APPENDIX "5" TO SCHEDULE "A"

EQUIPMENT OPERATING LEASES

Nil.

APPENDIX "6" TO SCHEDULE "A"

INTELLECTUAL PROPERTY

Registered Trademarks

United States

Trademark	Status	Goods	Reg. Date	Reg. No	Country
GSF	Registered	Flooring materials namely, oriented strand board	6/15/2004	2,852,378	United States
Grant Superior Flooring	Registered	Flooring materials namely, oriented strand board	1/24/2006	3,047,215	United States
No Swell & Design	Registered	Building materials, namely sub-flooring all made of oriented strand board	10/16/2007	3,313,354	United States
Sharcote A coat Above & Design	Registered	Wood floor boards; structural and architectural members formed of pressed wood fibers; wood products, namely, composite panels, particleboard and fiberboard for use in further manufacturing of signs, concrete forms, transport vehicle interior liners, and underlayment subflooring.	2/17/2009	3,578,085	United States
Rynocote A Coat Above & Design	Registered	Wood floor boards; structural and architectural members formed of pressed wood fibers; wood products, namely, composite panels, particleboard and fiberboard for use in further manufacturing of signs, concrete forms, transport vehicle interior liners, and underlayment subflooring	3/10/2009	3,589,165	United States

Trademark	Status	Goods	Reg. Date	Reg. No	Country
Turtlcote A Coat Above & Design turtlcote A COAT ABOVE	Registered	Wood floor boards; structural and architectural members formed of pressed wood fibers; wood products, namely, composite panels, particleboard and fiberboard for use in further manufacturing of signs, concrete forms, transport vehicle interior liners, and underlayment subflooring	3/10/2009	3,589,166	United States
A Coat Above	Registered	Wood floor boards; structural and architectural members formed of pressed wood fibers; wood products, namely, composite panels, particleboard and fiberboard for use in further manufacturing of signs, concrete forms, transport vehicle interior liners, and underlayment subflooring	4/14/2009	3,607,757	United States

Canada

Trademark	Status	Goods	Reg. Date	Reg. No	Country	
A COAT ABOVE	Registered	Structural board and panels for flooring, signage, concrete forms, underlayment sub-flooring, transport vehicle interior liners; architectural panels.	7/06/2007	TMA691,607	Canada	Associated Marks: TMA691,608) TMA691,683) TMA697,514) TMA708,367

Trademark	Status	Goods	Reg. Date	Reg. No	Country	
ARMACOTE A COAT ABOVE & design armacote A COAT ABOVE	Registered	Structural board and panels for flooring, signage, concrete forms, underlayment sub-flooring, transport vehicle interior liners; architectural panels.	9/28/2007	TMA697,514	Canada	Associated Marks: TMA691,607) TMA691,608) TMA691,683) TMA708,367
GRANT COATED STRUCTURAL BOARD	Registered	Building materials namely, oriented strand board.	7/20/2007	TMA692,480	Canada	Associated Marks: TMA692,479) TMA703,142
GRANT COATED STRUCTURAL BOARD GCSB	Registered	Building materials namely, oriented strand board.	7/20/2007	TMA692,479	Canada	Associated Marks: TMA692,480) TMA703,142
GRANT SUPERIOR FLOORING	Registered	Flooring materials namely, oriented strand board.	12/14/2007	TMA703,142	Canada	Associated Marks: TMA692,479 TMA692,480
GSF	Registered	Flooring materials namely, oriented strand board.	10/29/2003	TMA593,467	Canada	No associated marks
NO SWELL & Design No Swell	Registered	Construction materials made of oriented strand board, namely sub-flooring, roofing and general construction paneling.	3/29/2006	TMA661,718	Canada	No associated marks

Trademark	Status	Goods	Reg. Date	Reg. No	Country	
RYNOCOTE A COAT ABOVE & Design rynocote A COAT ABOVE	Registered	Wood-based structural board and panels for flooring, signage, concrete forms, underlayment sub-flooring; architectural panels.	02/27/2008	TMA708,367	Canada	Associated Marks: TMA691,607) TMA691,608) TMA691,683) TMA697,514)
SHARCOTE A COAT ABOVE & Design sharcote A COAT ABOVE	Registered	Structural board and panels for flooring, signage, concrete forms, underlayment sub-flooring, transport vehicle interior liners; architectural panels.	07/06/2007	TMA691,608	Canada	Associated Marks: TMA691,607 TMA691,683) TMA697,514) TMA708,367
TURTLCOTE A COAT ABOVE & Design turtlcote A COAT ABOVE	Registered	Structural board and panels for flooring, signage, concrete forms, underlayment sub-flooring, transport vehicle interior liners; architectural panels.	07/09/2007	TMA691,683	Canada	Associated Marks: TMA691,607) TMA691,608) TMA697,514) TMA708,367

Unregistered Trademarks

1. FLOORING PLUS
2. RAIN BLOCK
3. RIMBOARD ULTRA
4. SHEATHING
5. WINDBLOCK
6. THERMOBLOCK

Vendor Software

Type	Name
Software	Kronos – Workforce Central 5.1
Software	Minitab
Software	SAP - Crystal Reports
Software	Fuel System
Software	Matrikon-ProcessMore
Software	Matrikon-ProcessNet
Software	MS Outlook
Software	MS Word
Software	MS Excel
Software	MS Powerpoint
Software	MS Access
Software	MS Visio
Software	MS Project
Software	Autocad
Software	Microsoft Office 2003 Access
Software	Microsoft Office 2003 Basic Edition
Software	Microsoft Office 2003 PowerPoint
Software	Microsoft Office 2003 Professional
Software	Microsoft Office 2003 Project Standard
Software	Microsoft Office 2003 Publisher
Software	Microsoft Office 2003 Standard Edition
Software	Microsoft Office 2003 Visio Professional
Software	Microsoft Office 2003 Visio Standard
Software	Microsoft Windows NT Server
Software	Microsoft Windows Server 2000
Software	Microsoft Windows Server 2003 Standard
Software	Microsoft Windows Server 2003 R2
Software	MS SQL Server
Software	Wonderware Intouch
Software	Allen Bradley

Software	VisionSmart
Software	APC Thin Manager
Software	Wonderware DAServer
Software	Wonderware IOServer
Software	Wonderware QI Analyst
Software	Wonderware InSQL Server
Software	PLC – Allen Bradley
Software	RSView
Software	RBMWare
Software	Sales Database
Software	Engineering Drawing Database
Software	Datamart
Software	3 Log-LIMS
Software	EWS
Software	Fox Pro 5
Software	IMAL
Software	Instrom BlueHill
Software	LabWare
Software	Oracle
Software	McAfee VirusScan, Groupshield, AntiSpyware
Software	MS Exchange Server
Software	MS Office Pro 2007
Software	Prophix
Software	QL-1 Teco (Full Panel Tester)
Software	ReportsNow
Software	Rockwell FactoryTalk
Software	Rockwell Panel Builder
Software	Rockwell RS Control Flash
Software	Rockwell RS Drive Exec
Software	Rockwell DriveMonitor
Software	Rockwell DriveManager
Software	Rockwell RSLinx
Software	Rockwell RSLogix 5 and 500
Software	Rockwell RSLogix 5000
Software	Rockwell RSNetworks
Software	Rockwell RSView ADS Server
Software	Rockwell RSView ADS Client
Software	Simply Safety
Software	Symantec Backup Exec
Software	Visual Basic 6
Software	Visual Studio 2008
Software	Wonderware Intouch Development Studio
Software	Wonderware Trend

TAB B

Schedule "B" – Monitor's Certificate

Court File No. CV-09-8247-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC., GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT NEWCO LLC AND GRANT EXCLUDED GP

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated June 25, 2009, as amended, Ernst & Young Inc. has been appointed as the monitor (the "**Monitor**") of Grant Forest Products Inc., Grant Forest Products Sales Inc., Grant Alberta Inc., Grant U.S. Holdings GP, Southeast Properties LLC, Grant Clarendon LP, Grant Allendale LP, Grant US Sales Inc., Grant Newco LLC and Grant Excluded GP (collectively, the "**Applicants**").

B. Pursuant to an Order of the Court dated January ◆, 2010 (the "**Approval and Vesting Order**"), the Court approved a purchase agreement, as it may be amended (the "**Agreement**") between the Applicants, GP International Acquisition III, Ltd. (the "**Canadian Purchaser**"), Georgia-Pacific LLC (the "**U.S. Purchaser**") and GP Palmetto Holding LLC (the "**Additional U.S. Purchaser**" and, together with the Canadian Purchaser and the U.S. Purchaser, the "**Purchasers**"), for (i) the purchase by the Canadian Purchaser of certain assets of the Vendors (the "**Purchased Assets**"), and (ii) the acquisition by the U.S. Purchaser and the Additional U.S. Purchaser of certain partnership interests in Grant U.S. Holdings GP (the "**Purchasers' Partnership Interests**" and, together with the Purchased Assets, the "**Acquired Interests**").

C. Pursuant to the Agreement and in accordance with the Approval and Vesting Order, the vesting in the Purchasers of the right, title and interest in and to the Acquired Interests pursuant to the Agreement is to be effective upon the delivery by the Monitor to the Purchasers of a certificate which certificate confirms (i) the delivery to the Monitor of the Purchase Price and the Partnership Interests Acquisition Price (each as defined in the Agreement) in accordance with the Agreement and (ii) that each of the conditions to Closing as set out in the Agreement have been satisfied or waived by the Applicants and/or the Purchasers, as applicable.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement.

THE MONITOR HEREBY CERTIFIES the following:

1. The Canadian Purchaser has paid the amount of the Purchase Price payable upon Closing to the Monitor;

2. The U.S. Purchaser and Additional U.S. Purchaser have paid the amount of the Partnership Interests Acquisition Price payable upon Closing to the Monitor; and

3. The Applicants and the Purchasers have confirmed in writing to the Monitor that the conditions to the Closing as set out in Articles 11 and Sections 12.01 through to 12.07 of Article 12 of the Agreement have been satisfied or waived by the Applicants and/or the Purchasers, as applicable.

Dated at Toronto this ____ day of ____________, 2010.

ERNST & YOUNG INC., in its capacity as the court-appointed Monitor of Grant Forest Products Inc., Grant Forest Products Sales Inc., Grant Alberta Inc., Grant U.S. Holdings GP, Southeast Properties LLC, Grant Clarendon LP, Grant Allendale LP, Grant US Sales Inc., Grant Newco LLC and Grant Excluded GP and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

TAB C

Schedule "C"

Claims under the *Personal Property Security Act* (Ontario) to be Released, Discharged, Extinguished and Expunged as against the Purchased Assets

Schedule "C" – Claims under the *Personal Property Security Act* (Ontario) to be Released, Discharged, Extinguished and Expunged as against the Purchased Assets

I. Grant Forest Products Inc.
PPSA (Ontario) Search Results
(File Currency: January 10, 2010)

#1

Debtor	Grant Forest Products Inc.
Debtor Address	P O Box 960 HWY 11, North Englehart, ON P0J 1H0
Secured Party / Registering Agent	Elmer's Fighting Supply Inc.
Secured Party / Registering Agent Address	RR#2 7635 HWY 21, Allenford, ON N0H 1A0
Registration No.	20090630 1608 3099 0048
File No.	654583023
Registration Date	June 30, 2009
Registration Period	2 years
Collateral Classification	Equipment, Amount = 145,324
Motor Vehicle Description	None
General Collateral Description	Pellitizer Equipment with Live Wells, Augers, and "U" Trough Systems

#2

Debtor	Grant Forest Products Inc.
Debtor Address	HWY #11 N P.O. Box 160, Earlton, ON P0J 1E0
Secured Party / Registering Agent	Toyota Credit Canada Inc.
Secured Party / Registering Agent Address	80 Micro Court, Suite 200, Markham, ON L3R 9Z5
Registration No.	20090414 1442 1531 3632
File No.	652718799
Registration Date	April 14, 2009
Registration Period	4 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle
Motor Vehicle Description	Year = 2009, Make = Subaru, Model = IMP-9G1W2, VIN = JF1GH76649G812696
General Collateral Description	None

#3

Debtor	Grant Forest Products Inc. / Grant Forest Products Ltd.
Debtor Address	Box 160, Hwy. 11 North, Earlton, ON P0J 1E0
Secured Party / Registering Agent	Xerox Canada Ltd.
Secured Party / Registering Agent Address	33 Bloor Street East, 3rd floor, Toronto, ON M4W 3H1
Registration No.	20080822 1703 1462 4734
File No.	647961237
Registration Date	August 22, 2008
Registration Period	4 years
Collateral Classification	Equipment, Other, No Fixed Maturity Date
Motor Vehicle Description	None
General Collateral Description	None

#4

Debtor	Grant Forest Products Inc.
Debtor Address	181 Bay Street, Suite 1520, Toronto, ON M5J 2T3
Secured Party / Registering Agent	Xerox Canada Ltd.
Secured Party / Registering Agent Address	33 Bloor Street East, 3rd floor, Toronto, ON M4W 3H1
Registration No.	20080630 1702 1462 3170
File No.	646522722
Registration Date	June 30, 2008
Registration Period	5 years
Collateral Classification	Equipment, Other, No Fixed Maturity Date
Motor Vehicle Description	None
General Collateral Description	None

#5

Debtor	Grant Forest Products Inc.
Debtor Address	Highway 11 North, Earlton, ON P0J 1E0
Secured Party / Registering Agent	Xerox Canada Ltd.
Secured Party / Registering Agent Address	33 Bloor Street East, 3rd floor, Toronto, ON M4W 3H1

Registration No.	20071205 1426 1462 9510
File No.	641182437
Registration Date	December 5, 2007
Registration Period	5 years
Collateral Classification	Equipment, Other, No Fixed Maturity Date
Motor Vehicle Description	None
General Collateral Description	None

#6

Debtor	Grant Forest Products Inc.
Debtor Address	Hwy. 11N Box 960, Englehart, ON P0J 1H0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, BC V5G 3S8
Registration No.	20070508 1459 1530 9250
File No.	635094747
Registration Date	May 8, 2007
Registration Period	4 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 59859
Motor Vehicle Description	Year = 2007, Make = GMC, Model = Sierra, VIN = 1GTHK23K27F517412
General Collateral Description	None
Amended by	Registration No. 20070516 1457 1530 5515. To amend name entered for debtor on page 1 line 3 of registration number 20070508 1459 1530 9250

#7

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900 – 10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Toronto-Dominion Bank, as agent
Secured Party Address	77 King Street West, 18th floor, Royal Trust Tower, TD Centre Toronto, ON M5K 1A2
Registration No.	20070319 1809 1590 1448
File No.	633577041
Registration Date	March 19, 2007
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Others, Motor Vehicle Included

Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0931 1590 9916. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1357 1590 9799. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement.

#8

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900 – 10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	Toronto Dominion (Texas) LLC, as agent
Secured Party Address	31 West 52nd Street, 22nd floor, New York NY 10019
Registration No.	20070319 1811 1590 1449
File No.	633577068
Registration Date	March 19, 2007
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Others, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9917. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1356 1590 9798. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement.

#9

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3

	2900 – 10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070319 1811 1590 1450
File No.	633577077
Registration Date	March 19, 2007
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Others, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9918. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1355 1590 9797. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0920 1862 6095. To Amend the secured party from The Toronto-Dominion Bank, as agent to The Bank of New York Mellon.

#10

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900 – 10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070319 1813 1590 1451
File No.	633577086
Registration Date	March 19, 2007
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Others, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9919. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP.

