

TAB 3

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL	)	MONDAY, THE 12 th
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF MAY, 2014

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - Township)**

THIS MOTION, made by Terrace Bay Pulp Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by a purchase agreement (the "**Purchase Agreement**") between the Debtor and The Corporation of the Township of Terrace Bay (the "**Purchaser**") dated as of January 29, 2014 and appended as Exhibit "E" to the Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") and vesting in the Purchaser the Debtor's right, title and interest in and to the Property (as defined in the Purchase Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), dated May 5, 2014 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Debtor, the Monitor and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Debtor is hereby authorized and approved, with such amendments as the Debtor may deem necessary. The Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Debtor's right, title and interest in and to the Property described in the Purchase Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Morawetz dated January 25, 2012 (as amended and restated, the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements, restrictive covenants, and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the said Land Titles Division is hereby directed to enter The Corporation of the Township of Terrace Bay as the owner of the Property identified in Schedule B hereto in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property (the "**Net Proceeds**") shall stand in the place and stead of the Property, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by

creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor as may be necessary or desirable to give effect to this Order or to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Schedule A – Form of Monitor’s Certificate

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

**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 Honourable Regional Senior Justice Morawetz of the Ontario Superior Court of Justice, Commercial List (the "**Court**") dated May 12, 2014, the Court approved the purchase agreement made as of January 29, 2014 (the "**Purchase Agreement**") between Terrace Bay Pulp Inc. (the "**Debtor**") and The Corporation of the Township of Terrace Bay (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Property, which vesting is to be effective with respect to the Property 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 Property; (ii) that the conditions to Closing as set out in Article 6 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 Property payable on the Closing Date pursuant to the Purchase Agreement;
2. The Debtor and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing set out in Article 6 of the Purchase Agreement have been satisfied or waived;
3. The sale transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at [TIME] on _____ [DATE].

**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:

Title:

**SCHEDULE B to the Approval and Vesting Order –
The Property**

**LEGAL DESCRIPTION OF PROPERTY
THE CORPORATION OF THE TOWNSHIP OF TERRACE BAY**

PIN 62457-0492 (LT)

PCL 14333 SEC TBF; PT LT 567 PL M143 STREY AS IN LPA78854 EXCEPT PT 3
55R4604; TERRACE BAY

PART OF PIN 62457-1083 (LT)

PCL 8903 SEC TBF; BLK B PL M122 STREY; BLK A & BLK C PL M122 STREY EXCEPT
LPA38883, LPA39779, LPA58436, SRO LPA64843, LT135891, PT 1, 2, 3, 4, 5, 6 55R1257, PT
1, 2 55R3211, PT 2, 4 55R3595, PT 1 55R4604, PT 1, 2, 3 55R5097, PT 1 55R5277, PT 1
55R9021, PT 1, 2, 3, 4, 5, 6, 7, 8 55R9026, PT 6 55R9438, PT 1 55R10327, PT 1 55R10817;
S/T LPA43496, LT210598; TERRACE BAY

COMPRISING ONLY PART OF THE AQUASABON GOLF CLUB AND ADJACENT
LANDS THERETO GENERALLY ILLUSTRATED ON EXHIBIT "B-1" HERETO, THE
PRECISE BOUNDARIES OF WHICH SHALL BE DETERMINED BY AN ONTARIO LAND
SURVEYOR AND SHOWN AS PART(S) ON A NEW REFERENCE PLAN OF SURVEY

PIN 62457-1096 (LT)

PCL 17109 SEC TBF; PT LOCATION JK 300 STREY PT 1, 4 & 5 55R2142 EXCEPT PT 1
55R2424, PT 2, 6 & 9 55R4166; PT LT 314 PL M121 STREY PT 6 55R2142; PT LT 315 PL
M121 STREY PT 3 55R2142; TERRACE BAY

PIN 62457-1116 (LT)

PCL 8952 SEC TBF; WATER LT LOCATION AB 1 STREY IN LAKE SUPERIOR, IN
FRONT OF PT OF LOCATION JK 300 AS IN PPA5404; TERRACE BAY

PIN 62457-1218 (LT)

PT LOCATION JK 306 STREY PTS 1, 3 & 4 55R4355; S/T LPA43496 PARTIALLY
RELEASED BY LT152053; TOWNSHIP OF TERRACE BAY

PIN 62457-1222 (LT)

PT LOCATION JK300 STREY PT 1, 55R13612; TOGETHER WITH AN EASEMENT AS IN
F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN
EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

PIN 62457-1224 (LT)

PT LOCATION JK300 STREY PT 4, 55R13612; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

PIN 62457-1225 (LT)

PT LOCATION JK300 STREY PT 3, 55R13612; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

PIN 62457-1235 (LT)

PT LOCATION JK300 STREY PT 10, 55R13612; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

PIN 62457-1236 (LT)

PT LOCATION JK300 STREY PTS 5-9, 55R13612; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; SUBJECT TO AN EASEMENT IN GROSS OVER PT 7, 55R13612 AS IN LT148631; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 5 & 9, 55R13612 AS IN LT148632; TOWNSHIP OF TERRACE BAY

PIN 62457-1237 (LT)

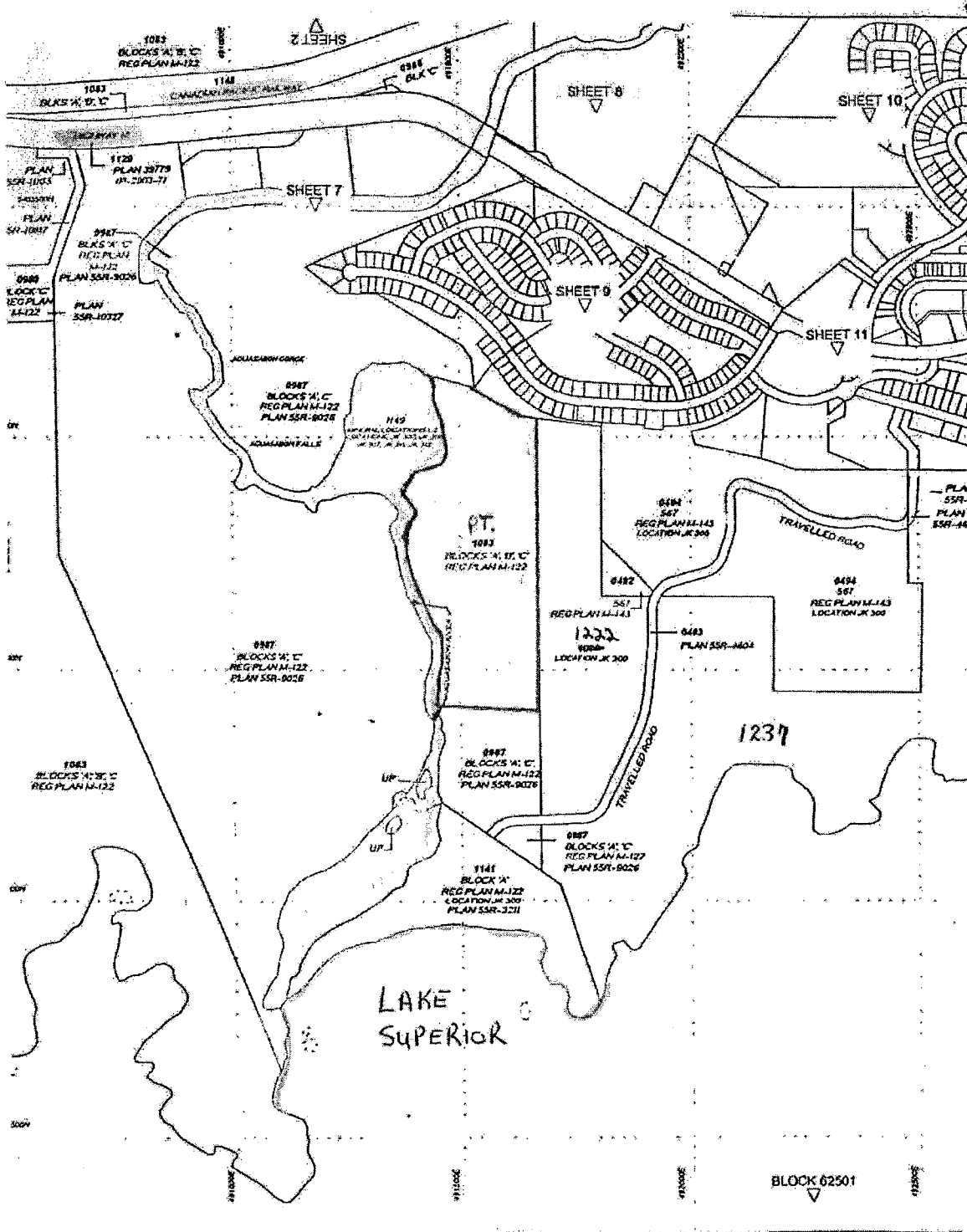
PT LOCATION JK300 STREY, PT 2 55R13612; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

Amendments to Legal Descriptions

The legal description for PIN 62457-1083 (LT) may be amended prior to closing pursuant to the registration of reference plan(s) (which amended legal description will be set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

EXHIBIT "B-1"

R-PLAN REQUIRED



**Schedule C to the Approval and Vesting Order -
Claims to be deleted and expunged from title to the Property**

**REAL PROPERTY LIENS TO BE DISCHARGED
THE CORPORATION OF THE TOWNSHIP OF TERRACE BAY**

The following claims are to be deleted and expunged from the PINS listed under "Schedule 1"

1. A charge registered on September 15, 2010 as No. TY108162 in favour of Computershare Trust Company of Canada.
2. A construction lien registered on December 13, 2011 as No. TY132002 by EKT 90 Inc.
3. A construction lien registered on January 10, 2012 as No. TY133201 by Keating Insulation Inc.
4. An application to register Court Order registered on January 27, 2012 as No. TY134036 to which is attached a certificate of action re: TY132002.
5. An application to register Court Order registered on February 24, 2012 as No. TY135375 to which is attached a certificate of action re: TY133201.

