

No. S081520
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.

1985, c. C-36

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT* R.S.C., 1985, c.

C-44

AND

IN THE MATTER OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*

R.S.B.C. 2002 c. 57

AND

IN THE MATTER OF ASCALADE COMMUNICATIONS INC.

AND ASCALADE TECHNOLOGIES INC.

PETITIONERS

ORDER

BEFORE THE HONOURABLE	)	TUESDAY, THE 24th DAY
	)	
MR. JUSTICE BURNYEAT	)	OF JUNE, 2008

THE APPLICATION coming on for hearing at Vancouver, British Columbia this day, and on hearing Geoffrey Thompson, counsel for the Petitioners, and those counsel listed in **Schedule "A"** hereto; AND UPON READING the pleadings and other materials filed herein, including the Affidavit of Melinda McKie and Affidavit of Greg Allen all sworn in these proceedings and filed:

1. THIS COURT ORDERS that the time for service of the Petitioners' Notice of Motion and the materials herein is hereby abridged and the application is properly returnable today and further service thereof is hereby dispensed with.

2. THIS COURT ORDERS that the terms not otherwise defined in this Order shall have the same meanings as attributed thereto in the Plan of Compromise or Arrangement filed by the Petitioners (the "**Plan**"). All references to the Plan in this Order shall mean the version of the Plan which was attached to the Proof of Claim Package as defined in, and forwarded to Creditors pursuant to the terms of, the Order pronounced on May 20, 2008 (the "**Procedural Order**").

3. THIS COURT DECLARES that affidavit material having been filed on behalf of the Monitor confirming that the Proof of Claim Package was duly sent or delivered to each Creditor substantially in accordance with the Procedural Order, and notice of this application having been provided to Creditors via the Petitioners' and Monitor's websites, the Meeting of the Preferred and Unsecured Creditors Class was duly convened and held on June 17, 2008 pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), and the Orders of this Court.

4. THIS COURT FURTHER DECLARES that the Plan has been agreed to by the requisite percentages of Preferred and Unsecured Creditors Class created under the Plan in conformity with section 6 of the CCAA.

5. THIS COURT FURTHER DECLARES that the Plan is fair and reasonable and that upon implementation of the Plan in accordance with its terms, the Plan, including all compromises, arrangements and terms effected by the Plan, will be binding upon the Petitioners and the Creditors, and all other persons and their respective successors and assigns in accordance with the terms of the Plan, and that the Petitioners and other released parties will thereupon be released and discharged from all Claims and any and all indebtedness, obligations and liabilities, to the extent provided under the Plan.

6. THIS COURT FURTHER ORDERS that the Plan be and is hereby sanctioned and approved pursuant to sections 6 and 7 of the CCAA and the Petitioners are hereby authorized and directed, upon the occurrence of the Effective Time, to take all actions necessary or appropriate to implement the Plan.

7. THIS COURT FURTHER ORDERS AND DECLARES that, commencing on or after July 1, 2008, the Petitioners may discontinue their website except that the website will contain a hyperlink referring all parties interested in this CCAA proceeding to the website maintained by the Monitor for the purpose of this CCAA proceeding.

8. THIS COURT FURTHER ORDERS AND DECLARES that no Proceeding may be commenced or continued against any directors, officers, employees, agents or advisors of the Petitioners with respect to:

- (a) any event which occurred or which arose prior to the Initial Order;
- (b) the fact that the Petitioners have sought or obtained relief under the CCAA;
- (c) any default or event of default based upon the financial condition or insolvency of the Petitioners or as a result of any action taken by the directors and officers pursuant to this CCAA Proceeding;
- (d) the effect upon the Petitioners as a result of the completion of any of the transactions contemplated under the Plan; and
- (e) any claim, obligations or cause of action whereby the directors and officers are alleged to be liable under any rule or law in their capacity as directors or officers of the Petitioners.

9. THIS COURT FURTHER ORDERS AND DECLARES that any claims, obligations and causes of action, as referred to in paragraph 8, against the directors, officers, employees, agents or advisors of the Petitioners will be forever extinguished and discharged at the Effective Time.

