

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE *MADAM* )  
 )  
JUSTICE *MESIBUR* )

THURSDAY, THE 8<sup>TH</sup> DAY  
OF DECEMBER, 2016

BETWEEN:

**INTERNATIONAL FOREST PRODUCTS LLC (formerly known as  
INTERNATIONAL FOREST PRODUCTS CORPORATION)**

Applicant

- and -

**ST. MARYS PAPER CORP.**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED**

**DISTRIBUTION AND DISCHARGE ORDER**

**THIS MOTION**, made by Ernst & Young Inc. (the “**Receiver**”), in its capacity as Court-appointed receiver and receiver and manager of each of St. Marys Paper Corp. (“**St. Marys**”), SMP Resources Inc. (“**SMPR**”), and Ontario Wilderness Vacations Limited (“**OWVL**” and together with St Marys and SMPR, the “**Debtors**”), for an order:

1. if necessary, abridging the time for, and validating service of, the Receiver's notice of motion and the materials filed in support of its motion and dispensing with further service thereof such that the motion is properly returnable on December 8, 2016;
2. approving the conduct and activities of the Receiver as described in the Receiver's Eighth Report dated December 2, 2016 (the "**Eighth Report**");
3. approving the distributions as set out herein; and
4. discharging and releasing Ernst & Young Inc., as Receiver of Debtors as set out herein,

was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Eighth Report and on hearing the submissions of counsel for the Receiver  and , no one else appearing although served as evidenced by the Affidavit of Deborah Ferguson sworn December  2, 2016, filed,

#### **SERVICE**

5. **THIS COURT ORDERS AND DECLARES** that service of the notice of motion and the motion record in accordance with the affidavits of service, including the method and timing of notice, and service to the service list, shall be and is hereby abridged and validated, so that this motion is properly returnable today and any further service thereof upon any interested party other than the persons served with the motion record is hereby dispensed with.

#### **APPROVAL OF EIGHTH REPORT**

6. **THIS COURT ORDERS** that the Eighth Report, and the conduct and activities of the Receiver as described therein, be and are hereby approved.

7. THIS COURT ORDERS that the Statements of Receipts and Disbursements attached as Appendix "A" to the Eighth Report be and are hereby approved.

#### **APPROVAL OF OWVL DISTRIBUTIONS**

8. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute (subject to reasonable adjustment by the Receiver) all funds held by the Receiver in the receivership estate of OWVL as follows:

- (a) \$43,000.00 (less any required government deductions or withholdings) to Steven Dale on account of and in full satisfaction of all claims of Steven Dale against OWVL;
- (b) \$16,000.00 (less any required government deductions or withholdings) to Darlene Blunt on account of and in full satisfaction of all claims of Darlene Blunt against OWVL;
- (c) \$13,029.08 (less any required government deductions or withholdings) to William Skouris on account of and in full satisfaction of all claims of William Skouris against OWVL;
- (d) \$4,422.50 to Ralph Caria on account of and in full satisfaction of all claims of Ralph Caria against OWVL;
- (e) \$1,864.50 to KPMG LLP on account of and in full satisfaction of all claims of KPMG LLP against OWVL;
- (f) \$7,487.00 to Laidlaw Paciocco Spadafora LLP on account of and in full satisfaction of all claims of Laidlaw Paciocco Spadafora LLP against OWVL;

- (g) \$20,975.00 to FACTS Ltd. in its capacity as property manager for Josephine Forest Resources Ltd. and Cedar Falls Forest Resources on account of an in full satisfaction of all claims of FACTS Ltd., Josephine Forest Resources Ltd. and Cedar Falls Forest Resources against OWVL;
- (h) \$60,000.00 to the Receiver to be held by the Receiver in the receivership estate of SMPR and further distributed by the Receiver in accordance with this Order, on account of and in full satisfaction of loans owed to SMPR from OWVL;
- (i) \$131,368.00 to Great Northern Freight Forwarding Ltd. (“GNFFL”) on account of and in full satisfaction of all claims and interests of GNFFL and/or Robert Dale against or in OWVL; and
- (j) \$333,293.00 to the Receiver to be held by the Receiver in the receivership estate of SMPR and further distributed by the Receiver in accordance with this Order,

(collectively, the “**OWVL Distributions**”). Upon completion of the OWVL Distributions, all claims of any person against OWVL or in or to the receivership estate of OWVL shall be forever discharged and released.

#### **APPROVAL OF SMPR DISTRIBUTIONS**

9. **THIS COURT ORDERS** that, upon (i) completion of the OWVL Distributions and (ii) receipt by the Receiver of a comfort letter from the Canada Revenue Agency (the “**CRA**”), in form and substance satisfactory to the Receiver in its sole discretion, advising that there are no taxes owing or outstanding by SMPR, the Receiver is hereby authorized and directed to distribute (subject to reasonable adjustment by the Receiver) all funds then held by the Receiver in the receivership estate of SMPR, net of costs of the receivership proceeding, to the Receiver to

be held by the Receiver in the receivership estate of St Marys and further distributed by the Receiver in accordance with this Order (the “**SMPR Distribution**”). Upon completion of the SMPR Distribution, all claims of any person against SMPR or in or to the receivership estate of SMPR shall be forever discharged and released.

