

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

THE HONOURABLE MR. ) WEDNESDAY, THE 25<sup>th</sup> DAY  
 )  
JUSTICE LEDERMAN ) OF MARCH, 2009

B E T W E E N:

**CIT BUSINESS CREDIT CANADA INC.**

Applicant

- and -

**THUNDER BAY FINE PAPERS INC.**

Respondent

**DISCHARGE ORDER**

**THIS MOTION**, made by Deloitte & Touche Inc., solely in its capacity as the Court-appointed interim receiver and receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Thunder Bay Fine Papers Inc. (the "Debtor") for an order:

- (a) approving the third report of the Receiver dated March 11, 2009 (the "Third Report") and the activities of the Receiver as set out therein;
- (b) approving the fees and disbursements of the Receiver and its counsel;

- (c) approving the distribution of the remaining proceeds available in the estate of the Debtor;
- (d) discharging Deloitte & Touche Inc. as Receiver of the undertaking, property and assets of the Debtor, subject to the conditions set out in paragraph 8 of this Order; and
- (e) releasing Deloitte & Touche Inc. from any and all liability, as set out in paragraph 10 of this Order,

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

**ON READING** the Third Report and the exhibits thereto, including, without limitation, the Affidavit of Robert Bougie sworn March 11, 2009 (the “Bougie Affidavit”), the Affidavit of D. Robb English sworn March 11, 2009 (the “English Affidavit”, and, together with the Bougie Affidavit, the “Fees Affidavits”), and upon hearing submissions for counsel for the Receiver and CIT Business Credit Canada Inc. (“CIT”), no one appearing for any other person on the service list, although properly served as appears from the affidavits of Paula Hoosain sworn March 19 and 20, 2009, filed, and the affidavit of Sam Babe sworn March 20, 2009, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged to the date of actual service and that the service, including the manner of service of the motion materials, be and is hereby approved and validated, that the motion is properly returnable today and that all parties entitled to notice of this motion have been properly served and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that the Third Report and the activities of the Receiver, as set out in the Third Report, are hereby approved.
3. **THIS COURT ORDERS** that the Receiver’s Statement of Receipts and Disbursements for the period from October 29, 2008 to February 28, 2009 be and the same is hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver with respect to the Debtor for the period from October 29, 2008 to March 11, 2009, in the amount of \$530,941.09 (excluding GST), which amount includes an accrual of \$47,619.05 for fees and disbursements to be incurred to the date of the Receiver's discharge, be and the same are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's legal counsel for the period from November 7, 2008 to March 11, 2009, in the amount of \$115,886.88 (excluding GST), which amount includes an accrual of \$23,809.52 for fees and disbursements to be incurred to the date of the Receiver's discharge, be and the same are hereby approved.

6. **THIS COURT ORDERS** that the Receiver shall make the following payments and the same be and are hereby approved:

- (a) a reserve in the amount of \$606,244.00 to be held by the Receiver in respect of the Receiver's Charge;
- (b) a reserve in the amount of \$830,840.00 in respect of priority claims to be paid by the Receiver; and
- (c) up to \$14,978,694.00 to CIT, in respect of debt secured by the security granted by the Debtor to CIT (the "CIT Security") as at March 1, 2009, plus interest charges and any out-of-pocket disbursements following March 1, 2009 as provided for in the CIT Security.

7. **THIS COURT ORDERS** that the Receiver shall assign to CIT the \$1.7 million promissory note (the "Superior Note") made in favour of the Receiver by Superior Fine Papers Inc. ("Superior"), representing the unpaid balance of the purchase price from the transaction between the Receiver and Superior approved by Order of this Court dated February 5, 2009, and all security for the Superior Note.

8. **THIS COURT ORDERS** that upon (i) payment of the amounts set out in paragraph 6 hereof, (ii) resolution to the satisfaction of the Receiver and Seaway Metals Recycling Corp. ("Seaway") of the matter of the deposit in the amount of US \$406,600.00 from Seaway (together with any accrued interest thereon, the "Seaway Deposit"), currently being held by the Receiver until payment in full of the Superior Note; and (iii) the Receiver filing a certificate substantially in the form attached as Schedule A hereto (the "Receiver's Certificate") certifying that it has completed the other activities described in the Third Report and all matters to be attended to in connection with the receivership of the Debtor have been provided for to the satisfaction of the Receiver, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, 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 Deloitte & Touche Inc. in its capacity as Receiver.

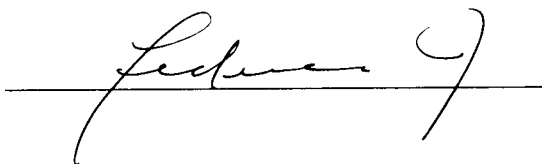
9. **THIS COURT ORDERS** that the Receiver shall continue to hold the Seaway Deposit until resolution to the Receiver's and Seaway's satisfaction of the matter of the Seaway Deposit or further Order of this Court.

10. **THIS COURT ORDERS AND DECLARES** that, effective upon filing of the Receiver's Certificate pursuant to paragraph 8 of this Order, Deloitte & Touche Inc. is hereby released and discharged from any and all liability that Deloitte & Touche Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Deloitte & Touche Inc. while acting in its capacity as Receiver herein. Without limiting the generality of the foregoing, Deloitte & Touche Inc. is hereby 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. Nothing in this paragraph 10 shall affect the rights of any parties in relation to the Seaway Deposit.

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ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

MAR 26 2009

PER / PAR: 



**Schedule "A" to Discharge Order – Form of Receiver's Certificate**

Court File No. 08-CL-7819

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**CIT BUSINESS CREDIT CANADA INC.**

Applicant

- and -

**THUNDER BAY FINE PAPERS INC.**

Respondent

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Campbell of the Ontario Superior Court of Justice (the "Court") dated October 29, 2008, Deloitte & Touche Inc. was appointed as the interim receiver and receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Thunder Bay Fine Papers Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated March 25, 2009 (the "Discharge Order"), Deloitte & Touche Inc. was discharged as Receiver of the undertaking, property and assets of the Debtor to be effective upon the filing by the Receiver with the Court of a certificate confirming (i) that the matter of the Seaway Deposit had been resolved to the satisfaction of the Receiver and (ii) that the Receiver has completed the other activities described in the Third Report and all

matters to be attended to in connection with the receivership of the Debtor have been provided for to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The matter of the Seaway Deposit had been resolved to the satisfaction of the Receiver;
2. The Receiver has completed all activities described in the Third Report and all matters to be attended to in connection with the receivership of the Debtor have been provided for to the satisfaction of the Receiver.

**DELOITTE & TOUCHE INC., solely in its capacity as Receiver of the assets, undertakings and properties of Thunder Bay Fine Papers Inc., and not in its personal or corporate capacity**

Per: \_\_\_\_\_  
Name:  
Title:

**CIT BUSINESS CREDIT CANADA INC.  
Applicant**

**and**

**THUNDER BAY FINE PAPERS INC.  
Respondent**

(Short title of proceeding)

**Court File No.: 08-CL-7819**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
PROCEEDING COMMENCED AT  
TORONTO**

**ORDER**

**AIRD & BERLIS LLP  
BARRISTERS AND SOLICITORS  
BROOKFIELD PLACE  
SUITE 1800, BOX 754  
181 BAY STREET  
TORONTO, ONTARIO M5J 2T9**

**D. Robb English (LSUC# 19862F)  
Sam Babe (LSUC# 49498B)  
Tel 416.863.1500  
Fax 416.863.1515**

Solicitors for Deloitte & Touche Inc., in its capacity as interim receiver and receiver of all of the assets, undertakings and properties of Thunder Bay Fine Papers Inc.

6009 March 2009

Commercial List File Number:	<b>08-CL-7819</b>
Civil File Number:	

Date Filed: **March 11, 2009**

**SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST  
 REQUEST FORM CONTINUING MATTER**

A	Short Title of Proceeding: <b>CIT Business Credit Canada Inc. and Thunder Bay Fine Papers Inc.</b>		
B	The estimated time for the hearing of this matter is:		
	30# Minute(s)	# Hour(s)	# Day(s)
C	If hearing is to be 1 day or more in duration, please provide an estimate of reading time required for judge to prepare for hearing.		
	# Minute(s)	# Hour(s)	# Day(s)
D	The nature of this hearing in this continuing matter is: <b>Motion to Approve Receiver's Report and Discharge</b>		
E	State the date(s) and time(s) for hearing the matter that has (have) been arranged with other counsel:		
	(1) <b>March 25, 2009 @ 10:00 am.</b>	(2)	(3)
F	Specify if this matter is already being dealt with in the court system (giving particulars as court number and office, when and by what judge or other judicial official). Advise of any known judicial conflicts or if any judge is seized of this matter. <b>Last dealt with February 5, 2009, The Honourable Justice Morawetz.</b>		
G	The following materials will be necessary for the matter to be considered. (It is the responsibility of counsel to confirm that the proper materials are available for the Court.) <b>Motion Record, Receiver's Report</b>		

<b>Deloitte &amp; Touche Inc., in its capacity as Interim Receiver and Receiver of Thunder Bay Fine Papers Inc.</b>	<b>Lengthy service list attached and will be served with materials.</b>
<b>Robb English</b> (PRINT AND SIGN OR INITIAL)	(PRINT AND SIGN OR INITIAL)
<b>Aird &amp; Berliss LLP</b> 1800 Bay Street, Suite 1800 Toronto, ON M2J 3T9 416.863.1500 416.865.1515 renglish@airdberliss.com	

(IF MORE THAN 2 PARTIES INVOLVED, ADD ADDITIONAL SIGNATURES AND PARTICULARS ON REVERSE OR SEPARATE PAGE)

To be submitted to: Commercial List Office, 393 University Avenue, 10<sup>th</sup> Floor, Toronto, Ontario / Fax to: (416) 327-6228  
 You may also convert to PDF and email to [toronto.commerciallist@luc.gov.on.ca](mailto:toronto.commerciallist@luc.gov.on.ca)

Endorsement/Disposition  See attached Yellow Endorsement Form

*March 25/09*  
*Dis Approval and Discharge Order to go*

Commercial Form C  
 4947074.1

*as requested. I have signed the Order. This order is without prejudice to the lien claimants asserting alleged priority rights as against CIT Business Credit Canada Inc. Confirmed on 12 Mar 09 @ 10:28 am (w) R. English J.M. Lederman J.*