

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
 : Chapter 11 Case Nos.
 :
 QUEBECOR WORLD (USA) INC., *et al.*, : 08- 10152 ()
 :
 Debtors.¹ : (Jointly Administered)
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INTERIM ORDER (A) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION SECURED FINANCING PURSUANT TO 11 U.S.C. §§ 105, 361, 362 364(C) AND 364(E); (B) AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS; (C) USING POSTPETITION FINANCING TO PURCHASE RECEIVABLES PORTFOLIO; AND (D) SCHEDULING FINAL HEARING PURSUANT TO FED. R. BANKR. P. 4001(B) AND (C)

Upon the motion, dated January 21, 2008 (the “**Motion**”), of Quebecor World (USA) Inc. (the “**US Borrower**” or “**QWUSA**”), and all of its affiliated debtors that have commenced chapter 11 cases and are debtors in these jointly administered chapter 11 cases (such affiliates, together with any entities that subsequently commence

¹ In addition to Quebecor World (USA) Inc., the following entities are debtors in these jointly administered cases: Quebecor Printing Holding Company, Quebecor World Capital Corporation, Quebecor World Capital II GP, Quebecor World Capital II LLC, WCZ, LLC, Quebecor World Lease GP, Quebecor World Lease LLC, QW Memphis Corp., The Webb Company, Quebecor World Printing (USA) Corp., Quebecor World Loveland Inc., Quebecor World Systems Inc., Quebecor World San Jose Inc., Quebecor World Buffalo Inc., Quebecor World Johnson & Harden Co., Quebecor World Northeast Graphics Inc., Quebecor World UP / Graphics Inc., Quebecor World Great Western Publishing Inc., Quebecor World DB Acquisition Corp., WCP-D, INC., Quebecor World Taconic Holdings Inc., Quebecor World Retail Printing Corporation, Quebecor World Arcata Corp., Quebecor World Nevada Inc., Quebecor World Atglen Inc., Quebecor World Krueger Acquisition Corp., Quebecor World Book Services LLC, Quebecor World Dubuque Inc., Quebecor World Pendell Inc., Quebecor World Fairfield Inc., QW New York Corp., Quebecor World Dallas II Inc., Quebecor World Nevada II LLC, Quebecor World Dallas, L.P., Quebecor World Mt. Morris II LLC, Quebecor World Petty Printing Inc., Quebecor World Hazleton Inc., Quebecor World Olive Branch Inc., Quebecor World Dittler Brothers Inc., Quebecor World Atlanta II LLC, Quebecor World RAI Inc., Quebecor World KRI Inc., Quebecor World Century Graphics Corporation, Quebecor World Waukee Inc., Quebecor World Logistics Inc., Quebecor World Mid-South Press Corporation, Quebecor Printing Aviation Inc., Quebecor World Eusey Press Inc., Quebecor World Infiniti Graphics Inc., Quebecor World Lincoln Inc..

jointly administered chapter 11 cases (the “**Cases**”) and become guarantors under the DIP Credit Agreement (as defined below), the “**Guarantors**”), as debtors and debtors in possession (collectively, the “**Debtors**”) under sections 105(a), 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(e), 365, 507 and 552 of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”) and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), seeking, pursuant to this interim order (this “**Order**”):

(a) authority to execute and enter into that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of January 21, 2008 (the “**DIP Credit Agreement**”) among the US Borrower, Quebecor World Inc. (“**QWI**”), a corporation amalgamated under the laws of Canada and a debtor company under the Companies’ Creditors Arrangements Act (Canada) (the “**CCAA**”), the Guarantors party thereto, Credit Suisse, as Administrative Agent (together with any successor appointed pursuant to the terms of the DIP Credit Agreement, the “**Administrative Agent**”), Credit Suisse, as Collateral Agent (together with any successor appointed pursuant to the terms of the DIP Credit Agreement, the “**Collateral Agent**”), Morgan Stanley Senior Funding, Inc., as Syndication Agent (together with the Administrative Agent and the Collateral Agent, the “**Agents**”), acting as Agents for themselves, Credit Suisse, as Initial Issuing Bank (the “**Initial Issuing Bank**”), and a syndicate of financial institutions (together with the Agents and the Initial Issuing Banks, the “**Lenders**”), to be arranged by Credit Suisse Securities (USA) LLC and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Co-Bookrunners, substantially in the form annexed to the Motion as Exhibit B, and all other documents, agreements or instruments in connection therewith or related thereto (collectively, with the DIP Credit Agreement, as any of the foregoing may be amended or

modified from time to time in accordance with the terms of this Order, the **“DIP Loan Documents”**), which, if approved on a final basis, would provide the US Borrower and QWI, on a joint and several basis, with postpetition secured credit of up to \$1,000,000,000 (the **“DIP Credit Facility”**) and to perform such other and further acts as may be contemplated by, or required in connection with, the DIP Loan Documents;

(b) authority to immediately obtain revolving loans and letters of credit under the DIP Credit Facility up to an aggregate principal or face amount of \$750,000,000 to (i) allow QWUSA to purchase the Receivables Portfolio (as defined below) under the Existing Receivables Facility (as defined below) **which would constitute an “Extraordinary Provision”** (an **“Extraordinary Provision”**) as such term is used and defined in the General Order No. M-274 of the United States Bankruptcy Court for the Southern District of New York (the **“Court’s Guidelines”**), (ii) pay costs and expenses in connection with such purchase set forth in subparagraph (i), the DIP Loan Documents and the Cases, including but not limited to any and all fees to be paid upon the Effective Date (as defined in the DIP Credit Agreement) under the DIP Loan Documents and (iii) to provide financing for working capital, letters of credit, capital expenditures and other general corporate purposes of the Debtors (subject to any limitations of borrowings under the DIP Loan Documents), subject, however, to the right of any statutory committee of unsecured creditors appointed in the Cases (the **“Creditors’ Committee”**), if any, to challenge such purchase pursuant to the provisions of paragraphs 22 of the this Order;

(c) authority, pursuant to section 364(c)(2) of the Bankruptcy Code, to grant senior first-priority Liens (as defined in the DIP Credit Agreement) to the Administrative Agent (for the ratable benefit of the Lenders) upon all Unencumbered Property (as defined below) of the Debtors’ estates (excluding certain Excluded Property (as defined below) but including, upon

entry of the Final Order, any proceeds of Avoidance Actions (as defined below) **which would constitute Extraordinary Provisions under the Court's Guidelines**), in each case subject to the Carve-Out (as defined below);