#### **APPROVAL OF ST. MARYS DISTRIBUTION**

10. **THIS COURT ORDERS** that, upon completion of the SMPR Distributions, the Receiver is hereby authorized and directed to distribute to International Forest Products LLC (“**IFP**”) all funds then held by the Receiver in the receivership estate of St Marys after payment of (i) all costs related to these receivership proceedings (ii) all costs of St. Marys’ bankruptcy proceedings, and (iii) all remaining fees and costs of the Receiver and its legal counsel, which amount shall be applied by IFP in partial satisfaction of the indebtedness owing to IFP by St. Marys (the “**St. Marys Distribution**”).

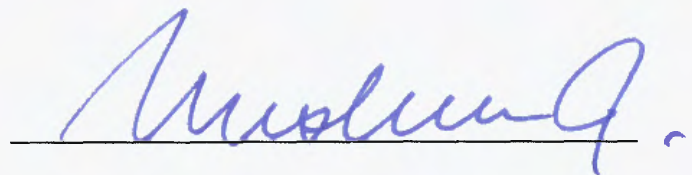
11. **THIS COURT ORDERS** that, without limitation to paragraph 13 of this Order, the Receiver shall have no liability to any person for making the OWVL Distributions, the SMPR Distribution or the St. Marys Distribution (collectively, the “**Distributions**”) in accordance with the terms of this Order, save and except for any gross negligence or wilful misconduct on the Receiver's part.

#### **DISCHARGE AND RELEASE OF RECEIVER**

12. **THIS COURT ORDERS** that, upon the Receiver filing a certificate (substantially in the form attached hereto as Schedule “A”) certifying that it has completed the Distributions and any other ancillary activities required to complete the administration of the receivership estates, Ernst & Young Inc. shall be discharged as Receiver of the Debtors, provided however that

notwithstanding such discharge (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receiverships therein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Ernst & Young Inc. in its capacity as Receiver.

13. **THIS COURT ORDERS AND DECLARES** that, effective upon the filing of the certificate in accordance with paragraph 12 herein, Ernst & Young Inc. is released and discharged from any and all liability that Ernst & Young Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Ernst & Young Inc., while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Ernst & Young Inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.



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ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

DEC 08 2016

PER / PAR: 

**Schedule "A"**

BETWEEN:

**INTERNATIONAL FOREST PRODUCTS LLC (formerly known as  
INTERNATIONAL FOREST PRODUCTS CORPORATION)**

Applicant

- and -

**ST. MARYS PAPER CORP.**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED**

**RECEIVER'S DISCHARGE CERTIFICATE**

**RECITALS**

A. Pursuant to the Order of the Honourable Mr Justice C Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 29, 2011 (the "**Receivership Order**"), Ernst & Young Inc. (the "**Receiver**") was appointed as receiver and receiver and manager of all assets, undertakings and property of St. Marys Paper Corp. ("**St. Marys**") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

B. Pursuant to the Order of the Honourable Mr. Justice C Campbell dated May 8, 2012, the Receivership Order was expanded to include SMP Resources Inc. ("**SMPR**").

C. Pursuant to the Order of the Honourable Mr. Justice C Campbell dated February 6, 2013, the Receivership Order was further expanded to include Ontario Wilderness Vacations Limited ("**OWVL**").

B. Pursuant to an Order of the Court dated December 8, 2016 (the “**Distribution and Discharge Order**”), the Court ordered, *inter alia*, the discharge of the Receiver to be effective upon the filing by the Receiver of a certificate certifying the matters set out herein.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Distribution and Discharge Order.

**THE RECEIVER HEREBY CERTIFIES** the following:

1. The Receiver is satisfied, in its sole discretion, that it has completed the Distributions together with all ancillary activities required in the course of its administration of the receivership proceeding.

2. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**ERNST & YOUNG INC.**, in its capacity as court-appointed receiver and receiver and manager of St Marys Paper Corp., SMP Resources Inc. and Ontario Wilderness Vacations Limited.

Per: \_\_\_\_\_  
Name:  
Title:

**INTERNATIONAL FOREST PRODUCTS LLC (formerly  
known as INTERNATIONAL FOREST PRODUCTS  
CORPORATION)**

-and-

**ST. MARYS PAPER CORP.**

Applicant

Respondent

Court File No. CV-11-9367-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT  
TORONTO**

**DISTRIBUTION AND DISCHARGE ORDER**

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*Lawyers for Ernst & Young Inc., in its capacity as  
Receiver*