In addition, the following claims are to be deleted and expunged from the PINS listed under "Schedule 2"

6. A construction lien registered on November 30, 2011 as No. TY131319 by North West Installations Inc.
7. A construction lien registered on December 2, 2011 as No. TY131507 by Fabmar Metals Inc.
8. A construction lien registered on December 5, 2011 as No. TY131541 by Mills & Manufacturing Acrylic Products Ltd.
9. A construction lien registered on December 5, 2011 as No. TY131567 by KMH Engineering Inc.
10. A construction lien registered on December 5, 2011 as No. TY131596 by TISI Canada Inc.
11. A construction lien registered on December 8, 2011 as No. TY131806 by Vector Construction Ltd.
12. A construction lien registered on December 9, 2011 as No. TY131889 by FRP Systems Ltd.
13. A construction lien registered on December 19, 2011 as No. TY132336 by Link Steel & Mechanical Inc.

14. A construction lien registered on December 19, 2011 as No. TY132337 by North American Kiln Service Inc.
15. A certificate registered on December 28, 2011 as No. TY132731 to which is attached a certificate of action re: No. TY131567.
16. A certificate registered on December 28, 2011 as No. TY132732 to which is attached a certificate of action re: No. TY131889.
17. A construction lien registered on January 4, 2012 as No. TY132967 by Skyway Canada Limited.
18. A certificate registered on January 11, 2012 as No. TY133232 to which is attached a certificate of action re: No. TY131541.
19. A certificate registered on January 11, 2012 as No. TY133239 to which is attached a certificate of action re: No. TY131319.
20. A certificate of action registered on January 13, 2012 as No. TY133386 to which is attached a certificate of action re: No. TY131596.
21. A certificate registered on January 20, 2012 as No. TY133709 to which is attached a certificate of action re: No. TY131806.
22. A certificate registered on January 31, 2012 as No. TY134274 to which is attached a certificate of action re: No. TY132967.

Additional Registrations

Together with such further claims (other than permitted encumbrances) as may arise and/or be registered against title to any of the real property described in Schedule B up to and including the time of closing of the Transaction (as set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

"SCHEDULE 1"

62457-0492 (LT)

Part of 62457-1083 (LT)

62457-1096 (LT)

62457-1116 (LT)

62457-1218 (LT)

62457-1222 (LT)

62457- 1224 (LT)

62457-1225 (LT)

62457-1235 (LT)

62457-1236 (LT)

62457-1237 (LT)

"SCHEDULE 2"

62457-1218 (LT)

62457-1222 (LT)

62457-1224 (LT)

62457-1225 (LT)

62457-1235 (LT)

62457-1236 (LT)

62457-1237(LT)

**Schedule D to the Approval and Vesting Order -
Permitted Encumbrances, Easements and Restrictive Covenants related to the Property
(unaffected by the Approval and Vesting Order)**

THE CORPORATION OF THE TOWNSHIP OF TERRACE BAY

**PIN 62457-1096 (LT), PIN 62457-1116 (LT), PIN 62457-1218 (LT), PIN 62457-1222 (LT),
PIN 62457-1224 (LT), PIN 62457-1225 (LT), PIN 62457-1235 (LT), PIN 62457-1236 (LT),
& PIN 62457-1237 (LT)**

1. An order registered on September 26, 1947 as No. LPA32578 made by the Ontario Municipal Board under the Municipal Act incorporating the Improvement District of Terrace Bay.

**PIN 62457-1222 (LT), PIN 62457-1224 (LT), PIN 62457-1225 (LT), PIN 62457-1235 (LT),
PIN 62457-1236 (LT) & PIN 62457-1237 (LT)**

2. An application registered on August 15, 2013 as No. TY163708 to amend the thumbnail property description.

PART OF PIN 62457-1083 (LT), & PIN 62457-1218 (LT)

3. An easement, with the right to pass and repass, registered on January 22, 1954 as No. LPA43496 in favour of The Hydro-Electric Power Commission of Ontario, as partially released on PIN 62457-1218 (LT) by Release registered on July 18, 1979 as No. LT152053.

PIN 62457-1218 (LT)

4. An application registered on June 11, 1952 as No. LPA40453 of notice to add lands, comprised of parts of closed highways, to the registered title.
5. An application registered on September 30, 2010 as No. TY109044 to change the name of the benefitting party in easement registered as No. LPA43496 to Ontario Power Generation Inc.

**FREEHOLD AIRPORT PIN 62457-1218 (LT)
(SEE ALSO LEASEHOLD AIRPORT PIN 62457-1111 (LT))**

6. An application registered on August 29, 1980 as No. LT162634 to which is attached a lease wherein The Corporation of The Township of Terrace Bay is named as tenant.
7. A notice of agreement registered on October 14, 1980 as No. LT163834 to which is attached a licence to Ontario Northland Transportation Commission.

8. A notice registered on October 23, 1998 as No. F82873 to which is attached a lease renewal and addendum wherein The Corporation of The Township of Terrace Bay is named as tenant.
9. An application registered on July 23, 2012 as No. TY143572 to which is attached a partial surrender of lease for land in No. LT162634 as extended by No. F82873.

PIN 62457-1236 (LT)

10. An easement registered on March 15, 1979 as No. LT148631 in favour of The Corporation of the Township of Terrace Bay for entry and repair/maintenance of the sewer line.
11. An easement registered on March 15, 1979 as No. LT148632 in favour of The Corporation of the Township of Terrace Bay for entry and repair/maintenance of the hydro line.

PART OF PIN 62457-1083 (LT)

12. A Land Registrar's order registered on February 3, 2005 as No. TY3308 to amend the thumbnail property description.

GOLF COURSE LEASE

13. Rights of Aguasabon Golf Club under the lease dated January 1, 1967 between Kimberly-Clark Pulp and Paper Company Limited and Aguasabon Golf Club, as amended or modified from time to time.

ONTARIO POWER GENERATION INC.

14. Any rights of Ontario Power Generation Inc. to cause periodic discharge of water flow that results in temporary partial overflow of water onto hole number 4 and the bottom portion of hole number 2 of the golf course located on the Property.
15. The rights of Ontario Power Generation Inc., if any, as illustrated on Reference Plan 55R-9026.
16. Any instruments registered on title to the Property on or before closing by Ontario Power Generation Inc. giving notice of any of the foregoing rights.

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

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER
(Non-Mill Property - Township)**

BLAKE, CASSELS & GRAYDON LLP

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Lawyers for the Applicant

TAB 4

Revised: January 21, 2014

Court File No. — CV-12-9566-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE — <u>REGIONAL</u>	)	WEEKDAY <u>MONDAY</u> , THE # <u>12th</u>
	)	
<u>SENIOR JUSTICE</u> — <u>MORAWETZ</u>	)	DAY OF MONTH <u>MAY</u> , 20YR <u>2014</u>

BETWEEN:

~~PLAINTIFF~~

Plaintiff

—and—

~~DEFENDANT~~

Defendant

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - Township)**

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor" Terrace Bay Pulp Inc. (the "**Debtor**")) for an order approving the sale transaction (the "**Transaction**") contemplated by ana purchase agreement of purchase and sale (the "**Purchase Agreement**") between the Receiver and [NAME OF PURCHASER] (the "**Purchaser**" Debtor and The Corporation of the Township of Terrace Bay (the "**Purchaser**")) dated [DATE] as of January 29, 2014 and appended as Exhibit "E" to the Report of the Receiver

dated [DATE] (the "Report"), Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "Gericke Affidavit") and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described Property (as defined in the SalePurchase Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "Monitor"), dated May 5, 2014 (the "Twelfth Report"), and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING] Debtor, the Monitor and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed¹:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the SalePurchase Agreement by the Receiver³ Debtor is hereby authorized and approved, with such ~~minor~~ amendments as the Receiver Debtor may deem necessary. The Receiver Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver Monitor's certificate to the Purchaser substantially in the form attached as Schedule A

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

hereto (the "Receiver~~Monitor's Certificate~~"), all of the Debtor's right, title and interest in and to the ~~Purchased Assets~~Property described in the ~~Sale~~Purchase Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice [NAME] dated [DATE]Morawetz dated January 25, 2012 (as amended and restated, the "Initial Order"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the ~~Purchased Assets~~Property are hereby expunged and discharged as against the ~~Purchased Assets~~Property.