(d) authority, pursuant to section 364(c)(3) of the Bankruptcy Code, to grant junior Liens (as defined in the DIP Credit Agreement) to the Administrative Agent (for the ratable benefit of the Lenders) upon all property of the Debtors' estates (excluding certain Excluded Property (as defined below)) that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date, including such liens, if any, securing the Prepetition Secured Indebtedness (as defined below) for the benefit of the lenders (the "**Prepetition Secured Lenders**") under or in connection with (i) that certain Amended and Restated Credit Agreement, dated as of December 15, 2005 (as heretofore amended, supplemented or otherwise modified, the "**RBC Credit Agreement**"), among QWI, the Company, the Prepetition Secured Lenders party thereto (the "**Prepetition RBC Facility Lenders**") and Royal Bank of Canada, as administrative agent for the Prepetition Secured Lenders party thereto (the "**Prepetition Agent**") and the Guaranty dated as of October 26, 2007, (as heretofore amended, supplemented or otherwise modified, the "**RBC Subsidiary Guaranty**") by certain subsidiaries of the US Borrower (the "**RBC Subsidiary Guarantors**" and together with the Soc Gen Subsidiary Guarantors (as defined below), the "**Prepetition Subsidiary Guarantors**") for the benefit of the Prepetition Agent, (ii) that certain Credit Agreement, dated as of January 13, 2006 (as heretofore amended, supplemented or otherwise modified, the "**Soc Gen Credit Agreement**"), among QWI, as borrower, the Company, as guarantor and Société Générale (Canada), as lender ("**Soc Gen**") and the Guaranty dated as of October 26, 2007, (as heretofore amended, supplemented or otherwise modified, the "**Soc Gen Subsidiary Guaranty**") by certain subsidiaries of the US Borrower (the

“**Soc Gen Subsidiary Guarantors**”) for the benefit of Soc Gen and (iii) those certain security agreements, each dated on or about October 26, 2007, (as heretofore amended, supplemented or otherwise modified, the “**Prepetition Security Agreements**”) by QWI and certain subsidiaries of QWI for the benefit of Computershare Trust Company of Canada, as collateral agent for the Prepetition Secured Lenders (the “**Prepetition Collateral Agent**”) granting security interests and liens in the personal and real property described in the Prepetition Security Agreements (the “**Prepetition Collateral**”) and securing a limited portion of the obligations under the RBC Subsidiary Guaranty and the Soc Gen Subsidiary Guaranty (the “**Prepetition Secured Indebtedness**”);

(e) authority, pursuant to section 364(c)(1) of the Bankruptcy Code, to grant a Superpriority Claim (as defined below) to the Administrative Agent (for the benefit of the Agents and the Lenders (collectively, the “**Secured DIP Creditors**”)) with priority over any and all administrative expenses, other than the Carve-Out;

(f) authority, pursuant to sections 361 and 363, to use cash collateral of the Prepetition Secured Lenders sourced from the QW Memphis Petition Date Inventory (as defined below) and to grant the Prepetition Secured Lenders adequate protection in the form of (i) a fully-perfected first priority senior security interest in and a lien upon the Memphis Cash Collateral Account (as defined below) into which funds approximately the proceeds of the QW Memphis Petition Date Inventory shall be deposited, as set forth herein;

(g) permission to allow the Lenders to accelerate the maturity of all Borrowings (as defined in the DIP Credit Agreement) and terminate their Commitments (as defined in the DIP Credit Agreement) upon (a) a Change of Control (as such term is defined in the DIP Credit Agreement) or (b) the entry of any material (in the sole discretion of the Administrative Agent)

order or orders granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any assets of any of the Debtors, each of **which would constitute Extraordinary Provisions under the Court’s Guidelines;**

(h) authority to purchase, free and clear of all liens, encumbrances and other interests in property, all right, title and interest in and to certain accounts receivable and other related rights (the “**Receivables Portfolio**”) sold, assigned and initially transferred to Quebecor World Finance Inc. (“**QWF**”) pursuant to that (i) certain Receivables Purchase Agreement, dated as of September 24, 1999 (as amended, the “**US Receivables Purchase Agreement**”), and (ii) that certain Receivables Purchase Agreement dated October 24, 2007 (the “**Canadian Receivables Purchase Agreement**”), which interest in the Receivables Portfolio was, in turn, sold, assigned and transferred by QWF pursuant to the Amended and Restated Receivables Sale Agreement, dated as of December 22, 1999 (as amended, the “**Receivables Sale Agreement**” and together with the US Receivables Purchase Agreement and the Canadian Receivables Purchase Agreement and all related documents, the “**Existing Receivables Facility**”), among QWF, Quebecor Printing (USA) Holdings, Inc., as collection agent, Amersterdam Funding Corporation, as a conduit purchaser, ABN AMRO Bank N.V., as agent for the Purchasers (as defined in the Receivables Sale Agreement) (the “**Existing Receivables Facility Agent**”);

(i) the scheduling of a hearing (the “**Final Hearing**”) to be held within 45 days of the entry of this Order to consider the entry of a final order (the “**Final Order**”) granting all of the relief requested in the Motion on a final basis, including (i) the relief granted in this Order, (ii) permitting the Debtors to waive any right to surcharge Collateral (as defined below) pursuant to section 506(c) of the Bankruptcy Code, the waiver of which would constitute an Extraordinary

Provision under the Court’s Guidelines, and (iii) authority for the US Borrower to borrow, on a joint and several basis with the QWI, under the DIP Credit Facility up to an aggregate principal amount of \$1,000,000,000 to (A) pay fees, costs and expenses in connection with the DIP Loan Documents and the Cases and (B) to provide financing for working capital, letters of credit, capital expenditures and other general corporate purposes of the Debtors (subject to any limitations in the DIP Loan Documents and to the rights afforded a Creditors’ Committee in the Final Order), **which would constitute an Extraordinary Provision under the Court’s Guidelines**; and it appearing that the relief requested therein is necessary to provide the Debtors with sufficient capital to continue operations and to preserve the going concern value of their businesses; and it further appearing that notice and the hearing (the “**Interim Hearing**”) and the relief requested in the Motion, having been served on (i) the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”); (ii) Shearman & Sterling LLP, counsel to the Administrative Agent, 599 Lexington Avenue, New York, New York 10022, Attn: Douglas P. Bartner, Esq.; (iii) Latham & Watkins, LLP, counsel to the Prepetition Agent (as defined below), Sears Tower, Suite 5800, 233 South Wacker Drive, Chicago, Illinois 60606, Attn: Richard A. Levy, Esq.; (iv) Mayer Brown, counsel to the Existing Receivables Facility Agent (as defined below); 1675 Broadway, New York, New York, 10019-5820, Attn: Andrew R. Taggart, Esq., (v) Luskin, Stern & Eisler LLP counsel to Soc Gen (as defined below), 330 Madison Avenue, Suite 3400, New York, New York, 10017, Attn: Michael Luskin; Esq., (vi) Ogilvy Renault LLP, counsel to QWI, Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario, M5j 2Z4, Attn: Derrick Tay; (vii) Allen and Overy LLP, counsel to the Monitor appointed in proceedings under the CCAA, 1221 Avenue of the Americas, New York, New York 10020, Attn: Ken Coleman; (viii) the Debtors’ sixty (60) largest unsecured creditors

(to the extent practicable); and (ix) known holders of prepetition liens against the Debtors' property (collectively, the "**Initial Notice Parties**"), is good and sufficient notice of the Interim Hearing under the circumstances in accordance with Bankruptcy Rules 4001(b), 4001(c) and 4001(d) and section 102(1) of the Bankruptcy Code, as required by sections 363(c), 363(e) and 364(c) of the Bankruptcy Code in light of the emergency nature of the relief requested in the Motion; and for good cause shown;

Upon the record made by the Debtors at the Interim Hearing and after due deliberation and consideration and sufficient cause appearing therefore;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction.* This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over the Cases, and over the persons and property affected hereby. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001(b), (c) and (d) and 9014. Venue of the Cases in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice.* Under the circumstances, the notice given by the Debtors of the Motion and the Interim Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rules 4001(b), (c) and (d).

3. *Findings Regarding the Financing.*

(a) An immediate need exists for the Debtors to obtain funds and financial accommodations with which to continue their operations, meet their payroll and other necessary, ordinary course business expenditures, acquire goods and services, and administer and preserve the value of their estates. The ability of the Debtors to finance their operations and successfully

reorganize requires the availability of additional working capital, the absence of which would immediately and irreparably harm the Debtors, their estates and their creditors.

(b) The Debtors are unable to obtain unsecured credit allowable only as an administrative expense allowable under section 503(b)(1) of the Bankruptcy Code.

(c) The Debtors also are unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code except under the terms and conditions provided in this Order. The Debtors are unable to obtain credit for borrowed money under sections 364(c)(2) and 364(c)(3) without the Debtors' granting to the Administrative Agent (for the ratable benefit of the Secured DIP Creditors) (i) Liens on various of the assets of the Debtors pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and (ii) superpriority administrative expense claim status pursuant to section 364(c)(1) of the Bankruptcy Code, in each case as provided by this Order and subject to the Carve-Out.

(d) The ability of the Debtors to finance their operations and have available sufficient working capital through the incurrence of indebtedness for borrowed money and other financial accommodations is vital to the Debtors' ability to preserve and maintain their going concern value.

(e) The relief requested in the Motion is necessary, essential and appropriate for the continued operation of the Debtors' businesses and the preservation of their estates.

(f) It is in the best interest of Debtors' estates to establish the DIP Credit Facility contemplated by the DIP Credit Agreement and the other DIP Loan Documents.

(g) The terms and conditions of the DIP Credit Facility, as described in the Motion and as set forth at the hearing on the Motion, including those which provide for the payment to the Agents and the Lenders of interest and fees related to the DIP Credit Facility at the times and

in the manner provided under the DIP Credit Facility, are fair, reasonable and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

(h) The DIP Credit Agreement was negotiated in good faith and at arm's length between the Debtors, on the one hand, and the Agents and the Lenders, on the other hand. Credit to be extended under the DIP Credit Facility, including without limitation (i) all loans made to, and all letters of credit issued for the account of the Debtors pursuant to the DIP Credit Agreement, (ii) any Obligations and all other Secured Obligations (each as defined in the DIP Credit Agreement), including any hedging obligations of the Debtors permitted under the DIP Credit Agreement and any Debt (as defined in the DIP Credit Agreement) permitted by Section 5.02(b)(iv) thereof, in each case owing to the Administrative Agent, any Lender or any of their respective banking affiliates (all of the foregoing in clauses (i) and (ii) collectively, the "**DIP Obligations**"), shall be deemed to have been extended by the Administrative Agent, the Secured DIP Creditors and their affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

(i) Good and sufficient cause has been shown for the entry of this Order. The Debtors have requested entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Among other things, the entry of this Order: (i) will enable the Debtors to continue the operation of their business and avoid immediate and irreparable harm to the Debtors' estates; (ii) will permit the Debtors to meet payroll and other operating expenses; (iii) will enable the

Debtors to obtain needed supplies and to pay employees; and (iv) is in the best interests of the Debtors, their creditors and their estates. The financing arrangement authorized hereunder is vital to avoid immediate and irreparable harm to the Debtors' estates. Consummation of such financing therefore is in the best interests of the Debtors' estates.

4. *Authorization of the Financing and the DIP Loan Documents.*

(a) The Debtors are authorized to:

- (i) establish the DIP Credit Facility;
- (ii) execute and deliver to the Lenders each of the DIP Loan Documents to which any Debtor is a party; and
- (iii) with respect to the US Borrower, borrow up to an aggregate principal or face amount of \$750,000,000 (plus interest, fees and other expenses provided for in the DIP Loan Documents), on a joint and several basis with QWI, under the DIP Credit Facility, and the Guarantors are authorized to guarantee such borrowings, pending the Final Order, subject to the limitations of borrowings under the DIP Loan Documents, and in accordance with the terms of this Order and the DIP Loan Documents, which shall be used solely for purposes of (A) purchasing the Receivables Portfolio under the Existing Receivables Facility (which is an Extraordinary Provision under the Court's Guidelines), (B) paying costs and expenses in connection with such purchase and the Cases, including but not limited to the non-refundable payment of any and all fees to be paid under, and in accordance with the terms of, the DIP Loan Documents (including, but not limited to, the separate fee letter dated January 8, 2008, among Credit Suisse Securities (USA) LLC, Credit Suisse, Cayman Islands Branch, Credit Suisse, Toronto Branch and Morgan Stanley Senior Funding, Inc. (the "**Arrangers**")), the US Borrower and QWI (the "**Fee Letter**") and the reasonable costs and expenses as may be due from

time under the DIP Loan Documents, and (C) to provide financing for working capital, letters of credit, capital expenditures and other general corporate purposes of the Debtors (subject to any limitations of borrowings under the DIP Loan Documents).

(b) QWUSA is hereby authorized and empowered, without further approval of this Court to purchase all right, title and interest of the Existing Receivables Facility Agent and the Purchasers (as defined in the Receivables Sale Agreement) in and to the Receivables Portfolio sold, assigned and transferred by QWF pursuant to the Receivables Sale Agreement;

(c) The Debtors are hereby authorized and empowered, without further approval of this Court, to do and perform all acts and to make, execute and deliver all instruments and documents and any exhibits attached thereto (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements) which may be required or necessary for the performance by the Debtors under the DIP Loan Documents and the creation and perfection of the Liens described in and provided for by the DIP Loan Documents. In addition, the Debtors are authorized to incur overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearing house fund transfers provided to or for the benefit of the Debtors by any Lender or any of their respective affiliates, *provided, however*, that nothing herein shall require any Lender or any other party to incur overdrafts or to provide any such services or functions to the Debtors.

