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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
NO: 500-11-038474-108

S U P E R I O R C O U R T
Commercial Division
Designated tribunal under the Companies' Creditors Arrangement Act[1]

IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE AND ARRANGEMENT OF ESTATE WBPC COMPANY (FORMERLY KNOWN AS WHITE BIRCH PAPER COMPANY) AND VARIOUS SUBSIDIARIES AND AFFILIATES[2]

DEBTORS

- and -

ERNST & YOUNG INC.

MONITOR

REPORT OF THE MONITOR – MARCH 10, 2015

INTRODUCTION AND BACKGROUND

1. On February 24, 2010, on a Motion made by Estate WPBC Company (formerly known as White Birch Paper Company and hereinafter referred to as "**WB**") and various of its affiliates (collectively referred to as the "**Applicants**"), the Superior Court of the Province of Québec for the District of Montréal ("**Court**"), sitting as the designated tribunal pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**")[1] issued an order ("**Initial Order**") declaring that the Applicants are debtor companies to which the CCAA applies, appointing Ernst & Young Inc. as monitor ("**EY**" or "**Monitor**") and granting certain relief to the Applicants and various partnerships in which the Applicants have an interest ("**Partnerships**") (the Applicants and the Partnerships are hereinafter referred to collectively as "**WB Canada**")[3]. The stay of proceedings provided for in the Initial Order has since been extended and is now scheduled to expire on March 13, 2015.

2. Also on February 24, 2010, Estate Bipco LLC (formerly known as Bear Island Paper Company, LLC and hereinafter referred to as "**Bipco**"), a subsidiary of WB with activities in the U.S.,

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[1] *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

[2] The entities subject to the Initial Order are Estate WBPHC Company (f/k/a/ White Birch Paper Holding Company), Estate WBPC Company (f/k/a White Birch Paper Company), Estate SGPI Inc. (f/k/a Stadacona General Partner Inc.), Estate BSPI Inc (f/k/a Black Spruce Paper Inc.), Estate FFSGPI Inc. (f/k/a F.F. Soucy General Partner Inc.), 3120772 Nova Scotia Company, Estate GCSI Inc. (f/k/a Arrimage De Gros Cacouna Inc.), Estate PML Inc. (f/k/a Papier Masson Ltée.), SSEC L.P. (f/k/a Stadacona L.P.), FFS L.P. (f/k/a F.F. Soucy L.P.), and FFSIA L.P. (f/k/a F.F. Soucy, Inc. & Partners, Limited Partnership).

[3] The entities subject to the Initial Order are Estate WBPHC Company (f/k/a/ White Birch Paper Holding Company), Estate WBPC Company (f/k/a White Birch Paper Company), Estate SGPI Inc. (f/k/a Stadacona General Partner Inc.), Estate BSPI Inc (f/k/a Black Spruce Paper Inc.), Estate FFSGPI Inc. (f/k/a F.F. Soucy General Partner Inc.), 3120772 Nova Scotia Company, Estate GCSI Inc. (f/k/a Arrimage De Gros Cacouna Inc.), Estate PML Inc. (f/k/a Papier Masson Ltée.), SSEC L.P. (f/k/a Stadacona L.P.), FFS L.P. (f/k/a F.F. Soucy L.P.), and FFSIA L.P. (f/k/a F.F. Soucy, Inc. & Partners, Limited Partnership).

commenced a case under the provisions of Chapter 11 of the U.S. *Bankruptcy Code*[4] (the "**Code**") (Bipco and WB Canada are hereinafter referred to collectively as "**WB Group**" or "**Companies**"). The information regarding the proceedings initiated by Bipco under the Code, together with the "first day orders" made by the Bankruptcy Court for the Eastern District of Virginia, Richmond Division ("**U.S. Court**") at the request of Bipco, can be found on the website of the claims agent retained by Bipco, Garden City Group, Inc., at www.gardencitygroup.com/cases/bip.

3. Also on February 24, 2010, some of the entities within WB Canada[5] applied for relief under the provisions of Chapter 15 of the Code. On February 26, 2010, the U.S. Court issued a temporary restraining order under the provisions of Chapter 15 of the Code, and on March 5, 2010, it granted a preliminary injunction, pending a more complete hearing to be held on March 22, 2010. At the hearing held on March 22, 2010, the U.S. Court granted recognition of the Canadian proceedings under the CCAA as foreign main proceedings, recognised Estate WBPC Company as the duly appointed foreign representative, declared that all of the provisions of section 1520 of the Code apply to the proceedings initiated by some of the entities within WB Canada, and gave full force and effect to the Initial Order[6] in the U.S., provided that the Initial Order[6] is not revoked, terminated or expired.

4. The orders granted by this Court and by the U.S. Court (collectively, the "**Courts**"), together with the relief provided under the CCAA and the Code[7] (collectively, the "**Orders**") provide, among other things, for a stay of proceedings against the entities comprising WB Group while they restructure their business and financial affairs.

5. The Initial Order as previously extended is scheduled to expire on March 13, 2015, and the Applicants have indicated their intention to seek a further extension of the Initial Order, until May 1, 2015.

6. The present report is intended to provide the Court with information relevant to the motion for an extension of the Initial Order, and more particularly on the current activities of WB Group and the progress of its restructuring efforts. This report is presented under the following headings:

   6.1. Introduction and background;

   6.2. Terms of reference and disclaimer;

   6.3. Status of proceedings; and

   6.4. Conclusions and recommendation.

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[4] *U.S. Code*, title 11, chapter 11.

[5] The entities which requested relief under Chapter 15 of the Code are Estate WBPC Company (f/k/a White Birch Paper Company), Estate SGPI Inc. (f/k/a Stadacona General Partner Inc.), Estate PML Inc. (f/k/a Papier Masson Ltée.), SSEC L.P. (f/k/a Stadacona L.P.), FFS L.P. (f/k/a F.F. Soucy L.P.), and FFSIA L.P. (f/k/a F.F. Soucy, Inc. & Partners, Limited Partnership).

[6] As amended, modified or extended from time to time by the Court.

[7] Sections §361 and §362 of the U.S. *Bankruptcy Code*.

TERMS OF REFERENCE AND DISCLAIMER

7. In preparing this report, EY has relied upon unaudited financial information, company records, company prepared financial information and projections, discussions with management and employees of WB Group, and information from various other sources.