4. ~~3. THIS COURT ORDERS~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the ~~Land Registration Reform Act~~ duly executed by the Receiver][Land Titles Division of {LOCATION}, Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶, the Land Registrar for the said Land Titles Division is hereby directed to enter the ~~Purchaser~~The Corporation of the Township of Terrace Bay as the owner of the ~~subject real property~~Property identified in Schedule B hereto (the "Real Property") in fee simple, and the said Land Registrar is

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. ~~4. THIS COURT ORDERS~~ **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets ~~Property~~ (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets ~~Property~~, and that from and after the delivery of the Receiver ~~Monitor's~~ Certificate all Claims and Encumbrances shall attach to the net proceeds ~~from the sale of the Purchased Assets~~ **Net Proceeds** with the same priority as they had with respect to the Purchased Assets ~~Property~~ immediately prior to the sale⁸, as if the Purchased Assets ~~Property~~ had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. ~~5. THIS COURT ORDERS AND DIRECTS~~ the Receiver ~~Monitor~~ to file with the Court a copy of the Receiver ~~Monitor's~~ Certificate, forthwith after delivery thereof.

6. ~~THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "•" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the ~~Purchased Assets~~Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver, as an officer of this Court,~~Debtor as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Revised: January 21, 2014

Schedule A – Form of Receiver~~Monitor~~'s Certificate

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

**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.

~~BETWEEN:-~~

~~PLAINTIFF~~

Plaintiff

~~—and—~~

~~DEFENDANT~~

Defendant

RECEIVER~~MONITOR~~'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Regional Senior Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ (the "Debtor"). B. Pursuant to an Order of the Court dated ~~[DATE]~~, Commercial List (the "Court") dated May 12, 2014, the Court approved the purchase agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~ January 29, 2014 (the "SalePurchase Agreement") between Terrace Bay Pulp Inc. (the Receiver ~~[Debtor]~~

~~2~~

and ~~[NAME OF PURCHASER]~~ (the "~~Purchaser~~" "~~Debtor~~") and The Corporation of the Township of Terrace Bay (the "~~Purchaser~~") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ~~Purchased Assets~~ Property, which vesting is to be effective with respect to the ~~Purchased Assets~~ Property upon the delivery by the ~~Receiver~~ Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~ Property; (ii) that the conditions to Closing as set out in section ~~Article 6~~ of the ~~Sale~~ Purchase Agreement have been satisfied or waived by the ~~Receiver~~ Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~ Monitor.

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

THE ~~RECEIVER~~ MONITOR CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~ Monitor has received the Purchase Price for the ~~Purchased Assets~~ Property payable on the Closing Date pursuant to the ~~Sale~~ Purchase Agreement;
2. The ~~Debtor~~ and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing as set out in section ~~Article 6~~ of the ~~Sale~~ Purchase Agreement have been satisfied or waived by the ~~Receiver~~ and the Purchaser; and;
3. The ~~Transactions~~ sale transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the ~~Receiver~~ Monitor; and
4. This Certificate was delivered by the ~~Receiver~~ Monitor at _____ [TIME] [TIME] on _____ [DATE] [DATE].

2

[NAME OF RECEIVER]ERNST & YOUNG
INC., in its capacity as Receiver of the
undertaking, property and assets of
[DEBTOR]court-appointed Monitor of
TERRACE BAY PULP INC., and not in its
personal or corporate capacity

Per: _____

Name: _____

Title: _____

Revised: January 21, 2014

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
 Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - Township)

BLAKE, CASSELS & GRAYDON LLP
 Suite 4000, Commerce Court West
 199 Bay Street
 Toronto, Ontario M5L 1A9

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 Tel: 416-863-4247
 michael.mcgraw@blakes.com

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Lawyers for the Applicant

Schedule B—Purchased Assets

901790.1

DOCS TOR: 120192714

2

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

901790.1

DOCSTOR: 1201927114

3

**~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)~~**

9011790.1

DOCSTOR: 1201927114

Document comparison by Workshare Compare on Sunday, May 04, 2014
5:35:12 PM

Input:	
Document 1 ID	file://C:\Users\wls\Desktop\Model Vesting Order.doc
Description	Model Vesting Order
Document 2 ID	PowerDocs://USA/9011790/1
Description	USA-#9011790-v1-TBay _ _ Township_Vesting_Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	144
Deletions	145
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	289

TAB 5

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL	)	MONDAY, THE 12 th
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF MAY, 2014

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - TBFNC)**

THIS MOTION, made by Terrace Bay Pulp Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by a purchase agreement (the "**Purchase Agreement**") between the Debtor and Thunder Bay Field Naturalists Club (the "**Purchaser**") dated as of February 14, 2014 and appended as Exhibit "F" to the Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") and vesting in the Purchaser the Debtor's right, title and interest in and to the Property (as defined in the Purchase Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), dated May 5, 2014 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Debtor, the Monitor, and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Debtor is hereby authorized and approved, with such amendments as the Debtor may deem necessary. The Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Debtor's right, title and interest in and to the Property described in the Purchase Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Morawetz dated January 25, 2012 (as amended and restated, the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements, restrictive covenants, and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the said Land Titles Division is hereby directed to enter Thunder Bay Field Naturalists Club as the owner of the Property identified in Schedule B hereto in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property (the "**Net Proceeds**") shall stand in the place and stead of the Property, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by

creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor as may be necessary or desirable to give effect to this Order or to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Schedule A – Form of Monitor’s Certificate

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

**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 Honourable Regional Senior Justice Morawetz of the Ontario Superior Court of Justice, Commercial List (the "**Court**") dated May 12, 2014, the Court approved the purchase agreement made as of February 14, 2014 (the "**Purchase Agreement**") between Terrace Bay Pulp Inc. (the "**Debtor**") and Thunder Bay Field Naturalists Club (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Property, which vesting is to be effective with respect to the Property 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 Property; (ii) that the conditions to Closing as set out in Article 6 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 Property payable on the Closing Date pursuant to the Purchase Agreement;
2. The Debtor and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing set out in Article 6 of the Purchase Agreement have been satisfied or waived;
3. The sale transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at [TIME] on _____ [DATE].

**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:
Title:

**Schedule "B" to Approval and Vesting Order -
PROPERTY**

THUNDER BAY FIELD NATURALISTS

PART OF PIN 62457-1083 (LT)

PCL 8903 SEC TBF; BLK B PL M122 STREY; BLK A & BLK C PL M122 STREY EXCEPT LPA38883, LPA39779, LPA58436, SRO LPA64843, LT135891, PT 1, 2, 3, 4, 5, 6 55R1257, PT 1, 2 55R3211, PT 2, 4 55R3595, PT 1 55R4604, PT 1, 2, 3 55R5097, PT 1 55R5277, PT 1 55R9021, PT 1, 2, 3, 4, 5, 6, 7, 8 55R9026, PT 6 55R9438, PT 1 55R10327, PT 1 55R10817; S/T LPA43496, LT210598; TERRACE BAY

SAVING AND EXCEPTING:

FIRSTLY: PART 7 ON PLAN 55R1257

SECONDLY: LANDS LYING NORTH OF HIGHWAY NO. 17 AND TO BE DESCRIBED ON A NEW REFERENCE PLAN OF SURVEY AND

THIRDLY: LANDS COMPRISING PART OF AQUASABON GOLF CLUB AND ADJACENT LANDS THERETO AND TO BE DESCRIBED ON A NEW REFERENCE PLAN OF SURVEY

PIN 62457-1119 (LT)

PCL 8625 SEC TBF; WATER LOT JK 314 STREY SITUATE IN TERRACE BAY OF LAKE SUPERIOR OPPOSITE PT OF MINERAL LOCATION 4 SALTER'S SURVEY AS IN PPA5278; TERRACE BAY

PIN 62501-0002 (LT)

PCL 8904 SEC TBF; FIRSTLTLY: ISLAND D PL M122 STREY IN LAKE SUPERIOR OPPOSITE THE SAID TOWNSHIP NO. 83; SECONDLY: ISLAND E PL M122 STREY IN LAKE SUPERIOR OPPOSITE THE SAID TOWNSHIP NO. 83; SAVING AND EXCEPTING THEREFROM THE RIGHT OF THE CROWN TO ERECT AND MAINTAIN A LIGHTHOUSE OR LIGHTHOUSES OR OTHER WORKS ON THE SAID ISLANDS NECESSARY TO SECURE THE SAFE NAVIGATION OF THE WATERS ADJACENT THERETO; THIRDLY: ISLAND F PL M122 STREY IN LAKE SUPERIOR OPPOSITE THE SAID TOWNSHIP NO. 83; DISTRICT OF THUNDER BAY

PIN 62501-0095 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED AS FOLLOWS: J.D.2109; DISTRICT OF THUNDER BAY

PIN 62501-0096 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2110; DISTRICT OF THUNDER BAY

PIN 62501-0097 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2111; DISTRICT OF THUNDER BAY

PIN 62501-0098 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2112; DISTRICT OF THUNDER BAY

PIN 62501-0099 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2113; DISTRICT OF THUNDER BAY

PIN 62501-0100 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2114; DISTRICT OF THUNDER BAY

PIN 62501-0101 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2115; DISTRICT OF THUNDER BAY

PIN 62501-0102 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2119; DISTRICT OF THUNDER BAY

PIN 62501-0103 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2120; DISTRICT OF THUNDER BAY

PIN 62501-0104 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2121; DISTRICT OF THUNDER BAY

PIN 62501-0105 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2124; DISTRICT OF THUNDER BAY

PIN 62501-0106 (LT)

ISLANDS IN LAKE SUPERIOR IN FRONT OF TWPS SYINE, STREY & PRISKE
UNSURVEYED TERRITORY MORE PARTICULARLY ENUMERATED AND DESCRIBED
AS FOLLOWS: J.D.2125; DISTRICT OF THUNDER BAY

Amendments to Legal Descriptions

The legal description for PIN 62457-1083 (LT) may be amended prior to closing pursuant to the registration of reference plan(s) (which amended legal description will be set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

**Schedule C to the Approval and Vesting Order -
Claims to be deleted and expunged from title to the Property**

**REAL PROPERTY LIENS TO BE DISCHARGED
THUNDER BAY FIELD NATURALISTS**

The following claims are to be deleted and expunged from the PINS listed under "Schedule 1"

1. A charge registered on September 15, 2010 as No. TY108162 in favour of Computershare Trust Company of Canada.
2. A construction lien registered on December 13, 2011 as No. TY132002 by EKT 90 Inc.
3. A construction lien registered on January 10, 2012 as No. TY133201 by Keating Insulation Inc.
4. An application to register Court Order registered on January 27, 2012 as No. TY134036 to which is attached a certificate of action re: TY132002..
5. An application to register Court Order registered on February 24, 2012 as No. TY135375 to which is attached a certificate of action re: TY133201.

