

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TERRACE BAY PULP INC.

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Court dated July 19, 2012, the Court approved the agreement of purchase and sale made as of July 5, 2012 (the "Purchase Agreement") between the Debtor and AV Terrace Bay Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement) , which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Purchase Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

B. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The Debtor and the Purchaser have confirmed that the conditions to Closing as set out in Article 9 of the Purchase Agreement have been satisfied or waived.

3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at 8:30 AM on July 23rd, 2012

**ERNST & YOUNG INC., in its capacity as
court-appointed Monitor of TERRACE BAY
PULP INC., and not in its personal or
corporate capacity**

Per: _____

Name: Alex F. Morrison

Title: Senior Vice-President

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Applicants

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

	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST Proceeding commenced at TORONTO
	CERTIFICATE OF THE MONITOR JULY 23, 2012
	McMILLAN LLP Barristers and Solicitors Brookfield Place 181 Bay Street, Suite 4400 Toronto, Ontario M5J 2T3 Sheryl E. Seigel (LSUC No. 21850H) Tel: 416-307-4063 Fax: 416-304-3880 E-mail: Sheryl.Seigel@mcmillan.ca Alex A. Ilchenko (LSUC No. 33944Q) Tel: 416-307-4116 E-mail: Alex.Ilchenko@mcmillan.ca Solicitors for the Monitor