

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TERRACE BAY PULP INC.

Court File No. CV-12-9566-00CL

Oct 28/13

Applicant

M. McGraw for Terrace Bay
J. Seigel for Ernst & Young Inc
Toronto.

F. Myers for Township of Terrace Bay

The Applicant moves for an extension
of the Stay Period to ^{April} Jan 30, 2014.

A proposed transaction for
the sale of ^{Non-Will} ~~related~~ assets

has fallen through and the
Applicant wants to conduct
a limited ~~restructuring~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(RETURNABLE OCTOBER 28, 2013)
(RE: STAY EXTENSION)

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Lawyers for the Applicant

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Judges Endorsment Continued
recommending of the merit
The Non T.T.U. Properties ^{Properties} are somewhat
unusual. The Non T.T.U. Property includes
but is not limited to, the following
(a) Golf Course
(b) Airstrip
(c) 800 acres acres of vacant land
r. Lake Superior
(d) 3600 acres acres (some on lake)
A Sales Process was followed. A
number of parties submitted to letter
of intent. The offer that was
considered the best failed to package
close.
The issue is what to do now.
The Applicant and the Trustor submit
that a limited necessary should
take place between now and April

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Judges Endorsment Continued
copy of
Counsel to Terance Bay argues for a
month shorter timeline - a matter
of weeks - and suggests that the
matter should proceed the
possibility possibility of firming up
an offer from Bay one of the
parties who participated in the
first sale process.
There were apparently 8 such parties
who originally participated
Counsel to Cor Terance Bay is concerned
about cost
to Cor Terance Bay is, however, not
without its own agenda. It is
a potential purchaser if one of
the Nor Mill Assets
It is noted that the purchase of Cor
Terance Bay as a creditor is
unaffected as to payment
as a result

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Judges Endorsment Continued
In my view, it is necessary to
consider the financial implications
of extending the stay and to balance
that as against the potential benefits
of a limited recovery of the market.
The Applicant has no ongoing business
It's cost resources decline monthly
These factors suggest that it is in
the interests of stakeholders that the
sale process should be completed as
soon as possible.
The Sale Process did proceed as
with the best interests.
It seems to me that the proper
balance point is such that the
Applicant / Trustee should have
a period of time to recover
the market - with ^{the} an emphasis
market

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Judges Endorsement Continued
if the inability process being encountered
in parties who should agreed
content.
In my view the limited recoveries
the can be accomplished in 30-45 days
thereafter the parties can report
back to Court with its recommendations
Taking into account that if a sale
is recommended it will take
more time to close it
seem to me appropriate to
extend the stay to January 20, 2017.
In arriving at the ^{this} conclusion,
I have accepted that the
Applicant continues to work
a good faith deal with
the stay order

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Judges Endorsement Continued

delignes said that the system
is justified.

Council to the Tinto advised
that no adverse comment has
been received to the 9th
+ 10th flights which are
agreed together with the
described activities.

Note granted & ted is ok to pay 2000
Repts 9-10 agreed.

[Signature]