Additional Registrations

Together with such further claims as may arise and/or be registered against title to any of the real property described in Schedule B up to and including the time of closing of the Transaction (as set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

"SCHEDULE 1"

Part of 62457-1083 (LT)

62457-1119 (LT)

62501-0002 (LT)

62501-0095 (LT)

62501-0096 (LT)

62501-0097 (LT)

62501-0098 (LT)

62501-0099 (LT)

62501-0100 (LT)

62501-0101 (LT)

62501-0102 (LT)

62501-0103 (LT)

62501-0104 (LT)

62501-0105 (LT)

62501-0106 (LT)

**Schedule "D" to Approval and Vesting Order -
Permitted Encumbrances, Easements and Restrictive Covenants related to the Property
Thunder Bay Field Naturalists**

(unaffected by the Approval and Vesting Order)

PIN 62457-1119 (LT)

1. An order registered on September 26, 1947 as No. LPA32578 made by the Ontario Municipal Board under the Municipal Act incorporating the Improvement District of Terrace Bay.

PART OF PIN 62457-1083 (LT))

2. An easement, with the right to pass and repass, registered on January 22, 1954 as No. LPA43496 in favour of The Hydro-Electric Power Commission of Ontario.
3. A Land Registrar's order registered on February 3, 2005 as No. TY3308 to amend the thumbnail property description.

PIN 62501-0002 (LT)

4. A right of the Crown to erect and maintain a lighthouse or lighthouses or other works necessary to secure the safe navigation of the waters adjacent thereto as in unregistered Crown Patent dated February 12, 1873.

CASQUE ISLES TRAIL

5. Rights of third parties to use the Casque Isles Trail.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - TBFNC)

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Lawyers for the Applicant

TAB 6

Revised: January 21, 2014

Court File No. ——— CV-12-9566-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ——— <u>REGIONAL</u>	)	WEEKDAY <u>MONDAY</u> , THE # <u>12th</u>
	)	
<u>SENIOR JUSTICE</u> ——— <u>MORAWETZ</u>	)	DAY OF MONTH <u>MAY</u> , 20YR <u>2014</u>

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

—and—

~~DEFENDANT~~

Defendant

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - TBFNC)**

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor" Terrace Bay Pulp Inc. (the "Debtor")) for an order approving the sale transaction (the "Transaction") contemplated by ~~an~~ a purchase agreement of ~~purchase and sale~~ (the "Purchase Agreement") between the Receiver and [NAME OF PURCHASER] (the "Debtor and Thunder Bay Field Naturalists Club (the "Purchaser")") dated [DATE] ~~as of~~ February 14, 2014 and appended as Exhibit "F" to the Report of the Receiver dated [DATE] (the

~~"Report")~~, Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described ~~Property~~ (as defined in the SalePurchase Agreement ~~(the "Purchased Assets")~~), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~ Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), dated May 5, 2014 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ Debtor, the Monitor, and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ ~~[NAME]~~ sworn ~~[DATE]~~ ~~[DATE]~~ filed¹:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the SalePurchase Agreement by the Receiver³ Debtor is hereby authorized and approved, with such ~~minor~~ amendments as the ReceiverDebtor may deem necessary. The ReceiverDebtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the ~~Purchased Assets~~ Property to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ReceiverMonitor's certificate to the Purchaser substantially in the form attached as Schedule A

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

hereto (the "Receiver~~Monitor's Certificate~~"), all of the Debtor's right, title and interest in and to the ~~Purchased Assets~~Property described in the ~~Sale~~Purchase Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice [NAME] dated [DATE] Morawetz dated January 25, 2012 (as amended and restated, the "Initial Order"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the ~~Purchased Assets~~Property are hereby expunged and discharged as against the ~~Purchased Assets~~Property.

4. ~~3. THIS COURT ORDERS~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION}]~~ of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION} Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*]⁶, the Land Registrar for the said Land Titles Division is hereby directed to enter the Purchaser Thunder Bay Field Naturalists Club as the owner of the ~~subject real property~~Property identified in Schedule B hereto (the "Real Property") in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the ~~Real Property~~ all of the Claims listed in Schedule C hereto.

⁴ To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

5. ~~4. THIS COURT ORDERS~~**THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased-Assets~~Property~~ (the "**Net Proceeds**") shall stand in the place and stead of the Purchased-Assets~~Property~~, and that from and after the delivery of the Receiver~~Monitor~~'s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased-Assets~~Net Proceeds~~ with the same priority as they had with respect to the Purchased-Assets~~Property~~ immediately prior to the sale⁸, as if the Purchased-Assets~~Property~~ had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. ~~5.-THIS COURT ORDERS AND DIRECTS~~ the Receiver~~Monitor~~ to file with the Court a copy of the Receiver~~Monitor~~'s Certificate, forthwith after delivery thereof.

6. ~~THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the ~~Purchased Assets~~Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver, as an officer of this Court,~~Debtor as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Revised: January 21, 2014

Schedule A – Form of Receiver~~Monitor~~'s Certificate

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

**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.

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

~~—and—~~

~~DEFENDANT~~

Defendant

RECEIVER~~MONITOR~~'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Regional Senior Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ (the "Debtor"). B. Pursuant to an Order of the Court dated ~~[DATE]~~, Commercial List (the "Court") dated May 12, 2014, the Court approved the purchase agreement of purchase and sale made as of [DATE OF AGREEMENT] February 14, 2014 (the "SalePurchase Agreement") between Terrace Bay Pulp Inc. (the Receiver ~~[Debtor]~~

-2-

and ~~[NAME OF PURCHASER]~~ (the "~~Debtor~~") and Thunder Bay Field Naturalists Club (the "~~Purchaser~~") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ~~Purchased Assets~~Property, which vesting is to be effective with respect to the ~~Purchased Assets~~Property upon the delivery by the ~~Receiver~~Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~Property; (ii) that the conditions to Closing as set out in ~~section~~ Article 6 of the ~~Sale~~Purchase Agreement have been satisfied or waived by the ~~Receiver~~Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~Monitor.

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

THE ~~RECEIVER~~MONITOR CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~Monitor has received the Purchase Price for the ~~Purchased Assets~~Property payable on the Closing Date pursuant to the ~~Sale~~Purchase Agreement;
2. The ~~Debtor~~ and the ~~Purchaser~~ have confirmed to the ~~Monitor~~, in writing, that the conditions to Closing as set out in ~~section~~ Article 6 of the ~~Sale~~Purchase Agreement have been satisfied or waived by the ~~Receiver~~ and the ~~Purchaser~~; and;
3. The ~~Transaction~~sale transaction contemplated by the ~~Purchase~~ Agreement has been completed to the satisfaction of the ~~Receiver~~Monitor; and
4. This Certificate was delivered by the ~~Receiver~~Monitor at _____ [TIME][TIME] on _____ [DATE][DATE].

2

~~[NAME OF RECEIVER]~~ERNST & YOUNG
INC., in its capacity as Receiver of the
undertaking, property and assets of
~~[DEBTOR]~~court-appointed Monitor of
TERRACE BAY PULP INC., and not in its
personal or corporate capacity

Per: _____

Name: _____

Title: _____

Revised: January 21, 2014

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
 Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - TBENC)

BLAKE, CASSELS & GRAYDON LLP
 Suite 4000, Commerce Court West
 199 Bay Street
 Toronto, Ontario M5L 1A9

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 Tel: 416-863-4247
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 Tel: (416) 863-3348
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 Fax: (416) 863-2653

Lawyers for the Applicant

Schedule B—Purchased Assets

901/802.1

DOCSFOR: 1201927A14

2

~~Schedule C~~ ~~Claims to be deleted and expunged from title to Real Property~~

901|802.1

DOQSTOR-130192714

3

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

901802.1

DOCSTOR: 120102714

Document comparison by Workshare Compare on Sunday, May 04, 2014
5:30:25 PM

Input:	
Document 1 ID	file://C:\Users\wls\Desktop\Model Vesting Order.doc
Description	Model Vesting Order
Document 2 ID	PowerDocs://USA/9011802/1
Description	USA-#9011802-v1-TBay_- _TBFNC_Vesting_Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	146
Deletions	147
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	293

TAB 7

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL	)	MONDAY, THE 12 th
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF MAY, 2014