	Registration No. 20080411 1358 1590 9800. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0920 1862 6094. To Amend the secured party from Toronto Dominion (Texas) LLC, as collateral agent to The Bank of New York Mellon.

#11

Debtor	Grant Forest Products Inc.
Debtor Address	181 Bay Street, Suite 1520, Toronto, ON M5J 2T3
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070312 1411 1590 1167
File No.	633396663
Registration Date	March 12, 2007
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Others, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20080411 1353 1590 9796. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0919 1862 6092. To Amend the secured party from The Toronto-Dominion Bank, as agent to The Bank of New York Mellon.

#12

Debtor	Grant Forest Products Inc. / Grant Forest Products
Debtor Address	Hwy. 11 N Box 160, Earlton, ON P0J 1E0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, BC V5G 3S8
Registration No.	20070104 1450 1530 6780
File No.	631873107

Registration Date	January 4, 2007
Registration Period	4 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 57020, No Fixed Maturity Date
Motor Vehicle Description	Year = 2007, Make = GMC, Model = Yukon, VIN = 1GKFK66867J180999
General Collateral Description	None.
Amended by	Registration No. 20070105 1456 1530 9772. To amend name entered for debtor on page 1 line 3 of registration number 20070104 1450 1530 6780. Registration No. 20070502 1457 1530 1330. Transfer debtor from Grant Forest Products Inc. to Robert McLeod (dob. Oct. 8. 1945), address = 555 Lakeshore Road Box 398, Haileybury, ON P0J 1K0.

#13

Debtor	Grant Forest Products Inc. / Grant Forest Products / Grant Equipment Corp.
Debtor Address	815A Great Northern Road, Sault Ste Marie, ON P6A 5K7
Secured Party	Irwin Commercial Finance Canada Corporation
Secured Party Address	Suite 300, 666 Burrard St., Vancouver, BC V6C 2X8
Registering Agent	Advanced Validation Systems LP
Registering Agent Address	20A 100 Kal Lake Rd, Vernon, BC V1T 9G1
Registration No.	20060804 1440 1902 0338
File No.	627726591
Registration Date	August 4, 2006
Registration Period	6 years
Collateral Classification	Equipment, Other
Motor Vehicle Description	None
General Collateral Description	Copier(s) together with all attachments accessories accessions replacements substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
Amended by	Registration No. 20060921 1210 1902 3036. On file reference number 627726591, change debtor from Grant Forest Products, 815A Great Northern Road, Sault Ste Marie, ON P6A 5K7 to Grant Equipment Corp., 815A Great Northern Road, Sault Ste Marie, ON P6A 5K7

#14

Debtor	Grant Forest Products Inc. / Grant Forest Products
Debtor Address	Hwy. 11 N, Englehart, ON P0J 1H0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, BC V5G 3S8
Registration No.	20060801 1453 1530 8811
File No.	627592473
Registration Date	August 1, 2006
Registration Period	4 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 67267, No Fixed Maturity Date
Motor Vehicle Description	Year = 2007, Make = GMC, Model = Yukon, VIN = 1GKFK16347J189319
General Collateral Description	None
Amended by	Registration No. 20060802 1456 1530 1275. To amend name entered for debtor on page 1 line 3 of registration number 20060801 1453 1530 8811.

#15

Debtor	Grant Forest Products Inc.
Debtor Address	Hwy 11 North, Englehart, ON P0J 1H0
Secured Party / Registering Agent	Xerox Canada Ltd.
Secured Party / Registering Agent Address	33 Bloor Street East, 3rd floor, Toronto, ON M4W 3H1
Registration No.	20060725 1704 1462 0877
File No.	627378732
Registration Date	July 25, 2006
Registration Period	5 years
Collateral Classification	Equipment, Other, No Fixed Maturity Date
Motor Vehicle Description	None
General Collateral Description	None

#16

Debtor	Grant Forest Products Inc. / Grant Forest Prduct In
Debtor Address	160 – Hwy 11 N Box, Earlton, ON P0J 1E0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems

Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, BC V5G 3S8
Registration No.	20060710 1456 1530 7055
File No.	626900445
Registration Date	July 10, 2006
Registration Period	5 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 114137, No Fixed Maturity Date
Motor Vehicle Description	Year = 2007, Make = Cadillac, Model = Escalade, VIN = 1GYFK63867R209669
General Collateral Description	None
Amended by	Registration No. 20061120 1941 1531 8550. To amend name entered for debtor on page 1 line 3 of registration number 20060710 1456 1530 7055.

#17

Debtor	Grant Forest Products Inc.
Debtor Address	Box 160 – Hwy 11 North, Earlton, ON P0J 1E0
Secured Party / Registering Agent	Xerox Canada Ltd.
Secured Party / Registering Agent Address	33 Bloor Street East, 3rd floor, Toronto, ON M4W 3H1
Registration No.	20060704 1419 1462 5464
File No.	626708178
Registration Date	July 4, 2006
Registration Period	5 years
Collateral Classification	Equipment, Other, No Fixed Maturity Date
Motor Vehicle Description	None
General Collateral Description	None

#18

Debtor	Grant Forest Products Inc. / Grant Forest Products
Debtor Address	Hwy 11 N Box 160, New Liskeard, ON P0J 1P0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, ON V5G 3S8
Registration No.	20060411 1457 1530 3155
File No.	624196368
Registration Date	April 11, 2006
Registration Period	4 years

Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 49817, No Fixed Maturity Date
Motor Vehicle Description	Year = 2006, Make = Subaru, Model = Legacy, VIN = 4S3BP676666305137
General Collateral Description	None

#19

Debtor	Grant Forest Products Inc.
Debtor Address	Hwy 11, North Englehart, ON P0J 1H0
Secured Party / Registering Agent	Xerox Canada Ltd.
Secured Party / Registering Agent Address	33 Bloor Street East, 3rd floor, Toronto, ON M4W 3H1
Registration No.	20060217 1703 1462 2512
File No.	622812222
Registration Date	February 17, 2006
Registration Period	5 years
Collateral Classification	Equipment, Other, No Fixed Maturity Date
Motor Vehicle Description	None
General Collateral Description	None

#20

Debtor	Grant Forest Products Inc. / Grant Forest Products
Debtor Address	Hwy 11 N Box 160, Earlton, ON P0J 1E0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, ON V5G 3S8
Registration No.	20060208 1452 1530 5031
File No.	622601064
Registration Date	February 8, 2006
Registration Period	4 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 42911, No Fixed Maturity Date
Motor Vehicle Description	Year = 2006, Make = Pontiac, Model = Montana, VIN = 1GMDV33L76D113404
General Collateral Description	None

#21

Debtor	Grant Forest Products Inc. / Grant Forest Products

Debtor Address	Hwy 11N Box 160, Earlton, ON P0J 1E0
Secured Party	General Motors Acceptance Corporation of Canada, Limited
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 200 – 4126 Norland Avenue, Burnaby, BC V5G 3S8
Registration No.	20060109 1442 1530 3445
File No.	621867078
Registration Date	January 9, 2006
Registration Period	4 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 37419, No Fixed Maturity Date
Motor Vehicle Description	Year = 2006, Make = GMC, Model = Canyon, VIN = 1GTDT196568209721
General Collateral Description	None

#22

Debtor	Grant Forest Products Inc. / Grant Forest Products Corp.
Debtor Address	Highway 11, Box 130, New Liskeard, ON P0J 1P0
Secured Party	The Toronto-Dominion Bank
Secured Party Address	43 Elm Street, Sudbury, ON P3E 4R7
Registering Agent	Desmarais, Keenan LLP
Registering Agent Address	#100-30 Durham Street, Sudbury, ON P3C 5E5
Registration No.	20051110 1451 1530 0627
File No.	620404254
Registration Date	November 10, 2005
Registration Period	5 years
Collateral Classification	Accounts, Other
Motor Vehicle Description	None
General Collateral Description	Postponement & Assignment of Creditor's Claim

#23

Debtor	Grant Forest Products Inc.
Debtor Address	181 Bay Street, Suite 1520, Toronto, ON M5J 2T3
Secured Party	The Toronto-Dominion Bank, as agent
Secured Party Address	77 King Street West, 18th floor, Royal Trust Tower, TD Centre Toronto, ON M5K 1A2
Registration No.	20051021 1523 1590 6013
File No.	619883595
Registration Date	October 21, 2005
Registration Period	10 years

Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20080411 1352 1590 9795. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement.

#24

Debtor	Grant Forest Products Inc. / Grant Forest Products
Debtor Address	Hwy 11N Box 160, Earlton, ON P0J 1E0
Secured Party	GMAC Leaseco Corporation
Secured Party Address	3250 Bloor Street West, 8th floor, Toronto, ON M8X 2Y5
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 180 – 13571 Commerce Parkway, Richmond, BC V6V 2L1
Registration No.	20041230 1518 1530 5576
File No.	611688798
Registration Date	December 30, 2004
Registration Period	5 years
Collateral Classification	Consumer Goods, Equipment, Other, Motor Vehicle Included, Amount = 129969, No Fixed Maturity Date
Motor Vehicle Description	Year = 2005, Make = Cadillac, Model = Escalade, VIN = 3GYFK66NX5G159776
General Collateral Description	None

#25

Debtor	Grant Forest Products Inc.
Debtor Address	P.O. Box 130, New Liskeard, ON P0J 1P0
Secured Party	GE Canada Leasing Services Company
Secured Party Address	5420 North Service Road, Burlington, ON L7L 6C7
Registering Agent	McCarthy Tetrault LLP (Steven J. Rapkin)
Registering Agent Address	Ste. 4700, TD Bank Tower, TD Centre, Toronto, ON M5K 1E6
Registration No.	20020208 1441 1862 2513
File No.	880460847
Registration Date	February 8, 2002
Registration Period	13 years
Collateral Classification	Equipment, Accounts, Other
Motor Vehicle Description	

General Collateral Description	Without limitation, one (1) 1994 Dassault Falcon 900B Aircraft bearing Canadian registration mark C-FGFI and airframe manufacturer's serial number 138, together with three (3) Garrett (Allied Signal) model TFE731-5BR-1C engines bearing manufacturer's serial numbers P-101217, P-101214 and P-101231 and any airframe replacing the foregoing airframe, and any other engine from time to time attached to such airframe (including any engine replacing the foregoing engines), and all parts, accessories, appliances, appurtenances, components, furnishings, instruments, modules, navigational and communications equipment and all other goods, tangible personal property and other equipment of whatever nature (the "Parts") that may from time to time be incorporated or installed in or attached to the foregoing airframe or engines (collectively, the "Aircraft"), and all records, logs, maintenance records, manuals, technical data, training aids, computer software and other materials relating to the aircraft and any property substituted for any of the foregoing.
Amended by	Registration No. 20030328 1110 1862 0554. To add to the collateral description, "Without limitation, one (1) 1992 Dassault Falcon 50 Aircraft bearing Canadian Registration Mark C-GGFP and airframe manufacturer's serial number 227, together with three (3) Garret (Allied Signal) model TFE731-3-1C engines bearing manufacturer's serial numbers 76821, 76824 and 76825 and any airframe replacing the foregoing airframe, and any other engine from time to time attached to such airframe (including any engine replacing the foregoing engines) and all parts, accessories, appliances, appurtenances, components, furnishings, instruments, modules, navigational and communications equipment and all other goods, tangible personal property and other equipment of whatever nature that may from time to time be incorporated or installed in or attached to the foregoing airframe or engines (the "Aircraft"), and all records, logs, maintenance records, manuals, technical data, training aids, computer software and other materials relating to the aircraft and any property substituted for any of the foregoing. Registration No. 20031127 1137 1862 7517. To reflect the new name of the secured party (GE Canada Leasing Services Company) and to add "Accounts" to the collateral classification.

#26

Debtor	Grant Forest Products Inc.
Debtor Address	P.O. Box 130, New Liskeard, ON P0J 1P0
Secured Party	GE Canada Leasing Services Company
Secured Party Address	2300 Meadowvale Blvd., Mississauga, ON L5N 5P9
Registering Agent	McCarthy Tetrault (Norie Campbell)
Registering Agent	Ste. 4700, TD Bank Tower, TD Centre, Toronto, ON M5K 1E6

Address	
Registration No.	19991217 1439 9065 4458
File No.	857729169
Registration Date	December 17, 1999
Registration Period	11 years
Collateral Classification	Equipment, Accounts, Other
Motor Vehicle Description	None
General Collateral Description	Without limitation, one (1) 1992 Dassault Falcon 50 bearing Canadian Registration mark C-GGFP and airframe manufacturer's serial number 227, together with three (3) Garrett TFE731-3-1C engines bearing manufacturer's serial numbers 76821, 76824, and 76825 and any engine replacing any of the foregoing engines, together with all parts, accessories, appliances, appurtenances, components, furnishings, instruments, modules, navigational and communications equipment and other equipment incorporated or installed in or attached to the foregoing airframe or engines, and all records, logs, manuals, technical data, computer software and other materials relating to the aircraft, airframe or any engine and any property substituted for any of the foregoing.
Amended by	Registration No. 19991222 1012 1081 3250. To amend line 13 on registration no. 19991217 1439 9065 4458. Registration No. 19991222 1013 1081 3251. Renewal of 2 years. Registration No. 20030328 1110 1862 0552. Renewal of 2 years. Registration No. 20030328 1110 1862 0553. To add to the collateral description "Without limitation, one (1) 1994 Dassault Falcon 900B Aircraft bearing Canadian Registration mark C-FGFI and airframe manufacturer's serial number 138, together with three (3) Garrett (Allied Signal) Model TFE731-5BR-1C engines bearing manufacturer's serial numbers P-101217, P-101214 and P-101231 and any airframe replacing the foregoing airframe, and any other engine from time to time attached to such airframe (including any engine replacing the foregoing engines), and all parts, accessories, appliances, appurtenances, components, furnishings, instruments, modules, navigational and communications equipment and all other goods, tangible personal property and other equipment of whatever nature that may from time to time be incorporated or installed in or attached to the foregoing airframe or engines (the "Aircraft"), and all records, logs, maintenance records, manuals, technical data, training aids, computer software and other materials relating to the aircraft and any property substituted for any of the foregoing." Registration No. 20031127 1137 1862 7516. To reflect the new

	name of the secured party, GE Canada Leasing Services Company.

#27

Debtor	Grant Forest Products Inc. / Grant Forest Products
Debtor Address	P.O. Box 960, Englehart, ON P0J 1H0
Secured Party	IBM Canada Ltd. – PPSA Administrators
Secured Party Address	3600 Steeles Avenue East F4, Markham, ON L3R 9Z7
Registering Agent	Canadian Securities Registration Systems
Registering Agent Address	Suite 180 – 13571 Commerce Parkway, Richmond, BC V6V 2L1
Registration No.	19980924 1819 1531 3351
File No.	844695423
Registration Date	September 24, 1998
Registration Period	5 years
Collateral Classification	Equipment, Accounts, Other
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20030904 1203 1529 7257. Renewal of 2 years. Registration No. 20050829 1949 1531 6181. Renewal of 3 years. Registration No. 20071030 1946 1531 5030. Amend debtor name to include "Inc.". Registration No. 20071120 1450 1530 5048. Amend debtor location from "Ennismore" to "Englehart", Ontario. Registration No. 20080826 1947 1531 1256. Renewal of 4 years.

II. Grant Alberta Inc.
PPSA (Ontario) Search Results
(File Currency: January 10, 2010)

#1

Debtor	Grant Alberta Inc.
Debtor Address	2900 – 10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Toronto-Dominion Bank, as agent
Secured Party Address	77 King Street West, 18th floor, Royal Trust Tower, TD Centre Toronto, ON M5K 1A2
Registration No.	20051021 1526 1590 6015
File No.	619883649
Registration Date	October 21, 2005 [Current Expiry: October 21, 2015]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None

#2

Debtor	Grant Alberta Inc.
Debtor Address	2900 – 10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070312 1413 1590 1168
File No.	633396699
Registration Date	March 12, 2007 [Current Expiry: March 12, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20090501 0919 1862 6091. To amend the secured party from The Toronto-Dominion Bank, as collateral agent to The Bank of New York Mellon.

#3

Debtor	Grant Alberta Inc. / Grant U.S. Holdings GP / Grant Forest Products Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Toronto-Dominion Bank, as agent

Secured Party Address	77 King Street West, 18th floor, Royal Trust Tower, TD Centre Toronto, ON M5K 1A2
Registration No.	20070319 1809 1590 1448
File No.	633577041
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0931 1590 9916. To change debtor name from Grant U.S. Holdings LLP to Grant Holdings GP. Registration No. 20080411 1357 1590 9799. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement.

#4

Debtor	Grant Alberta Inc. / Grant U.S. Holdings GP / Grant Forest Products Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	Toronto Dominion (Texas) LLC, as agent
Secured Party Address	31 West 52nd Street, 22nd floor, New York NY 10019
Registration No.	20070319 1811 1590 1449
File No.	633577068
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9917. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1356 1590 9798. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be

	adjusted in accordance with such agreement.

#5

Debtor	Grant Alberta Inc. / Grant U.S. Holdings GP / Grant Forest Products Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070319 1811 1590 1450
File No.	633577077
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9918. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1355 1590 9797. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund [as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser] as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0920 1862 6095. To amend the secured party from The Toronto-Dominion Bank, as Collateral Agent to The Bank of New York Mellon.

#6

Debtor	Grant Alberta Inc. / Grant U.S. Holdings GP / Grant Forest Products Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070319 1813 1590 1451
File No.	633577086
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9919. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1358 1590 9800. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0920 1862 6094. To amend the secured party from Toronto-Dominion (Texas) LLC, as agent to The Bank of New York Mellon.

III. Grant U.S. Holdings GP
PPSA (Ontario) Search Results
(File Currency: January 10, 2010)

#1

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Toronto-Dominion Bank, as agent
Secured Party Address	77 King Street West, 18th floor, Royal Trust Tower, TD Centre Toronto, ON M5K 1A2
Registration No.	20070319 1809 1590 1448
File No.	633577041
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0931 1590 9916. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1357 1590 9799. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement.

#2

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	Toronto Dominion (Texas) LLC, as agent
Secured Party Address	31 West 52nd Street, 22nd floor, New York NY 10019
Registration No.	20070319 1811 1590 1449
File No.	633577068
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9917. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1356 1590 9798. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement.

#3

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070319 1811 1590 1450
File No.	633577077
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9918. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1355 1590 9797. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0920 1862 6095. To amend the secured party from The Toronto-Dominion Bank, as agent to The Bank of New York Mellon.

#4

Debtor	Grant U.S. Holdings GP / Grant Forest Products Inc. / Grant Alberta Inc.
Debtor Address	9918 Buford's Bridge Road, P.O. Box 1000, Fairfax, SC 29827 181 Bay Street, Suite 1520, Toronto, ON M5J 2T3 2900-10180 101 Street, Edmonton, AB T5J 3V5
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving, TX 75039
Registration No.	20070319 1813 1590 1451
File No.	633577086
Registration Date	March 19, 2007 [Current Expiry: March 19, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20070820 0932 1590 9919. To change debtor name from Grant U.S. Holdings LLP to Grant U.S. Holdings GP. Registration No. 20080411 1358 1590 9800. Discharge from the security granted by Grant Forest Products Inc. of the sold 2008 refund (as defined by the tax refund purchase and sale agreement dated as of March 31, 2008 between Grant Forest Products Inc. as vendor and Peter Grant Sr. as purchaser) as such sold 2008 refund may be adjusted in accordance with such agreement. Registration No. 20090501 0920 1862 6094. To amend the secured party from Toronto Dominion [Texas] LLC, as collateral agent to The Bank of New York Mellon.

IV. Grant Forest Products Sales Inc.
PPSA (Ontario) Search Results
(File Currency: January 10, 2010)

#1

Debtor	Grant Forest Products Sales Inc.
Debtor Address	181 Bay Street, Suite 1520, Toronto, ON M5J 2T3
Secured Party	The Toronto-Dominion Bank, as agent
Secured Party Address	77 King Street West, 18th floor, Royal Trust Tower, TD Centre Toronto, ON M5K 1A2
Registration No.	20051021 1525 1590 6014
File No.	619883631
Registration Date	October 21, 2005 [Current Expiry: October 21, 2015]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None

#2

Debtor	Grant Forest Products Sales Inc.
Debtor Address	181 Bay Street, Suite 1520, Toronto, ON M5J 2T3
Secured Party	The Bank of New York Mellon
Secured Party Address	600 E. Las Colinas Boulevard, Suite 1300, Irving TX 75039
Registration No.	20070312 1414 1590 1169
File No.	633396753
Registration Date	March 12, 2007 [Current Expiry: March 12, 2017]
Registration Period	10 years
Collateral Classification	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
Motor Vehicle Description	None
General Collateral Description	None
Amended by	Registration No. 20090501 0919 1862 6093. To amend secured party from The Toronto-Dominion Bank, as collateral agent to The Bank of New York Mellon.

TAB D

Schedule "D"

Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Properties

LEGAL DESCRIPTIONS OF AND PERMITTED ENCUMBRANCES TO REMAIN ON TITLE TO REAL PROPERTIES BEING TRANSFERRED

PART A. Properties in the Land Titles Office No. (54) for the District of Timiskaming

1. Parcels Relating to the Earlton Business Office (the "**Earlton Business Office Parcels**"):

Owner: Grant Forest Products Inc.

(i) **PIN: 61307-0004(LT)**
PCL 19972 SEC SST; PT N1/2 LT 6 CON 6 ARMSTRONG PT 1 54R1796; ARMSTRONG; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R1796, registered July 14, 1976, being a Reference Plan
- Instrument No. LT302906, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(ii) **PIN: 61307-0074(LT)**
PCL 18640 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 1 54R1139 T/W PT 1 54R1282 AS IN LT172281; ARMSTRONG; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R1139, registered April 5, 1972, being a Reference Plan
- Instrument No. LT302906, registered August 21, 1998 being a Transfer to Grant Forest Products Inc.
- Instrument No. LT172281 registered August 15, 1972, being a Transfer of Right of Way from Dionne Concrete Products Limited to Earlton Manufacturing Company Limited

(iii) **PIN: 61307-0075(LT)**
PCL 25231 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 1 TO 4 54R4670 S/T PT 4 54R4670 AS IN LT59803, S/T PT 1 54R4670 AS IN LT172281; ARMSTRONG; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R4670, registered May 10, 2000, being a Reference Plan
- Instrument No. LT310924, registered July 27, 2000, being a Transfer to Grant Forest Products Inc.
- Instrument No. LT172281, registered August 15, 1972, being a Transfer of Right of Way from Dionne Concrete Products Limited to Earlton Manufacturing Company Limited
- Instrument No. LT59803, registered July 20, 1935, being a Transfer reserving a Right of Way

(iv) **PIN; 61307-0076(LT)**
PCL 23789 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 2 TER200; ARMSTRONG; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. TER200, registered September 14, 1964, being a Reference Plan
- Instrument No. LT302906, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

2. Parcels Relating to the Englehart OSB Plant (the "**Englehart OSB Plant Parcels**"):

Owner: Grant Forest Products Inc.

(i) **PIN: 61277-0392(LT)**
PCL 24013 SEC SST; PT S1/2 LT 11 CON 5 EVANTUREL PT 2, 3 & 4 54R2355 & PT 3 & 4 54R3420; S/T LT121700, LT121759; EVANTUREL; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT121700, registered October 24, 1958, being an Easement in favour of Northern Ontario Natural Gas Company Limited
- Instrument No. LT121759, registered October 28, 1958, being an Easement in favour of Northern Ontario Natural Gas Company Limited
- Instrument No. 54R2355, registered April 9, 1981, being a Reference Plan
- Instrument No. 54R3420, registered August 21, 1989, being a Reference Plan

- Instrument No. LT328735, registered September 24, 2004, being a Transfer to Grant Forest Products Inc.

(ii) **PIN; 61277-383(LT)**
PCL 23580 SEC SST; PT S1/2 LT 11 CON 5 EVANTUREL PT 1 & 2 54R3292; EVANTUREL; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R3292, registered November 14, 1988, being a Reference Plan

- Instrument No. LT328735, registered September 24, 2004, being a Transfer to Grant Forest Products Inc.

(iii) **PIN: 61278-0051(LT)**
PCL 12122 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL AS IN LT109670 EXCEPT PT 1 54R2411; S/T LT119808, LT234981, LT253262, LT267644; ENGLEHART ; DISTRICT OF TIMISKAMING

Permitted Encumbrances

- Instrument No. LT119808, registered May 9, 1958, being an Easement in favour of Trans-Canada Pipe Lines Limited

- Instrument No. LT139505, registered January 27, 1964, being a Notice of Explanation for the deposit of a plan related to the Trans-Canada Pipeline Limited easements

- Instrument No. 54R2645, registered December 23, 1983, being a Reference Plan

- Instrument No. LT234981, registered June 7, 1985, being an Easement in favour of Her Majesty the Queen in Right of Ontario as Represented by The Minister of Government Services

- Instrument NO 54R3154, registered March 23, 1988, being a Reference Plan

- Instrument No. LT253262, registered July 21, 1988, being an Easement in favour of Bell Canada

- Instrument No. 54R3606, registered January 22, 1991, being a Reference Plan

- Instrument No. LT267644, registered March 5, 1991, being an Easement in favour of TransCanada Pipelines Limited

- Instrument No LT302902, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(iv) **PIN: 61278-0069(LT)**
PCL 17417 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL AS IN LT158350 EXCEPT UNIT 1 PL D84; ENGLEHART ; DISTRICT OF TIMISKAMING; LAND REGISTRY OFFICE NO. (54) TIMISKAMING

Permitted Encumbrances:

- Instrument No LT302902, registered August 21, 1998, being a Transfer to Grant Forest Products Inc

(v) **PIN: 61278-0148(LT)**
PCL 24170 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL PT 1 54R3667; ENGLEHART; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R3667, registered May 2, 1991, being a Reference Plan
- Instrument No. LT322178, registered May 9, 2003, being a Transfer to Grant Forest Products Inc.

(vi) **PIN: 61278-0120(LT)**
PCL 21309 SEC SST; PT WLY PT N1/2 LT 12 CON 5 EVANTUREL PT 1 54R2411; ENGLEHART ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R2411, registered October 5, 1981, being a Reference Plan
- Instrument No LT302902, registered August 21, 1998, being a Transfer to Grant Forest Products Inc

(vii) **PIN: 61278-0139(LT)**
PCL 23398 SEC SST; PT SIXTH AV PL M95NB EVANTUREL; PT SEVENTH ST PL M95NB EVANTUREL PT 2 54R3080; ENGLEHART ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R3080, registered December 30, 1987, being a Reference Plan
- Instrument No LT302902, registered August 21, 1998, being a Transfer to Grant Forest Products Inc

(viii) **PIN: 61278-0140(LT)**
PCL 23458 SEC SST; PT LT 251 PL M95NB EVANTUREL; PT LT 252 PL M95NB EVANTUREL PT 1 54R3080; ENGLEHART ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. 54R3080, registered December 30, 1987, being a Reference Plan
- Instrument No LT302902, registered August 21, 1998, being a Transfer to Grant Forest Products Inc

(ix) **PIN: 61278-0019(LT)**
PCL 21040 SEC SST; LT 26 PL M95NB EVANTUREL SRO; LT 27 PL M95NB EVANTUREL SRO; ENGLEHART ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT119651, registered April 28, 1958, being an Easement in favour of Trans-Canada Pipe Lines Limited
- Instrument No. LT139324, registered January 7, 1964, being a Notice of Explanation for the deposit of a plan related to the Trans-Canada Pipeline Limited easements
- Instrument No. LT223569, registered January 26, 1983, being a Provisional Certificate of Approval for a Waste Disposal Site
- Instrument No. LT223997, registered March 9, 1983, being a Notice of Agreement between The Corporation of the Township of Evanturel and 494432 Ontario Limited
- Instrument No 54R2645, registered December 23, 1983, being a Reference Plan
- Instrument No. LT234982, registered June 7, 1985, being an Easement in favour of Her Majesty the Queen in Right of Ontario, Represented by The Minister of Government Services
- Instrument No 54R3154, registered March 23, 1988, being a Reference Plan
- Instrument No. LT253814, registered August 15, 1988, being an Easement in favour of Bell Canada
- Instrument No 54R3606, registered January 22, 1991, being a Reference Plan
- Instrument No. LT267645, registered March 5, 1991, being an Easement in favour of TransCanada Pipelines Limited
- Instrument No. LT269395, registered July 15, 1991, being a Postponement postponing Instrument No. LT223997 to Instrument No. LT267645

- Instrument No. LT302902, registered August 21, 1998 being a Transfer to Grant Forest Products Inc.

(x) <u>PIN: 61278-0029(LT)</u>
PCL 10462 SEC SST; PT S1/2 LT 12 CON 5 EVANTUREL AS IN LT99275; S/T LT120878, LT234961, LT253261, LT267646; EVANTUREL ; DISTRICT OF TIMISKAMING

<u>Permitted Encumbrances:</u>

- Instrument No. LT120878, registered August 14, 1958, being an Easement in favour of TransCanada Pipelines Limited
- Instrument No. LT139505, registered January 27, 1964, being a Notice of Explanation for the deposit of a plan related to the Trans-Canada Pipeline Limited easements
- Instrument No. 54R2645, registered December 23, 1983, being a Reference Plan
- Instrument No. LT234961, registered June 6, 1985, being an Easement in favour of Her Majesty the Queen in Right of Ontario as Represented by The Minister of Government Services
- Instrument No. 54R3154, registered March 23, 1988, being a Reference Plan
- Instrument No. LT253261, registered July 21, 1988, being an Easement in favour of Bell Canada
- Instrument No. 54R3606, registered January 22, 1991, being a Reference Plan
- Instrument No. LT267646, registered March 5, 1991, being an Easement in favour of TransCanada Pipelines Limited
- Instrument No. LT327325, registered June 15, 2004, being a Transfer to Grant Forest Products Inc.

(xi) **<u>PIN: 61280-0102(LT)</u>**
PCL 8925 SEC NND; N1/2 LT 1 CON 5 DACK EXCEPT PT 3, 4, 5 TER940, LT169208; S/T LT120542, LT253263, LT268133; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

<u>Permitted Encumbrances:</u>

- Instrument No. LT120542, registered July 11, 1958, being an Easement in favor of Trans-Canada Pipelines Limited
- Instrument No. LT139324, registered January 7, 1964, being a Notice of Explanation for the deposit of a plan related to the Trans-Canada Pipeline Limited easements

- Instrument No. 54R3095, registered January 27, 1988, being a Reference Plan
- Instrument No. LT253263, registered July 21, 1988, being an Easement in favour of Bell Canada
- Instrument No. 54R3621, registered February 22, 1991, being a Reference Plan
- Instrument No. LT268133, registered April 19, 1991, being an Easement in favour of Trans-Canada Pipelines Limited
- Instrument No. LT275870, registered October 1, 1992, being a Notice under the Environmental Protection Act
- Instrument No. 54R3903, registered October 29, 1992, being a Reference Plan
- Instrument No. LT302902, registered August 21, 1998 being a Transfer to Grant Forest Products Inc.
- Instrument No. 54R4641, registered December 21, 1999, being a Reference Plan

(xii) **PIN: 61280-0105(LT)**
PCL 22633 SEC SST; W1/2 OF S1/2 LT 1 CON 5 DACK; CHARLTON AND DACK; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT315512, registered September 18, 2001, being a Transfer to Grant Forest Products Inc.
- Instrument No. LT315522, registered September 18, 2001, being a Notice of a Lease to Edwards, Douglas F. and Edwards, Norma Jean
- Instrument No. LT315523, registered September 18, 2001, being a Notice of Agreement restricting the use of the property

3. <u>Parcels Relating to the Wood Lots in Timiskaming (the "**Timiskaming Wood Lot Parcels**"):</u>

Owner: Grant Forest Products Inc.

