

No. S077839  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

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

**AND IN THE MATTER OF THE RECEIVERSHIP OF POPE & TALBOT LTD. AND  
THE PETITIONERS LISTED IN SCHEDULE "A"**

**ORDER**

BEFORE THE HONOURABLE ) TUESDAY, THE 21<sup>ST</sup> DAY  
THE CHIEF JUSTICE ) OF OCTOBER 2008  
)

THE MOTION of PricewaterhouseCoopers Inc. (the "Receiver") coming on for hearing at Vancouver, British Columbia on this day, AND ON HEARING Kibben Jackson, counsel for the Receiver and Monitor, and those counsel listed in Schedule "B", AND UPON READING the material filed.

THIS COURT DECLARES AND ORDERS THAT:

1. The Notices of Motion of Pulp Paper & Woodworkers of Canada, Local 8 ("PPWC") and Communications, Energy & Paperworkers' Union of Canada, Local 1092 ("CEP"), dated September 12, 2008 and October 16, 2008, respectively, are hereby dismissed.
2. This Court declares that neither PwC, in its capacity as receiver of the assets and undertakings of the Petitioners and in its capacity as trustee of the bankruptcy estates of the Petitioners, nor any of the Petitioners hold any assets (including cash or other collateral) in trust

for the benefit of PPWC, CEP or the United Steelworkers, Locals 1-405, 1-423 and 1-424 ("USW") (collectively, the "Unions"), their members, any pension plan or fund or its applicable administrator (including without limitation the Pulp and Paper Industry Pension Fund) or any health, welfare, disability or other employee benefits plan or fund or its applicable administrator.

3. Notwithstanding paragraph 18 of the May 10, 2008 Order of this Court, the Receiver is hereby authorized and directed to:

- (a) pay to the administrator of the Pulp and Paper Industry Pension Plan, Plan B (the "PPI Administrator"): (i) \$82,586.75, being the amount payable by Pope & Talbot Ltd. ("P&T") in respect of employer contributions to the Pulp and Paper Industry Pension Fund (the "PPI Fund") on behalf of the members of PPWC; and (ii) \$52,359.14, being the amount payable by P&T in respect of employer contributions to the PPI Fund on behalf of the members of CEP; and
- (b) pay to the administrator of the IWA-Forest Industry Pension Plan (the "IWA Administrator") \$7,492, being the amount payable by P&T in respect of employer contributions to the IWA-Forest Industry Pension Fund (the "IWA Fund") on behalf of the members of USW.

4. The amounts paid by the Receiver to the PPI Administrator and the IWA Administrator pursuant to this Order shall be in full and final satisfaction of any obligations of any of the Petitioners and/or the Receiver to the Unions, their members and any administrator in respect of unpaid or unremitted amounts payable to any pension trust fund, and the Unions, their members and any applicable plan administrators are hereby barred and forever estopped from advancing any claims against the Petitioners and the Receiver, and the Petitioners and the Receiver shall have no liability to such persons, in respect of any unpaid health, welfare, disability or other employee benefits (collectively, the "Benefit Claims") to the extent such claims constitute trust claims or otherwise rank in priority to the claims of Ableco Finance LLC ("Ableco") unless such claims are payable from the funds secured by the Directors' Charge, as that term is defined in paragraph 24 of the November 21, 2007 Amended and Restated Initial Order of this Court. For clarity, this Order shall not preclude the Unions, their members and any applicable plan administrator(s) from asserting any Benefit Claims against the Petitioners provided such claims rank in priority behind the claims of Ableco or from asserting any Benefit Claims against the former directors and officers of the Petitioners (the "Former D&O's").

5. This Order is without prejudice to any defence the Former D&O's may have had to any Benefit Claim or any other claim of any nature but for the making of this Order and the compromise agreed to among the Unions and the Receiver as reflected by this Order, including without limitation the defence that the Benefit Claims would otherwise have constituted trust claims or claims ranking in priority to those of Ableco.

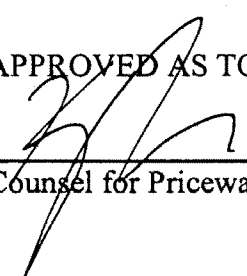
6. Notwithstanding any payments made by the Receiver to the PPI Fund or the IWA Fund (together, the "Funds") pursuant to this Order, the Receiver shall not be, and shall not be deemed to be, a successor employer, whether pursuant to any legislation or at common law, by virtue of the payments made by the Receiver to the Funds and, subject to further order of this Court, the Receiver shall have no further obligation to make any payments to either of the Funds.

7. Endorsement of this Order by counsel appearing on this application, except counsel for the Receiver is hereby dispensed with.

BY THE COURT

\_\_\_\_\_  
DISTRICT REGISTRAR

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Counsel for PricewaterhouseCoopers Inc.

  
CJSL



**SCHEDULE "A"**

**ADDITIONAL PETITIONERS**

Pope & Talbot, Inc.

MacKenzie Pulp Land Ltd.

P&T Funding Ltd.

Penn Timber, Inc.

Pope & Talbot Lumber Sales, Inc.

Pope & Talbot Pulp Sales U.S., Inc.

Pope & Talbot Relocation Services, Inc.

P&T Power Company

P&T Finance Three LLC

**SCHEDULE "B"**  
**LIST OF COUNSEL**

<b>Name</b>		<b>Party</b>
Peter Rubin		Ableco Finance LLC
Sandra Banister		USW
Sebastien Anderson		PPWC, Local 8
Don Bobert		CEP, Local 1092
Zachary Ansley		Certain former directors of the Petitioners