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - OPG)**

THIS MOTION, made by Terrace Bay Pulp Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by a purchase agreement (the "**Purchase Agreement**") between the Debtor and Ontario Power Generation Inc. (the "**Purchaser**") dated as of March 27, 2014 and appended as Exhibit "G" to the Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") and vesting in the Purchaser the Debtor's right, title and interest in and to the Property (as defined in the Purchase Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), dated May 5, 2014 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Debtor, the Monitor, and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Debtor is hereby authorized and approved, with such amendments as the Debtor may deem necessary. The Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Debtor's right, title and interest in and to the Property described in the Purchase Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Morawetz dated January 25, 2012 (as amended and restated, the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements, restrictive covenants, and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the said Land Titles Division is hereby directed to enter Ontario Power Generation Inc. as the owner of the Property identified in Schedule B hereto in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property (the "**Net Proceeds**") shall stand in the place and stead of the Property, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by

creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor as may be necessary or desirable to give effect to this Order or to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Schedule A – Form of Monitor's Certificate

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

**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 Honourable Regional Senior Justice Morawetz of the Ontario Superior Court of Justice, Commercial List (the "**Court**") dated May 12, 2014, the Court approved the purchase agreement made as of March 27, 2014 (the "**Purchase Agreement**") between Terrace Bay Pulp Inc. (the "**Debtor**") and Ontario Power Generation Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Property, which vesting is to be effective with respect to the Property 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 Property; (ii) that the conditions to Closing as set out in Article 6 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 Property payable on the Closing Date pursuant to the Purchase Agreement;
2. The Debtor and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing set out in Article 6 of the Purchase Agreement have been satisfied or waived;
3. The sale transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at [TIME] on _____ [DATE].

**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:
Title:

SCHEDULE "B" – Property**PART OF PIN 62457-1083 (LT)****(TO BE DESCRIBED BY NEW REFERENCE PLAN OF SURVEY)**

PCL 8903 SEC TBF; BLK B PL M122 STREY; BLK A & BLK C PL M122 STREY EXCEPT LPA38883, LPA39779, LPA58436, SRO LPA64843, LT135891, PT 1, 2, 3, 4, 5, 6 55R1257, PT 1, 2 55R3211, PT 2, 4 55R3595, PT 1 55R4604, PT 1, 2, 3 55R5097, PT 1 55R5277, PT 1 55R9021, PT 1, 2, 3, 4, 5, 6, 7, 8 55R9026, PT 6 55R9438, PT 1 55R10327, PT 1 55R10817; S/T LPA43496, LT210598; TERRACE BAY

SAVING AND EXCEPTING THOSE LANDS LYING SOUTH OF HIGHWAY NO. 17 BUT INCLUDING PART 7 ON PLAN 55R1257

PIN 62457-1120 (LT)

PCL 8626 SEC TBF; LOCATION JK 301 STREY AS IN PPA5279; S/T LPA43492, LPA43494, LPA43496, LT210598; TERRACE BAY

PIN 62457-1229 (LT)

PT LOCATION JK300 STREY PT 1, 55R13391; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

PIN 62457-1230 (LT)

PT LOCATION JK300 STREY PT 2, 55R13391; TOGETHER WITH AN EASEMENT AS IN F117275; TOGETHER WITH AN EASEMENT AS IN LT169283; TOGETHER WITH AN EASEMENT AS IN LT148629; TOWNSHIP OF TERRACE BAY

PIN 62458-0523 (LT)

PCL 5378 SEC TBF; MINING CLAIM TB 3413 PRISKE S/T RIGHT IN LPA32803; TERRACE BAY

PIN 62458-0533 (LT)

PCL 8623 SEC TBF; LOCATION JK 303 PRISKE AS IN PPA5276; TERRACE BAY

PIN 62458-0534 (LT)

PCL 8666 SEC TBF; LOCATION JK 302 PRISKE AS IN PPA5289 EXCEPT LPA39780, LPA67285, PT 10-12, 55R11271; TERRACE BAY

Amendments to Legal Descriptions

The legal description for PIN 62457-1083 (LT) may be amended prior to closing pursuant to the registration of reference plan(s) (which amended legal description will be set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

**Schedule C to the Approval and Vesting Order -
Claims to be deleted and expunged from title to the Property**

**REAL PROPERTY LIENS TO BE DISCHARGED
ONTARIO POWER GENERATION INC.**

The following claims are to be deleted and expunged from the PINS listed under "Schedule 1"

1. A charge registered on September 15, 2010 as No. TY108162 in favour of Computershare Trust Company of Canada.
2. A construction lien registered on December 13, 2011 as No. TY132002 by EKT 90 Inc.
3. A construction lien registered on January 10, 2012 as No. TY133201 by Keating Insulation Inc.
4. An application to register Court Order registered on January 27, 2012 as No. TY134036 to which is attached a certificate of action re: TY132002.
5. An application to register Court Order registered on February 24, 2012 as No. TY135375 to which is attached a certificate of action re: TY133201.

In addition, the following claims are to be deleted and expunged from the PINS listed under "Schedule 2"

6. A construction lien registered on November 30, 2011 as No. TY131319 by North West Installations Inc.
7. A construction lien registered on December 2, 2011 as No. TY131507 by Fabmar Metals Inc.
8. A construction lien registered on December 5, 2011 as No. TY131541 by Mills & Manufacturing Acrylic Products Ltd.
9. A construction lien registered on December 5, 2011 as No. TY131567 by KMH Engineering Inc.
10. A construction lien registered on December 5, 2011 as No. TY131596 by TISI Canada Inc.
11. A construction lien registered on December 8, 2011 as No. TY131806 by Vector Construction Ltd.
12. A construction lien registered on December 9, 2011 as No. TY131889 by FRP Systems Ltd.
13. A construction lien registered on December 19, 2011 as No. TY132336 by Link Steel & Mechanical Inc.

14. A construction lien registered on December 19, 2011 as No. TY132337 by North American Kiln Service Inc.
15. A certificate registered on December 28, 2011 as No. TY132731 to which is attached a certificate of action re: No. TY131567.
16. A certificate registered on December 28, 2011 as No. TY132732 to which is attached a certificate of action re: No. TY131889.
17. A construction lien registered on January 4, 2012 as No. TY132967 by Skyway Canada Limited.
18. A certificate registered on January 11, 2012 as No. TY133232 to which is attached a certificate of action re: No. TY131541.
19. A certificate registered on January 11, 2012 as No. TY133239 to which is attached a certificate of action re: No. TY131319.
20. A certificate of action registered on January 13, 2012 as No. TY133386 to which is attached a certificate of action re: No. TY131596.
21. A certificate registered on January 20, 2012 as No. TY133709 to which is attached a certificate of action re: No. TY131806.
22. A certificate registered on January 31, 2012 as No. TY134274 to which is attached a certificate of action re: No. TY132967.

Additional Registrations

Together with such further claims as may arise and/or be registered against title to any of the real property described in Schedule B up to and including the time of closing of the Transaction (as set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

"SCHEDULE 1"

Part of 62457-1083 (LT)

62457-1120 (LT)

62457-1229 (LT)

62457-1230 (LT)

62458-0523 (LT)

62458-0533 (LT)

62458-0534 (LT)

"SCHEDULE 2"

62457-1229 (LT)

62457-1230 (LT)

Schedule "D" - Permitted Encumbrances, Easements and Restrictive Covenants related to the Property

(unaffected by the Approval and Vesting Order)

PIN 62457-1120 (LT), PIN 62457-1229 (LT), PIN 62457-1230 (LT), PIN 62458-0523 (LT) & PIN 62458-0533 (LT)

1. An order registered on September 26, 1947 as No. LPA32578 made by the Ontario Municipal Board under the Municipal Act incorporating the Improvement District of Terrace Bay.

PIN 62457-1120 (LT)

2. An application registered on June 11, 1952 as No. LPA40453 of notice to add lands, comprised of parts of closed highways, to the registered title.
3. An easement, with the right to remove sand and gravel, registered on January 22, 1954 as No. LPA43492 in favour of The Hydro-Electric Power Commission of Ontario.
4. An easement, with the right to remove silt, registered on January 22, 1954 as No. LPA43494 in favour of The Hydro-Electric Power Commission of Ontario.

PART OF PIN 62457-1083 (LT) & PIN 62457-1120 (LT)

5. An easement, with the right to pass and repass, registered on January 22, 1954 as No. LPA43496 in favour of The Hydro-Electric Power Commission of Ontario.
6. An easement registered on May 23, 1986 as No. LT210598 in favour of Her Majesty the Queen in Right of Canada with rights over Parts 8, 9 and 10 on Plan 55R-5375 for access to and from Part 1 on Plan 55R-5375.

PART OF PIN 62457-1083 (LT)

7. A Land Registrar's order registered on February 3, 2005 as No. TY3308 to amend the thumbnail property description.

PIN 62458-0523 (LT)

8. An easement, with flooding rights, registered on November 27, 1947 as No. LPA32803 in favour of The Hydro-Electric Power Commission of Ontario.

PIN 62458-0534 (LT)

9. An application registered on June 11, 1952 as No. LPA40453 of notice to add lands, comprised of parts of closed highways, to the registered title.

ONTARIO POWER GENERATION INC.