(i) **PIN: 61280-0195(LT)**
PCL 5963 SEC SST; N1/2 OF S1/2 LT 2 CON 1 DACK; CHARLTON AND DACK; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT260848, registered October 31, 1989, being Mineral Certificate No. 2390
- Instrument No. LT302902, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(ii) **PIN: 61301-0053(LT)**
PCL 390 SEC SST; S 1/2 LT 1 CON 1 TUDHOPE; DISTRICT OF TIMISKAMING; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT302908, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(iii) **PIN: 61301-0029(LT)**
PCL 12127 SEC SST; S 1/2 LT 1 CON 2 TUDHOPE; DISTRICT OF TIMISKAMING; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT302908, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(iv) **PIN: 61301-0010(LT)**
PCL 19883 SEC SST; NE PT BROKEN LT 7 CON 4 TUDHOPE SRO AS IN LT190301; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT302910, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(v) **PIN: 61301-0011(LT)**
PCL 22360 SEC SST; NW 1/4 OF N 1/2 LT 6 CON 4 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT302910, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(vi) **PIN: 61301-0007(LT)**
PCL 22362 SEC SST; NW 1/4 OF S 1/2 LT 6 CON 5 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT302910, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(vii) **PIN: 61301-0008(LT)**
PCL 22361 SEC SST; SW 1/4 OF S 1/2 LT 6 CON 5 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT302910, registered August 21, 1998, being a Transfer to Grant Forest Products Inc.

(viii) **PIN: 61332-0017(LT)**
PCL 6616 SEC NND; N1/2 LT 2 CON 4 LUNDY EXCEPT MRO AS IN LT258467; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT306005, registered May 21, 1999, being a Transfer to Grant Forest Products Inc.

- Instrument No. LT331452, registered April 21, 2005, being a Release of a pine tree reservation

(ix) **PIN: 61332-0022(LT)**
PCL 2294 SEC NND; S1/2 LT 3 CON 2 LUNDY EXCEPT MRO AS IN LT258467; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT121112, registered September 3, 1958, being a Notice of transfer of pine trees
- Instrument No. LT306005, registered May 21, 1999, being a Transfer to Grant Forest Products Inc.

(x) **PIN: 61240-0014(LT)**
PCL 1699 SEC SST; N 1/2 LT 2 CON 5 HOLMES; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Permitted Encumbrances:

- Instrument No. LT131831, registered November 7, 1961, being a Certificate releasing pine trees
- Instrument No. LT316219, registered November 5, 2001, being a Transfer to Grant Forest Products Inc.

PART B. Properties in the Land Titles Office No. (36) For The District Of Nipissing

1. Parcels Relating To The Wood Lot in Nipissing (the "**Nipissing Wood Lot Parcels**"):

Owner: Grant Forest Products Inc.

(i) **PIN: 49092-0011(LT)**
LT 6 CON 2 BEAUCAGE; PT LT 7-8 CON 2 BEAUCAGE; PT LT 7-8 CON 3 BEAUCAGE AS IN NB155487; S/T BE74, NB54427; WEST NIPISSING ; DISTRICT OF NIPISSING

Permitted Encumbrances:

- Instrument No. BE74, registered September 22, 1950, being an Easement in favour of The Hydro-Electric Power Commission of Ontario
- Instrument No. NB54427, registered April 1, 1963, being an Easement in favour of The Hydro-Electric Power Commission of Ontario
- Instrument No. NB58662, registered January 28, 1965, being an Order regarding Department of Municipal Affairs re Planning Act
- Instrument No. 36R8428, registered May 23, 1990, being a Reference Plan
- Instrument N. NB155487, registered September 17, 1999, being a Transfer to Grant Forest Products Inc.

(ii) **PIN: 49005-0056(LT)**
PCL 1012 SEC NIP; MINING LOCATION WD 261 STRATHY; MINING LOCATION WD 262 STRATHY SITUATE ON THE S SIDE OF NET LAKE NE OF LAKE TEMAGAMING; TEMAGAMI ; DISTRICT OF NIPISSING

Permitted Encumbrances:

- Instrument No. LT4009, registered March 7, 1905, being a Certificate of performance of conditions of the Mines Act.
- Instrument No. LT427346, registered January 31, 2005, being a Transfer to Grant Forest Products Inc.

PART C. Properties In The Land Titles Office No. (6) For The District Of Cochrane

1. Parcels Relating To Wood Lots in the District of Cochrane (the "**Cochrane Wood Lot Parcels**"):

Owner: Grant Forest Products Inc.

(i) **PIN: 65332-0001(LT)**
PCL 3812 SEC NEC; NE 1/4 LT 12 CON 6 MCCART INCLUDING ANY LAND COVERED WITH WATER BEING MINING CLAIMS T27714 & T27715 MCCART; TOWN OF IROQUOIS FALLS

Permitted Encumbrances:

- Instrument No. CP6252, registered July 21, 1953, being the Crown Patent
- Instrument No. CB3507, registered December 7, 2004, being a Land Registrar's Order
- Instrument No. CB4732, registered January 31, 2005, being a Transfer to Grant Forest Products Inc.

(ii) **PIN: 65332-0002(LT)**
PCL 3813 SEC NEC; S 1/2 LT 12 CON 6 MCCART; MINING CLAIM T27703 MCCART; MINING CLAIM T27704 MCCART; MINING CLAIM T27705 MCCART; MINING CLAIM T27706 MCCART; TOWN OF IROQUOIS FALLS

Permitted Encumbrances:

- Instrument No. CP6253, registered July 21, 1953, being the Crown Patent
- Instrument No. CB4732, registered January 31, 2005, being a Transfer to Grant Forest Products Inc.

(iii) **PIN: 65332-0009(LT)**
PCL 3814 SEC NEC; S PT LT 11 CON 6 MCCART; MINING CLAIM T27753 MCCART; MINING CLAIM T27754 MCCART; MINING CLAIM T27755 MCCART; MINING CLAIM T27756 MCCART; TOWN OF IROQUOIS FALLS

Permitted Encumbrances:

- Instrument No. CP6254, registered July 21, 1953, being a Crown Patent
- Instrument No. CB4732, registered January 31, 2005, being a Transfer to Grant Forest Products Inc.

(iv) **PIN: 65381-0552(LT)**
PCL 14799 SEC SEC; PT S 1/2 LT 3 CON 4 BOWMAN PT 1, CR469; BLACK RIVER-MATHESON

Permitted Encumbrances:

- Instrument No. CR469, registered October 11, 1963, being a Reference Plan
- Instrument No. CB38152, registered January 7, 2008, being a Transfer to Grant Forest Products Inc.

(v) **PIN: 65381-0540(LT)**
PCL 12761 SEC SEC SRO AND GRAVEL; N 1/2 LT 3 CON 4 BOWMAN; BLACK RIVER-MATHESON

Permitted Encumbrances:

- Instrument No. CB38152, registered January 7, 2008, being a Transfer to Grant Forest Products Inc.

UNREGISTERED EASEMENTS WITH RESPECT TO REAL PROPERTIES BEING TRANSFERRED

1. Unregistered easements in favour of Hydro One Networks Inc.

TAB E

Schedule "E"

Legal Descriptions of Real Properties Being Transferred and Claims and Encumbrances To Be Released, Discharged, Extinguished and Expunged against such Real Properties

PART A. <u>Properties in the Land Titles Office No. (54) for the District of Timiskaming</u>

1. <u>Parcels Relating to the Earlton Business Office (the "**Earlton Business Office Parcels**"):</u>

OWNER: Grant Forest Products Inc.

(i) **<u>PIN: 61307-0004(LT)</u>**
PCL 19972 SEC SST; PT N1/2 LT 6 CON 6 ARMSTRONG PT 1 54R1796; ARMSTRONG; DISTRICT OF TIMISKAMING

(ii) **<u>PIN: 61307-0074(LT)</u>**
PCL 18640 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 1 54R1139 T/W PT 1 54R1282 AS IN LT172281; ARMSTRONG; DISTRICT OF TIMISKAMING

(iii) **<u>PIN: 61307-0075(LT)</u>**
PCL 25231 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 1 TO 4 54R4670 S/T PT 4 54R4670 AS IN LT59803, S/T PT 1 54R4670 AS IN LT172281; ARMSTRONG; DISTRICT OF TIMISKAMING

(iv) **<u>PIN: 61307-0076(LT)</u>**
PCL 23789 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 2 TER200; ARMSTRONG; DISTRICT OF TIMISKAMING

<u>Encumbrances to be Deleted and Expunged from Title to the Earlton Business Office Parcels:</u>

(i) Instrument No. LT334509, registered October 31, 2005, being a Charge in favour of The Toronto Dominion Bank

(ii) Instrument No. DT7091, registered March 21, 2007, being a Charge in favour of The Toronto Dominion Bank

(iii) Instrument No. DT7092, registered March 21, 2007, being a Charge in favour of The Toronto Dominion Bank

(iv) Instrument No. DT18502, registered April 6, 2009, being a Charge in favour of The Toronto Dominion Bank

(v) Instrument No. DT18503, registered April 6, 2009, being a Charge in favour of The Toronto Dominion Bank

(vi) Instrument No. DT18861, registered May 1, 2009, being a Transfer of Charge from The Toronto Dominion Bank to The Bank of New York Mellon

(vii) Instrument No. DT18862, registered May 1, 2009, being a Transfer of Charge from The Toronto Dominion Bank to The Bank of New York Mellon

2. Parcels Relating to the Englehart OSB Plant (the "**Englehart OSB Plant Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 61277-0392(LT)**
PCL 24013 SEC SST; PT S1/2 LT 11 CON 5 EVANTUREL PT 2, 3 & 4 54R2355 & PT 3 & 4 54R3420; S/T LT121700, LT121759; EVANTUREL; DISTRICT OF TIMISKAMING

(ii) **PIN: 61277-383(LT)**
PCL 23580 SEC SST; PT S1/2 LT 11 CON 5 EVANTUREL PT 1 & 2 54R3292; EVANTUREL; DISTRICT OF TIMISKAMING

(iii) **PIN: 61278-0051(LT)**
PCL 12122 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL AS IN LT109670 EXCEPT PT 1 54R2411; S/T LT119808, LT234981, LT253262, LT267644; ENGLEHART ; DISTRICT OF TIMISKAMING

(iv) **PIN: 61278-0069(LT)**
PCL 17417 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL AS IN LT158350 EXCEPT UNIT 1 PL D84; ENGLEHART ; DISTRICT OF TIMISKAMING; LAND REGISTRY OFFICE NO. (54) TIMISKAMING

(v) **PIN: 61278-0148(LT)**
PCL 24170 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL PT 1 54R3667; ENGLEHART ; DISTRICT OF TIMISKAMING

(vi) **PIN: 61278-0120(LT)**
PCL 21309 SEC SST; PT WLY PT N1/2 LT 12 CON 5 EVANTUREL PT 1 54R2411; ENGLEHART ; DISTRICT OF TIMISKAMING

(vii) **PIN: 61278-0139(LT)**
PCL 23398 SEC SST; PT SIXTH AV PL M95NB EVANTUREL; PT SEVENTH ST PL M95NB EVANTUREL PT 2 54R3080; ENGLEHART ; DISTRICT OF TIMISKAMING

(viii) **PIN: 61278-0140(LT)**
PCL 23458 SEC SST; PT LT 251 PL M95NB EVANTUREL; PT LT 252 PL M95NB EVANTUREL PT 1 54R3080; ENGLEHART ; DISTRICT OF TIMISKAMING

(ix) **PIN: 61278-0019(LT)**
PCL 21040 SEC SST; LT 26 PL M95NB EVANTUREL SRO; LT 27 PL M95NB EVANTUREL SRO; ENGLEHART ; DISTRICT OF TIMISKAMING

(x) **PIN: 61278-0029(LT)**
PCL 10462 SEC SST; PT S1/2 LT 12 CON 5 EVANTUREL AS IN LT99275; S/T LT120878, LT234961, LT253261, LT267646; EVANTUREL ; DISTRICT OF TIMISKAMING

(xi) **PIN: 61280-0102(LT)**
PCL 8925 SEC NND; N1/2 LT 1 CON 5 DACK EXCEPT PT 3, 4, 5 TER940, LT169208; S/T LT120542, LT253263, LT268133; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

(xii) **PIN: 61280-0105(LT)**
PCL 22633 SEC SST; W1/2 OF S1/2 LT 1 CON 5 DACK; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

Encumbrances to be Deleted and Expunged from Title to the Englehart OSB Plant Parcels:

(i) Instrument No. LT334509, registered October 31, 2005, being a Charge in favour of The Toronto Dominion Bank

(ii) Instrument No. DT7091, registered March 21, 2007, being a Charge in favour of The Toronto Dominion Bank

(iii) Instrument No. DT7092, registered March 21, 2007, being a Charge in favour of The Toronto Dominion Bank

(iv) Instrument No. DT18502, registered April 6, 2009, being a Charge in favour of The Toronto Dominion Bank

(v) Instrument No. DT18503, registered April 6, 2009, being a Charge in favour of The Toronto Dominion Bank

(vi) Instrument No. DT18861, registered May 1, 2009, being a Transfer of Charge from The Toronto Dominion Bank to The Bank of New York Mellon

(vii) Instrument No. DT18862, registered May 1, 2009, being a Transfer of Charge from The Toronto Dominion Bank to The Bank of New York Mellon

3. Parcels Relating to the Wood Lots in Timiskaming (the "**Timiskaming Wood Lot Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 61280-0195(LT)**
PCL 5963 SEC SST; N1/2 OF S1/2 LT 2 CON 1 DACK; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

(ii) **PIN: 61301-0053(LT)**
PCL 390 SEC SST; S 1/2 LT 1 CON 1 TUDHOPE; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(iii) **PIN: 61301-0029(LT)**
PCL 12127 SEC SST; S 1/2 LT 1 CON 2 TUDHOPE; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(iv) **PIN: 61301-0010(LT)**
PCL 19883 SEC SST; NE PT BROKEN LT 7 CON 4 TUDHOPE SRO AS IN LT190301; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(v) **PIN: 61301-0011(LT)**
PCL 22360 SEC SST; NW 1/4 OF N 1/2 LT 6 CON 4 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(vi) **PIN: 61301-0007(LT)**
PCL 22362 SEC SST; NW 1/4 OF S 1/2 LT 6 CON 5 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(vii) **PIN: 61301-0008(LT)**
PCL 22361 SEC SST; SW 1/4 OF S 1/2 LT 6 CON 5 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(viii) **PIN: 61332-0017(LT)**
PCL 6616 SEC NND; N1/2 LT 2 CON 4 LUNDY EXCEPT MRO AS IN LT258467; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(ix) **PIN: 61332-0022(LT)**
PCL 2294 SEC NND; S1/2 LT 3 CON 2 LUNDY EXCEPT MRO AS IN LT258467; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(x) **PIN: 61240-0014(LT)**
PCL 1699 SEC SST; N 1/2 LT 2 CON 5 HOLMES; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Encumbrances to be Deleted and Expunged from Title to the Timiskaming Wood Lot Parcels:

- None

Part B. **Properties in the Land Titles Office No. (36) for the District Of Nipissing**

1. Parcels Relating to the Wood Lot in Nipissing (the "**Nipissing Wood Lot Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 49092-0011(LT)**
LT 6 CON 2 BEAUCAGE; PT LT 7-8 CON 2 BEAUCAGE; PT LT 7-8 CON 3 BEAUCAGE AS IN NB155487; S/T BE74, NB54427; WEST NIPISSING ; DISTRICT OF NIPISSING

(ii) **PIN: 49005-0056(LT)**
PCL 1012 SEC NIP; MINING LOCATION WD 261 STRATHY; MINING LOCATION WD 262 STRATHY SITUATE ON THE S SIDE OF NET LAKE NE OF LAKE TEMAGAMING; TEMAGAMI ; DISTRICT OF NIPISSING

Encumbrances to be Deleted and Expunged from Title to the Nipissing Wood Lot Parcels:

- None

Part C. Properties in the Land Titles Office No. (6) for the District Of Cochrane

2. Parcels Relating to Wood Lot in The District of Cochrane (the "**Cochrane Wood Lot Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 65332-0001(LT)**
PCL 3812 SEC NEC; NE 1/4 LT 12 CON 6 MCCART INCLUDING ANY LAND COVERED WITH WATER BEING MINING CLAIMS T27714 & T27715 MCCART; TOWN OF IROQUOIS FALLS

(ii) **PIN: 65332-0002(LT)**
PCL 3813 SEC NEC; S 1/2 LT 12 CON 6 MCCART; MINING CLAIM T27703 MCCART; MINING CLAIM T27704 MCCART; MINING CLAIM T27705 MCCART; MINING CLAIM T27706 MCCART; TOWN OF IROQUOIS FALLS

(iii) **PIN: 65332-0009(LT)**
PCL 3814 SEC NEC; S PT LT 11 CON 6 MCCART; MINING CLAIM T27753 MCCART; MINING CLAIM T27754 MCCART; MINING CLAIM T27755 MCCART; MINING CLAIM T27756 MCCART; TOWN OF IROQUOIS FALLS

(iv) **PIN: 65381-0552(LT)**
PCL 14799 SEC SEC; PT S 1/2 LT 3 CON 4 BOWMAN PT 1, CR469; BLACK RIVER-MATHESON

(v) **PIN: 65381-0540(LT)**
PCL 12761 SEC SEC SRO AND GRAVEL; N 1/2 LT 3 CON 4 BOWMAN; BLACK RIVER-MATHESON

Encumbrances to be Deleted and Expunged from Title to the Cochrane Wood Lot Parcels:

- None

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

Applicants

Court File No. 09-CL- 7960

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

Proceeding commenced at TORONTO

ORDER

TAB 3

Court File No. CV-09-8247-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 1st DAY OF
	)	
JUSTICE CAMPBELL	)	FEBRUARY, 2010

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP (the "Applicants")

REGISTRATION ORDER

THIS MOTION, made by Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc. and Grant U.S. Holdings GP (collectively, the "**Applicants**"), for an order in the form attached as Schedule "B" to the notice of motion of the Applicant dated January 15, 2010 (the "**Notice of Motion**") *inter alia*: (i) abridging and validating the timing and method of service of this Motion Record so that this Motion is properly returnable; (ii) ordering and declaring that no further registrations shall be made against title to the real property set out in Schedule "A" attached hereto (the "**Real Property**") without the prior written consent of Ernst & Young Inc. in its capacity as court appointed monitor (the "**Monitor**"); and (iii) authorizing the Applicants to register this Order on title to the Real Property, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Hap Stephen sworn January 15, 2010, the Sixth Report of the Monitor and the appendices thereto and on hearing the submissions of counsel for the Applicants, the Monitor, The Toronto-Dominion Bank as agent for the first lien lenders, the independent directors of Grant Forest Products Inc., Peter Grant Sr., Peter Grant Jr. and <>, and no one else appearing although duly served as appears from the affidavit of service of Laura Bowles-Dove sworn January 15, 2010;

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

Real Property Registrations

2. **THIS COURT ORDERS AND DECLARES** that from and after the date hereof no further registrations shall be made against title to the real property set out in Schedule "A" attached hereto (the "**Real Property**") without the prior written consent of the Monitor.

3. **THIS COURT ORDERS** that notwithstanding paragraph 2 above, the Applicants are hereby authorized to register this Order on title to the Real Property.

Schedule "A"

Legal Descriptions of Real Properties

PART A. **Properties in the Land Titles Office No. (54) for the District of Timiskaming**

1. Parcels Relating to the Earlton Business Office (the "**Earlton Business Office Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 61307-0004(LT)**
PCL 19972 SEC SST; PT N1/2 LT 6 CON 6 ARMSTRONG PT 1 54R1796; ARMSTRONG; DISTRICT OF TIMISKAMING

(ii) **PIN: 61307-0074(LT)**
PCL 18640 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 1 54R1139 T/W PT 1 54R1282 AS IN LT172281; ARMSTRONG; DISTRICT OF TIMISKAMING

(iii) **PIN: 61307-0075(LT)**
PCL 25231 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 1 TO 4 54R4670 S/T PT 4 54R4670 AS IN LT59803, S/T PT 1 54R4670 AS IN LT172281; ARMSTRONG; DISTRICT OF TIMISKAMING

(iv) **PIN: 61307-0076(LT)**
PCL 23789 SEC SST; PT S1/2 LT 6 CON 6 ARMSTRONG PT 2 TER200; ARMSTRONG; DISTRICT OF TIMISKAMING

2. Parcels Relating to the Englehart OSB Plant (the "**Englehart OSB Plant Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 61277-0392(LT)**
PCL 24013 SEC SST; PT S1/2 LT 11 CON 5 EVANTUREL PT 2, 3 & 4 54R2355 & PT 3 & 4 54R3420; S/T LT121700, LT121759; EVANTUREL; DISTRICT OF TIMISKAMING

(ii) **PIN: 61277-383(LT)**
PCL 23580 SEC SST; PT S1/2 LT 11 CON 5 EVANTUREL PT 1 & 2 54R3292; EVANTUREL; DISTRICT OF TIMISKAMING

(iii) **PIN: 61278-0051(LT)**
PCL 12122 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL AS IN LT109670 EXCEPT PT 1 54R2411; S/T LT119808, LT234981, LT253262, LT267644; ENGLEHART ; DISTRICT OF TIMISKAMING

(iv) **PIN: 61278-0069(LT)**
PCL 17417 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL AS IN LT158350 EXCEPT UNIT 1 PL D84; ENGLEHART ; DISTRICT OF TIMISKAMING; LAND REGISTRY OFFICE NO. (54) TIMISKAMING

(v) **PIN: 61278-0148(LT)**
PCL 24170 SEC SST; PT N1/2 LT 12 CON 5 EVANTUREL PT 1 54R3667; ENGLEHART ; DISTRICT OF TIMISKAMING

(vi) **PIN: 61278-0120(LT)**
PCL 21309 SEC SST; PT WLY PT N1/2 LT 12 CON 5 EVANTUREL PT 1 54R2411; ENGLEHART ; DISTRICT OF TIMISKAMING

(vii) **PIN: 61278-0139(LT)**
PCL 23398 SEC SST; PT SIXTH AV PL M95NB EVANTUREL; PT SEVENTH ST PL M95NB EVANTUREL PT 2 54R3080; ENGLEHART ; DISTRICT OF TIMISKAMING

(viii) **PIN: 61278-0140(LT)**
PCL 23458 SEC SST; PT LT 251 PL M95NB EVANTUREL; PT LT 252 PL M95NB EVANTUREL PT 1 54R3080; ENGLEHART ; DISTRICT OF TIMISKAMING

(ix) **PIN: 61278-0019(LT)**
PCL 21040 SEC SST; LT 26 PL M95NB EVANTUREL SRO; LT 27 PL M95NB EVANTUREL SRO; ENGLEHART ; DISTRICT OF TIMISKAMING

(x) **PIN: 61278-0029(LT)**
PCL 10462 SEC SST; PT S1/2 LT 12 CON 5 EVANTUREL AS IN LT99275; S/T LT120878, LT234961, LT253261, LT267646; EVANTUREL ; DISTRICT OF TIMISKAMING

(xi) **PIN: 61280-0102(LT)**
PCL 8925 SEC NND; N1/2 LT 1 CON 5 DACK EXCEPT PT 3, 4, 5 TER940, LT169208; S/T LT120542, LT253263, LT268133; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

(xii) **PIN: 61280-0105(LT)**
PCL 22633 SEC SST; W1/2 OF S1/2 LT 1 CON 5 DACK; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

3. Parcels Relating to the Wood Lots in Timiskaming (the "**Timiskaming Wood Lot Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 61280-0195(LT)**
PCL 5963 SEC SST; N1/2 OF S1/2 LT 2 CON 1 DACK; CHARLTON AND DACK ; DISTRICT OF TIMISKAMING

(ii) **PIN: 61301-0053(LT)**
PCL 390 SEC SST; S 1/2 LT 1 CON 1 TUDHOPE; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(iii) **PIN: 61301-0029(LT)**

PCL 12127 SEC SST; S 1/2 LT 1 CON 2 TUDHOPE; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(iv) **PIN: 61301-0010(LT)**
PCL 19883 SEC SST; NE PT BROKEN LT 7 CON 4 TUDHOPE SRO AS IN LT190301; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(v) **PIN: 61301-0011(LT)**
PCL 22360 SEC SST; NW 1/4 OF N 1/2 LT 6 CON 4 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(vi) **PIN: 61301-0007(LT)**
PCL 22362 SEC SST; NW 1/4 OF S 1/2 LT 6 CON 5 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(vii) **PIN: 61301-0008(LT)**
PCL 22361 SEC SST; SW 1/4 OF S 1/2 LT 6 CON 5 TUDHOPE SRO; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(viii) **PIN: 61332-0017(LT)**
PCL 6616 SEC NND; N1/2 LT 2 CON 4 LUNDY EXCEPT MRO AS IN LT258467; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(ix) **PIN: 61332-0022(LT)**
PCL 2294 SEC NND; S1/2 LT 3 CON 2 LUNDY EXCEPT MRO AS IN LT258467; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

(x) **PIN: 61240-0014(LT)**
PCL 1699 SEC SST; N 1/2 LT 2 CON 5 HOLMES; DISTRICT OF TIMISKAMING ; DISTRICT OF TIMISKAMING

Part B. Properties in the Land Titles Office No. (36) for the District Of Nipissing

1. Parcels Relating to the Wood Lot in Nipissing (the "**Nipissing Wood Lot Parcels**"):

OWNER: Grant Forest Products Inc.

(i) **PIN: 49092-0011(LT)**
LT 6 CON 2 BEAUCAGE; PT LT 7-8 CON 2 BEAUCAGE; PT LT 7-8 CON 3 BEAUCAGE AS IN NB155487; S/T BE74, NB54427; WEST NIPISSING ; DISTRICT OF NIPISSING

(ii) **<u>PIN: 49005-0056(LT)</u>**
PCL 1012 SEC NIP; MINING LOCATION WD 261 STRATHY; MINING LOCATION WD 262 STRATHY SITUATE ON THE S SIDE OF NET LAKE NE OF LAKE TEMAGAMING; TEMAGAMI ; DISTRICT OF NIPISSING

Part C. <u>Properties in the Land Titles Office No. (6) for the District Of Cochrane</u>

2. <u>Parcels Relating to Wood Lot in The District of Cochrane (the "**Cochrane Wood Lot Parcels**"):</u>

OWNER: Grant Forest Products Inc.

(i) **<u>PIN: 65332-0001(LT)</u>**
PCL 3812 SEC NEC; NE 1/4 LT 12 CON 6 MCCART INCLUDING ANY LAND COVERED WITH WATER BEING MINING CLAIMS T27714 & T27715 MCCART; TOWN OF IROQUOIS FALLS

(ii) **<u>PIN: 65332-0002(LT)</u>**
PCL 3813 SEC NEC; S 1/2 LT 12 CON 6 MCCART; MINING CLAIM T27703 MCCART; MINING CLAIM T27704 MCCART; MINING CLAIM T27705 MCCART; MINING CLAIM T27706 MCCART; TOWN OF IROQUOIS FALLS

(iii) **<u>PIN: 65332-0009(LT)</u>**
PCL 3814 SEC NEC; S PT LT 11 CON 6 MCCART; MINING CLAIM T27753 MCCART; MINING CLAIM T27754 MCCART; MINING CLAIM T27755 MCCART; MINING CLAIM T27756 MCCART; TOWN OF IROQUOIS FALLS

(iv) **<u>PIN: 65381-0552(LT)</u>**
PCL 14799 SEC SEC; PT S 1/2 LT 3 CON 4 BOWMAN PT 1, CR469; BLACK RIVER-MATHESON

(v) **<u>PIN: 65381-0540(LT)</u>**
PCL 12761 SEC SEC SRO AND GRAVEL; N 1/2 LT 3 CON 4 BOWMAN; BLACK RIVER-MATHESON

Court File No: CV-09-8247-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP (the "Applicants")

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

ORDER
(February 1, 2010)

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario
M5X 1B2

Lawyer:	Daniel R. Dowdall / Jane Dietrich
LSUC:	16737D / 49302U
Email:	dan.dowdall@fmc-law.com jane.dietrich@fmc-law.com
Telephone:	416 863-4700 / 416-863-4467
Facsimile:	416 863-4592

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

TAB 4

Court File No. CV-09-8247-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP

AFFIDAVIT OF HAP STEPHEN
(sworn January 15th, 2010)

I, **Hap Stephen**, of the City of Mississauga, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the chairman and CEO of Stonecrest Capital Inc. ("**Stonecrest**"), which was retained by Grant Forest Products Inc. ("**Grant Forest**") to act as Chief Restructuring Advisor ("**CRA**") of Grant Forest and its subsidiaries and as such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess such personal knowledge, I have stated the source of my information and, in all such cases, do verily believe it to be true.

Overview

2. On June 25, 2009, the Applicants obtained an order (the "**Initial Order**") pursuant to the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). All terms not otherwise defined in this affidavit have the meanings set out in the Initial Order. A copy of the Initial Order is attached hereto as Exhibit "**A**" to my affidavit.

3. The Initial Order granted a stay of proceedings in favour of the Applicants until July 24, 2009. The Stay Period has been subsequently extended until February 26, 2010.

4. I swear this affidavit:

(a) in support of a motion by the Applicants to, among other things, approve a transaction (the "**Transaction**") as contemplated by a purchase agreement (the "**Agreement**") dated January 8, 2010 between Grant Forest, Grant Forest Products Sales Inc., Grant Alberta Inc., Grant U.S. Holdings GP (collectively the "**Original Applicants**"), Southeast Properties LLC, Grant Clarendon LP ("**Clarendon**"), Grant Allendale LP ("**Allendale**"), Grant US Sales Inc. ("**U.S. Sales**"), Grant Newco LLC ("**Newco**"), Grant Excluded GP ("**Excluded**") on the one hand and GP International Acquisition III, Ltd., Georgia-Pacific LLC ("**GP**") and GP Palmetto Holding LLC on the other substantially in the form of the agreement attached as a confidential appendix to the Sixth Report of Ernst & Young Inc. in its capacity as court appointed monitor (the "**Monitor**") of the Original Applicants, to be filed separately (the "**Sixth Report**") and authorizing and directing certain actions as contemplated thereby and related thereto; and

(b) in support of a motion by The Toronto-Dominion Bank ("**TD**") and Toronto Dominion (Texas) LLC, as agents (together, the "**First Lien Lenders' Agent**") pursuant to a credit agreement made as of October 26, 2005, as amended from time to time (the "**First Lien Credit Agreement**") to, *inter alia*, add Southeast Properties LLC, Newco, Clarendon, Allendale, U.S. Sales and Excluded (the "**Additional Applicants**") as applicants in this proceeding.