   While we reviewed various documents and believe that the information therein provides a fair summary of the transactions as presented to us or as reflected in the documents presented to us, such work does not constitute an audit or verification of such information for accuracy, completeness, or compliance with generally accepted accounting principles. Accordingly, EY expresses no opinion or other form of assurance in respect of such information.

   In the course of our mandate, we have assumed the integrity and truthfulness of the information and explanations presented to us, within the context in which it was presented. To date, nothing has come to our attention which would cause us to question the reasonableness of this assumption.

   Finally, we have requested that management bring to our attention any significant matters which were not addressed in the course of our specific inquiries. Accordingly, this report is based solely on the information (financial or otherwise) made available to us.

   This report has been prepared for the use of this Court and WB Group's stakeholders as general information relating to the entities comprising WB Group and their operations. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. We will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

8. Terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order, or in previous reports of the Monitor, as the case may be.

STATUS OF PROCEEDINGS

9. The Initial Order was made on February 24, 2010 and was extended on several occasions since that date. The most recent order of the Court extending the Initial Order until March 13, 2015 was made on January 15, 2015.

Implementation of new pension plans

10. The Monitor has been informed that the final texts of the new plans have been finalized, communicated to Unifor (formerly, the Syndicat Canadien des Communications, de l'Énergie et du Papier)[8] and filed with the Régie des Rentes du Québec.

11. The Monitor understands these new plans have now been implemented, and as such this issue appears definitively resolved.

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[8] The SCEP has since changed its name as a result of a merger and is now called Unifor.

Regroupement des Employés Retraités de White Birch – Stadacona

12. As part of the judgment rendered October 3, 2014, the Court (*inter alia*) ordered BDWBI and the Regroupement des Employés Retraités de White Birch - Stadacona ("**RERWBS**") to enter into good faith negotiations with a view to resolve the issue of the undertaking extended by BDWBI to the former employees of WB Canada through a letter addressed to the former employees dated August 28, 2012 and fix the amount that the Purchaser will agree to pay to the former employees who were beneficiaries of the pension plans for the non-unionized employees of the Stadacona plant.

13. By judgement rendered on January 19, 2015[9], the Court reiterated the obligation of the parties to enter into good faith negotiations, and imposed a more formal process, involving the participation of the Monitor as the facilitator of a mediation session between the parties.

14. A mediation session was held on February 3, 2015, and offers and counter offers were exchanged between the parties, however this process did not result in an agreement.

15. The Monitor is aware that the parties are exchanging correspondence regarding the possibility of continuing negotiations to determine the obligation of BDWBI, if any, in connection with the undertaking provided to the former employees by letter dated August 28, 2012. However, based on the most recent correspondence forwarded to the Monitor (attached as Appendix A), it appears these discussions are at a standstill.

Allocation of proceeds between WB Canada and Bipco

16. On February 24, 2015, the parties finally reached and executed an estate allocation compromise and settlement agreement ("**EACSA**").

17. The EACSA is subject to the fulfillment of certain conditions before it becomes effective, the principal being:

    17.1. The filing of a plan of compromise by WB Canada ("**Plan**") acceptable to the First Term Loan[10] lenders, the Second Term Loan[10] lenders and the Purchaser, its acceptance by the creditors and its ratification by the Court on or before May 31, 2015.

    17.2. The confirmation of a plan in the U.S. in respect of Bipco, on or before May 31, 2015.

    The intention is to ensure that the creditors in Canada and the Court approve the EACSA through the Plan acceptance and approval process, by making the Plan subject to the EACSA and making the EACSA subject to the Plan. With respect to the U.S., the intention is to ensure that the EACSA is approved by the U.S. Court through the plan confirmation process.

18. The text of the EACSA is attached as Appendix B to this report for reference purposes. In summary, the EACSA:

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9 Available on the Monitor's website at www.ey.com/CA/WhiteBirch.

10 As defined in the Monitor's report dated February 23, 2010.

18.1. provides that the cash proceeds available upon closing, which were determined to be US$75.1 million, will be shared US$44.7 million to WB Canada and US$30.4 million to Bipco;

18.2. settles various financial issues arising from the closing of the asset sale agreement ("**ASA**") on September 13, 2012, relating to the funds provided in respect of the Fixed Asset Cash Amount, the disposition of the funds placed in trust in connection with escrowed professional fees, and the payment after closing of certain amounts due by WB Canada as of the date of the closing;

18.3. provides for a settlement of the proceedings in the U.S. pertaining to the recharacterization of the claim of WB Canada against Bipco;

18.4. provides for an acknowledgement of the claims of the First Term Loan lenders and the Second Term Loan lenders;

18.5. provides for mutual releases for all matters relating to the ASA and the allocation of proceeds and costs amongst the estates, and between the estates and the Purchaser, except for some specific issues that continue to be potentially relevant;

18.6. creates a mechanism to ensure that the EACSA is approved by the creditors and the Court contemporaneously with the Plan, by making the EACSA and the Plan interdependent; and

18.7. provides that the distributions will be done on a consolidated basis for the creditors of WB Canada in exchange for a release of the First Term Loan lenders, the Second Term Loan lenders and the Purchaser in the Plan.

19. The Monitor has been in communication with some of the larger creditors who have expressed an interest in participating in the negotiation of the EACSA throughout the process.

20. Based on the information available and the discussions held to date, the Monitor considers that the EACSA represents a fair compromise of the asset allocation issues.

Proceedings in the US to recharacterize the claim of WB Canada against Bipco

21. The hearings in the U.S. keep being postponed and the issue is left pending for the time being, considering that the EACSA contemplates a resolution of these proceedings.

Motions to extend the time to file claims

22. The Monitor received service of two motions for authorization to file claims after the claims bar date. The first motion was served on October 27, 2014 on behalf of Credit Suisse Loan Funding LLC, and the second motion was served on October 28, 2014 on behalf of Avenue Investments LP. The two motions are filed on behalf of entities that were part of the Second Term Loan[11] lenders. The first motion indicates that Credit Suisse Loan Funding LLC is owed an amount of US$3.7 million, and the second motion indicates that Avenue Investments LP is owed an amount of US$3.1 million. The amounts claimed correspond to the amounts recorded in the books and records of the WB Group.

[11] As defined in the Monitor's report dated February 23, 2010.

23. The EACSA contemplates that these lenders will be allowed to present a motion for authorization to file claims which would not be contested by any party to the EACSA if and when it becomes effective.

Formulation of a Plan

24. The Monitor is aware that discussions were held between the Companies and some of the larger creditors, in connection with the parameters of an eventual plan of compromise and arrangement.

25. The Monitor understands that the Plan has not yet been filed, but will be available to be filed imminently.

26. Drafts of the plan that have been shared with the Monitor on a confidential basis. We understand that the Plan to be filed shortly will provide essentially for the following:

    26.1. Substantive consolidation of the WB Canada estates for distribution purposes, to avoid a necessity to further allocate proceeds of the sale amongst each of the entities comprising WB Canada, and avoid the possibility of a dilution of the distribution through a duplication of claims, for the creditors that would have a claim against several of the entities;

    26.2. Approval of the EACSA;

    26.3. Various releases in favor of third parties;

    26.4. A distribution of the proceeds to a single class of creditors on a *pro rata* basis, within a time frame of 30 days next following the date of implementation of the Plan, for the claims that are admitted, and a distribution as soon as possible after a claim becomes and admitted claim, in the event that some of the claims are contested.

27. The Monitor expects that the Plan will be filed within the next few days, and intends to report to the Court thereon by April 14, 2015. The Monitor's report will be published on the Monitor's website at www.ey.com/CA/WhiteBirch as soon as it is finalized.

Motion to be authorized to call a meeting of creditors

28. In view of the impending filing of the Plan, the Companies have indicated to the Monitor they intend to request an order from the Court, authorizing the Companies to call a meeting of creditors to consider the Plan, such meeting to be held on or about April 22, 2015.

Review of Claims

29. In view of the request to hold a meeting of creditors to approve the Plan, the Monitor has initiated a review of the claims that have been filed by the creditors, to determine which of the claims can be considered as a provable claim.

30. The Monitor will communicate directly with the creditors affected if and when questions arise regarding the admissibility of a claim or part thereof.

31. In parallel, the Monitor will publish on its website, at www.ey.com/CA/WhiteBirch, a list of the claims that have been filed, with a preliminary estimate of the amount of the claim for voting purposes. Creditors are advised that the amount appearing on the list is not acknowledgement of the validity of the claim or part thereof, but merely an estimate, based on a cursory, preliminary review of the claims, of the amount that thereof that will be considered for purposes of voting on the Plan.

Next steps

32. The timetable currently contemplated for the next steps in the present proceedings, assuming a positive response is received at each decision point, are as follows:

Action item	**Timeline**
Hearing of a motion to be authorized to call a meeting of creditors and for an extension of the Initial Order	March 13, 2015
Filing of the Plan (in French and in English)	March 14, 2015
Mailing to the creditors	March 20, 2015
Newspaper publication	March 25 to April 1, 2015
Report to the creditors and the Court	April 14, 2015
Publication of the list of claims for voting purposes	April 14, 2015
Creditors' meeting to consider the Plan	April 22, 2015
Motion for ratification of the Plan	April 22 to 28, 2015
Court hearing to request ratification of the Plan	TBD – subject to availability of the Court
Plan implementation	TBD
Initial distribution date	TBD + 30 days

CONCLUSIONS AND RECOMMENDATION

33. The Initial Order as previously extended is scheduled to expire on March 13, 2015, and the Debtors have indicated their intention to seek a further extension of the Initial Order, until May 1, 2015.

34. The administration has progressed substantially, to a point where an agreement has been reached on the allocation of proceeds amongst the estates, subject to approval by the creditors and the Court, and the Companies are now ready to file a Plan of distribution and meet with the creditors to consider same.

35. In the present circumstances, the Monitor believes that a further extension of the stay of proceedings would not be prejudicial to the creditors of WB Group.

36. Based on discussions with representatives of WB Group, the Monitor believes WB Group has acted and is continuing to act in good faith and with due diligence.

37. Based on the foregoing, the Monitor recommends that the Court grant an extension of the stay of proceedings as requested by WB Canada.

All of which is respectfully submitted this 10th day of March 2015.

ERNST & YOUNG INC.
In its capacity as the monitor appointed by the Court
in the matter of the proposed compromise and
arrangement of White Birch Paper Holding Company *et al.*

Per: Martin P. Rosenthal, CPA, CA, CIRP
Senior Vice-President

Per: Jean-Daniel Breton, CPA, CA, FCIRP
Senior Vice-President

Appendix A – Correspondence between RERWBS and BDWBI

LE CABINET LÉGALISTE
a v o c a t s

☎ **Ligne directe - 418. 694.4445**
bomo@videotron.ca

Québec, le 6 mars 2015

Sans préjudice, ni admission
Par courriel

Me Jean-Yves Simard
jysimard@lavery.ca
Lavery, De Billy s.e.n.c.r.l.
1, Place Ville-Marie, Bureau 4000
Montréal (Québec) H3B 4M4

Objet: **BDWBI-RERWBS-Retraités non-syndiqués**
N/D: 2897-01
V/D : 127640-00001

Cher confrère,

Nous accusons réception de votre lettre du 3 mars dernier et y donnons immédiatement suite.

Nous devons comprendre par la position de votre cliente que l'offre que vous nous avez communiquée lors de la séance de négociation du 3 février dernier était donc ***finale*** malgré le fait que vous ayez refusé de la qualifier de la sorte, en dépit de notre demande spécifique à cet égard. Cela a entrainé pour notre client un processus lourd de réunir en assemblée ses membres, à la fois pour voter sur votre offre, mais aussi discuter d'une contre-proposition, qui vous fut d'ailleurs transmise par la suite.

Nous devons donc comprendre, selon les termes mêmes de votre dernière correspondance, que l'offre de votre cliente ne tient plus.

Nous désirons également commenter votre conclusion à l'effet que votre cliente prétend avoir ainsi rempli toutes ses obligations en vertu de la lettre du 28 août 2012. Permettez-nous d'être en désaccord. Ladite lettre confirmait aux employés retraités non-syndiqués que votre cliente «***acceptera de verser un montant aux retraités et aux bénéficiaires***». Les termes de cette lettre expriment clairement une

« obligation de faire », soit verser un montant aux retraités, et non pas de négocier. À ce que je sache, ses obligations à cet égard ne sont pas rencontrées.

L'obligation de négocier vient plutôt des ordonnances du 3 octobre 2014 et du 19 janvier 2015, que votre cliente décide unilatéralement de ne plus respecter.

Conséquemment, et en vue de l'audition prévue le 13 mars prochain devant l'honorable juge Mongeon, sachez que les requêtes appropriées seront dès lors présentées, dont vous recevrez copie en temps utile.

Bien à vous.

LE CABINET LÉGALISTE

JOCELYN MORENCY, AVOCAT

JM/ep
C.c. Me Sylvain Rigaud
M. Gilles Bédard (RERWBS)

Appendix B – Estate Allocation Compromise and Settlement Agreement

ESTATE ALLOCATION COMPROMISE AND SETTLEMENT AGREEMENT

This Settlement Agreement (this "***Agreement***") dated as of February 24, 2015 is entered into by and among: (i) Estate BIPCO, LLC (*f/k/a* Bear Island Paper Company, L.L.C.), the debtor and debtor in possession (the "***U.S. Debtor***") in the chapter 11 case captioned *In re Estate BIPCO, LLC*, Case No. 10-31202 (DOT) (the "***Chapter 11 Case***"), currently pending before the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the "***Bankruptcy Court***"); (ii) BDCM Opportunity Fund II, L.P., Black Diamond CLO 2005-1 Ltd., Black Diamond CLO 2005-2 Ltd., Black Diamond CLO 2006-1 (Cayman) Ltd., Black Diamond International Funding, Ltd., and BDC Finance Ltd. (collectively "***Black Diamond***"); (iii) the official committee of unsecured creditors (the "***Committee***") appointed in the Chapter 11 Case pursuant to section 1102 of title 11 of the United States Code (the ***Bankruptcy Code***") by the United States Trustee for the Eastern District of Virginia on March 3, 2010 and then reconstituted on April 6, 2010; (iv) Estate WBPC Company (*f/k/a* White Birch Paper Company) ("***White Birch***"), a Nova Scotia Unlimited Liability Company, along with its subsidiaries Estate SGPI Inc. (*f/k/a* Stadacona General Partner Inc.), Estate SSEC L.P. (*f/k/a* Stadacona L.P.), Estate FFSGPI Inc. (*f/k/a* F.F. Soucy General Partner Inc.), Estate FFSIA L.P. (*f/k/a* F.F. Soucy, Inc. & Partners, Limited Partnership), FFS L.P. (*f/k/a* F.F. Soucy L.P.), Estate GCSI Inc. (*f/k/a* Arrimage de Gros Cacouna Inc.), and Estate PML Inc. (*f/k/a* Papier Masson Ltée) (collectively, the "***Canadian Debtors***") who are debtors under or party to a proceeding (the "***Canadian Proceeding***") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "***CCAA***") pending before the Superior Court, Commercial Division, for the Judicial District of Montreal, Canada (the "***Canadian Court***"); (v) Ernst & Young Inc. in its capacity as monitor appointed by the Canadian Court in the Canadian Proceeding (the "***Monitor***"); and (vi) BD White Birch Investment LLC in its capacity, pursuant to that certain *Asset Sale Agreement* dated as of August 10, 2010, as purchaser (the "***Purchaser***" and with the U.S. Debtor, Black Diamond, the Committee, the Canadian Debtors, and the Monitor, collectively the "***Parties***" each of which shall be a "***Party***").

Recitals

WHEREAS, on February 24, 2010 (the "**Petition Date**"), the U.S. Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court commencing the Chapter 11 Case and the Canadian Debtors commenced the Canadian Proceedings under the CCAA in the Canadian Court;

WHEREAS, the U.S. Debtor and certain of the Canadian Debtors entered into that certain *$140,000,000 Senior Secured Priority U.S. Debtor-In-Possession Term Loan Credit Agreement*, dated as of March 1, 2010 (as amended, modified, supplemented or otherwise approved in the Initial CCAA Order and by Order of the Bankruptcy Court, the "***DIP Credit Agreement***" and the facility contemplated thereunder, the "***DIP Credit Facility***") to fund their respective bankruptcy proceedings;

WHEREAS, the U.S. Debtor and the Canadian Debtors pursued a going-concern sale of their businesses as part of their restructurings and respective bankruptcy proceedings;

WHEREAS, on August 10, 2010 the U.S. Debtor and the Canadian Debtors entered into that certain *Asset Sale Agreement* (as amended, the "***ASA***") with the Purchaser, which among other things contemplated the Sale (as defined below) to the Purchaser;

WHEREAS, on August 10, 2010 the U.S. Debtor filed the *Motion of Bear Island Paper Company, L.L.C. for Entry of Orders Approving the (A) Form of the Sale Agreement, (B) Bidding Procedures, (C) Form and Manner of Notice of the Auction and Sale Hearing, (D) Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (E) Sale of Assets Free and Clear of Liens, Claims, Encumbrances and Interests, and (F) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases* [Docket No. 403] which, among other things, requested approval of proposed bidding procedures (the "***Bidding Procedures***") for the U.S. Debtor's and the Canadian Debtors' assets;

WHEREAS, on September 1, 2010, the Bankruptcy Court entered the *Order Approving (A) the Form of the Sale Agreement, (B) the Bidding Procedures, (C) the Sale Notice and (D) the Assumption Procedures and Assumption Notice* [Docket No. 469] (the "***Bid Procedures Order***") which, among other things, approved the Bidding Procedures which contemplated an auction for the U.S. Debtor's and the Canadian Debtors' assets;

WHEREAS, on September 21, 2010 an auction (the "***Auction***") was held in accordance with the Bid Procedures Order to determine the highest and best price for the U.S. Debtor's and the Canadian Debtors' assets;

WHEREAS, at the conclusion of the Auction, the Purchaser was deemed to have submitted the highest and best bid for the U.S. Debtor's and the Canadian Debtors' assets in accordance with the Bid Procedures Order;

WHEREAS, on September 28, 2010, the Canadian Court entered an order in the Canadian Proceeding approving the sale of the Canadian Debtors' assets to the Purchaser pursuant to the ASA (the "***Canadian Sale***") ;

WHEREAS, on November 3, 2010, the Bankruptcy Court entered the *Order (A) Authorizing and Approving the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (B) Approving the Assumption and Assignment of the Assigned Contracts and (C) Granting Related Relief* [Docket No. 582] approving the sale of the U.S. Debtor's assets to the Purchaser pursuant to the ASA (the "***U.S. Sale***," and together with the Canadian Sale, the "***Sale***");

WHEREAS, pursuant to the ASA, the Purchase Price (as defined in the ASA) includes, among other things, (a) a Cash Component of $90 million (as defined in the ASA) and (b) a Fixed Asset Cash Amount (as defined in the ASA);

WHEREAS, the ASA does not provide for the mechanism by which the Cash Component, any unused portion of the Fixed Asset Cash Amount, or the repayment of obligations under the DIP Credit Facility must be allocated among the U.S. Debtor's estate (the "***U.S. Estate***") and Canadian Debtors' estates (the "***Canadian Estates***") (collectively "***Estate Allocation***");

WHEREAS the Sale closed on September 13, 2012 (the "***Closing Date***");

WHEREAS, as of the date hereof, all claims associated with the Fixed Asset Cash Amount have been settled and paid and a balance of CDN$1,288,182.96 remains (the "***Unused Fixed Asset Cash Amount***"), which amount is being held in a segregated account in trust by the Monitor (the "***Fixed Asset Cash Account***") pending resolution of the Estate Allocation Issues (as defined below);

WHEREAS, as of the Closing Date, a segregated account to be held in trust by the Monitor (the "***Professional Fee Escrow***") was established to hold the maximum potential amount payable on account of professional fees incurred by the U.S. Debtor and the Canadian Debtors in the course of their respective restructurings and owed to Rothschild, Inc. ("***Rothschild***") and Lazard Frères & Co., LLC ("***Lazard***") and in connection therewith, the Professional Fee Escrow currently holds $5,325,860.95 plus accrued interest since the Closing Date, of which $4,764,812.56 related to Lazard and $561,048.39 related to Rothschild;

WHEREAS, the U.S. Debtor and the Canadian Debtors dispute, *inter alia*, who bears responsibility to pay the fees owed to Rothschild in connection with professional advisory services rendered to the First Lien Lenders (as defined in the ASA) for which the U.S. Debtor and the Canadian Debtors may be liable pursuant to the terms of the DIP Credit Facility and the court orders approving same;

WHEREAS, as of the Closing Date, the Parties had not consensually resolved: (a) the allocation of the Cash Component and any Unused Fixed Asset Cash Amount between the U.S. Estate and the Canadian Estates; (b) the repayment obligations between the U.S. Estate and the Canadian Estates under the DIP Credit Facility, including without limitation any alleged subrogation rights of the U.S. Debtor against the Canadian Debtors; (c) the interpretation of the ASA, including sections 5.17 and 5.18 thereof; (d) treatment of the Intercompany Claim (as defined herein); (e) any alleged setoff rights of White Birch whereby any subrogation claim could be set off against all or a part of the Intercompany Claim; and (f) the allocation of fees, expenses, and expenditures, including but not limited to professional fees, expenses and expenditures and interest and other fees under the DIP Credit Facility, between the U.S. Estate and the Canadian Estate (collectively, along with any other issues raised or to be raised by any Party which could affect Estate Allocation or a distribution of proceeds, whether previously identified or not, the "***Estate Allocation Issues***");

WHEREAS, in order to close the sale on the Closing Date without impairing any Party's rights with respect to the Estate Allocation Issues, the Parties:

- agreed to release $31,209,000 from the cash paid on Closing directly to the U.S. Estate and the Canadian Estates, of which $8,510,282 was paid to the U.S. Estate and $22,698,718 was paid to the Canadian Estates;

- agreed, pursuant to that certain *U.S. Estate Allocation Escrow Agreement* dated as of September 13, 2012 (the "***U.S. Escrow Agreement***"), to establish an escrow fund in the United States (the "***U.S. Escrow Fund***") to hold $19,500,000.00 and, pursuant to and that certain *Canadian Estate Allocation Escrow Agreement* dated as of September 13, 2012 (the "***Canadian Escrow Agreement***" and with the U.S. Escrow Agreement, collectively the "***Escrow Agreements***"), an escrow fund in Canada (the "***Canadian Escrow Fund***") to hold $25,000,000.00 (collectively, the "***Escrow Funds***" which together hold $44,500,000.00) in anticipation of litigation related to the Estate Allocation Issues; and

- entered into that certain *Reservation of Rights Settlement Agreement* dated as of September 13, 2012;

WHEREAS, pursuant to the *Schedules of Assets and Liabilities for Bear Island Paper Company, L.L.C.* filed in the Chapter 11 Case on March 31, 2010 [Docket No. 172], an intercompany claim (the "***Intercompany Claim***") in the amount of $135,920,395.00 was scheduled in favor of White Birch against the U.S. Debtor;

WHEREAS, on September 17, 2012, the Committee filed the *Objection and Motion to Recharacterize of the Official Committee of Unsecured Creditors to the General Unsecured Claim of White Birch Paper Company* (the "***Intercompany Claim Objection***") in the Chapter 11 Case [Docket No. 1185] seeking to recharacterize the Intercompany Claim as equity of the U.S. Debtor, and certain of the Parties have since filed pleadings in the Chapter 11 Case in connection with the Intercompany Claim Objection;

WHEREAS, on November 19, 2012, the Bankruptcy Court held a hearing on the Intercompany Claim Objection at which the Bankruptcy Court tentatively approved the objection, without ruling as to the specific amounts to be recharacterized, and authorized parties to submit proposed findings of fact and conclusions of law;

WHEREAS, as of the date hereof, and after extensive good-faith and arms'-length negotiations, the Parties have achieved a consensual agreement to the Estate Allocation Issues and all issues related to or arising from Estate Allocation, including the Intercompany Claim Objection, and this Agreement memorializes the Parties' consensual agreement and mutual release; and

WHEREAS, the proposed compromise and settlement described herein achieves a fair allocation of value to the U.S. Estate and the Canadian Estates, resolves Estate Allocation, the Intercompany Claim Objection, including all issues, disputes, and arguments attendant thereto, and all other Estate Allocation Issues, and the Parties believe represents a fair and reasonable compromise under the circumstances.

Settlement

NOW, **THEREFORE**, each of the Parties, in consideration of the mutual consideration set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, agree to fully and finally resolve any and all known and unknown disputes with respect to Estate Allocation and the Estate Allocation Issues as follows:

1. In full and final satisfaction of all Estate Allocation Issues:

(a) of the initial $75,709,000.00 plus accumulated interest in cash available for allocation to the U.S. Estate and the Canadian Estates, $600,000.00 was allocated to the U.S. Debtor on the Closing Date pursuant to the ASA as the U.S. Wind-Down Amount (as defined in the ASA), and, upon the first business day after the satisfaction or waiver of all of the conditions to both the confirmation of the U.S. Plan (as defined below) and the implementation of the Canadian Plan (as defined below) (such day being the "**Effective Date**"), the remaining $75,109,000.00 shall be allocated to U.S. Estate and the Canadian Estates as follows:

(i) $30,392,867 shall be allocated to the U.S. Estate; and

(ii) $44,716,133 shall be allocated to the Canadian Estates;

(b) as soon as practicable after the Effective Date and, in any event no more than three business days after the Effective Date (the "**Disbursement Date**"), the Unused Fixed Asset Cash Amount shall be disbursed by the Monitor from the Fixed Asset Cash Account to the U.S. Debtor and the Canadian Debtors as follows:

(i) CDN$257,636.59 (20% of the Unused Fixed Asset Cash Amount) to the U.S. Debtor; and

(ii) CDN$1,030,546.37 (80% of the Unused Fixed Asset Cash Amount) to the Canadian Debtors;

(c) the Monitor shall only use the proceeds of the Professional Fee Escrow to make the Rothschild Payment (as defined below), the Lazard Payment (as defined below), and to make the payments set forth in subsection (iii) below, as follows:

(i) on the Disbursement Date, the Monitor will disburse to Rothschild the amount of $561,048.39 from the Professional Fee Escrow, in exchange for a release, as payment in full of all amounts owed by the U.S. Debtor and the Canadian Debtors as reimbursement for certain professional fees incurred by the First Lien Lenders, payment of which was required as part of the DIP Credit Facility (the "***Rothschild Payment***");

(ii) pursuant to a settlement agreement dated December 13, 2013 between Lazard, the U.S. Debtor and the Canadian Debtors (the "**Lazard Settlement**"), the Monitor has disbursed to Lazard from the Professional Fee Escrow the amount of $1,200,000, in full satisfaction of the liability of the Canadian Debtors to Lazard, and the U.S. Debtor shall pay to Lazard the amount of $300,000 upon approval of the Lazard Settlement by the Bankruptcy Court, in full satisfaction of the liability of the U.S. Debtor to Lazard (the sum of these two payments, collectively, the "**Lazard Payment**"); and

(iii) the funds remaining in the Professional Fee Escrow following disbursement of the Rothschild Payment, in the amount of $3,564,812.56

in principal, plus accrued interest, shall be disbursed by the Monitor to the Canadian Debtors;

(d) on the Disbursement Date, in accordance with the terms of this Agreement and this allocation of value between the U.S. Estate and the Canadian Estates:

(i) $2,982,585 of funds in the Canadian Escrow Fund shall be transferred to the U.S. Debtor, with the balance of the Canadian Escrow Fund to be transferred to the Canadian Debtors, payable to an account set up by the Monitor for the purpose of distributing such balance as provided in section 1(j) below, and in accordance with applicable law and any plan(s) of arrangement, proposal(s), bankruptcy distribution(s) or such other scheme(s) of distribution as may be utilized by the Canadian Estates; and

(ii) all of the funds in the US Escrow Fund shall be transferred to the U.S. Debtor for the purpose of distributing such balance in accordance with applicable law and the U.S. Debtor's *Chapter 11 Plan of Liquidation* (as same may be amended, the "**U.S. Plan**").

(e) in accordance with the terms of this Agreement, the Canadian Debtors, the U.S. Debtor, the Purchaser and the Monitor will provide Joint Written Disbursement Instructions (as defined in the Escrow Agreements and the agreed upon form of which is attached hereto as **Exhibit A**) to the escrow agents under the Escrow Agreements pursuant to sections 3.2 of the Escrow Agreements within one business day of the Effective Date;

(f) on and subject to the occurrence of the Effective Date, all intercompany claims arising on or prior to February 24, 2010 that are asserted by the Canadian Debtors against the U.S. Debtor, including, without limitation, the Intercompany Claim asserted in the approximate amount of $135,920,395.00 that is the subject of pending litigation in front of the Bankruptcy Court, shall be disallowed in full. The Parties shall present the Bankruptcy Court with a consensual form of order, simultaneously with the filing and submission of this Agreement to the Bankruptcy Court and Canadian Court, disallowing such intercompany claims in their entirety and dismissing the pending litigation. Pending the Effective Date, the hearing before the Bankruptcy Court shall be adjourned indefinitely; <u>provided</u>, <u>however</u>, that if this Agreement has not been filed and submitted for approval by the Bankruptcy Court and the Canadian Court on or prior to May 31, 2015, then such hearing shall be subject to rescheduling on seven days prior written notice;

(g) the joint and several claims of the First Lien Lenders and all swap claims, in the aggregate amount of $424,897,392 (which reflects the reduction for the credit bid of $78,000,000), shall be allowed in their entirety in the full amount of such claim against each of the U.S. Debtor and each of the Canadian Debtors, and each such claim shall not be subject to any defenses of any kind, nor any objection, reduction, setoff or disallowance in either proceeding for any reason, including on account of any payments or distributions made on such claims by any other estate;

(h) (i) the joint and several claims of the Second Lien Lenders, in an aggregate amount of $105,078,888 shall be allowed in their entirety in the full amount of such claim against the U.S. Debtor in the Chapter 11 Case and such claim shall not be subject to any defenses of any kind, nor any objection, reduction, setoff or disallowance for any reason, including on account of any payments or distributions made on such claims by the Canadian Debtors in the Canadian Proceeding; and

(ii) the Monitor and the Canadian Debtors have confirmed that, of the $105,078,888 face amount of the claims assertable by the Second Lien Lenders, certain of the Second Lien Lenders failed to file timely claims in the Canadian Proceeding. The total amount of claims timely filed against the Canadian Debtors by Second Lien Lenders is $97,816,491.36. Therefore, the joint and several claims of the Second Lien Lenders in the aggregate amount of not less than $97,816,491.36, shall be allowed in their entirety in the full amount of such claim asserted against each of the Canadian Debtors in the Canadian Proceeding, provided that any Second Lien Lenders who may need the approval of the Canadian Court to file their claims late and bring the total Second Lien claims filed to $105,078,888 in the Canadian Proceedings shall be entitled to bring motions to that effect before the Canadian Court and such motions shall not be opposed by any party to this Agreement. The claims asserted by the Second Lien Lenders against the Canadian Debtors shall not be subject to any defenses of any kind, nor any objection, reduction, setoff or disallowance for any reason, including on account of any payments or distributions made on such claims by the U.S. Debtor in the Chapter 11 Case;

(i) each Party has reviewed this Agreement and has considered its terms in the context of the U.S. Plan, and in accordance therewith each Party has determined that it will affirmatively support the U.S. Plan and file a declaration indicating such affirmative support in the Chapter 11 Case;

(j) the Canadian Debtors, acting in consultation with the Monitor, undertake to use all commercially reasonable efforts, without undue delay, to distribute the balance of the sale proceeds and all other funds held by the Monitor by way of the Canadian Plan (as herein defined), which shall provide for distributions on a substantively consolidated basis and for the release contemplated by paragraph 1(l) of this Agreement, the whole with a view of minimizing professional expenses and expediting distribution(s) in favour of the holders of allowed claims against the Canadian Debtors. Each Party has reviewed this Agreement and has considered its terms in the context of such a Canadian Plan, and in accordance therewith each Party has determined that it will affirmatively support such a Canadian Plan;

(k) on the Effective Date, each Party hereby (A) finally and forever releases and discharges each other Party, its chapter 11 estate (if applicable), its estate pursuant to the CCAA (if applicable), its current, former, and future affiliates, directors, officers, principals, employees, equity sponsors, administrators, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals (collectively, the "**Released Parties**") from any and all claims (including derivative claims), demands, actions, causes and rights of action, lawsuits, debts, sums of money, accounts, covenants, contracts, controversies, agreements, obligations, promises, trespasses, damages, judgments, executions, losses and liabilities of any kind or nature whatsoever, whether at law, in equity or otherwise, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, disputed or undisputed, liquidated or unliquidated, matured or unmatured, and whether or not accrued, and whether or not asserted or assertable in law, equity or otherwise, for, upon, or by reason of any act, omission or other matter, cause, or thing whatsoever, arising in any jurisdiction, state, or nation, which each Party ever had, may have had or now has (collectively, "**Released Claims**"), including, without limitation, Released Claims relating to, arising from or connected to, directly or indirectly, Estate Allocation, the Estate Allocation Issues, or any claim with respect to the exchange of funds transferred, held or received by any Party at or in contemplation of the Closing, the applicable exchange rate and the timing of clearance of such funds at Closing, and (B) agrees and covenants that it shall not support any other person or entity in asserting, or cause any other person or entity to assert, any Released Claim against any Released Party. Notwithstanding the foregoing, nothing in this Section 1(k) shall waive or release any Party from, and for the avoidance of doubt the defined term "Released Claims" shall exclude, any: (i) obligation arising out of this Agreement; (ii) any liability with respect to any potential recourse pursuant to, or contemplated by, section 36.1 of the CCAA from or against any persons or parties other than the First Lien Lenders, the Second Lien Lenders, the Purchaser or any of their affiliates, successors or assigns; (iii) continuing or ongoing covenants, agreements, undertakings or obligations provided for in Sections 2.1.3, 2.1.5, 2.1.6, 5.11, 5.13, 5.15, 5.16, 6.5, and 7.1.2(b) of the ASA; (iv) any indemnity obligations to the First Lien Lenders, the Second Lien Lenders or the holders of swap claims relating to each such party's credit agreement and/or ISDA, as applicable, and related agreements and security documents, and the claims in the aggregate amounts set forth in sections 1(g) and 1(h) of this Agreement and the related rights that such first lien, second lien, and swap creditors may have as an undersecured creditor of each of the U.S. and Canadian Estates and (v) claims of the individual members of the Committee as against the U.S. Estate. For the avoidance of doubt with respect to clause (iv) above, the First Lien Lenders and the Second Lien Lenders hereby state that they are unaware of any indemnity obligations owing to the First Lien Lenders, the Second Lien Lenders or the holders of swap claims other than professional fees incurred by such parties (which fee amounts, to the extent not covered by retainers held by such professionals or payable by the U.S. Debtor pursuant to orders of the Bankruptcy Court, would only be added to the unsecured claims of such First Lien Lenders or Second Lien Lenders) and subject to indemnification under such party's credit agreement and/or ISDA, as applicable, or related agreements or security documents;

(l) in consideration for the First Lien Lenders, the Second Lien Lenders and the Purchaser agreeing to and supporting the substantive consolidation of the Canadian Debtors' estates, which results in the First Lien Lenders and the Second Lien Lenders receiving materially less than they would if the estates were not substantively consolidated, the Canadian Debtors and the Monitor agree that the plan of compromise to be submitted by the Canadian Debtors to their creditors in the Canadian Proceeding, in the form attached hereto as Exhibit B (the "**Canadian Plan**") provides, in Section 5.2(2) thereof, for a comprehensive release of all claims or potential claims against the Released Lender Parties (as defined in the Canadian Plan) (the "**Third Party Lender Release**"), and the Monitor agrees that, in any reports or other communications to creditors or the Canadian Court in connection with such Canadian Plan, it will confirm that the substantive consolidation of the Canadian Debtors' estates and the impact thereof on the First Lien Lenders, the Second Lien Lenders, the Purchaser and their affiliates represent a significant contribution on their part, making the Third Party Lender Release reasonable and appropriate in the circumstances;

(m) with respect to stumpage fees and sylviculture costs of the Debtors invoiced by the Quebec Ministry of Energy and Natural Resources for periods prior to September 13, 2012, the Monitor has paid the amount of CDN$293,292.40, under reservation of its rights, to pay these in full. In settlement of the dispute over responsibility for such charges, the Purchaser, the Canadian Debtors and the Monitor agree that such amount shall be split 50% to each of the Purchaser and the Canadian Debtors, and the Purchaser shall pay the amount of CDN$146,646.20 to the Monitor on or before the Effective Date; and

(n) with respect to the audit being undertaken by the United States Internal Revenue Service of White Birch Paper Holdings Company ("**WBPHC**"), PricewaterhouseCoopers (as tax advisor to WBPHC) has agreed to cap their fees at $50,000. In settlement of the dispute over responsibility for such fees, the Canadian Debtors, the U.S. Debtors and the Monitor agree that the Canadian Debtors and the U.S. Debtors shall share such fees 50% each, up to a maximum of $25,000 for each estate.

2. All Parties acknowledge and agree that Ernst & Young Inc. acts herein in its representative capacity as the Monitor appointed by the Canadian Court in the CCAA Proceeding, and shall assume no personal liability whatsoever under the terms of this Agreement.

3. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, including, but not limited to, all proposals, letters of intent, or representations, written or oral, pertaining to the subject matter hereof.

4. The illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provisions of this Agreement, which shall continue in full force and effect. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid, or unenforceable, the Parties shall use their best efforts to modify this Agreement in a timely manner to eliminate or change such illegal, invalid, or unenforceable provisions to conform to the Parties' intentions as closely as possible in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

5. This Agreement, and any disputes related thereto, will be governed by and be construed in accordance with the laws of the state of New York without regard to the rule of conflict of laws of the state of New York or any other jurisdiction that would require the application of the law of another jurisdiction.

6. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective heirs, successors, and assigns.

7. Each of the Parties hereto agrees that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that any Party hereto will be entitled to an injunction to prevent a breach of this Agreement.

8. The failure of any Party to enforce a provision of this Agreement will not constitute a waiver of the Party's right to enforce that provision.

9. Subject to Bankruptcy Court approval in the U.S. Debtor's Chapter 11 Case and Canadian Court approval in the Canadian Proceeding, each of the Parties hereto represents and warrants that it has the authority to enter into this Agreement and to undertake the transactions contemplated hereunder and agrees to support the approval of this Agreement as a binding resolution of all disputed issues herein by both the Bankruptcy Court and the Canadian Court.

10. (1) This Agreement, which shall be appended as an exhibit to each of the U.S. Plan and the Canadian Plan, will be of no force and effect unless, on or before May 31, 2015: (a) the U.S. Plan is confirmed by the Bankruptcy Court and the confirmation order specifically approves this Agreement; and (b) the Canadian Plan is sanctioned by the Canadian Court and the sanction order specifically approves this Agreement. The order of the Canadian Court sanctioning the Canadian Plan and approving this Agreement will (A) specifically declare and order that the cash held by the Monitor, to be distributed in favour of holders of valid claims against the Canadian Debtors, will be distributed on a substantively consolidated basis under the Canadian Plan, (B) specifically provide that such substantive consolidation under the Canadian Plan shall be valid, enforceable and binding against the Parties, against all creditors of the Canadian Debtors and, notwithstanding any eventual bankruptcy of any or all of the Canadian Debtors, against any trustee in bankruptcy that may be appointed with respect to any of the Canadian Debtors. and (C)

specifically approve the Third Party Lender Release. Each Party will support said orders to be rendered by the Bankruptcy Court and the Canadian Court.

(2) This Agreement shall also be conditional upon the following:

(a) the Canadian Plan and the U.S. Plan must be on terms acceptable to the First Lien Lenders, the Second Lien Lenders and the Purchaser, acting reasonably;

(b) satisfaction or waiver of all of the conditions to both the confirmation of the U.S. Plan and the implementation of the Canadian Plan; and

(c) payment by the Purchaser of CDN$146,646.20 in favour of the Monitor, as provided by Section 1(m) hereto.

11. Unless specifically mentioned otherwise, all amounts in this Agreement are expressed in U.S. currency.

12. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one agreement. This Agreement may be executed by facsimile, PDF, or electronic signature, and such facsimile or PDF signature shall be treated as an original signature hereunder.

IN WITNESS WHEREOF, the Parties hereby execute this Agreement by and through their duly authorized representatives as of the date first written above.

Agreed to and Accepted by:

ESTATE BIPCO, LLC (*f/k/a* Bear Island Paper Company, L.L.C.)

____

Edward D. Sherrick

President

Agreed to and Accepted by:

BDCM Opportunity Fund II, L.P.

[Name]

[Title]

Agreed to and Accepted by:

Black Diamond CLO 2005-1 Ltd.

____

[Name]

[Title]

Agreed to and Accepted by:

Black Diamond CLO 2005-2 Ltd.

____

[Name]

[Title]

Agreed to and Accepted by:

Black Diamond CLO 2006-1 (Cayman) Ltd.

____

[Name]

[Title]

Agreed to and Accepted by:	Black Diamond International Funding Ltd.
	____________________________________ [Name] [Title]

Agreed to and Accepted by:

BDC Finance Ltd.

____

[Name]

[Title]

Agreed to and Accepted by:

The Official Committee of Unsecured Creditors of Estate BIPCO, LLC (f/k/a Bear Island Paper Company, L.L.C.)

____

[Name]

[Title]

Agreed to and Accepted by:

Estate WBPC Company

____

Edward D. Sherrick
President

Agreed to and Accepted by:

Estate SGPI Inc.

____

Edward D. Sherrick

President

Agreed to and Accepted by:

SSEC L.P.,
by a general partner, Estate WBPC Company

____
Edward D. Sherrick

President

Agreed to and Accepted by:

FFSGPI Inc.

Edward D. Sherrick

President

Agreed to and Accepted by:

FFSIA L.P.,
by a general partner, Estate WBPC Company

____
Edward D. Sherrick
President

Agreed to and Accepted by:

FFS L.P.,
by a general partner, Estate WBPC Company

____
Edward D. Sherrick
President

Agreed to and Accepted by:

Estate GCSI Inc.

Edward D. Sherrick
President

Agreed to and Accepted by:	Estate PML Inc.
	____________________________________
	Edward D. Sherrick
	President

Agreed to and Accepted by:

Ernst & Young Inc.

Jean-Daniel Breton, CPA, CA, FCIRP

Senior Vice President

Monitor Appointed in the CCAA Proceedings, acting solely in its capacity as the Canadian Monitor and not acting in its personal capacity.

Agreed to and Accepted by:

BD White Birch Investment LLC

____

[Name]

[Title]