10. Subject to the performance by the Petitioners of their obligations under the Plan, and except to the extent, if any, expressly contemplated by the Plan or this Order, all obligations or agreements, including all executory contracts, security agreements and other contractual relationships, to which any one or more of the Petitioners is a party shall be and remain in full force and effect, unamended, as of this date unless previously terminated by the Petitioners in accordance with an Order of this Court and no party to any such obligation or agreement shall,

on or following this date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy (including any right of set-off, dilution, buy-out, divestiture, forced sale, option or other remedy) under or in respect of any such obligation or agreement, by reason:

- (a) of any event which occurred prior to this date which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
- (b) that the Petitioners have sought or obtained relief under the CCAA, the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (the "CBCA") and the *British Columbia Business Corporations Act*, R.S.B.C. 2002 c. 57 (the "BCBCA");
- (c) of any default or event of default based on the financial condition or insolvency of the Petitioners including any ongoing possible insolvency by reason of this winding-up;
- (d) any change of control of the Petitioners;
- (e) of the effect upon the Petitioners of the completion of any of the transactions contemplated under the Plan; or
- (f) of any compromises, settlements, restructurings, reorganizations, assignments, partial or otherwise, of agreements or rights among the Petitioners effected pursuant to the Plan.

11. THIS COURT FURTHER ORDERS that, except as otherwise provided in this Order, the stay of proceedings set out in the Initial Order dated March 3, 2008 and extended on April 2, 2008, May 20, 2008 and May 26, 2008 shall be further extended and shall remain in full force and effect with respect to the Petitioners until one day after the Monitor files a Final Report advising this Court that substantially all of the assets of the Petitioners have been liquidated and the net proceeds distributed to the Creditors under the terms of the Plan, whereupon the stay of proceedings will automatically terminate without further Order of this Court.

12. THIS COURT FURTHER ORDERS that upon the filing of the Final Report, Deloitte & Touche Inc., having then fulfilled its duties as Monitor of the Petitioners pursuant to the terms of the Initial Order and the subsequent Orders of this Court, shall be discharged from its duties as set forth in such Orders in relation to the Petitioners and shall be at liberty to apply to pass its accounts and those of its legal counsel before this Court on a summary basis.

13. THIS COURT FURTHER ORDERS AND DIRECTS that, until the Final Report is filed, the Monitor's powers shall continue as set forth in the Plan, and the Directors Charge and the Administrative Charge shall remain in place until all claims against amounts secured thereunder have been satisfied and the residual amount distributed by the Petitioners under the terms of the Plan, whereupon the Directors Charge and the Administrative Charge shall be extinguished without further Order of this Court.

14. THIS COURT FURTHER ORDERS that pursuant to Section 16 of the CCAA, this Order shall have full force and effect in all provinces of Canada. This Court requests the aid and recognition of any court or 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 or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of 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.

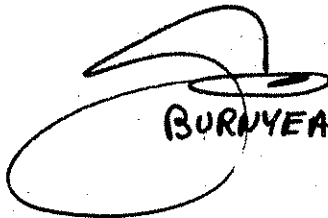
15. THIS COURT FURTHER ORDERS that, pursuant to Section 186 of the *British Columbia Business Corporations Act* SBC 2002, c.57, the time for Ascalade Communications Inc. to call an Annual General Meeting of its shareholders be and is hereby extended pending further order of this Court.

16. THIS COURT FURTHER ORDERS AND DECLARES that Ascalade Communications Inc. may at any time following the Effective Time, apply to the Toronto Stock Exchange to request the suspension from trading of its shares and to further request the voluntary delisting of those shares.

17. THIS COURT FURTHER ORDERS AND DECLARES that the approval of the Plan by this Court will constitute the basis of a claim for an exemption from the requirement to make any regulatory or administrative filings or to deliver any financial statements to shareholders prior to the date of the filing of the Final Report.

18. THIS COURT FURTHER ORDERS AND DECLARES that the Petitioners, the Monitor and any other interested parties are hereby granted leave to apply to this Court for any directions or determinations required to resolve any matter or dispute relating to the Plan, this Order or the subject matter thereof and the rights and benefits thereunder, provided that no provision of this Order shall be construed to modify or impair any right, title, interest, privilege or remedy expressly provided for or reserved under the Plan.

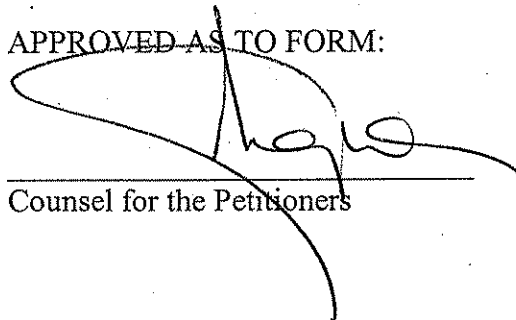
19. THIS COURT FURTHER ORDERS that approval of this Order as to form by counsel appearing on this application is hereby dispensed with.


BURNYEAT, J.

BY THE COURT


DISTRICT REGISTRAR 

APPROVED AS TO FORM:


Counsel for the Petitioners

Schedule “A”

(List of Counsel)

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