Background

5. Grant Forest is a leading Canadian manufacturer of oriented strand board ("**OSB**"). The Original Applicants and their subsidiaries manufacture OSB in panels of varying lengths and thickness, as well as specialty products such as web stock, rim board and oversized panels. Grant Forest and its subsidiaries have interests in three OSB mills in Canada and two OSB mills in the United States (only one of the OSB mills in the US has been completed and although the second OSB mill is substantially complete, it is not in operation). Only one OSB mill in Canada and the one complete OSB mill in the United

States are presently operating as a result of the current reduced market demand for OSB and other wood products.

6. In support of the application for the Initial Order, Peter Lynch, the executive vice-president and secretary of Grant Forest, the vice-president and secretary of Grant Alberta Inc. and the president and secretary of Grant Forest Products Sales Inc. swore an affidavit on June 22, 2009 (the "**Initial Affidavit**"). A copy of the body of the Initial Affidavit, without Exhibits, is attached hereto as Exhibit "**B**" to my affidavit.

7. The Initial Affidavit provides further background information regarding the Original Applicants' businesses and stakeholders, including their secured creditors. A copy of the organization structure of the Original Applicants and the Additional Applicants is attached as Exhibit "**C**" to my affidavit.

Status of Marketing Process

8. The Initial Order approved a Marketing Process in accordance with an Investment Offering Protocol which is attached as Appendix "**A**" to the Initial Order.

9. The Original Applicants and the Investment Offering Advisor have proceeded to implement Phase I and Phase II of the Marketing Process as described in the Investment Offering Protocol and are in the process of implementing Phase III. The original Marketing Process contemplated that by September 30, 2009 (the "**Approval Date**") the transaction resulting from the Marketing Process would be brought to Court for approval either as a plan of arrangement or as an asset purchase agreement. With the consent of the Monitor and First Lien Agent, the Approval Date was first extended until October 30, 2009, further extended until December 15, 2009 and then further extended until February 1, 2010.

10. The Marketing Process was conducted, in accordance with its terms, by the Original Applicants and the Monitor, in consultation with the First Lien Lenders' Agent and the Second Lien Lenders' Agent.

11. The bids considered in Phase II of the Marketing Process included a bid by GP and bids by two other potential buyers. Only the bid by GP provided for the payment of cash for the full acquisition price.

12. I understand that further information regarding the specifics of the Marketing Process, (which encompassed all of the assets of Grant Forest and the businesses of its direct and indirect subsidiaries) will be detailed in the Sixth Report.

Transaction with Georgia Pacific

13. For the reasons to be more fully set out in the Sixth Report (a draft of which I have reviewed), the Original Applicants are of the view that the Agreement implements the best bid received as a result of the Marketing Process. The Transaction provides for all cash consideration, allows for further realizations from the excluded assets, has the support of the majority of the First Lien Lenders and is recommended by the Monitor. For these and the reasons which I understand will be set out in the Sixth Report, I recommend that the Transaction be approved.

14. At a meeting of an informal committee of independent members of the board of directors of Grant Forest (the "**Independent Directors Committee**"), and that committees' independent legal counsel, held on January 5, 2010, the Independent Directors Committee unanimously agreed to approve the Transaction, subject to Court approval. An extract from the minutes of such meeting is attached hereto as Exhibit "**D**" to my affidavit.

15. The Independent Directors Committee includes all directors of Grant Forest other than Peter Grant Sr., Peter Grant Jr., and Peter Lynch. As Peter Grant Sr. and Peter Grant Jr. had involvement with other bids that were put forward during the Marketing Process, protocols had previously been established in consultation with the Monitor to rely on the Independent Directors Committee for decision making regarding the Marketing Process. As Peter Lynch's employment status following closing of a transaction was also potentially in issue, protocols had also been previously established regarding his involvement in the Marketing Process.

16. As can be seen from Exhibit "**D**" to my affidavit, the Independent Directors Committee also authorized Peter Lynch to execute such documents and take such steps as are necessary to close the Transaction, should the Transaction receive Court approval.

Additional Applicants

17. As noted above, the First Lien Lenders' Agent has brought a motion to add the Additional Applicants to these CCAA proceedings.

18. The Original Applicants and Additional Applicants carry on a fully integrated OSB business. As noted in the Initial Affidavit, Clarendon and Allendale each own an OSB mill in South Carolina (however, only the Allendale mill has been completed). U.S. Sales purchases OSB produced by Allendale and sells it to customers. All OSB produced by Allendale and sold by U.S. Sales is branded as "Grant Forest Products" OSB in a similar manner to that produced by its Ontario OSB mill. The other Additional Applicants do not carry on active business.

19. A number of the members of the boards of directors, boards of managements and officers are common among the Additional Applicants and the Original Applicants including Peter Lynch and Peter Grant Jr. who both reside in Canada. All of the directors of Grant Forest are Canadian. Resolutions of the boards of directors of the Additional Applicants were historically passed by written resolution and formal board of directors' meetings for the Additional Applicants were not held in the United States. As noted in the Initial Affidavit, the ultimate shareholders of Grant Forest are Canadian.

20. The *de facto* head office of the all of the Original Applicants and the Additional Applicants is the Canadian head office of Grant Forest and that is where the main financial books and records and the main directing minds of the Original Applicants and the Additional Applicants are located. All major budgeting, financial, marketing, sales and overall strategy decisions for operations of the Original Applicants and the Additional Applicants are directed from, made in or monitored from Grant Forest's head office in Ontario. All treasury, cash management and banking arrangements for the Original Applicants and the Additional Applicants are also coordinated out of Grant Forest's head office in Ontario. Further all major human resources decisions, including

compensation and benefits of all officers and senior management of the Original Applicants and the Additional Applicants are managed out of Ontario.

21. Historically, audited financial statements have been prepared on a consolidated basis (including both the Original Applicants and the Additional Applicants).

22. As well, each of the Additional Applicants has assets in Ontario in the form of recently opened bank accounts with the TD in Toronto, Ontario and each Additional Applicant has deposited the sum of $1,000 in its account.

23. The unaudited financial statements of each of the Additional Applicants as at July 3, 2009 are attached hereto as Exhibit "**E**" to my Affidavit.

24. All of the Additional Applicants, with the exception of Excluded, are guarantors of the obligations owing to the First Lien Lenders and the Second Lien Lenders. Those facilities are both in default and the applicable Additional Applicants do not have the ability to repay the obligations owing under those facilities. The majority of the principal amount of the First Lien Lenders' liability is held by First Lien Lenders who are Canadian. As well, a number of the Second Lien Lenders are also Canadian.

25. The only material assets of Excluded consist of unsecured obligations owing by other Additional Applicants to Excluded. As those other Additional Applicants are currently unable to pay their secured creditors in full, the unsecured obligations owing to Excluded by those entities have no reasonable prospect of any realizable value.

26. Consequently, I believe that each of the Additional Applicants is insolvent.

27. Projected cash flow statements for each of the Additional Applicants are attached as Exhibit "**F**" to my affidavit. The Initial Order permits, with the consent of the Monitor, the transfers of funds from the Original Applicants to Allendale, Clarendon and U.S. Sales to enable them to continue to carry on their respective businesses in the ordinary course. I also understand that the form or order proposed by the First Lien Lenders' Agent with respect to the Additional Applicants would permit such lending to continue. It is not expected that funding from other sources will be needed by the Additional

Applicants to permit them to continue operations until the projected closing of the Transaction.

28. I swear this affidavit in support of the motions described in paragraph 4 hereof and for no other or improper purpose.

SWORN before me at the City of Toronto in the Province of Ontario this 15th day of January, 2010	))))))	
A Commissioner, etc. Jarvis Hétu	)	**HAP STEPHEN**

Exhibit "**A**" to the Affidavit of Hap Stephen,
sworn before me this 15th day of January, 2010.

Commissioner for Taking Affidavits, etc.

Jarvis Hétu.

Court File No. CV-09-8247-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	**THURSDAY, THE 25TH**
	)	
JUSTICE NEWBOULD	)	**DAY OF JUNE, 2009**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP

INITIAL ORDER

THIS APPLICATION, made by Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc. and Grant U.S. Holdings GP (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Peter Lynch sworn June 22, 2009 and the exhibits thereto (the "**Lynch Affidavit**"), the supplement affidavit of Peter Lynch sworn June 25, 2009 and the exhibits thereto (the "**Supplemental Lynch Affidavit**"), the report to Court of Ernst & Young Inc. ("**E&Y**") as proposed monitor and on hearing the submissions of counsel for the Applicants, The Toronto-Dominion Bank (the "**Agent**"), as agent for the first lien lenders (the "**First Lien Lenders**"), the independent directors of Grant Forest Products Inc.("**GFPI**"), E&Y, Peter Grant Sr., Peter Grant Jr., GE Canada Leasing Services Company, no one else appearing although duly served as appears from the affidavit of service of Jarvis Hetu sworn June 23, 2009, SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (collectively, the "**Plan**") between, *inter alia*, the Applicants, or any of the Applicants, and one or more classes of its or their secured and/or unsecured creditors as it deems or they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, the "**Assistants**") currently retained or employed by them, with liberty, subject to obtaining the prior consent of the Monitor or further order of the Court, to amend in any material manner the mandate of any Assistants or to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order (except that such consent or further order shall not be required for the Applicants to hire new employees in the ordinary course of business).

5. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee benefits and pension contributions, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, which, for greater certainty, shall not include any payments in respect of employee termination or severance; and

(b) the fees and disbursements of any Assistants retained or employed by any of the Applicants as permitted herein in respect of these proceedings or the Applicants' proposed restructuring at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and provided that the Applicants provide the Monitor with a list of their intended disbursements before making such disbursements, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course on or after this Order (or, in the case of the following subparagraph (c), prior to the date of this Order), and in carrying out the provisions of this Order including:

(a) subject to paragraph 10 below, all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including payments on account of insurance (including directors' and officers' insurance), maintenance and security services;

(b) expenses for goods or services actually supplied to any of the Applicants on or following the date of this Order; and

(c) expenses for goods or services actually supplied to any of the Applicants prior to the date of this Order provided:

(i) such payments are critical to any Applicant's Business and are made with the prior written consent of the Monitor; or

(ii) such payments are owing to a person or persons for the supply of logs or timber to GFPI.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

8. **THIS COURT ORDERS** that the Applicants, or any of them, may, with the prior written consent of the Monitor, lend funds to Grant Allendale LP, Grant Clarendon LP and Grant US Sales Inc. (or any of them), to enable them to continue to carry on their respective businesses in the ordinary course and the Applicants, or any of them, may receive and retain any repayments made by Grant Allendale LP, Grant Clarendon LP and Grant US Sales Inc. (or any of them).

9. **THIS COURT ORDERS** that until such time as any of the Applicants repudiate a real property lease in accordance with paragraph 12(c) of this Order, the Applicants shall pay when

due all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under any lease) or as otherwise may be negotiated by the Applicants from time to time (**"Rent"**), for the period commencing from and including the date of this Order, monthly in advance (but not in arrears).

10. **THIS COURT ORDERS** that, except as specifically permitted herein or included in the Cash Flow Projection (as defined by the Lynch Affidavit) as amended or prepared for later periods from time to time with the Agent's approval (the "**Cash Flow Projections**"), the Applicants and their subsidiaries are hereby prohibited, without the prior written approval of the Agent and the Monitor, from:

(a) granting, or permitting to be outstanding, any lien, charge, security interest or any other encumbrance of any kind whatsoever (each an **"Encumbrance"**) other than valid and enforceable Encumbrances existing on the date of this Order, charges created by this Order and liens arising solely by operation of law in the ordinary course of business of the Applicants and their subsidiaries;

(b) creating, incurring, assuming or suffering to exist, directly, contingently or otherwise, any debt or obligations other than:

A. debt or obligations existing on the date hereof; or

B. unsecured current liabilities (which are not the result of borrowing) incurred and payable in the ordinary course of business of the Applicants and their subsidiaries as permitted herein;

(c) entering into any transactions outside the ordinary course of its business;

(d) making expenditures or commitments of the Applicants on account of any capital or fixed asset account of the Applicants in the aggregate in excess of 110% of the capital expenditure amount indentified in the Cash Flow Projections, except that the Applicants may make capital expenditures or commitments for excess amounts with the Monitor's approval, to the extent required to carry on the existing oriented strand board Business;

(e) declaring any dividends or distributions to any shareholder or any person affiliated or associated with any shareholder whether by way of dividend or otherwise;

(f) guaranteeing, endorsing or otherwise becoming surety for or upon any obligations of any person;

(g) paying any amount to its employees and officers as such by way of salary, bonus, commission, directors' fees or otherwise in excess of the amounts currently being paid or at a rate in excess of the current rate thereof, provided that nothing in this Order shall prohibit the Applicants and their subsidiaries from reimbursing their employees and officers for reasonable expenses incurred by them in the ordinary course of business;

(h) paying any amount to any shareholder of GFPI, any person who owns shares of any shareholder of GFPI or any person related by blood or marriage to any such person, except for payments permitted by the immediately preceding subparagraph;

(i) making any cash payment (interest or otherwise) to any creditor including: (i) under the existing aircraft leases with GE Capital Equipment Financing; or (ii) under the First Lien Credit Agreement or the Second Lien Credit Agreement (as defined by the Lynch Affidavit);

(j) making expenditures or commitments in respect of any or all assets of an Applicant not required in connection with the Business;

(k) opening or maintaining deposit accounts other than the deposit accounts maintained with The Toronto-Dominion Bank, Wachovia Bank, National Association, Harris N.A. and Bank of Montreal as of the date hereof or such other account approved by the Agent (the "**Accounts**");

(l) making any changes to the officers or senior management, or to any of the signing authorities specified on the Accounts;

(m) making any payment of any amount owing pursuant to the tax refund purchase and sale agreement dated as of March 31, 2008 with respect to the sale by GFPI of certain of its tax refunds;

(n) entering into any interest or currency exchange agreement or any other swap agreement; and

(o) obtaining any debtor-in-possession financing from any lender other than one or more of the First Lien Lenders and in accordance with the further order of the Court.

11. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Applicants shall in all respects comply with their obligations under the First Lien Credit Agreement made as of October 26, 2005 among the Agent, the First Lien Lenders, GFPI and others in respect of reporting and the provision of information. The Applicants shall cooperate fully with PricewaterhouseCoopers Inc. (**"PWC"**), the financial advisor to the First Lien Lenders, in providing such information.

RESTRUCTURING

12. **THIS COURT ORDERS** that each of the Applicants shall have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2 million in the aggregate, subject to the prior written consent of the Monitor and subject to subparagraph (c) of this section, if applicable;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicant and such employee or, failing such agreement, to deal with the consequences thereof in the Plan or otherwise;

(c) in accordance with paragraphs 13 and 14, vacate, abandon or quit any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord on such terms as may be agreed upon between the Applicant and such landlord or, failing such agreement, to deal with the consequences thereof in the Plan or otherwise;

(d) repudiate such of its arrangements or agreements of any nature whatsoever, whether oral or written, as the Applicant deems appropriate on such terms as may be agreed upon between the Applicant and such counter-parties or, failing such agreement, to deal with the consequences thereof in the Plan or otherwise; and

(e) in accordance with the Marketing Process (as hereinafter defined), pursue all avenues of refinancing and recapitalization and pursue all purchase offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or recapitalization or any sale (except as permitted by subparagraph (a) of this section),

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

13. **THIS COURT ORDERS** that an Applicant shall provide the relevant landlord with notice of the applicable Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the relevant landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by an Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If an Applicant repudiates the lease governing such leased premises in accordance with paragraph 12(c) of this Order, it shall not be required to

pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a lease is repudiated by an Applicant in accordance with paragraph 12(c) of this Order, then: (a) during the notice period prior to the effective time of the repudiation, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

15. **THIS COURT ORDERS** that, subject to the other provisions of this Order (including the payment of Rent as herein provided) and any further Order of this Court, the Applicants shall be permitted to dispose of any or all of the Property located (or formerly located) at such leased premises without any interference of any kind from landlords (notwithstanding the terms of any leases) and, for greater certainty, the Applicants shall have the right to realize upon the Property and other assets in such manner and at such locations, including leased premises, as it deems suitable or desirable for the purpose of maximizing the proceeds and recovery therefrom.

MARKETING OF INVESTMENT OPPORTUNITY

16. **THIS COURT ORDERS AND DIRECTS** the Applicants to immediately commence a marketing process (the "**Marketing Process**") in accordance with the protocol attached hereto as Appendix "A" to this Order (the "**Investment Offering Protocol**") for the purpose of offering the opportunity for potential investors to purchase the business and operations of the Applicants and their subsidiaries as a going concern or to sponsor a plan of arrangement of the Applicants or any of them.

17. **THIS COURT ORDERS** that the Investment Offering Protocol is hereby approved and the Applicants and the Monitor are hereby authorized and directed to perform each of their obligations thereunder.

18. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to engage an investment offering advisor (the "**Investment Offering Advisor**") in accordance with an Investment Offering Advisor engagement letter (the "**Investment Offering Advisor Engagement Letter**"), after it is approved by the Monitor and the Agent, to act as Investment Offering Advisor in connection with the conduct of the Marketing Process. The Investment Offering Advisor Engagement Letter shall not be affected by the Plan.

19. **THIS COURT ORDERS** that the Investment Offering Advisor shall be entitled to the benefit of and is hereby granted a charge (the "**Investment Offering Advisor Charge**") in the maximum amount of $200,000 of all Property of the Applicants to secure its fees and recoverable disbursements incurred in performing its obligations under the Investment Offering Advisor Engagement Letter but not including any indemnity or any fees or expenses incurred by the Investment Offering Advisor in connection with any right of indemnity included in the Investment Offering Advisor Engagement Letter. The Investment Offering Advisor Charge shall rank *pari passu* with the Administration Charge (as hereinafter defined) and the Applicants are directed to pay to the Investment Offering Advisor the fees and expenses payable under the Investment Offering Advisor Engagement Letter promptly when due.

20. **THIS COURT ORDERS** that the Investment Offering Advisor, its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of either its engagement by the Applicants as Investment Offering Advisor or any matter referred to in the Investment Offering Advisor Engagement Letter except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Investment Offering Advisor in performing its obligations under the Investment Offering Advisor Engagement Letter.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

21. **THIS COURT ORDERS** that until and including July 24, 2009 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") (including the application for a bankruptcy order brought by GE Canada Leasing Services Company) shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or affecting any Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting any Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

22. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property (including any right to submit a shotgun buy or sell offer with respect to GFPI's shares of Footner Forest Products Ltd. or GFPI's interest in the OSB facility at High Level, Alberta or related assets), are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on; (b) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment; (c) prevent the filing of any registration to preserve or perfect a security interest; (d) prevent the registration of a claim for lien under the *Construction Lien Act* or the *Forestry Workers Lien for Wages Act* or any other applicable statute; or (e) prevent GE Canada Leasing Services Company from selling the 1992 Dassault Falcon 50 aircraft or the 1994 Dassault Falcon 900B aircraft and related engines and parts pursuant to its lease thereof to GFPI.

NO INTERFERENCE WITH RIGHTS

23. **THIS COURT ORDERS** that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

24. **THIS COURT ORDERS** that, during the Stay Period, all Persons having oral or written agreements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services including, without limitation, all resin supply, timber, log and wood supply, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility services or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by any of the Applicants, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider, the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

25. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, no creditor of any of the Applicants shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

26. **THIS COURT ORDERS** that, during the Stay Period and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before or arises after the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or

performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

27. **THIS COURT ORDERS** that each of the Applicants shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of any of the Applicants, after the date hereof, to make payments due and payable after the date of this Order of the nature referred to in subparagraphs 5(a), 7(a), 7(b), and 7(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of any of the Applicants except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

28. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on all Property, which charge shall not exceed the aggregate amount of $3,000,000, as security for the indemnity provided in paragraph 27 of this Order. The Directors' Charge shall have the priority set out in paragraph 44 of this Order.

29. **THIS COURT ORDERS** that, notwithstanding any provision of any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 27 of this Order or the insurer fails to fund defence costs on a timely basis (provided the insurance beneficiaries assign to the applicable Applicant the insurance beneficiaries' rights under the applicable insurance policy to receive such defence costs paid pursuant to the Directors' Charge).

APPOINTMENT OF MONITOR

30. **THIS COURT ORDERS** that E&Y is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

31. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) perform its obligations under the Investment Offering Protocol;

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Marketing Process and such other matters as may be relevant to the proceedings herein;

(d) assist the Applicants, to the extent required the Applicants, in the dissemination to the Agent and BNY and their respective counsel on a bi-weekly basis or otherwise as required herein of financial and other information as agreed to between the Applicants and the Agent or BNY;

(e) advise the Applicants in relation to the Cash Flow Projections, including the reconciliation of actual results to Cash Flow Projections and the formulation of Cash Flow Projections as may be required herein, which information shall be reviewed with the Monitor and delivered to the Agent and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the Agent;

(f) advise the Applicants in their development of the Plan and any amendments to the Plan;

(g) report and advise the Applicants, the Court and the Agent in relation to any offers to purchase or refinance the Business received in accordance with the Marketing Process;

(h) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(i) have full and complete access to the books, records, management, employees and advisors of the Applicants and to the Business and the Property to the extent required to perform its duties arising under this Order;

(j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(k) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan; and

(l) perform such other duties as are required by this Order or by this Court from time to time.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

33. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario*

Water Resources Act, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

34. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of any of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

APPOINTMENT OF CHIEF RESTRUCTURING ADVISOR

35. **THIS COURT ORDERS** that GFPI be and is hereby authorized and directed to continue the engagement of Stonecrest Capital Inc. ("**Stonecrest**") as Chief Restructuring Advisor (the "**CRA**") with services to be provided by Hap Stephen ("**Stephen**") and Sandra Rosch ("**Rosch**") on the terms and conditions set out in the amended engagement letter between GFPI and Stonecrest as referred to in the Supplemental Lynch Affidavit (the "**CRA Engagement Letter**").

36. **THIS COURT ORDERS** that the CRA Engagement Letter is hereby approved and given full force and effect in accordance with its provisions and that the claims, if any, of Stonecrest, Stephen or Rosch pursuant to the CRA Engagement Letter shall not be affected by the Plan.

37. **THIS COURT ORDERS** that the CRA shall have and may exercise and perform the powers, responsibilities and duties described in the CRA Engagement Letter, together with such other powers, responsibilities and duties as may be agreed upon by the CRA and GFPI and approved by the Monitor or this Honourable Court.

PROVISIONS RELATED TO THE MONITOR, THE CRA AND OTHERS

38. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor, the CRA, Stephen and Rosch shall incur no liability or obligation as a result of their appointments or the carrying out of the provisions of this Order (or, in the case of the CRA, Stephen and Rosch, the provisions of the CRA Engagement Letter), except for any gross negligence or wilful misconduct on their respective parts. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

39. **THIS COURT ORDERS** that the Monitor, PWC, counsel to the Monitor, counsel to GFPI's board of directors and counsel to the Applicants shall be paid by the Applicants their reasonable fees and disbursements, in each case at their standard rates and charges and whether incurred before, on or after the date of this Order, and that the CRA shall be paid by the Applicants its fees and disbursements as set out in the CRA Engagement Letter, as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, PWC, counsel to GFPI's board of directors, counsel for the Monitor, the CRA and counsel for the Applicants on a weekly basis and to pay the CRA's monthly work fee monthly in advance in accordance with the CRA Engagement Letter. Additionally, the Applicants shall pay the fees and disbursements of the Canadian and U.S. counsel to the Agent (each, "**First Lien Lenders' Agent's Counsel**") promptly on receipt of copies of their invoices.

40. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time and, for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

41. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to GFPI's board of directors, the CRA, the Applicants' counsel and the First Lien Lenders' Agent's Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all Property, which charge shall not exceed the aggregate amount of $2,000,000, as security for all amounts owing to the Monitor, counsel to the Monitor, counsel to GFPI's board of directors, the CRA, the Applicants' counsel and the First Lien Lenders' Agent's Counsel as

set out in paragraph 39 hereof, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 44 hereof.

KERP PAYMENT

42. **THIS COURT ORDERS** that the key employee retention plan agreement dated December 19, 2008 between Peter Lynch ("**Lynch**") and GFPI, as amended by an amendment agreement dated as of April 1, 2009, as described in the Lynch Affidavit (the "**KERP Agreement**") be and is hereby approved and given full force and effect in accordance with its terms and the Applicants are hereby directed to make when due the payments provided for thereunder.

43. **THIS COURT ORDERS** that Lynch shall be entitled to the benefit of and is hereby granted a charge (the "**KERP Charge**") on all Property, which charge shall not exceed the amount of $1,134,000, as security for all amounts now or hereafter owing to Lynch pursuant to the KERP Agreement, both before and after the making of this Order. The KERP Charge shall have the priority set out in paragraph 44 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

44. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Investment Offering Advisor Charge, the KERP Charge and the Directors' Charge, as among them, shall be as follows:

(a) Firstly – Administration Charge (to the maximum amount of $2,000,000) and the Investment Offering Advisor Charge (to the maximum amount of an additional $200,000) on a pari passu basis; and

(b) Secondly – KERP Charge (to the maximum amount of $1,134,000) and Directors' Charge (to the maximum amount of $3,000,000) on a pari passu basis.

45. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Investment Offering Advisor Charge, the KERP Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered,

recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. **THIS COURT ORDERS** that each of the Charges shall constitute charges of all Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

47. **THIS COURT ORDERS** that, except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with any of the Charges without the written consent of the Monitor, and the beneficiaries of the Administration Charge, the Investment Offering Advisor Charge, the KERP Charge and the Directors' Charge, or further Order of this Court.

48. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any applications for bankruptcy orders issued pursuant to BIA or any bankruptcy order made pursuant to such applications in respect of any of the Applicants; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA by any of the Applicants; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants and, notwithstanding any provision to the contrary in any Agreement:

(i) the creation of the Charges shall not create or be deemed to constitute a breach by any of the Applicants of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from, the creation of the Charges; and

(iii) the payments made by any of the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Applicants shall, within ten (10) business days of the date of entry of this Order, send a copy of this Order to their known creditors, other than employees and creditors to the Applicants owed less than $1,000.00, at their addresses as they appear on the Applicants' records, and shall promptly send a copy of this Order: (a) to all parties filing a Notice of Appearance in respect of this Application; and (b) to any other interested Person requesting a copy of this Order, and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

50. **THIS COURT ORDERS** that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

51. **THIS COURT ORDERS** that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the

extent practicable, and the Monitor may post a copy of any or all such materials on the Monitor's website.

GENERAL

52. **THIS COURT ORDERS** that any of the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

54. **THIS COURT ORDERS** that the Monitor is hereby authorized to apply, after consultation with the Applicants, the Agent and BNY, for recognition of these proceedings as "Foreign Main Proceedings" in the United States pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.

55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

57. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than four (4) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.

59. **THIS COURT ORDERS** that the unredacted copy of the CRA Engagement Letter be and is hereby sealed and treated as confidential pending completion of the marketing process contemplated by the Investment Offering Protocol or further Order of this Court.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 25 2009

PER / PAR: JSN Joanne Nicoara
Registrar, Superior Court of Justice

TAB B

Exhibit "**B**" to the Affidavit of Hap Stephen, sworn before me this 15th day of January, 2010.

Commissioner for Taking Affidavits, etc.

Jarvis Hétu

Court File No. ~~09-CL~~-CV-09-8247-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP (the "Applicants")

AFFIDAVIT OF PETER LYNCH
(sworn June 22, 2009)

I, **Peter Lynch**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

I am the executive vice-president and secretary of Grant Forest Products Inc. ("**Grant Forest**"), the vice-president and secretary of Grant Alberta Inc. ("**Alberta**") and the president and secretary of Grant Forest Products Sales Inc. ("**Sales**"). I am also a director of Grant Forest, Alberta and Sales. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess such personal knowledge, I have stated the source of my information and, in all such cases, do verily believe it to be true.

OVERVIEW

1. This affidavit is sworn in support of the application by Grant Forest, Alberta , Sales and Grant U.S. Holdings GP ("**Grant Holdings**") (collectively, the "**Applicants**") for certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C. C-36, as amended (the "**CCAA**").

2. The organizational structure of the Applicants and certain of their subsidiaries or other related parties (collectively, the "**Subsidiaries**") is set out in the chart attached hereto as Exhibit "A".

3. Grant Forest is a leading Canadian manufacturer of oriented strand board ("**OSB**"). Grant Forest manufactures OSB in panels of varying lengths and thickness, as well as specialty products such as web stock, rim board, and oversized panels. The Applicants and the Subsidiaries have interests in three mills in Canada and two mills in the United States. Only one mill in Canada and one mill in the United States are presently operating as a result of the current reduced demand for OSB and other wood products.

4. The Applicants have two levels of primary secured debt. Each of The Toronto-Dominion Bank ("**TD**") and a related entity, Toronto Dominion (Texas) LLC ("**TD Texas**") is an agent (collectively, the "**First Lien Lenders' Agents**") for the first lien lenders (the "**First Lien Lenders**") which, as at May 31, 2009, were owed the principal amount of approximately US$398.8 million (and accrued interest of approximately US$5.3 million) pursuant to a credit agreement dated as of October 26, 2005, as amended by an agreement dated as of March 21, 2007 (the "**First Lien Credit Agreement**"). The Bank of New York Mellon ("**BNY**") is the agent for the second lien lenders (the "**Second Lien Lenders**") which, as at May 31, 2009, were owed the principal amount of approximately US$150 million (and accrued interest of approximately US$42 million) pursuant to a credit agreement dated as of March 21, 2007, as amended by an agreement dated as of April 30, 2009 (the "**Second Lien Credit Agreement**"). Each of TD and TD Texas (collectively, the "**Second Lien Lenders' Agents**") was originally an agent for the Second Lien Lenders but has resigned and transferred its interests with respect thereto to BNY as the replacement agent for the Second Lien Lenders. Grant Holdings is in default under both the First Lien Credit Agreement and the Second Lien Credit Agreement.

5. The Applicants are not able to repay the First Lien Lenders and the Second Lien Lenders but have been working with both groups to develop a restructuring plan. Grant Forest engaged Goldman, Sachs & Co. ("**Goldman Sachs**") in October 2008 to canvass the market for potential investors and engaged Stonecrest Capital Inc. ("**Stonecrest**") as chief restructuring advisor (the "**CRA**") in December 2008.