(d) The Debtors are further authorized and empowered, without further approval of the Court, to execute and deliver one or more amendments to the DIP Credit Agreement for, among other things, the purpose of (i) adding additional financial institutions as Lenders, and (ii) reallocating the commitments for the DIP Credit Facility among the Lenders, in each case in such form as the Debtors, the Administrative Agent and the Lenders may agree (it being

understood that no further approval of the Court shall be required for amendments to the DIP Credit Agreement that do not shorten the maturity of the extension of credit thereunder or increase either the commitments, the rate of interest payable, or letter of credit fees payable thereunder). Notwithstanding any other provision hereof, without further approval of the Court, amendments to the DIP Loan Documents may be made at any time prior to the Final Hearing, (iii) as contemplated by the Fee Letter (permitting certain modifications to the DIP Credit Agreement necessary or advisable to ensure a successful syndication including, without limitation, increasing the interest rate or fees to market), or (iv) as contemplated by the DIP Credit Agreement with respect to the Borrowing Base Amendment (as defined in the DIP Credit Agreement).

(e) Upon execution and delivery of the DIP Loan Documents by the Debtors, the DIP Loan Documents shall constitute valid and binding obligations of the Debtors, enforceable against each Debtor party thereto in accordance with the terms of the DIP Loan Documents and this Order. No obligation, payment, transfer or grant of security under the DIP Documents or this Order shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under section 502(d) of the Bankruptcy Code), or subject to any defense, reduction, setoff, recoupment or counterclaim.

5. *Receivables Portfolio.*

(a) Without prejudice to the rights of any other party (but subject to the limitations thereon and the reservation of the Debtors' rights continued in paragraph 22 below) certain of the Debtors sold, assigned and transferred to QWF all of their right, title and interest in their respective accounts receivable now constituting, in part, the Receivables Portfolio, pursuant to the US Receivables Purchase Agreement, and the sellers under the Canadian Receivables

Purchase Agreement sold, assigned and transferred to QWF all of their right, title and interest in their respective accounts receivable now constituting, in part, the Receivables Portfolio, pursuant to the Canadian Receivables Purchase Agreement. QWF, in turn, sold, assigned and transferred its interest in the Receivables Portfolio pursuant to the Receivables Sale Agreement to the Existing Receivables Facility Agent and the Purchasers (as defined in the Receivables Sale Agreement), subject to QWF's right to retain any collections received on account of the Receivables Portfolio in excess of the Existing Receivables Facility Agent's and Purchaser's interest therein (the "**Remainder Interest**"). As of the Petition Date, the Existing Receivables Facility Agent and the Purchasers agreed to sell all their right, title and interest in the Receivables Portfolio to QWUSA for \$416,800,000 plus expenses, pursuant to the terms of a Purchase Agreement substantially in the form attached as Exhibit C to the Motion (the "**Purchase Agreement**"). The sale of all right, title and interest of the Existing Receivables Facility Agent and the Purchasers in the Receivables Portfolio to QWUSA shall be effected by the assignment contained in the Purchase Agreement.

(b) Promptly upon the later of (i) the entry of this Order and (ii) the satisfaction of the conditions to lending under and the availability of the DIP Facility, QWUSA shall purchase all right, title and interest of the Existing Receivables Facility Agent and the Purchasers in the Receivables Portfolio for a purchase price of approximately \$416,800,000 plus expenses pursuant to the terms of the Purchase Agreement, which sale shall be effected by the assignment contained in the Purchase Agreement, and QWF shall transfer all of its right, title and interest in the Remainder Interest to QWUSA in full satisfaction of that certain revolving subordinated note issued by QWF to QWUSA incident to the US Receivables Purchase Agreement (the "Deferred Purchase Price Note").

(c) Upon the payment of the Purchase Price (as defined in the Purchase Agreement), the Existing Receivables Facility Agent and the Purchasers shall have no further rights with respect to the Debtors, the Receivables Portfolio or any claims or liens relating thereto (all of which liens and claims shall be deemed automatically terminated without further action), whether such claims or liens arise under the Existing Receivables Facility or otherwise, and the Debtors and their estates shall have no further obligations to the Existing Receivables Facility Agent and the Purchasers in connection with the Receivables Portfolio. Upon payment of the Purchase Price (as defined in the Purchase Agreement), the Existing Receivables Facility Agent (1) authorizes the Debtors and the Agents to file Uniform Commercial Code termination statements and all other documents necessary to evidence the release of any liens on the Receivables Portfolio in favor of the Existing Receivables Facility Agent and the Purchasers and (2) will take all such action and deliver all such other instruments and documents as may be reasonably requested by the Debtors or the Agents to effectuate or evidence the termination of all liens and claims of the Existing Receivables Facility Agent and the Purchasers on the Receivables Portfolio, in each case, at the sole cost and expense of the Debtors.

(d) The transfer of the Receivables Portfolio to QWUSA pursuant to the assignment contained in the Purchase Agreement, and the assignment of the Remainder Interest by QWF to QWUSA in satisfaction of the Deferred Purchase Price Note, shall each constitute a legal, valid and effective transfer of all right, title and interest of the Existing Receivables Facility Agent and the Purchasers in the Receivables Portfolio and QWF in the Remainder Interest, respectively, and shall vest QWUSA with all right, title and interest in and to the Receivables Portfolio, including, without limitation, all right, title and interest of the Existing Receivables Facility Agent and the Purchasers in and to the Receivables Portfolio and QWF in the Remainder

Interest. Pursuant to sections 363(f) and 552(a) of the Bankruptcy Code such transfers shall be free and clear of all liens and encumbrances or any other interest in property of any entity including, without limitation, all liens and encumbrances or other interests in property of the Prepetition Secured Lenders.

6. *DIP Liens.* As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements or other similar documents, the following security interests and liens are hereby granted to the Administrative Agent for its own behalf and the benefit of the Secured DIP Creditors (all property identified in clauses (a), (b), (c) and (d) below being collectively referred to as the “**Collateral**”), subject, only in the event of the occurrence and during the continuance of an Event of Default (as defined in the DIP Credit Agreement), to the payment of the Carve-Out (all such liens and security interests granted to the Administrative Agent, for its benefit and for the benefit of the Secured DIP Creditors, pursuant to this Order and the DIP Loan Documents, the “**DIP Liens**”):

(a) First Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon all prepetition and post-petition property of the Debtors that is not Excluded Property (as defined below), whether existing on the Petition Date or thereafter acquired, to the extent not subject to valid, perfected non-avoidable and enforceable liens in existence as of the Petition Date or valid liens in existence as of the Petition Date that are perfected subsequent to such date to the extent permitted by section 546(b) of the Bankruptcy Code (collectively, “**Unencumbered Property**”), including without limitation, all cash and cash

collateral of the Debtors and any investment of such cash and cash collateral, inventory, the Receivables Portfolio and any other accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, capital stock of subsidiaries, and the proceeds of all the foregoing. “**Excluded Property**” shall mean the Debtors’ claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 or 551 of the Bankruptcy Code (collectively, “**Avoidance Actions**”) but, upon entry of the Final Order, shall not include any proceeds of, or property and interests, unencumbered or otherwise, recovered in respect of any of the foregoing claims and causes of action. Notwithstanding anything herein to the contrary, the lien granted in and to the Memphis Cash Collateral Amount shall have the priorities set forth in paragraph 20(b) herein.