10. The rights of Ontario Power Generation Inc., if any, as illustrated on Reference Plan 55R-9026.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - OPG)

BLAKE, CASSELS & GRAYDON LLP
Suite 4000, Commerce Court West
199 Bay Street
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Lawyers for the Applicant

TAB 8

Revised: January 21, 2014

Court File No. ——— CV-12-9566-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ——— <u>REGIONAL</u>	)	WEEKDAY <u>MONDAY</u> , THE # <u>12th</u>
	)	
SENIOR JUSTICE ——— <u>MORAWETZ</u>	)	DAY OF MONTH <u>MAY</u> , 20YR <u>2014</u>

BETWEEN:—

~~PLAINTIFF~~

Plaintiff

—and—

~~DEFENDANT~~

Defendant

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - OPG)**

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor" Terrace Bay Pulp Inc. (the "Debtor")) for an order approving the sale transaction (the "Transaction") contemplated by ~~an~~ a purchase agreement of purchase and sale (the "Sale "Purchase Agreement"") between the Receiver and [NAME OF PURCHASER] (the "Debtor and Ontario Power Generation Inc. (the "Purchaser"") dated [DATE] as of March 27, 2014 and appended as Exhibit "G" to the Report of the Receiver dated [DATE] (the

~~"Report")~~, Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described ~~Property~~ (as defined in the SalePurchase Agreement ~~(the "Purchased Assets")~~), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~ Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), dated May 5, 2014 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ Debtor, the Monitor, and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ ~~[NAME]~~ sworn ~~[DATE]~~ ~~[DATE]~~ filed¹:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the SalePurchase Agreement by the Receiver³ Debtor is hereby authorized and approved, with such ~~minor~~ amendments as the ReceiverDebtor may deem necessary. The ReceiverDebtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the ~~Purchased Assets~~ Property to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ReceiverMonitor's certificate to the Purchaser substantially in the form attached as Schedule A

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

hereto (the "Receiver~~Monitor's Certificate~~"), all of the Debtor's right, title and interest in and to the ~~Purchased Assets~~Property described in the ~~Sale~~Purchase Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice [NAME] dated [DATE]Morawetz dated January 25, 2012 (as amended and restated, the "Initial Order"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants, and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the ~~Purchased Assets~~Property are hereby expunged and discharged as against the ~~Purchased Assets~~Property.

~~4. 3. THIS COURT ORDERS~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION}]~~ of a Transfer/Deed of Land in the form prescribed by the ~~Land Registration Reform Act~~ duly executed by the Receiver~~[[Land Titles Division of {LOCATION} Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]~~⁶, the Land Registrar for the said Land Titles Division is hereby directed to enter the Purchaser~~Ontario Power Generation Inc.~~ as the owner of the ~~subject real property~~Property identified in Schedule B hereto (the "Real Property") in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the ~~Real Property~~ all of the Claims listed in Schedule C hereto.

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

5. ~~4. THIS COURT ORDERS~~**THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased-Assets~~Property~~ (the "Net Proceeds") shall stand in the place and stead of the Purchased-Assets~~Property~~, and that from and after the delivery of the Receiver~~Monitor~~'s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased-Assets~~Net Proceeds~~ with the same priority as they had with respect to the Purchased-Assets~~Property~~ immediately prior to the sale⁸, as if the Purchased-Assets~~Property~~ had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. ~~5. THIS COURT ORDERS AND DIRECTS~~ the Receiver~~Monitor~~ to file with the Court a copy of the Receiver~~Monitor~~'s Certificate, forthwith after delivery thereof.

6. ~~THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the ~~Purchased Assets~~Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver, as an officer of this Court,~~Debtor as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Revised: January 21, 2014

Schedule A – Form of Receiver~~Monitor~~'s Certificate

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

**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.

~~BETWEEN:-~~

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

RECEIVER~~MONITOR~~'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Regional Senior Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ (the "Debtor"). B. Pursuant to an Order of the Court dated ~~[DATE]~~, Commercial List (the "Court") dated May 12, 2014, the Court approved the purchase agreement of purchase and sale made as of [DATE OF AGREEMENT] March 27, 2014 (the "SalePurchase Agreement") between Terrace Bay Pulp Inc. (the Receiver ~~[Debtor]~~ and

-2-

~~[NAME OF PURCHASER]~~ (the ~~"Debtor"~~) and Ontario Power Generation 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~~Property, which vesting is to be effective with respect to the ~~Purchased Assets~~Property upon the delivery by the ~~Receiver~~Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~Property; (ii) that the conditions to Closing as set out in section ~~Article 6~~ of the ~~Sale~~Purchase Agreement have been satisfied or waived by the ~~Receiver~~Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~Monitor.

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

THE ~~RECEIVER~~MONITOR CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~Monitor has received the Purchase Price for the ~~Purchased Assets~~Property payable on the Closing Date pursuant to the ~~Sale~~Purchase Agreement;
2. The ~~Debtor and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing as set out in section Article 6 of the Sale~~Purchase Agreement have been satisfied or waived by the ~~Receiver and the Purchaser; and;~~
3. The ~~Transactionsale transaction contemplated by the Purchase Agreement~~ has been completed to the satisfaction of the ~~Receiver~~Monitor; and
4. This Certificate was delivered by the ~~Receiver~~Monitor at _____ [TIME][TIME] on _____ [DATE][DATE].

2

~~[NAME OF RECEIVER]~~ERNST & YOUNG
INC., in its capacity as Receiver of the
undertaking, property and assets of
~~[DEBTOR]~~court-appointed Monitor of
TERRACE BAY PULP INC., and not in its
personal or corporate capacity

Per: _____

Name: _____

Title: _____

Revised: January 21, 2014

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

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

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

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - OPG)

BLAKE, CASSELS & GRAYDON LLP

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 Toronto, Ontario M5L 1A9

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Lawyers for the Applicant

Schedule B—Purchased Assets

22544190.1

DOCSTOR:120192714

2

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

22544190.1

DOCSTOR-1201927A14

3

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

22544190.1

DOCSTOR:1201927114

Document comparison by Workshare Compare on Sunday, May 04, 2014
5:27:54 PM

Input:	
Document 1 ID	file://C:\Users\wls\Desktop\Model Vesting Order.doc
Description	Model Vesting Order
Document 2 ID	PowerDocs://TOR_2528/22544190/1
Description	TOR_2528-#22544190-v1-TBAY_-_OPG_Vesting_Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	146
Deletions	147
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	293

TAB 9

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL	)	MONDAY, THE 12 TH
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF MAY, 2014

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - Nichols)**

THIS MOTION, made by Terrace Bay Pulp Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by a purchase agreement (the "**Purchase Agreement**") between the Debtor and Jim Nichols Trucking Ltd. (the "**Purchaser**") dated as of March 12, 2014 and appended as Exhibit "H" to the Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") and vesting in the Purchaser the Debtor's right, title and interest in and to the Property (as defined in the Purchase Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "**Monitor**"), dated May 5, 2014 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Debtor, the Monitor and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Debtor is hereby authorized and approved, with such amendments as the Debtor may deem necessary. The Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Debtor's right, title and interest in and to the Property described in the Purchase Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Morawetz dated January 25, 2012 (as amended and restated, the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements, restrictive covenants, and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the said Land Titles Division is hereby directed to enter Jim Nichols Trucking Ltd. as the owner of the Property identified in Schedule B hereto in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property (the "**Net Proceeds**") shall stand in the place and stead of the Property, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by

creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor as may be necessary or desirable to give effect to this Order or to assist the Debtor and the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Schedule A – Form of Monitor’s Certificate

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

**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 Honourable Regional Senior Justice Morawetz of the Ontario Superior Court of Justice, Commercial List (the "**Court**") dated May 12, 2014, the Court approved the purchase agreement made as of March 12, 2014 (the "**Purchase Agreement**") between Terrace Bay Pulp Inc. (the "**Debtor**") and Jim Nichols Trucking Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Property, which vesting is to be effective with respect to the Property 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 Property; (ii) that the conditions to Closing as set out in Article 6 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 Property payable on the Closing Date pursuant to the Purchase Agreement;
2. The Debtor and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing set out in Article 6 of the Purchase Agreement have been satisfied or waived;
3. The sale transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at [TIME] on ____ [DATE].

