

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY, THE 29TH DAY
JUSTICE MORAWETZ) OF MAY, 2013

B E T W E E N:

G.E. CANADA EQUIPMENT
FINANCING G.P.

Applicant

- and -

ATIKOKAN FOREST PRODUCTS LTD.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c.C-36, as amended, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c.C.43, as amended.

APPROVAL AND VESTING ORDER

THIS MOTION, made by PricewaterhouseCoopers Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Atikokan Forest Products Ltd. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Resolute FP Canada Inc. (the "**Purchaser**") in the form appended to the Report of the Receiver dated May 16, 2013 (the "**Eighth Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the

assets described in the Sale Agreement (the "**Real Property** "), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, G.E. Canada Equipment Financing G.P, and Resolute FP Canada Inc., no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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 Real Property to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Real Property described in the Sale 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 Justice Morawetz dated January 4, 2011; (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 listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Real Property are hereby expunged and discharged as against the Real Property.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Rainy River (No. 48) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser on the parcel register for the Real Property as the owner of the subject Real Property identified in Schedule B hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that the Receiver is directed to pay the net proceeds from the sale of the Real Property following payment of its fees and expenses associated with the completion of the Transaction, to G.E. Canada Equipment Financing G.P.

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

6. 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 Real 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 settlement, 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.

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

8. THIS COURT ORDERS that the Confidential Appendix E to the Receiver's Eighth Report and the unredacted version of the Sale Agreement be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

9. THIS COURT ORDERS that the Eighth Report of the Receiver dated May 16, 2013 and the activities of the Receiver as described therein are hereby approved.

10. 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 and its 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, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



MAY 29 2013



Schedule A – Form of Receiver’s Certificate

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

G.E. CANADA EQUIPMENT FINANCING G.P.

Applicant

- and -

ATIKOKAN FOREST PRODUCTS LTD.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Morawetz of the Ontario Superior Court of Justice (the "**Court**") dated January 4, 2011, PricewaterhouseCoopers Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Atikokan Forest Products Ltd. (the "**Debtor**").

B. Pursuant to an Order of the Court dated ●, 2013, the Court approved the agreement of purchase and sale made as of ●, 2013 (the "**Sale Agreement**") between the Receiver and Resolute FP Canada Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Real Property, which vesting is to be effective with respect to the Real Property upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Real Property; (ii) that the conditions to Closing as set out in

section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Real Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**PRICEWATERHOUSECOOPERS INC., in
its capacity as Receiver of the undertaking,
property and assets of ATIKOKAN
FOREST PRODUCTS LTD., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule B - Real Property

In the District of Rainy River, Land Registry Office for the Land Titles Division of Rainy River (No. 48) being the lands legally described as follows:

Firstly:

PCL 14904 SEC RAINY RIVER; PT MINING CLAIM FF-746 HUTCHINSON AS IN SLT56911 RESERVING FLOODING RIGHTS UP TO AN ELEVATION OF 5 FT ABOVE ORDINARY HIGHWATER MARK & RESERVING THE CANADIAN NATIONAL RAILWAY ROW; DISTRICT OF RAINY RIVER, being all of PIN 56002-0090 (LT)

Secondly:

PCL 14563 SEC RAINY RIVER; MINING CLAIM F.F. 5001 HUTCHINSON EXCEPT THE ROW OF THE CANADIAN NATIONAL RAILWAYS; DISTRICT OF RAINY RIVER, being all of PIN 56002-0041 (LT)

Thirdly:

PCL 14566 SEC RAINY RIVER; MINING CLAIM F.F. 5038 HUTCHINSON EXCEPTING THE ROW OF THE CANADIAN NATIONAL RAILWAY CROSSING THE SAID CLAIM; DISTRICT OF RAINY RIVER, being all of PIN 56002-0044 (LT)

Fourthly:

PCL 14811 SEC RAINY RIVER; PT MINING CLAIM F.F. 746 HUTCHINSON AS IN SLT56280; DISTRICT OF RAINY RIVER, being all of PIN 56002-0046 (LT)

Fifthly:

PCL 10450 SEC RAINY RIVER; MINING CLAIM F.F. 1571 HUTCHINSON; DISTRICT OF RAINY RIVER, being all of PIN 56002-0091 (LT)

Sixthly:

PCL 9838 SEC RAINY RIVER; MINING CLAIM F.F.1030 HUTCHINSON EXCEPT THE ROW OF THE CANADIAN NATIONAL RAILWAYS CONTAINING 1 4/10 ACRES, MORE OR LESS, CROSSING SAID MINING CLAIM, BEING OF SRO; DISTRICT OF RAINY RIVER, being all of PIN 56002-0108 (LT)

Seventhly:

PCL 9913 SEC RAINY RIVER; MINING CLAIM F.F.1224 HUTCHINSON RESERVING THE FLOODING RIGHTS UP TO AN ELEVATION OF FIVE FT ABOVE NATURAL HIGH WATER MARK; DISTRICT OF RAINY RIVER, being all of PIN 56002-0109 (LT)

