

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

JAN 28 2015

ENTERED



No. S144832
Vancouver Registry

SUPREME COURT
OF BRITISH COLUMBIA

SEAL
VANCOUVER
REGISTRY



IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

KATZIE COAST MARINE SERVICES INC.
KATZIE COAST MARINE OPERATIONS (2009) INC.
COAST MARINE SERVICES 2004 LTD.
0818987 B.C. LTD.
COAST MARINE SERVICES INC.
KATZIE FIRST NATIONS BAND

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE) MASTER CALDWELL) Jan 28, 2015
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ON THE APPLICATION OF Deloitte Restructuring Inc. (the "**Receiver**"), in its capacity as Court-appointed receiver and manager of the assets, undertakings and properties of Coast Marine Services 2004 Ltd. ("**Coast Marine**") coming on for hearing at Vancouver, British Columbia on this day and on hearing Danielle Toigo, counsel for the Receiver, and those counsel listed in Schedule "A" hereto; AND UPON READING the material filed, including the Receiver's Second Report to the Court dated January 15, 2015 (the "**Second Report**");

THIS COURT ORDERS AND DECLARES that:

1. The activities of the Receiver as set forth in the Second Report are hereby approved.
2. The sale transaction (the "**Transaction**") contemplated by the agreement of purchase and sale dated January 8, 2015 (the "**Agreement**") between the Receiver and General Towing Ltd. (the "**Purchaser**"), a copy of which is attached as Appendix C" to the Second

Report, is hereby approved, and the Agreement is commercially reasonable. The execution of the Agreement by the Receiver is hereby authorized and approved, and 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 to the Purchaser of the Vessel Assets, as defined and described in the Agreement, including without limitation that certain vessel named "Malaspina Straits" and having an Official Number of 322437 (the "Vessel").

3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all of Coast Marine's right, title and interest in and to the Vessel Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (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 Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; (iii) that certain mortgage registered against the Vessel in favour of Bank of Montreal and shown as Mortgage "M" in the Transport Canada Transcript of Registry in respect of the Vessel; and (iv) that certain mortgage registered against the Vessel in favour of Imperial Paving Limited and shown as Mortgage "N" in the Transport Canada Transcript of Registry in respect of the Vessel (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Vessel Assets are hereby expunged and discharged as against the Vessel Assets.
4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Vessel Assets shall stand in the place and stead of the Vessel Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Vessel Assets with the same priority as they had with respect to the Vessel Assets immediately prior to the sale, as if the Vessel Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
6. Subject to the terms of the Agreement, vacant possession of the Vessel Assets shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Agreement).
7. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
8. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of Coast Marine now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of Coast Marine,

the vesting of the Vessel Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Coast Marine and shall not be void or voidable by creditors of Coast Marine, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

- 9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, 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.
- 10. The Receiver or any other party having an interest in the Transaction shall be at liberty to apply for such further or other orders, directions or other relief as may be necessary or desirable to give effect to this Order.
- 11. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Danielle Toigo
Lawyer for Deloitte Restructuring Inc.



BY THE COURT

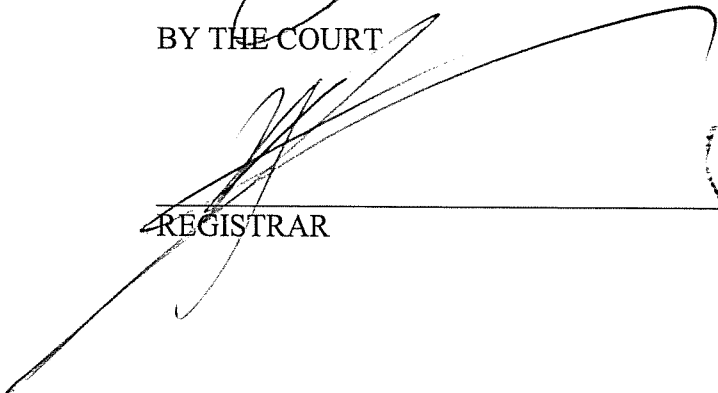
Certified a true copy according to the records of the Supreme Court at Vancouver, B.C.

This 28th day of JANUARY 2015

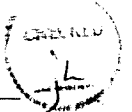


Authorized Signing Officer

Rowena Choi



REGISTRAR



SCHEDULE "A"

List of Counsel

Name of Counsel	Party

SCHEDULE "B"

Form of Receiver's Certificate

No. S144832
Vancouver Registry

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RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") dated June 26, 2014, Deloitte Restructuring Inc. (the "**Receiver**") was appointed as the receiver and manager of all of the assets, undertakings and properties of Coast Marine Services 2004 Ltd. ("**Coast Marine**").

B. Pursuant to an Order of the Court dated January ~~<@>~~, 2015 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale dated January 8, 2015 (the "**Agreement**") between the Receiver and General Towing Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of all of Coast Marine's right, title and interest in and to the Vessel Assets (as defined and described in the Agreement).

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Agreement.

D. Pursuant to the Vesting Order, the vesting of the Vessel Assets in the Purchaser free and clear of all Encumbrances (as defined in the Vesting Order) is to be effective upon the delivery by the Receiver to the Purchaser of this certificate confirming: (i) the payment by the Purchaser of the Purchase Price in accordance with the Agreement; (ii) that the conditions precedent to closing as set out in Article 8.1 of the Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has completed to the satisfaction of the Receiver.

THE RECEIVER HEREBY CERTIFIES as follows:

1. The Purchaser has paid and the Receiver has received the Purchase Price in accordance with the Agreement;
2. The conditions to Closing set out in Article 8.1 of the Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____, 2015 [DATE].

DELOITTE RESTRUCTURING INC., in its capacity as Receiver of the assets, undertakings and properties of Coast Marine Services 2004 Ltd. and not in its personal capacity

Per: _____
Name:
Title: