court granting the relief requested by the Monitor.

(M) Purchaser has acted in good faith, within the meaning of section 363(m) of the Bankruptcy Code.

(N) Time is of the essence in consummating the sale. To maximize the value of the assets, it is essential that the sale of the Purchased Assets occur within the time constraints set forth in the Purchase Agreement. Cause has been shown as to why this Order should not be subject to the stay provided by Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to section 1517 of the Bankruptcy Code.
2. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, the stay under section 362 of the Bankruptcy Code throughout the duration of these Chapter 15 Cases or until otherwise ordered by this Court.
3. The Initial Orders are hereby given full force and effect in the United States.
4. The Vesting Order is hereby given full force and effect in the United States.

5. The Purchaser is hereby found to be a good-faith purchaser and granted all of the protections provided to a good-faith purchaser under section 363(m) of the Bankruptcy Code.

6. As set forth in the Vesting Order, effective as of the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A to the Vesting Order, the sale of the Purchased Assets by the MAAX Group to Purchaser shall constitute a legal, valid, and effective transfer of the MAAX Group's right, title and interest in the Purchased Assets notwithstanding any requirement for approval or consent by any person and shall vest Purchaser with all right, title, and interest of the MAAX Group in and to the Purchased Assets free and clear of all liens, claims and encumbrances of any kind (except the Permitted Encumbrances set forth in the Purchase Agreement), pursuant to section 363(f) of the Bankruptcy Code.

7. The MAAX Group is authorized and empowered to cause to be filed with the secretary of state of any state or other applicable officials of any applicable governmental units any and all certificates, agreements, or amendments necessary or appropriate to effectuate the transactions contemplated by the Purchase Agreement, any related agreements and this Order, including amended and restated limited-liability-company agreements, certificates or articles of incorporation and by-laws or certificates or articles of amendment, and all such other actions, filings, or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any officer of the Debtors may determine are necessary or appropriate. The execution of any such document or the taking of any such action is deemed conclusive evidence of the authority of such person to so act. Without limiting the generality of the foregoing, this Order shall constitute all approvals and consents, if

any, required by the corporation laws of the state of Delaware and all other applicable business corporation, trust, and other laws of the applicable governmental units with respect to the implementation and consummation of the Purchase Agreement, any related agreements and this Order, and the transactions contemplated thereby and hereby.

8. The MAAX Group is hereby authorized and empowered to assign all real property leases required to be assigned under the Purchase Agreement.

9. Notwithstanding Bankruptcy Rules 6004, 7062, and 9021, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any person or entity obtaining a stay pending appeal, the MAAX Group and Purchaser are free to close under the agreement at any time, subject to the terms of the Purchase Agreement. In the absence of any person or entity obtaining a stay pending appeal, if the MAAX Group and Purchaser close under the Purchase Agreement, Purchaser shall be entitled to the protections of section 363(m) of the Bankruptcy Code as to all aspects of the transactions under and pursuant to the agreement if this Order or any authorization contained herein is reversed or modified on appeal.

10. The automatic stay under section 362(a) of the Bankruptcy Code shall not apply to and otherwise shall not prevent the exercise or performance by any party of its rights or obligations under the Purchase Agreement.

11. The MAAX Group shall be entitled to continue to utilize the central cash management system currently in place or replace it with another substantially similar central cash management system and continue their current and any future banking arrangements (collectively, the "**Cash Management System**") and the stay under section 362 of the Bankruptcy Code shall not apply to the operation of such Cash Management System.

12. Any present or future bank, financial institution or person providing the Cash Management System (i) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the MAAX Group of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) shall be entitled to provide the Cash Management System without any liability in respect thereof to any person other than the MAAX Group, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan formulated in the Canadian Proceedings with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

13. To the extent provided in paragraph 21 of the Initial Order, and notwithstanding anything in this Order to the contrary, the MAAX Group shall be entitled but not required to pay and fulfil the following expenses and obligations whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses, and 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;
- (b) all outstanding and future trade obligations or related expenses incurred in the ordinary course of business and other amounts related to the preservation of the Property or the Business, including without limitation obligations to customers, suppliers, sale agents, independent contractors, governmental and taxation authorities or other third parties;
- (c) the fees and disbursements of any assistants retained or employed by the Petitioners in respect of these proceedings, at their standard rates and charges; and

(d) such other amounts and obligations as agreed to by the MAAX Group and BBLF.

14. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

15. Service in accordance with this Order shall constitute adequate and sufficient service and notice of this Order.

16. The Chapter 15 Petitions and the Supporting Papers shall be made available by the Monitor through its website at <http://www.alvarezandmarsal.com/maax> or upon request at the offices of Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020 to the attention of Tania Ingman, (212) 756-1199, Chapter15.MAAX@allenoverly.com.

17. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: Wilmington, Delaware

8/5, 2008


UNITED STATES BANKRUPTCY JUDGE