(b) Liens Junior to Prepetition Secured Creditors’ Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected security interest in and lien upon all prepetition and post-petition property of the Debtors (not including Excluded Property), whether now existing or hereafter acquired, that is subject to valid, perfected non-avoidable and enforceable liens in existence as of the Petition Date securing the Prepetition Secured Indebtedness or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which security interests and liens in favor of the Administrative Agent and the Secured DIP Creditors are immediately junior to such valid, perfected and unavoidable liens in favor of the Prepetition Collateral Agent, including without limitation, all cash and cash collateral of the Debtors and any investment of such cash and cash

collateral, inventory, the Receivables Portfolio and any other accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, capital stock of subsidiaries, and the proceeds of all the foregoing.

(c) Liens Junior to Certain Other Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected security interests in and liens upon the all prepetition and post-petition property of the Debtors (other than Excluded Property and the property described in clauses (a) and (b) of this paragraph 6, as to which liens and security interests in favor of the Administrative Agent will be as described in such clauses), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date, or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which security interests and liens in favor of the Administrative Agent and the Secured DIP Creditors are immediately junior to such valid, perfected and unavoidable liens, including without limitation, all cash and cash collateral of the Debtors and any investment of such cash and cash collateral, inventory, the Receivables Portfolio and any other accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, capital stock of subsidiaries, and the proceeds of all the foregoing.

(d) Liens Senior to Certain Other Liens. The DIP Liens shall not be subject or subordinate to (i) any lien or security interest that is avoided and preserved for the benefit of the

Debtors and their estates under section 551 of the Bankruptcy Code or (ii) any liens arising after the Petition Date.

7. *Superpriority Claim.* In addition to the DIP Liens granted herein, all of the DIP Obligations shall be an allowed administrative expense claim with priority, subject only to the Carve-Out to the extent specifically provided for herein, under section 364(c)(1) of the Bankruptcy Code and otherwise, over all administrative expense claims, unsecured claims and all other claims against the Debtors, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses or other claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1113 and 1114 of the Bankruptcy Code (the “**Superpriority Claim**”), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall be payable from and have recourse to all prepetition and post-petition property of the Debtors and all proceeds thereof (including, upon entry of the Final Order, proceeds of Avoidance Actions).

8. All amounts applied to the payment of the DIP Obligations shall be applied thereto in the manner set forth in the DIP Loan Documents.

9. The Debtors hereby are authorized and directed to (i) promptly make non-refundable payment to the Agents and the Arrangers for the costs and expenses provided for in section 10.05(a) of the DIP Credit Agreement and the Fee Letter and (ii) pay all reasonable costs, fees and out of pocket expenses of the Agents and the Arrangers, including reasonable costs, fees and expenses incurred in connection with the negotiation, documentation and administration of the DIP Credit Facility and the matters set forth in this Order and all other matters arising in or in connection with the Cases, and all attorneys’ fees and expenses and financial advisors’ fees and

expenses incurred by the Agents and the Arrangers in connection therewith. None of such costs and expenses shall be subject to the approval of the Court, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court.

10. Each officer of a Debtor as may be so authorized by the Board of Directors or Board of Managers, as the case may be, of such Debtor, acting singly, is hereby authorized to execute and deliver each of the DIP Loan Documents, such execution and delivery to be conclusive of their respective authority to act in the name of and on behalf of the Debtors.

11. The DIP Credit Agreement and each of the DIP Loan Documents, respectively, shall constitute and evidence the valid and binding obligations of each of the Debtors, which obligations shall be enforceable against each of the Debtors in accordance with their terms and the terms of this Order.

12. Interest on the DIP Obligations under the DIP Credit Facility shall accrue at the rates (including applicable default rates) and shall be paid at the times as provided in the DIP Loan Documents. All DIP Obligations under the DIP Credit Facility shall become due and payable, without notice or demand, on the Termination Date (as defined in the DIP Credit Agreement) in accordance with the terms of the DIP Credit Agreement.

13. Without limiting the foregoing, except for the Carve-Out and claims under section 506(c) of the Bankruptcy Code (until entry of the Final Order), no costs or expenses of administration, including, without limitation, professional fees allowed and payable under sections 330 and 331 of the Bankruptcy Code that have been or may be incurred in these Cases, and no priority claims to the Collateral are, or will be, prior to or on a parity with the DIP Obligations or the Superpriority Claim.

14. *Lien & Collateral Protections.*

(a) The automatic stay imposed under section 362(a)(4) of the Bankruptcy Code is hereby lifted, as necessary, to permit (i) the Debtors to grant the DIP Liens and to perform the Debtors' liabilities and obligations to the Agents and the Lenders under the DIP Credit Facility, and (ii) the delivery by the Administrative Agent of an Enforcement Notice (as defined below) and the exercise of remedies by the Administrative Agent following an Event of Default in accordance with Paragraph 15 below.

(b) Except as otherwise agreed in writing between the Debtors and the Administrative Agent, the Debtors shall use Advances (as defined in the DIP Credit Agreement), or proceeds of any Collateral only as provided in the DIP Loan Documents, including, without limitation, to purchase the accounts receivable that were previously sold pursuant to the Existing Receivables Facility and constitute the Receivables Portfolio. For purposes of this Order, "proceeds" of any collateral shall mean proceeds (as defined in the Uniform Commercial Code) of such collateral as well as (i) any and all proceeds of any insurance, indemnity or warranty or guaranty payable to the Debtors from time to time with respect to any of such collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to the Debtors in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of such collateral by any governmental body, authority, bureau or agency (or any person under color of governmental authority) and (iii) any other payments, dividends, interest or other distributions on or in respect of any of such collateral.

(c) The Debtors shall not be permitted to make any payments on any prepetition debt or obligation prior to the effective date of a plan of reorganization, except with respect to the prepetition obligations as set forth in this Order or as otherwise provided in the First Day Orders

(as defined in the DIP Credit Agreement) or any other Order entered by the Court in the Cases, or as otherwise provided in the DIP Credit Agreement.

