

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
LEMARE HOLDINGS LTD., LEMARE LAKE LOGGING LTD.,
LONE TREE LOGGING LTD., C. & E. ROADBUILDERS LTD.,
COAST DRYLAND SERVICES LTD., DOMINION LOG SORT LTD.
and CENTRAL COAST INDUSTRIES LTD.

PETITIONERS

APPLICATION RESPONSE

Application response of: Concentra Trust (the "application respondent")

THIS IS A RESPONSE TO the Notice of Application of the Petitioners dated May 1, 2014.

Part 1: ORDER CONSENTED TO

The application respondent consents to the granting of none of the orders set out in Part 1 of the Notice of Application.

Part 2: ORDERS OPPOSED

The application respondent opposes the granting of all of the orders set out in Part 1 of the Notice of Application.

Part 3: ORDERS ON WHICH NO POSITION IS TAKEN

Not applicable.

Part 4: FACTUAL BASIS

1. Concentra Trust adopts the facts set out in the Application Response of Concentra Financial Services Association dated May 5, 2014.

Part 5: LEGAL BASIS

1. Concentra Trust adopts the legal basis set out in the Application Response of Concentra Financial Services Association dated May 5, 2014.

2. In particular:

- Concentra Trust is an acknowledged unsecured creditor with a claim in excess of \$10 million. Concentra Trust is the largest unsecured creditor of the Petitioners but is not being given an opportunity to vote on the Plan while other unsecured creditors are entitled to vote.
- Concentra Trust is impacted and affected by the Plan, its rights are being confiscated, but it is not entitled to vote on the Plan. Concentra is being treated in an inequitable and unfair manner.
- The applicants seek to alter and impair the contractual arrangement between themselves and Concentra Trust in a way that is not permitted at law. They also seek to do so without giving Concentra Trust any vote in the matter.
- The applicants seek to utilize the CCAA in a manner that is not permitted by that legislation and in a manner that violates both the intent and spirit of the CCAA.
- The applicants seek to do indirectly what they cannot do directly.

Part 6: MATERIAL TO BE RELIED ON

1. The materials sought to be relied up by the applicants as set out in the Notice of Application dated May 1, 2014.

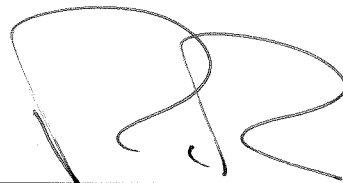
2. The materials filed by Concentra Financial Services Association in response to the Notice of Application dated May 1, 2014.

The application respondent estimates that the application will take 3 hours.

[X] The application respondent has not filed in this proceeding a document that contains an address for service. The application respondent's ADDRESS FOR SERVICE is:

BLAKE, CASSELS & GRAYDON LLP
2600 – 595 Burrard Street
Vancouver, BC V7X 1L3
Attention: Peter Rubin
Telephone: 604-631-3315
Fax: 604-631-3309
peter.rubin@blakes.com

Date: May 6, 2014

A handwritten signature in black ink, appearing to be 'PR', written over a horizontal line.

Signature of
lawyer for application respondent
Peter L. Rubin