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COURT ADMINISTRATION

2016

Hfx No. 453673

IN THE SUPREME COURT OF NOVA SCOTIA



IN THE MATTER OF:

Application by Hefler Forest Products Limited (the “Applicant”) for relief under the *Companies’ Creditors Arrangement Act*

ORDER

Before the Honourable Justice Glen G. McDougall in Chambers

The Applicant has requested, under the *Companies’ Creditors Arrangement Act*, an extension to the Stay Period set out in the order of this Honourable Court dated January 19, 2017 from February 3, 2017 to March 31, 2017, an Order directing and empowering the Monitor, by its counsel, to receive, hold and deal with the net proceeds from a closing of a sale of assets pursuant to an asset purchase agreement approved by a Sale Approval Order of this Honourable Court and other funds of the Applicant in hand after such a closing and has contemporaneously requested the issuance of a Sale Approval Order for certain assets of the Applicant;

The following parties received notice of this motion:

The Service List attached at Schedule “A” to the Notice of Motion, filed on January 27, 2017.

The following parties represented by the following counsel, made submission:

Party:	Counsel:
Applicant	Carl A. Holm, Q.C.
Royal Bank of Canada	Maurice Chiasson, Q.C.
Business Development Bank of Canada	Tim Hill, Q.C.
Green Landers Limited, Monitor	D. Bruce Clarke, Q.C.

On motion of the Applicant, the following is ordered:

1. The service of the notice of motion, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with;

- 2. The Stay Period as set out in paragraph 2 of the Order herein dated January 19, 2017 be extended up to and including March 31, 2017 at 5:00 p.m. subject to the right of the creditors of the Applicant to request a review and reconsideration of this Order;
- 3. The Monitor, in addition to its prescribed rights and obligations under the CCAA and the express powers provided to it under Orders issued by this Honourable Court in this proceeding, is hereby directed and empowered:
 - a. to receive and hold for the purposes set out herein, in the trust account of Monitor's Counsel:
 - (i) the net closing proceeds from a closing of a sale of assets of the Applicant (the "Closing") pursuant to an asset purchase agreement approved by a Sale Approval Order of this Honourable Court; and
 - (ii) other funds of the Applicant on hand or in the Applicant's bank account after the Closing;
 - b. after Closing, to pay from those funds:
 - i. any amounts outstanding on the DIP Facility (as defined in the order of this Honourable Court dated August 2, 2016), upon payment of which the DIP Facility shall cease to revolve, no more advances under the DIP Facility can be made, and the DIP Lender's Charge shall be deemed to be released and discharged;
 - ii. debts incurred in the course of business after the Initial Order issued by this Honourable Court on July 22, 2016 (the "Initial Order"), including amounts set out in section 7 of the Initial Order, as approved by the Monitor;
 - iii. to pay, in accordance with the terms of the Initial Order, amounts secured by the Critical Supplier Charge and Administration Charge (each as defined in the Initial Order);
 - c. to hold the balance of the funds in trust pending further order(s) of this Court.

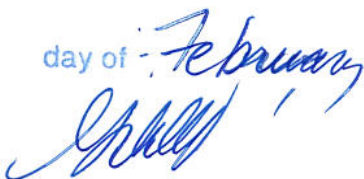
Signature

Signed February 3, 2017

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated the 3 day of February A.D., 2017



GINA DIDIODATO
Deputy Prothonotary



DEPUTY PROTHONOTARY

GINA DIDIODATO
Deputy Prothonotary