15. *Protection of Lenders' Rights.*

(a) So long as there are any borrowings or letters of credit or other amounts (other than contingent indemnity obligations as to which no claim has been asserted when all other amounts have been paid and no letters of credit are outstanding) outstanding, the Lenders have any Commitment (as defined in the DIP Credit Agreement) under the DIP Credit Agreement or any other DIP Obligations are outstanding, the Prepetition Agent, the Prepetition Collateral Agent and the Prepetition Secured Creditors shall (i) not take any action to foreclose upon or recover in connection with the liens granted thereto pursuant to the Prepetition Security Agreements, other agreements, or operation of law or this Order, or otherwise exercise remedies against any Collateral, except to the extent authorized by an order of this Court and (ii) not file any further financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the Collateral. Nothing herein shall be read to permit the Prepetition Agent, the Prepetition Collateral Agent or the Prepetition Secured Creditors to take any action in violation of the Bankruptcy Code or other applicable law.

(b) Upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the Administrative Agent and the Lenders to exercise, (i) immediately upon such occurrence, all rights and remedies under the DIP Loan Documents other than those rights and remedies against the Collateral as provided in clause (ii) below and (ii) with five (5) business days' prior written notice (an "**Enforcement Notice**") of

any such occurrence, in each case given to the US Borrower, the Debtors' counsel, counsel to any Creditors' Committee and the United States Trustee for the Southern District of New York, all rights and remedies against the Collateral provided for in the DIP Loan Documents (including, without limitation, the right to setoff monies of the Debtors in accounts maintained with the Administrative Agent or any Lender). Such Enforcement Notice shall also be filed with the Court. In any hearing after the giving of the Enforcement Notice, the only issues that may be raised by any party in opposition to the giving of the Enforcement Notice shall be whether, in fact, an Event of Default has occurred and is continuing; *provided, further*, that, subject to the foregoing provisions of this subparagraph (b), the Debtors hereby waive their rights to seek relief including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the Administrative Agent set forth in this Order or the DIP Loan Documents. In no event shall the Administrative Agent or the Lenders be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral.

16. The term "**Carve-Out**" means (i) unpaid fees and expenses of professionals retained by the Debtors or any Creditors' Committee that are (A) incurred prior to the occurrence of an Event of Default and (B) allowed by the US Bankruptcy Court at any time under sections 105(a), 330 and 331 of the Bankruptcy Code or otherwise, (ii) unpaid fees and expenses of professionals retained by the Debtors or any Committee up to an amount not to exceed \$20,000,000 that (A) are incurred following the occurrence of an Event of Default and (B) allowed by the Bankruptcy Court at any time under Sections 105(a), 330 and 331 of the Bankruptcy Code or otherwise, (iii) in the event of a conversion of the Cases, the reasonable fees and expenses of a chapter 7 trustee under section 726(b) of the Bankruptcy Code in an amount

not exceeding \$50,000, and (iv) fees required to be paid to the clerk of the US Bankruptcy Court and to the office of the United States Trustee under 28 U.S.C. §1930(a); *provided*, however, that each Debtor shall be permitted to pay compensation and reimbursement of expenses allowed and payable under Sections 330 and 331 of the Bankruptcy Code, such dollar limitation on fees and disbursements shall not be reduced by the amount of any compensation and reimbursement of expenses paid or incurred (to the extent ultimately allowed by the US Bankruptcy Court) prior to the occurrence of an Event of Default in respect of which the Carve-Out is invoked or any fees, expenses, indemnities or other amounts paid to the Administration Agent or the Lenders and their respective attorneys and agents under this Agreement or otherwise; and *provided, further*, that (x) nothing herein shall be construed to impair the ability of any party to object to any of the fees, expenses, reimbursement or compensation described in clauses (i) and (ii) above and (y) following the Termination Date, cash or other amounts on deposit in the L/C Cash Collateral Account (as defined in the DIP Credit Agreement), shall not be subject to the Carve-Out.

17. Subject to and effective only upon entry of a final order granting such relief, except to the extent of the Carve-Out, no expenses of administration of the Cases or any future proceeding that may result therefrom, shall be charged against or recovered from the Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Administrative Agent.

18. Without limiting the provisions and protections of paragraph 17 above, if at any time prior to (i) the indefeasible repayment in full in cash of all DIP Obligations, and (ii) the termination of the Commitments, any Debtor or any trustee subsequently appointed shall obtain credit or incur debt pursuant to section 364(b), 364(c) or 364(d) of the Bankruptcy Code, then, except as permitted or contemplated by the DIP Credit Agreement, all of the consideration for

such credit or debt shall immediately be applied to the indefeasible payment in full in cash of the DIP Obligations (including cash collateralization of outstanding letters of credit issued under the DIP Credit Agreement) in accordance with the DIP Loan Documents.

19. *Perfection of DIP Liens.*

(a) This Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens (for the ratable benefit of the Secured DIP Creditors) upon the Collateral to secure all DIP Obligations, without the necessity of filing or recording any financing statement, mortgage or other instrument or document that may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the DIP Liens of the Administrative Agent, or to entitle the Administrative Agent or the Secured DIP Creditors to the priority granted herein (including, in respect of cash, any requirement that the Administrative Agent or the Secured DIP Creditors have possession of or dominion and control over, any such cash in order to perfect an interest therein); *provided* that, upon the request of the Administrative Agent in accordance with the terms of this Order, the Debtors may execute and the Administrative Agent may file or record financing statements or other instruments to evidence and to perfect the Liens authorized hereby; and *provided further* that no such filing or recordation shall be necessary or required in order to create or perfect any such Lien.

(b) In the discretion of the Administrative Agent, a certified copy of this Order may be filed with or recorded in, in addition to or in lieu of a mortgage, financing statement or similar perfection document, any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which the Debtors have real or personal property.

(c) Any provision of any lease or other license, contract or other agreement that requires (i) the consent or approval of one more lessors or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign or otherwise transfer any such leasehold interest, or the proceeds thereof, or other post-petition collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code. Any such provision shall have no force and effect with respect to the transactions granting post-petition liens, in such leasehold interest or the proceeds of any assignment and/or sale thereof by any Debtor, in favor of the Secured DIP Creditors in accordance with the terms of the DIP Credit Agreement or this Order.

20. *Inventory and Receivables of QW Memphis Corp.* Without prejudice to the rights of any other party, the Debtors, for themselves and not for their estates, admit, stipulate and agree that the approximate value (the “QW Memphis Petition Date Inventory Amount”) of the Inventory (as defined in the DIP Credit Agreement) owned by QW Memphis Corp. (“QW Memphis”) as of the Petition Date (the “QW Memphis Petition Date Inventory”) is [Cost Value of the Inventory on the Petition Date]

(a) Immediately upon the entry of this Order, any Liens of the Prepetition Secured Lenders in Accounts (as defined in the DIP Credit Agreement) of QW Memphis are hereby released.

(b) Within two business days of the entry of this Order, QWUSA shall establish a cash collateral account with [] (the “Memphis Cash Collateral Account”). Effective and perfected upon the date of the establishment of the Memphis Cash Collateral Account and without the necessity of the execution, recordation of filings by the Debtors of security

agreements, control agreements or other similar documents, the following security interests and liens are hereby granted:

(i) to the Prepetition Secured Lenders, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon the Memphis Cash Collateral Account, securing any Prepetition Secured Indebtedness that is secured by valid, perfected non-avoidable and enforceable liens in existence as of the Petition Date; provided that the security interest granted in this clause shall be included in the cap on the Prepetition Secured Indebtedness set forth in the Prepetition Security Agreements.

