

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) TUESDAY, THE 25TH
)
JUSTICE MORAWETZ) DAY OF JUNE, 2013

BETWEEN:

G.E. CANADA EQUIPMENT FINANCING G.P.

Applicant

- and -

NORTHERN SAWMILLS INC.

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.

ORDER

THIS MOTION, made by PricewaterhouseCoopers Inc. (“**PwC**”) in its capacity as the Court-appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Northern Sawmills Inc. (“**Northern**”) acquired for or used in relation to a business carried on by Northern including all proceeds thereof (collectively, the “**Northern Property**”), for an order, among other things, approving the Settlement Agreement (as defined below), approving a distribution to the Plan Administrator (as defined below), approving the Receiver’s activities, and discharging the Receiver was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Sixth Report of the Receiver dated June 18, 2013 (the “**Sixth Report**”), and on hearing the submissions of counsel for the Receiver, submissions of counsel

for G.E. Canada Equipment Financing G.P. (“**GE**”), submissions of counsel for Morneau Shepell Ltd. in its capacity as the plan administrator of the Hourly Plan and the Salaried Plan (the “**Plan Administrator**” or “**Morneau**”), submissions of counsel for Lucky Star and Buchanan Sales Inc. (“**Buchanan Sales**”), submissions of counsel for the Superintendent of Financial Services (the “**Superintendent**”), all parties having been served as evidenced by the affidavit of service, filed;

Definitions and Notice

1. THIS COURT ORDERS that any capitalized term in this Order that is not otherwise defined has the meaning ascribed to it in the Sixth Report.
2. THIS COURT ORDERS AND DECLARES that the time for service of this Notice of Motion and the Motion Record is hereby abridged so that the Motion is properly returnable today and hereby dispenses with further service thereof and orders that service of the Notice of Motion and Motion Record is hereby validated in all respects.

Approval of Receiver Activities

3. THIS COURT ORDERS that the Sixth Report, including the Statement of Receipts and Disbursements contained therein, is hereby approved and the activities of the Receiver as set out in the Sixth Report are hereby approved.

Approval of the Settlement Agreement

4. THIS COURT ORDERS that the Settlement Agreement dated January 22, 2013, (the “**Settlement Agreement**”) entered into by the Receiver, GE, the Plan Administrator and the Superintendent in relation to Northern’s pension plans, attached as Appendix B to the Sixth

Report is hereby approved and the Receiver is authorized to take all actions contemplated thereunder.

5. THIS COURT ORDERS that that no proceeding, process or claim in any court or tribunal relating to the Salaried Plan or Hourly Plan shall be commenced or continued against the Receiver or GE.

6. THIS COURT ORDERS that the Receiver is authorized and directed to distribute \$35,000 to Fasken Martineau DuMoulin LLP, Lawyers for Morneau, pursuant to the Settlement Agreement, in full and final satisfaction of Morneau's Asserted Pension Claims.

Miscellaneous

7. THIS COURT ORDERS AND DECLARES that the amount to be distributed under paragraph 12 of the order of Justice Newbould dated November 19, 2012 shall be \$152,127 and the Receiver shall distribute a total of \$152,127 from the Disputed Collateral Proceeds and the NWP Disputed Asset Proceeds to Lucky Star in full satisfaction of Lucky Star and NWP's interests in the Disputed Collateral Proceeds and the NWP Disputed Asset Proceeds, in full satisfaction of paragraph 12 of the order of Justice Newbould dated November 19, 2012.

8. THIS COURT ORDERS AND DECLARES that the Receiver has no interest in the 1981 Brookville Diesel Locomotive bearing serial number #6611.

Discharge of the Receiver

9. THIS COURT ORDERS that upon the Receiver filing a certificate certifying that it has completed the Remaining Duties described in the Sixth Report (the "**Discharge Certificate**"), the Receiver shall be discharged as Receiver of the undertaking, property and assets of Northern, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit

of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of PwC in its capacity as Receiver.

10. THIS COURT ORDERS AND DECLARES that immediately upon the filing of the Discharge Certificate, PwC shall be released and discharged from any and all liability that PwC now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of PwC while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, PwC shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

A handwritten signature in black ink, appearing to read "A. H. Brown", is written over a horizontal line.

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

JUN 25 2013

MB

G.E. Canada Equipment Financing G.P.
Applicant

- and -

Northern Sawmills Inc.
Respondent

Court File No: CV10-9042-00CL

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSUC#: 52880V
Tel: (416) 869-5230
Fax: (416) 947-0866

Lawyers for the Applicant