Eighthly:

PCL 9386 SEC RAINY RIVER; MINING CLAIM F.F. 746 HUTCHINSON COMPRISING S PT LOCATION X636 EXCEPT SLT56280 & SLT56911 RESERVING FLOODING RIGHTS UP TO AN ELEVATION OF FIVE FT ABOVE ORDINARY HIGH WATER MARK ALSO RESERVING ROW OF CANADIAN NATIONAL RAILWAY; DISTRICT OF RAINY RIVER, being all of PIN 56002-0115 (LT)

Ninthly:

PCL 9400 SEC RAINY RIVER; MINING CLAIM F.F. 747 HUTCHINSON COMPRISING N PT LOCATION X636 SITUATE ON THE SOUTHERLY SHORE OF SAPAWE LAKE RESERVING FLOODING RIGHTS TO AN ELEVATION OF FIVE FT ABOVE ORDINARY HIGH WATER MARK; DISTRICT OF RAINY RIVER, being all of PIN 56002-0116 (LT)

Tenthly:

MINING CLAIM F.F. 5039 HUTCHINSON EXCEPT THE ROW OF THE CANADIAN NATIONAL RAILWAYS CROSSING THE SAID CLAIM SHOWN MARKED RED ON PL S412, PT 4 & 5 48R1567, PT 2 48R1864, PT 1, 2 & 5 48R3730 AND PT 4 48R4034; DISTRICT OF RAINY RIVER, being all of PIN 56002-0132 (LT)

Eleventhly:

MINING CLAIM F.F. 1223 HUTCHINSON EXCEPT THE ROW OF THE CANADIAN NATIONAL RAILWAY, PL S412, PT 1 48R1100, PT 1, 2 & 3 48R1567, PT 1 48R1864, PT 3, 6 & 7 48R3730 AND PT 3 48R4034; DISTRICT OF RAINY RIVER, being all of PIN 56002-0134 (LT)

Twelfthly:

PT MINING CLAIM F.F. 5071 HUTCHINSON PART 2, 48R4034; DISTRICT OF RAINY RIVER, being all of PIN 56002-0136 (LT)

Thirteenthly:

PT MINING CLAIM F.F. 5158 HUTCHINSON PART 1, 48R4034; DISTRICT OF RAINY RIVER, being all of PIN 56002-0138 (LT).

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

1. Instrument No. RD733 registered on April 2, 2007 being a Charge from Atikokan Forest Products Ltd. ("**Atikokan**") in favour of General Electric Canada Real Estate Finance Inc. ("**GE**").
2. Instrument No. RD10300 registered on March 7, 2008 being a Charge from Atikokan in favour of Buchanan Lumber Sales Inc.
3. Instrument No. RD10443 registered on March 31, 2008 being an Application to Change Name of Buchanan Lumber Sales Inc. to Buchanan Sales Inc. relating to Instrument No. RD10300.
4. Instrument No. RD12370 registered on November 28, 2008 being a Charge from Atikokan in favour of Buchanan Sales Inc.
5. Instrument No. RD13051 registered on March 30, 2009 being a Notice of an Amending Agreement between GE and Atikokan in respect of the Charge registered as Instrument No. RD733.
6. Instrument No. RD13052 registered on March 30, 2009 being a Postponement of the Charge registered as Instrument No. RD10300 and the Application to Change Name registered as Instrument No. RD10443 to the Charge registered as Instrument No. RD733.
7. Instrument No. RD13053 registered on March 30, 2009 being a Postponement of the Charge registered as RD12370 to the Charge registered as Instrument No. RD733.

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

(unaffected by the Vesting Order)

In respect of the eighthly described lands only:

1. Instrument No. A73570 registered on September 20, 1999 being a Notice of Lease between Atikokan as landlord and Petro-Canada as tenant.
2. Instrument No. A73952 registered on November 15, 1999 being a Notice of Lease between Atikokan as landlord and Petro-Canada as tenant.

In respect of the eleventhly described lands only:

3. Instrument No. A3039 registered on March 7, 1975 being a Notice of Application from the Ministry of Natural Resources (“MNR”) wherein the MNR applies to lay out and use part of the five percent acreage for roads reserved in the Letters Patent for Parcel 10028.

In respect of the twelfthly described lands only:

4. Instrument No. A3041 registered on March 7, 1975 being a Notice of Application from the MNR wherein the MNR applies to lay out and use part of the five percent acreage for roads reserved in the Letters Patent for Parcel 14564.

In respect of the thirteenthly described lands only:

5. Instrument No. A3042 registered on March 7, 1975 being a Notice of Application from the MNR wherein the MNR applies to lay out and use part of the five percent acreage for roads reserved in the Letters Patent for Parcel 14565.

G.E. Canada Equipment Financing G.P.

and

Atikokan Forest Products Ltd.

Court File No: CV-10-9041-00CL

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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