(ii) to the Administrative Agent for its own behalf and the benefit of the Secured DIP Lenders, a valid, binding, continuing, enforceable, fully-perfected security interest in and lien upon the Memphis Cash Collateral Account immediately junior to the Lien granted in clause (i) above, securing the DIP Obligations.

(c) Commencing on the second business day after entry of the Interim Order, QWUSA agrees to deposit in the Memphis Cash Collateral Account (whether from collections of Accounts relating to QW Memphis Petition Date Inventory, the exercise of any remedies or otherwise), an amount equal to the QW Memphis Petition Date Inventory Amount divided by 46 each day until the date (the “Memphis Inventory Release Date”) on which the balance on deposit in the Memphis Cash Collateral Account is equal to the QW Memphis Petition Date Inventory Amount.

(d) Immediately upon the Memphis Inventory Release Date any Liens of the Prepetition Secured Lenders in the QW Memphis Petition Date Inventory are hereby released.

21. *Preservation of Rights Granted Under the Order.*

(a) Except for (i) the Carve-Out and (ii) any, valid, perfected and unavoidable liens in existence immediately prior to the Petition Date, no claim or lien having a priority superior to or *pari passu* with those granted by this Order to the Administrative Agent or the Secured DIP Creditors, respectively, shall be granted or allowed while any portion of the DIP Credit Facility (or any refinancing thereof) or the Commitments thereunder or the DIP Obligations remain outstanding, and the DIP Liens shall not be (i) subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or (ii) subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Unless all DIP Obligations shall have been paid in full (and, with respect to outstanding letters of credit issued pursuant to the DIP Credit Agreement, cash collateralized in accordance with the provisions of the DIP Credit Agreement), the Debtors agree not to seek, and it shall constitute an Event of Default under this Order, if any of the Debtors seek, or if there is entered, (i) any modifications or extensions of this Order without the prior written consent of the Administrative Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the Administrative Agent, (ii) an order converting any of the Cases to a case under Chapter 7 of the Bankruptcy Code or (iii) an order dismissing any of the Cases. If an order dismissing any of the Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), to the fullest extent permitted by law, that (i) the Superpriority Claims, the DIP Liens and security interests granted to the Administrative Agent pursuant to this Order shall continue in full force and effect and shall maintain their priorities as provided in this Order until

all DIP Obligations shall have been paid and satisfied in full (and that such Superpriority Claims, DIP Liens and security interests shall, notwithstanding such dismissal, remain binding on all parties in interest) and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (i) above.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacation shall not affect (i) the validity of any DIP Obligations incurred prior to the actual receipt of written notice by the Administrative Agent, as applicable, on the effective date of such reversal, stay, modification or vacation or (ii) the validity or enforceability of any lien or priority authorized or created hereby or pursuant to the DIP Credit Agreement with respect to any DIP Obligations. Notwithstanding any such reversal, stay, modification or vacation, any DIP Obligations incurred by the Debtors to the Administrative Agent or the Secured DIP Creditors prior to the actual receipt of written notice by the Administrative Agent of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by the original provisions of this Order, and the Administrative Agent and the Secured DIP Creditors shall be entitled to all the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code, this Order and pursuant to the DIP Loan Documents with respect to all uses of DIP Obligations.

(d) Except as expressly provided in this Order or in the DIP Loan Documents, the DIP Liens, the Superpriority Claims and all other rights and remedies of the Administrative Agent and the Secured DIP Creditors granted by the provisions of this Order and the DIP Loan Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7, dismissing any of the Cases, terminating the joint administration of these Cases or by any other act or omission, or (ii) the

entry of an order confirming a plan of reorganization in any of the Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations and such waiver is hereby approved. The terms and provisions of this Order and the DIP Loan Documents shall continue in these Cases, in any successor cases if these Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Superpriority Claims and all other rights and remedies of the Administrative Agent and the Secured DIP Creditors granted by the provisions of this Order and the DIP Loan Documents shall continue in full force and effect until the DIP Obligations are indefeasibly paid in full.

22. *Effect of Stipulations on Third Parties.* Subject to the reservation of rights set forth in this paragraph 22, the stipulations and admissions contained in this Order, including, without limitation, in paragraph 5 of this Order, shall be binding upon the Debtors in all circumstances. The stipulations and admissions contained in this Order, including, without limitation, in paragraph 5 of this Order, shall be binding upon all other parties in interest, including, without limitation, any Creditors' Committee, unless (a) a party in interest has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein) by no later than the date that is the later of 75 days after the Petition Date or 60 days after the initial selection of counsel by the Creditors' Committee in the Cases (or such later date (x) as has been agreed to, in writing, by the Existing Receivables Facility Agent, as applicable, in its sole discretion or (y) as has been ordered by the Court) (i) challenging the validity, enforceability, priority or extent of the Existing Receivables Facility or (ii) otherwise asserting or prosecuting any avoidance actions or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, "**Claims and Defenses**") against the Existing Receivables Facility

Agents or any other party to the Existing Receivables Facility or their respective affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with matters related the Existing Receivables Facility, and (b) there is a final order in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter, *provided* that as to the Debtors, for themselves and not their estates, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding or contested matter is timely filed, (x) all payments made pursuant to this Order, including the repurchase of the Receivables Portfolio, shall not be subject to counterclaim, set-off, subordination, recharacterization, defense or avoidance for all purposes in the Cases and any subsequent chapter 7 or 11 cases of the Debtors, (y) the sale of the Receivables Portfolio and related transactions in connection with the Existing Receivables Facility shall be deemed, as applicable, to have been, as of the Petition Date, legal, valid, binding and perfected, not subject to recharacterization, subordination or avoidance, and (z) the sale of the Receivables Portfolio and related transactions in connection with the Existing Receivables Facility, shall not be subject to any other or further challenge by any party in interest, and any such party in interest shall be enjoined from, seeking to exercise the rights of the Debtors' estates, including, without limitation, any estate representative or any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraph 5 of this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any official committee (including the Creditors' Committee) and on any other person or entity, except to the extent that such findings and admissions were expressly challenged in such

adversary proceeding or contested matter. Nothing in this Order vests or confers on any Person (as defined in the Bankruptcy Code), including any committee, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, Claims and Defenses with respect to the Existing Receivables Facility.