**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:
Title:

Schedule "B" - Property

PIN 62458-0314 (LT)

PCL 26553 SEC TBF; PT BLK B PRISKE PT 1 & 2, 55R11271; PT LOCATION SV455 PRISKE; PT LOCATION SV 456 PRISKE PT 3 TO 8, 55R11271; PT LOCATION JK 302 PRISKE PT 10 TO 12, 55R11271; *S/T EASE OVER PARTS 5 & 6, 55R11271 IN LT201161; S/T EASE OVR PARTS 2, 4, 5 & 7 ON 55R11271 IN FAVOUR OF PART 9 ON 55R11271 AS IN F96838, TERRACE BAY; DISTRICT OF THUNDER BAY

PIN 62458-0578 (LT)

PCL 16166 SEC TBF; LOCATION W 304 PRISKE SITUATE NEAR TERRACE BAY ON THE N SHORE OF LAKE SUPERIOR; TERRACE BAY

PIN 62458-0579 (LT)

PCL 16180 SEC TBF; LOCATION S.V. 455 PRISKE; LOCATION S.V. 456 PRISKE ON THE W SIDE OF TERRACE BAY, N SHORE OF LAKE SUPERIOR; EXCEPT LPA39779 & LPA39780; ALSO EXCEPTING PT 3-9, 55R11271; S/T LT201161; TERRACE BAY

PIN 62458-0591 (LT)

PCL 8591 SEC TBF; BLK B PRISKE SITUATE S OF THE ROW OF THE CANADIAN PACIFIC RAILWAY AT MILE POST 861 N OF TERRACE BAY, LAKE SUPERIOR, IN THE SAID DISTRICT OF THUNDER BAY AS SHOWN ON PL OF SURVEY BY ONTARIO LAND SURVEYOR PETER A. PETERSON DATED JUNE 21, 1897, OF RECORD IN THE DEPARTMENT OF CROWN LANDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEING A STRIP OF LAND S OF AND ADJOINING THE S LIMIT OF THE ROW OF THE CANADIAN PACIFIC RAILWAY N OF TERRACE BAY AFORESAID; COMMENCING AT THE INTERSECTION OF THE W LIMIT OF MINING LOCATION 6 W WITH THE S LIMIT OF SAID ROW, THENCE WLY ALONG THE SOUTHERN LIMIT OF SAID ROW THREE THOUSAND AND SIXTY-TWO FT, THENCE S TWELVE DEGREES TWENTY SEVEN ' W THREE HUNDRED FT, THENCE ELY AND PARALLEL TO THE SLY LIMIT OF SAID ROW THREE THOUSAND ONE HUNDRED AND TWENTY SEVEN FT MORE OR LESS TO THE W LIMIT OF MINING LOCATION 6 W, THENCE NLY ALONG SAID LIMIT THREE HUNDRED FT MORE OR LESS TO THE POB CONTAINING BY ADMEASUREMENT TWENTY-ONE ACRES MORE OR LESS; EXCEPT LPA39780 & PT 1 & 2, 55R11271; T/W OVER PT 2, 55R11271 AS IN F96838; TERRACE BAY AMENDED NOV 16, 2004 FROM THINDER BAY TO THUNDER BAY

Schedule C - Claims to be deleted and expunged from title to the Property

The following claims are to be deleted and expunged from the PINS listed under "Schedule 1"

1. A charge registered on September 15, 2010 as No. TY108162 in favour of Computershare Trust Company of Canada.
2. A construction lien registered on December 13, 2011 as No. TY132002 by EKT 90 Inc.
3. A construction lien registered on January 10, 2012 as No. TY133201 by Keating Insulation Inc.
4. An application to register Court Order registered on January 27, 2012 as No. TY134036 to which is attached a certificate of action re: TY132002.
5. An application to register Court Order registered on February 24, 2012 as No. TY135375 to which is attached a certificate of action re: TY133201.

Additional Registrations

Together with such further claims (other than permitted encumbrances) as may arise and/or be registered against title to any of the real property described in Schedule B up to and including the time of closing of the Transaction (as set out in more detail by way of solicitor's statement or affidavit annexed to the Application for Vesting Order).

"SCHEDULE 1"

62458-0314 (LT)

62458-0578 (LT)

62458-0579 (LT)

62458-0591 (LT)

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Property**

(unaffected by the Approval and Vesting Order)

PIN 62458-0591 (LT)

1. An order registered on September 26, 1947 as No. LPA32578 made by the Ontario Municipal Board under the Municipal Act incorporating the Improvement District of Terrace Bay.

PIN 62458-0314 (LT) & PIN 62458-0579 (LT)

2. An easement registered on May 16, 1985 as No. LT201161 in favour of Ontario Hydro relating to an electrical transmission line.

PIN 62458-0314 (LT)

3. An easement registered on July 27, 2000 as No. F96838 in favour of Hydro Bay Campers Association with rights relating to an access road and service lines over Parts 2, 4, 5 and 7 on Plan 55R-11271.

PIN 62458-0579 (LT)

4. An easement for access and egress purposes registered on July 27, 2000 as No. F96840E.
5. A Land Registrar's order registered on October 6, 2004 as No. F137164 to amend the thumbnail property description by adding T/W No. F96840.

PIN 62458-0314 (LT), PIN 62458-0578 (LT) & PIN 62458-0579 (LT)

6. An application registered on August 23, 2006 as No. TY32012 to amend the thumbnail property description by deleting reference to right-of-way in No. F96840E.

ONTARIO POWER GENERATION INC.

7. Rights of Ontario Power Generation Inc. to have piezometer wells on the Property and to access the Property to maintain, monitor, repair and replace such wells.
8. Any instruments registered on title to the Property on or before closing by Ontario Power Generation Inc. giving notice of the foregoing rights.

CASQUE ISLES TRAIL

9. Rights of third parties to use the Casque Isles Trail.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - Nichols)

BLAKE, CASSELS & GRAYDON LLP
Suite 4000, Commerce Court West
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Lawyers for the Applicant

TAB 10

Revised: January 21, 2014

Court File No. ——— CV-12-9566-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ——— <u>REGIONAL</u>	)	WEEKDAY <u>MONDAY</u> , THE # <u>12TH</u>
	)	
<u>SENIOR JUSTICE</u> ——— <u>MORAWETZ</u>	)	DAY OF MONTH <u>MAY</u> , 20YR <u>2014</u>

BETWEEN:

~~PLAINTIFF~~

Plaintiff

~~—and—~~

~~DEFENDANT~~

Defendant

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.

**APPROVAL AND VESTING ORDER
(Non-Mill Property - Nichols)**

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor" Terrace Bay Pulp Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by ~~an~~ a purchase agreement of ~~purchase and sale~~ (the "**Purchase Agreement**") between the Receiver and [NAME OF PURCHASER] (the "**Debtor and Jim Nichols Trucking Ltd.** (the "**Purchaser**") dated [DATE] as of March 12, 2014 and appended as Exhibit "H" to the Report of the Receiver dated [DATE] (the

"Report"), Affidavit of Wolfgang Gericke sworn May 5, 2014 (the "Gericke Affidavit") and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described Property (as defined in the SalePurchase Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report Notice of Motion, the Gericke Affidavit and the Exhibits thereto, and the Twelfth Report of Ernst & Young Inc., in its capacity as monitor (the "Monitor"), dated May 5, 2014 (the "Twelfth Report"), and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING] Debtor, the Monitor and those parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME NAME] sworn [DATE DATE] filed¹:

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the SalePurchase Agreement by the Receiver³ Debtor is hereby authorized and approved, with such ~~minor~~ amendments as the Receiver Debtor may deem necessary. The Receiver Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets Property to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver Monitor's certificate to the Purchaser substantially in the form attached as Schedule A

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

hereto (the "~~Receiver~~Monitor's Certificate"), all of the Debtor's right, title and interest in and to the ~~Purchased Assets~~Property described in the ~~Sale~~Purchase Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice [NAME] dated [DATE] Morawetz dated January 25, 2012 (as amended and restated, the "**Initial Order**";) (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements ~~and~~, restrictive covenants, and other rights listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the ~~Purchased Assets~~Property are hereby expunged and discharged as against the ~~Purchased Assets~~Property.

~~4. 3. THIS COURT ORDERS~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a ~~Transfer/Deed of Land in~~ the form prescribed by the ~~Land Registration Reform Act~~ duly executed by the ~~Receiver~~ [Land Titles Division of {LOCATION}] Thunder Bay (No. 55) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* ~~and/or the Land Registration Reform Act~~⁶, the Land Registrar for the said Land Titles Division is hereby directed to enter the ~~Purchaser~~ Jim Nichols Trucking Ltd. as the owner of the ~~subject real property~~Property identified in Schedule B hereto (the "**Real Property**") in fee simple, and the said Land Registrar is hereby directed to delete and expunge from title to the ~~Real Property~~ all of the Claims listed in Schedule C hereto.

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

5. ~~4. THIS COURT ORDERS~~**THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased-Assets~~Property~~ (the "**Net Proceeds**") shall stand in the place and stead of the Purchased-Assets~~Property~~, and that from and after the delivery of the Receiver~~Monitor~~'s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased-Assets~~Net Proceeds~~ with the same priority as they had with respect to the Purchased-Assets~~Property~~ immediately prior to the sale⁸, as if the Purchased-Assets~~Property~~ had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be held by the Monitor pending further Order or Orders of the Court, provided that, with the approval of the Monitor, payment of obligations secured by the Administration Charge (as defined in the Initial Order) and such amounts as may be required to dispose of any remaining property and assets of the Debtor and complete this administration may be paid from the Net Proceeds and disbursed by the Monitor from the Net Proceeds, from time to time, without further Order of this Court.

6. ~~5. THIS COURT ORDERS AND DIRECTS~~ the Receiver~~Monitor~~ to file with the Court a copy of the Receiver~~Monitor~~'s Certificate, forthwith after delivery thereof.

6. ~~THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

⁷The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the ~~Purchased Assets~~Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver, as an officer of this Court,~~Debtor as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Debtor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order made on notice to the Debtor and the Monitor.

