

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

Quebecor World (USA) Inc., et al.,

Debtors.

Chapter 11

Case No. 08-10152 (JMP)

Jointly Administered

**ORDER PURSUANT TO 11 U.S.C. §§ 105, 363 AND 365 AUTHORIZING
THE DEBTORS TO (I) SELL ONE BOMBARDIER CL-600-2B16
AIRCRAFT TO KEY EQUIPMENT FINANCE CANADA LTD. AND (II)
REJECT RELATED LEASES AND AGREEMENTS**

Upon the motion (the “Motion”)* of the above-captioned debtors (collectively, the “Debtors”) for entry of an Order authorizing the Debtors to (i) sell one (1) Bombardier CL-600-2B16 aircraft and related engines and equipment to Key Equipment Finance Canada Ltd. (“Key”) or a Replacement Purchaser as provided in Section 7 of the Sale Agreement (together, the “Buyer”) and (ii) reject certain leases, subleases and agreements related to the Aircraft; the Court having reviewed the Motion and considered the statements of counsel at a hearing before the Court (the “Hearing”);

IT IS HEREBY FOUND AND DETERMINED that:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Notice of the Motion and Hearing was appropriate and sufficient under the circumstances and no other or further notice is required.

* Capitalized terms not defined in this Order shall have the meaning ascribed to them in the Motion.

C. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities, including without limitation, (i) the Office of the United States Trustee, (ii) counsel for the Creditors' Committee, (iii) all entities known to the Debtors to have, or have asserted, any lien, claim, interest, or encumbrance whatsoever in or upon the Aircraft to be sold pursuant to the Sale Agreement, and (iv) all entities who have filed a notice of appearance and request for service of papers in these cases.

D. A sound business reason exists for the sale of the Aircraft pursuant to the terms described in the Motion and set forth in the Sale Agreement. The relief sought in the Motion, including, among other things, the sale of the Aircraft, is in the best interests of the Debtors, their estates and creditors, and all other parties in interest.

E. The Aircraft has been adequately marketed under the circumstances and the Aircraft Purchase Price and other terms of the Sale Agreement represent the highest and best offer available to the Debtors and provide fair and reasonable consideration for the sale of the Aircraft.

F. Prior to the Closing, the Debtors have or will have satisfied all of the conditions for a sale of the Aircraft free and clear of any existing liens, claims, interests, and encumbrances whatsoever under sections 363(b) and (f) of the Bankruptcy Code.

G. The Sale Agreement has been proposed and negotiated in good faith, and the Debtors, QMI, and the Buyer have negotiated the Sale Agreement without collusion, in good faith and from arm's-length bargaining positions, and none of the parties have engaged in any conduct that would cause or permit the Sale Agreement to be avoided under section 363(n) of the Bankruptcy Code or any other provision of the Bankruptcy Code.

H. The Buyer is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and is entitled to all protections afforded thereby.

I. Good cause exists to reject the Related Agreements pursuant to section 365 of the Bankruptcy Code.

The Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish grounds for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Any objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservation of rights included therein, are overruled on the merits.
3. The Sale Agreement and all terms and conditions thereof are hereby approved and binding upon the parties thereto.
4. Pursuant to section 363 of the Bankruptcy Code, QPA is authorized to sell the Aircraft to the Buyer pursuant to the terms and conditions of the Sale Agreement.
5. QPA is authorized to (a) execute any instruments or documents that may be necessary to implement the Sale Agreement, provided that such other documents do not materially alter the terms of the Sale Agreement, (b) consummate the sale of the Aircraft in accordance with the terms and conditions of the Sale Agreement and any other instruments and agreements contemplated thereby and (c) take all further actions as may reasonably be requested by the Buyer for the purpose of transferring the Aircraft.
6. The sale of the Aircraft, pursuant to this Order and the Sale Agreement, will transfer to and vest in the Buyer good title to the Aircraft free and clear of all liens, claims, encumbrances and interests, including, but not limited to: (a) those that purport to give to any

party a right or option to effect any forfeiture, modification, right of first refusal, or termination of the Debtors' or the Buyer's (or its designees') interest in the Aircraft or any similar rights; (b) those relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Aircraft prior to the Closing; (c) all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, options, rights of first refusal or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership and (d) all ~~debts-claims~~ arising ~~in any way~~ in connection with any agreements, acts, or failures to act, of any of the Debtors ~~or any of the Debtors' predecessors or affiliates, claims (as that term is defined in the Bankruptcy Code), obligations, liabilities, demands, guarantees, options, rights, contractual or other commitments, restrictions, interests and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise, including but not limited to claims otherwise arising under doctrines of successor liability~~ (collectively, the "Interests") and will be a legal, valid, and effective transfer of the Aircraft.

7. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Aircraft – upon its sale to the Buyer – shall be free and clear of all Interests ~~of any kind or nature whatsoever~~, with any such Interests ~~of any kind or nature whatsoever~~ to attach to the sale proceeds of the Aircraft in the order of priority, with the same validity, force, and effect which they now have against the Aircraft, subject to any defenses the parties in interest may possess with respect thereto.

8. This Order (a) is and shall be effective as a determination that, upon the Closing, all claims and third-party interests existing as to the Aircraft prior to the Closing have been

unconditionally released, discharged, and terminated as in each case as to the Aircraft, and (b) is and shall be binding upon and shall govern acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrar of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities, who may be required by operation of law, the duties of their office, or contract to accept, file, register, or otherwise record or release any document that reflect that the Buyer is the purchaser of the Aircraft free and clear of all liens, claims, interest, and encumbrances whatsoever except as otherwise provided in this Order.

9. This Order and the Sale Agreement shall be binding in all respects upon all successors and assigns of the Buyer (and its designee(s)), the Debtors and their affiliates and subsidiaries, and any subsequent trustees appointed in the Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code.

10. Each and every federal, state, and local government agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Sale Agreement.

11. ~~The Court having found that the Sale Agreement and the transactions contemplated thereby were negotiated, proposed, and entered into by the Debtors, QMI, and the Buyer without collusion, in good faith, and from arm's length bargaining positions, and neither the Debtors, QMI, nor the Buyer has engaged in any conduct that would cause or permit the Sale Agreement to be avoided under section 363(n) of the Bankruptcy Code, the~~ Buyer, as a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, is entitled to all the protections afforded ~~thereby~~ under 355(n) of the Bankruptcy Code.

12. The Debtors are authorized to reject the Related Agreements pursuant to section 365 of the Bankruptcy Code, with such rejection to be effective contemporaneous with the Closing under the Sale Agreement.

13. The Sale Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court; provided, however, that any such modification, amendment, or supplement is neither material nor changes the economic substance of the transactions contemplated thereby; and provided further that prior written notice of any such modification, amendment or supplement to the Sale Agreement will be provided to the Creditors' Committee.

14. The failure to specifically include any particular provision of the Sale Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the Court's intent that the Debtors and the Buyer implement the transactions contemplated by the Sale Agreement in their entirety.

15. The ten day stay set forth in Bankruptcy Rule 6004(h) is hereby abrogated and this order shall be effective immediately upon entry.

16. The requirement set forth in Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York that any motion or other request for relief be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

17. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

18. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
May 22, 2008

s/ James M. Peck
HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE