



No. S085453
Vancouver Registry

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

- AND -

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

- AND -

IN THE MATTER OF
HAYES FOREST SERVICES LIMITED
HAYES HOLDING SERVICES LIMITED
and HAYES HELICOPTER SERVICES LIMITED

NOTICE OF MOTION

TAKE NOTICE that an application will be made by the Petitioners before Mr. Justice Burnyeat at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, at 2:00 o'clock in the afternoon on Friday, the 31st day of October, 2008 pursuant to the *Companies Creditors' Arrangement Act* R.S.C. 1985 c. C-36, the British Columbia Supreme Court Rules 3(3.1), 10, 12, 13(1) & (6), 14 and 44 and the inherent jurisdiction of this Honourable Court, for an Order:

1. approving the sale of the logging contract between Hayes Forest Services Limited and Teal Cedar Products Ltd., a copy of which is appended as part of Exhibit "B" to the Affidavit of Donald Hayes #2 (the "Teal Contract") and approving the sale of the logging contract between Hayes Forest Services Limited and Western Forest Products Ltd., a copy of which is appended as part of Exhibit "B" to the Affidavit of Donald Hayes #2 (the "Western Contract"), to Hayes Logging Services Limited, such transfers to be subject to the consents required by the Western Contract and Teal Contract unless such consent is dispensed with by further order of the Court;
2. approving the sale of TFL 10 to Hayes Timber Limited;
3. removing Hayes Holding Services Limited ("Holdings") and Hayes Helicopter Services Limited ("Helicopter") as Petitioners in these proceedings and providing that all of the relief provided in the Orders made herein to date cease to apply in respect of Holdings and Helicopter;
4. approving the sale of the shares of Helicopter owned by Hayes Forest Services Limited to Donald Hayes, Harold Hayes, Jeffrey Hayes and Catherine Guadagnuolo;



Donald P. Hayes #4
Affirmed: October 27, 2008

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and **HAYES HELICOPTER SERVICES LIMITED**

AFFIDAVIT

I, **DONALD P. HAYES**, Businessman, of 7233 Trans Canada Highway, Duncan, British Columbia, SOLEMNLY AFFIRM AND SAY AS FOLLOWS:

1. I am the President of Hayes Forest Services Limited, Hayes Holding Services Limited and Hayes Helicopter Services Limited ("Hayes"), the Petitioners herein, and as such have personal knowledge of the facts and matters hereinafter deposed to save and except where the same are stated to be made upon information and belief and where so stated I verily believe them to be true.

2. During the month of September 2008 conditions in the coastal forestry industry have continued to decline. US housing starts are at an all time low, and the US and world economies are in turmoil as a result of the collapse of the various financial markets. This has resulted in Hayes's major customers reducing demand. Western has suspended logging operations for the time being and there is no assurance as to when they will restart.