Revised: January 21, 2014

Schedule A – Form of Receiver~~Monitor~~'s Certificate

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

**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.

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

~~—and—~~

~~DEFENDANT~~

Defendant

RECEIVER~~MONITOR~~'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Regional Senior Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ (the "Debtor"). B. Pursuant to an Order of the Court dated ~~[DATE]~~, Commercial List (the "Court") dated May 12, 2014, the Court approved the purchase agreement of purchase and sale made as of [DATE OF AGREEMENT] March 12, 2014 (the "SalePurchase Agreement") between Terrace Bay Pulp Inc. (the Receiver ~~[“Debtor”]~~) and

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~~[NAME OF PURCHASER]~~ Jim Nichols Trucking Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ~~Purchased Assets~~ Property, which vesting is to be effective with respect to the ~~Purchased Assets~~ Property upon the delivery by the ~~Receiver~~ Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~ Property; (ii) that the conditions to Closing as set out in section ~~•~~ Article 6 of the ~~Sale~~ Purchase Agreement have been satisfied or waived by the ~~Receiver~~ Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~ Monitor.

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

THE ~~RECEIVER~~ MONITOR CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~ Monitor has received the Purchase Price for the ~~Purchased Assets~~ Property payable on the Closing Date pursuant to the ~~Sale~~ Purchase Agreement;
2. The ~~Debtor~~ and the Purchaser have confirmed to the Monitor, in writing, that the conditions to Closing as set out in section ~~•~~ Article 6 of the ~~Sale~~ Purchase Agreement have been satisfied or waived by the ~~Receiver~~ and the Purchaser; and;
3. The ~~Transaction~~ sale transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the ~~Receiver~~ Monitor; and
4. This Certificate was delivered by the ~~Receiver~~ Monitor at _____ [TIME] [TIME] on _____ [DATE] [DATE].

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~~[NAME OF RECEIVER]~~ERNST & YOUNG
INC., in its capacity as Receiver of the
undertaking, property and assets of
~~[DEBTOR]~~court-appointed Monitor of
TERRACE BAY PULP INC., and not in its
personal or corporate capacity

Per: _____

Name: _____

Title: _____

Revised: January 21, 2014

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
 Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(Non-Mill Property - Nichols)

BLAKE, CASSELS & GRAYDON LLP
 Suite 4000, Commerce Court West
 199 Bay Street
 Toronto, Ontario M5L 1A9

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Lawyers for the Applicant

Schedule B—Purchased Assets

2254191.1

DOCSOR: 120192714

2

~~Schedule C — Claims to be deleted and expunged from title to Real Property~~

~~22544191.1~~

~~DOCSID: 120192714~~

3

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

225/4191.1

DOCSOR-1201927.14

Document comparison by Workshare Compare on Sunday, May 04, 2014
5:36:25 PM

Input:	
Document 1 ID	file://C:\Users\wls\Desktop\Model Vesting Order.doc
Description	Model Vesting Order
Document 2 ID	PowerDocs://TOR_2528/22544191/1
Description	TOR_2528-#22544191-v1-TBay_-_Nichols_Vesting_Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	150
Deletions	150
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	300

TAB 11

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE REGIONAL	)	MONDAY, THE 12 th
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF MAY, 2014

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.

Applicant

ORDER
(Re: Sealing and Confidentiality, Interim Distribution, Discharge of
Unsold Property Lien Claims and Monitor's Report)

THIS MOTION, made by Terrace Bay Pulp Inc. (the "**Company**" or "**Terrace Bay**"),
 for an order, *inter alia*:

- (a) directing that the documents contained in Confidential Appendices "B" and "C" to the Twelfth Report of the Monitor, Ernst & Young Inc. (the "**Monitor**") dated May 5, 2014 (the "**Twelfth Report**") and the Cash Purchase Prices and Deposits in the redacted Purchase Agreements attached as Exhibits "E" through "H" to the affidavit of Wolfgang Gericke sworn May 5, 2014 (the "**Gericke Affidavit**") shall remain confidential, sealed and segregated and not form part of the permanent court record pending further order of the Court;

- (b) declaring that, other than in relation to and subject to the priority of the Administration Charge (as defined in the Initial Order dated January 25, 2012) and the claims secured by the Administration Charge, the security (the “**Plan Note Charge**”) held by Computershare Trust Company of Canada (the “**Trustee**”) which secures the obligations of the Company under the promissory note (the “**Plan Note**”) issued by Terrace Bay to the Trustee pursuant to Terrace Bay’s 2011 Plan of Compromise and Arrangement (the “**Plan**”) has priority over all other claims, security, liens and encumbrances of any kind, including, without limitation, the Sold Property Lien Claims (collectively, the “**Subordinate Claims**”), against, affecting or relating to the Sale Proceeds and the Trust Funds (each as defined below), and that the Sale Proceeds and the Trust Funds may be distributed by the Company without regard to and in priority to the Subordinate Claims;
- (c) ordering and directing the Monitor to release to Terrace Bay the net proceeds of the closed Sale Transactions paid to the Monitor, in trust (the “**Sale Proceeds**”), and the other funds held in trust by the Monitor relating to the prior sale of the Mill Property (the “**Trust Funds**”), in the form of one or more payments, up to the aggregate amount of the Sale Proceeds and the Trust Funds (the “**Interim Distributions**”), the amount and timing of which payments shall be in the discretion of the Monitor, acting reasonably, having regard to, among other things, the amount of the Sale Proceeds received and held by the Monitor from time to time, and further ordering and directing Terrace Bay to pay any and all amounts comprising the Interim Distributions to the Trustee, in trust for the Beneficiaries (as defined in the Note Indenture dated as of September 15, 2012 (the “**Indenture**”), on account of the Company’s obligations under the Plan Note, for distribution as soon as practicable by

the Trustee to the Beneficiaries on a pro rata basis in accordance with the Plan Note, the Plan and the Indenture;

(d) directing that the Unsold Property Lien Claims be discharged from title to the Unsold Property; and

(e) approving the Twelfth Report and the conduct and activities of the Monitor as described therein;

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

ON READING the Gericke Affidavit, the Twelfth Report and on hearing the submissions of counsel for the Company, the Monitor, and those parties listed on the counsel slip, no one appearing for any other person on the service list although properly served.

DEFINED TERMS

1. **THIS COURT ORDERS** that all terms not otherwise defined herein have the same meaning as in the Gericke Affidavit.

SERVICE

2. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion, Motion Record and the Twelfth Report is hereby abridged such that this motion is properly returnable today, that the manner of service is hereby approved and validated, and that all parties entitled to notice of this motion have been properly served with notice of this motion, and service on any other parties is hereby dispensed with.

SEALING AND CONFIDENTIALITY

3. **THIS COURT ORDERS** that the documents marked as Confidential Appendices "B" and "C" to the Twelfth Report and the redacted Cash Purchase Prices and Deposits in the

redacted Purchase Agreements attached as Exhibits "E" through "H" to the Gericke Affidavit shall remain sealed, confidential and segregated and shall not form part of the permanent court record, pending further order of the Court.

INTERIM DISTRIBUTION

4. **THIS COURT ORDERS AND DECLARES** that, other than in relation to and subject to the priority of the Administration Charge and the claims secured by the Administration Charge, the Plan Note Charge has priority over all Subordinate Claims against, affecting or relating to the Sale Proceeds and the Trust Funds, and that the Interim Distributions may be distributed by the Company without regard to and in priority to the Subordinate Claims.

5. **THIS COURT ORDERS** that the Monitor be and is hereby authorized and directed to release the Interim Distributions to the Company, the amount and timing of which payments shall be in the discretion of the Monitor, acting reasonably having regard to, among other things, the amount of Sale Proceeds received and held by the Monitor from time to time, and the Company be and is hereby authorized and directed to pay any and all amounts comprising the Interim Distributions to the Trustee, in trust for the Beneficiaries, on account of the Company's obligations under the Plan Note, for distribution as soon as practicable by the Trustee to Beneficiaries on a pro rata basis in accordance with the Plan Note, the Plan and the Indenture.

DISCHARGE OF UNSOLD PROPERTY LIEN CLAIMS

6. **THIS COURT ORDERS** that the Unsold Property Lien Claims, as described in Schedule "A" attached hereto, including all related Certificates of Action, be and are hereby discharged as against title to the lands and premises more particularly described in Schedule "A" attached hereto and that the Land Registry Office for the Land Titles Division of Thunder Bay (No. 55) shall accept the registration of this Order as a Discharge of Construction Lien with respect to each Claim for Lien described in Schedule "A" attached hereto.

APPROVAL OF MONITOR'S REPORT

7. **THIS COURT ORDERS** that the Twelfth Report and the conduct and activities of the Monitor as described therein be and are hereby approved.

Schedule "A"
Claims to be deleted and expunged from title to the Unsold Property

The following claims are to be discharged from the PINS listed under "Schedule 1"

1. A construction lien registered on December 13, 2011 as No. TY132002 by EKT 90 Inc.
2. A construction lien registered on January 10, 2012 as No. TY133201 by Keating Insulation Inc.
3. An application to register Court Order registered on January 27, 2012 as No. TY134036 to which is attached a certificate of action re: TY132002.
4. An application to register Court Order registered on February 24, 2012 as No. TY135375 to which is attached a certificate of action re: TY133201.

"SCHEDULE 1"

62457-0432(LT)

62457-1091(LT)

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.

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

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

ORDER
**(Re: Sealing and Confidentiality, Interim Distribution,
Discharge of Unsold Property Lien Claims and
Monitor's Report)**

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Tel: 416-863-3348
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Lawyers for the Applicant

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.

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD
(RETURABLE MAY 12, 2014)
(RE: APPROVAL OF SALE OF CERTAIN
NON-MILL PROPERTY, INTERIM
DISTRIBUTION AND DISCHARGE OF
UNSOLD PROPERTY LIEN CLAIMS)**

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