23. *Limitation on Use of Financing Proceeds and Collateral.*

Notwithstanding anything herein or in any other order by this Court to the contrary, no Advances or Letters of Credit (each as defined in the DIP Credit Agreement), Collateral or the Carve-Out may be used to (a) object, contest or raise any defense to the validity, perfection, priority, extent or enforceability of any amount due under the DIP Loan Documents or the Existing Receivables Facility, or the liens or claims granted under this Order, the DIP Loan Documents or the Existing Receivables Facility, (b) challenge the purchase of the Receivables Portfolio, (c) assert any Claims and Defenses or other causes of action against the Administrative Agent, the Secured DIP Creditors, the Existing Receivables Facility Agents or any party to the Existing Receivables Facility or their respective agents, affiliates, representatives, attorneys or advisors related to the Existing Receivables Facility, (d) prevent, hinder or otherwise delay, the Administrative Agent's assertion, enforcement or realization on the Collateral in accordance with the DIP Loan Documents or this Order, (e) seek to modify any of the rights granted to the Administrative Agent, the Secured DIP Creditors or the Existing Receivables Facility Agents or any party to the Existing Receivables Facility hereunder or under the DIP Loan Documents, the Receivables Sale Agreement, the US Receivables Purchase Agreement or the Canadian Receivables Purchase Agreement in each of the foregoing cases without such parties' prior written consent, (f) pay any professional fees and disbursements incurred in connection with any of the actions described in the foregoing clauses (a) through (e), or (f) pay any amount on account of any claims arising

prior to the Petition Date unless such payments are (i) approved by an Order of this Court and (ii) in accordance with the DIP Credit Agreement or otherwise approved by the Administrative Agent in its reasonable discretion.

24. *After-Acquired Property* . Except as otherwise provided in this Order, pursuant to section 552(a) of the Bankruptcy Code, all property acquired by the Debtors after the Bankruptcy Petition Date, including, without limitation, the Receivables Portfolio and all Collateral pledged or otherwise granted to the Agents, on behalf of themselves and the Lenders, pursuant to the DIP Loan Documents and this Order, is not and shall not be subject to any lien of any person or entity resulting from any security agreement entered into by the Debtors prior to the Bankruptcy Petition Date including, without limitation, the Prepetition Security Agreements, except to the extent that such property constitutes proceeds of property of the Debtors that is subject to a valid, enforceable, perfected, and unavoidable lien as of the Bankruptcy Petition Date which is not subject to subordination under section 510(c) of the Bankruptcy Code or other provision or principles of applicable law.

25. If any provision of this Order is hereafter modified, vacated or stayed by subsequent order of this or any other Court for any reason, such modification, vacation, or stay shall not affect the validity of any liability incurred pursuant to this Order and prior to the later of (a) the effective date of such modification, vacation, or stay, or (b) the entry of the order pursuant to which such modification, vacation, or stay was established, nor the validity, priority, or enforceability of any Lien granted by the Debtors to the Administrative Agent.

26. The DIP Loan Documents and the provisions of this Order, including all findings herein, shall be binding to the fullest extent permitted by applicable law upon all parties in interest in these cases including without limitation the Administrative Agent, the Secured DIP

Creditors, the Prepetition Agent, the Prepetition Secured Creditors, the Existing Receivables Facility Agents, any party to the Existing Receivables Facility, the Creditors' Committee and the Debtors and their respective successors and assigns (including any estate representative or any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and shall inure to the benefit of the Agent, the Secured DIP Creditors, the Existing Receivables Facility Agents, any party to the Existing Receivables Facility and the Debtors and their respective successors and assigns; *provided, however*, that the Administrative Agent and the Secured DIP Creditors shall have no obligation to extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

27. The DIP Liens, Superpriority Claims, rights, benefits and privileges of the Agents, the Arrangers and the Lenders granted pursuant to this Order and as more fully set forth herein shall attach and be enforceable against the bankruptcy estate of any such Debtor's direct and indirect subsidiary which hereafter becomes a debtor in these procedurally consolidated cases automatically and without further court order on an interim basis and, subject to entry of a final order on notice, on a final basis. Except as may be provided in such final order, such subsidiary shall be deemed a "Debtor" hereunder effective as of the date such subsidiary files a petition and becomes a debtor in these cases.

28. Any Agent's or any Lender's failure to seek relief or otherwise exercise its rights and remedies under the DIP Credit Facility or this Order shall not constitute a waiver of any of the Agents' or any Lender's rights hereunder, thereunder, or otherwise.

29. In the event of any inconsistency between the terms and conditions of any DIP Loan Document and of this Order, the provisions of this Order shall govern and control.

30. This Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable immediately upon execution hereof.

31. The Final Hearing to consider the Motion and Final Order shall be held on [_____], 2008 at United States Bankruptcy Court, 1 Bowling Green, New York, New York, before the Honorable [_____], United States Bankruptcy Judge. Following entry of this Order, the Debtors shall, on or before [_____], 2008, provide notice of the Motion, this Order and the Final Hearing by telecopy, overnight delivery service, hand delivery or U.S. mail to each of the Initial Notice Parties and, without duplication, to (i) if practicable, the applicable state and local taxing authorities, (ii) parties who have filed a request for service prior to such date, and (iii) other secured parties as shown on any UCC searches conducted prepetition. Such notice shall constitute good and sufficient notice of the Final Hearing. The notice of approval of this Order shall state that any party in interest objecting to the DIP Credit Facility or the terms of the Final Order shall file written objections with the United States Bankruptcy Court Clerk for the Southern District of New York no later than [_____], 2008, which objections shall be served so that same are received by no later than 4:00 p.m. (prevailing Eastern time) on such date by: (a) Arnold & Porter LLP, counsel to the Debtors, 399 Park Avenue, New York, NY 10022, Attn: Michael Canning, Esq., (b) Shearman & Sterling LLP, counsel to the Administrative Agent, 599 Lexington Avenue, New York, New York 10022, Attn: Douglas P. Bartner, Esq., (c) Latham & Watkins, LLP, counsel to the Prepetition Agent, Sears Tower, Suite 5800, 233 South Wacker Drive, Chicago, Illinois 60606, Attn: Richard A. Levy, Esq.; and (d) the Office of the United States trustee, (e) attorneys for the Creditors' Committee once appointed; (f) Mayer Brown, counsel to the Existing Receivables Facility Agent 1675 Broadway, New York, New York, 10019-5820, Attn: Andrew R. Taggart, Esq.; (g) Luskin, Stern & Eisler LLP, counsel to

Societe Generale, 330 Madison Avenue, Suite 3400, New York, New York, 10017, Attn:
Michael Luskin; Esq.; (h) Ogilvy Renault LLP, counsel to QWI, Suite 3800, Royal Bank Plaza,
South Tower, 200 Bay Street, Toronto, Ontario, M5j 2Z4, Attn: Derrick Tay; (i) Allen and Overy
LLP, counsel to the Monitor, 1221 Avenue of the Americas, New York, New York 10020, Attn:
Ken Coleman.

SO ORDERED by the Court this _____ day of January, 2008.

U.S. BANKRUPTCY JUDGE