6. The Applicants have been taking steps to reduce expenses. Grant Forest returned to GE Canada Leasing Services Company ("**GE Leasing**") two corporate aircraft that Grant

Forest had leased from GE Leasing. As a consequence of an alleged deficiency claim under the applicable master aircraft lease, GE Leasing brought an application for bankruptcy order dated March 17, 2009 against Grant Forest originally returnable on April 16, 2009. Grant Forest filed a notice disputing the application on April 9, 2009 and a hearing has been scheduled for July 6, 2009.

7. The Applicants are insolvent and require a stay of proceedings in order to provide them with the time required to formulate a restructuring plan.

OVERVIEW OF THE BUSINESSES

8. Grant Forest is a privately owned corporation which carries on an oriented strand board manufacturing business. It was founded by Peter Grant Sr. in 1980. With a total capacity to produce 3.7 billion square feet of OSB per annum, the Applicants and their Subsidiaries are the third largest OSB manufacturer in North America.

9. A brief description of each of the Applicants is as follows:

(a) Grant Forest: Grant Forest is the main operating company in Canada and owns two mills located in Englehart and Timmins, Ontario and a 50% interest in one mill located in High Level, Alberta. Title to the mill in Alberta is held by Footner Forest Products Ltd., as bare trustee, and Grant Forest owns 50% of the shares of Footner Forest Products Ltd. Grant Forest owns real property in Ontario including the two mills, various woodlots, a golf course and a corporate office building under construction. Grant Forest also holds agreements and licences from the Minister of Natural Resources of the Province of Ontario with respect to the supply of wood. Grant Forest has a 99.99% partnership interest in Grant Holdings.

(b) Alberta: Alberta is a wholly owned subsidiary of Grant Forest and has a 0.01% partnership interest in Grant Holdings as its only asset.

(c) Sales: Sales is a wholly owned subsidiary of Grant Forest and purchases all of the OSB produced by Grant Forest at its Canadian mills and sells it to customers.

(d) Grant Holdings: Grant Holdings is a Delaware general partnership. Grant Holdings' two partners are Grant Forest and Alberta. Grant Holdings directly owns all the issued common shares of Southeast Properties LLC and preferred limited partnership interests in Grant Allendale LP (**"Allendale"**) and Grant Clarendon LP (**"Clarendon"**). Each of Allendale and Clarendon owns an OSB mill in South Carolina. They are not included as Applicants in these proceedings.

10. Because of the present market conditions and the reduced demand for OSB and other wood products, only two of the OSB mills, owned directly or indirectly by Grant Forest located in Englehart, Ontario and Allendale, South Carolina, are presently operating. Both the mill in Timmins, Ontario and the mill in High Level, Alberta are idle. The mill in Clarendon, South Carolina is a new mill which is substantially complete but has not yet been put into production.

11. The ultimate shareholders of Grant Forest, through various holding companies, are Peter Grant Sr. and Twin Lakes Trust (a Grant family trust).

12. Grant Forest's head office is located in leased premises in Brookfield Place, Toronto. Grant Forest has administrative offices in Earlton, Ontario and an IT support office in leased premises in Mississauga, Ontario. Sales has sales and marketing offices in Mississauga, Ontario which are leased by Grant Forest.

13. Historically, the Applicants have benefited from a secure and abundant fibre supply, geographical diversification, proximity to key markets, direct-to-customer marketing strategy, large scale mills which take advantage of efficiency of operations and a strong and experienced management team. However, the recent economic slump and corresponding severe decrease in both demand and price for all building supplies, including OSB, when coupled with the debt incurred to fund the construction of the Allendale and Clarendon mills have contributed to the Applicants' current financial problems.

FINANCIAL SITUATION AND STAKEHOLDERS

14. Attached as Exhibit "B" are copies of the Applicants' financial statements, audited or unaudited, prepared during the year prior to the application made by the Applicants under the CCAA.

15. Prices for OSB have decreased dramatically since 2004. The annual average applicable per msf price for OSB each year from 2004 to 2008 was:

2004	US $375.00
2005	US $324.00
2006	US $217.00
2007	US $162.00
2008	US $170.00.

The comparable price of OSB for the first quarter of 2009 was US $155.00 and the comparable price currently is US $138.00.

16. The annual consolidated sales of Grant Forest have accordingly also decreased substantially since 2004. The annual consolidated sales of Grant Forest in each of the years from 2004 to 2008 (in U.S. dollars) were:

2004	$506 million
2005	$420 million
2006	$291 million
2007	$160 million
2008	$184 million.

17. In its 2007 and 2008 fiscal years, Grant Forest incurred consolidated losses of approximately Cdn. $36 million and Cdn. $216 million, respectively.

18. The Applicants and their Subsidiaries incurred total capital expenditures of approximately U.S. $650 million from 2005 to 2008. These were primarily related to the construction of the Allendale and Clarendon mills and the updating of the Englehart and Timmins mills.

19. The Applicants' stakeholders include their secured creditors, trade creditors, other unsecured creditors, shareholders, employees, landlords and customers. Further details of these are set out below.

Secured Creditors

20. Summaries of the results of searches of registrations against the Applicants under the *Personal Property Security Act* (Ontario) as at April 1, 2009 and the *Personal Property Security Act* (Alberta) as at April 1, 2009 are attached hereto as Exhibits "C" and "D", respectively.

21. The interests of the primary secured creditors (the First Lien Lenders and the Second Lien Lenders) are described below.

First Lien Lenders

22. The First Lien Lenders were as at May 31, 2009 owed approximately US$398.8 million principal and US$5.3 million accrued interest pursuant to the First Lien Credit Agreement. Grant Forest and Grant Holdings are direct borrowers. In addition the Applicants were, as at May 31, 2009, liable to one or more of the First Lien Lenders in the total amount of approximately $8,720,345 pursuant to interest rate swap agreements with them and such liability is also secured by their security.

23. Each of the Applicants which is not a direct borrower and each of the Subsidiaries (other than Grant Excluded GP) has guaranteed payment of such indebtedness and delivered to the First Lien Lenders' Agents security charging all its assets.

24. One of the First Lien Lenders' Agents delivered to Grant Forest or Grant Holdings notices dated April 17, 2009, May 20, 2009 and May 28, 2009 that defaults have occurred under the First Lien Credit Agreement.

Second Lien Lenders

25. The Second Lien Lenders are owed approximately US$190 million pursuant to the Second Lien Credit Agreement. Grant Holdings is the sole direct borrower.

26. Each of the other Applicants and each of the Subsidiaries (other than Grant Excluded GP) has guaranteed payment of such indebtedness and delivered to the Second Lien Lenders' Agents security charging all its assets. TD and TD Texas have assigned their interests in

such security to their successor agent, BNY. Such security ranks subordinate to the security held by the First Lien Lenders' Agents.

Intercreditor Agreement

27. The First Lien Lenders' Agents and the Second Lien Lenders' Agents executed an Intercreditor Agreement dated as of March 21, 2007. Such agreement restricts certain rights of the Second Lien Lenders and the Second Lien Lenders' Agents from enforcing their security for a period of 180 days after receipt by Grant Holdings and TD, as agent for the First Lien Lenders, from the agent for the Second Lien Lenders of notice of an event of default under the Second Lien Credit Agreement or related documents and the intention of the Second Lien Lenders to exercise remedies with respect thereto.

GE Leasing

28. Grant Forest entered into a master aircraft lease agreement dated December 22, 1999 (and various lease schedules) with GE Leasing in respect of three aircraft, two of which (a 1992 Dassault Falcon 50 and a 1994 Dassault Falcon 900B) have not been sold by GE Leasing. As of March 31, 2009, Grant Forest ceased making payments under the lease. Grant Forest has returned these two remaining aircraft to GE Leasing. GE Leasing has issued a demand for payment of approximately US$31.1 million.

29. As noted above, GE Leasing brought an application seeking a bankruptcy order against Grant Forest with respect to amounts GE Leasing is claiming under the lease.

Trade Creditors

30. A listing of the approximate total amounts of the trade accounts payable of each of the Applicants as of May 31, 2009 is attached as Exhibit "E". The approximate total amount owing by all the Applicants to their respective trade creditors as at May 31, 2009 was $4.3 million. In addition there was approximately $2.4 million owing to trade creditors which has been incurred but not billed.

31. The primary trade creditors of Grant Forest are log suppliers, log transportation providers and resin and wax suppliers.

32. I understand that many of the trade creditors which supply logs to Grant Forest may be entitled to assert a lien claim against such logs pursuant to the *Forestry Workers Lien for Wages Act*, R.S.O. 1990, c. F.28 (the "**FWLWA**"). Specifically, I understand that section 3 of the FWLWA states:

> 3(1) A person performing labour has a lien upon the logs or timber in connection with which the labour is performed for the amount due for such labour, and the lien has precedence over all other claims or liens thereon, except a claim or lien of the Crown for any dues or charges or that a timber slide company or any owner of a slide or boom may have thereon for tolls. R.S.O. 1990, c. F.28, s. 3 (1).
>
> (2) A contractor who has entered into any agreement under the terms of which the contractor personally or by others in the contractor's employ have cut, removed, taken out or driven logs or timber, shall be deemed to be a person performing labour upon logs or timber within the meaning of this section, and such cutting, removal, taking out and driving shall be deemed to be the performance of labour within the meaning of this section. R.S.O. 1990, c. F.28, s. 3 (2).

33. In part because of such lien rights of the log suppliers, the form of the initial order being sought by the Applicants under the CCAA would permit the Applicants to make payments to a person or persons for the supply of logs or timber to Grant Forest prior to, on or after the date of the order.

<u>**Major Inter-Company Unsecured Indebtedness**</u>

34. Much of the principal amounts loaned by the First Lien Lenders and the Second Lien Lenders to Grant Holdings was loaned, through various transactions, to Allendale and Clarendon. Amounts loaned to Allendale were used by Allendale to construct its mill at Allendale, South Carolina and amounts loaned to Clarendon were used by Clarendon to construct its mill at Clarendon, South Carolina.

35. The indebtedness borrowed by Allendale to construct its mill is now owing by Allendale to Grant Excluded GP and evidenced by a grid note dated August 13, 2007 in the approximate principal amount of US$295.5 million.

36. The indebtedness borrowed by Clarendon to construct its mill is now owing by Clarendon to Grant Excluded GP and evidenced by a grid note dated August 13, 2007 in the approximate principal amount of US$227.2 million.

37. Each of Allendale and Clarendon has guaranteed payment of the indebtedness owing by Grant Holdings and, in the case of the First Lien Lenders, Grant Forest, to the First Lien Lenders and the Second Lien Lenders and has granted charges of all its assets (including its general partnership interest in Grant Excluded GP) to the First Lien Lenders' Agents and the Second Lien Lenders' Agents, respectively.

38. Grant Excluded GP has no material creditors and its activities are limited by agreements with the First Lien Lenders' Agents and the Second Lien Lenders' Agents.

39. Attached as Exhibit "G" is a summary of amounts owing by any of the Applicants or by any of the Subsidiaries to any of the other Applicants or other Subsidiaries as at May 31, 2009.

Shareholder Unsecured Indebtedness

40. Grant Forest is indebted to one of its shareholders, 1308406 Ontario Inc., in the total principal amount of $50 million as evidenced by two notes dated December 6, 2004 in the respective principal amounts of $40 million and $10 million. Such indebtedness is unsecured and payable by Grant Forest to 1308406 Ontario Inc. on demand by 1308406 Ontario Inc. However 1308406 Ontario Inc. has provided postponement and subordination agreements to one of each of the First Lien Lenders' Agents and the Second Lien Lenders' Agent. Grant Forest is also indebted to Grant Forest Products Corp., the holder of preferred shares issued by Grant Forest, in the total amount of $6,160,000 with respect to dividends declared in 2006 which have not been paid.

Employees

41. As of May 31, 2009, the Applicants had approximately 253 active employees (excluding employees who have been laid off temporarily in Alberta and Ontario), the details of which are set out below:

Entity	Non-Union	Union
Grant Forest	113	122
Alberta	0	0
Sales	18	0
Grant Holdings	0	0

The foregoing do not include employees of Allendale, Clarendon or Footner Forest Products Ltd..

42. Grant Forest and Sales use a payroll service, ADP Services, to pay their respective employees. The total amount of the bi-weekly payroll remitted to such service, including government remittances, is approximately Cdn. $900,000. I understand that the government remittance obligations of Grant Forest and Sale related to payroll are current.

43. Grant Forest administers the following four pension plans registered with the Financial Services Commission of Ontario (**"FSCO"**) for certain of its employees, former employees and their beneficiaries:

(a) Pension plan for the employees of Grant Forest, FSCO registration number 0940734, which is a defined contribution pension plan;

(b) Pension plan for the hourly employees of Grant Forest - Englehart Plant, FSCO registration number 1013044, which is a defined contribution pension plan;

(c) Pension plan for the hourly employees of Grant Forest - Timmins Plant, FSCO registration number 1048271, which is a defined contribution pension plan;

(d) Pension plan for the salaried employees of Grant Forest - Timmins Plant, FSCO registration number 1053008, which is a defined benefit pension plan; and

(e) Pension plan for certain executive employees of Grant Forest – FSCO registration number 0992537, which is a defined benefit pension plan.

The total amount of the monthly contributions of Grant Forest in respect of the three defined contribution pension plans is approximately $112,514. Grant Forest contributes approximately $322 each month to fund defined benefit pension plan No. 1053008 and approximately $4,080 each month to fund defined benefit pension plan No. 0992537.

Contributions to the two defined benefit pension plans have been made in accordance with the actuarial valuation reports for each plan filed with FSCO. Monthly payments for all five registered pension plans are current and not in arrears.

44. Grant Forest provides supplemental executive retirement plan (“**SERP**”) benefits to certain of its current and former executive employees. The SERP benefits are not provided under a registered pension plan. “Retirement Compensation Arrangement” (as defined under the Income Tax Act of Canada) accounts have been established with Canada Revenue Agency in connection with the SERP benefits.

Landlords

45. Grant Forest leases its head office at Brookfield Place in Toronto, the term of which expires on January 31, 2010, and a sales office in Mississauga, Ontario, from which Sales operates.

46. The total approximate amount of Grant Forest’s monthly rent payments is $49,500. Rents are payable monthly in advance. I understand that these rent payments are current.

Customers

47. The Applicants and the Subsidiaries have over 2,500 customers. No single customer accounts for more than 10% of total sales. Approximately 80% of these customers are retail lumber chains or buying groups which sell to member lumberyards and which in turn supply builders.

FOOTNER MILL AT HIGH LEVEL, ALBERTA

48. Grant Forest Products Corp. and Ainsworth Lumber Co. Ltd. signed a memorandum of agreement dated December 9, 1999 with respect to the construction and operation of an OSB mill at High Level, Alberta. Grant Forest acquired the interests of Grant Forest Products Corp. therein by an assignment agreement dated as of December 9, 1999. The mill is owned legally by Footner Forest Products Ltd., as bare trustee for the assignees of the parties to the memorandum of agreement. Grant Forest owns one-half of the issued common shares of Footner Forest Products Ltd. The mill is not currently operating as a result of low market demand for its products.

49. The memorandum of agreement dated December 9, 1999 contains a provision indicating that a co-owners' agreement will be entered into to govern the parties' involvement with respect to the mill and that such agreement will contain a shotgun buy/sell agreement in relation to the investments of the parties. The parties never entered into the co-owners' agreement.

50. Any use of a shotgun buy/sell arrangement during Grant Forest's CCAA restructuring period would likely disrupt the restructuring of Grant Forest and could be materially detrimental to the interests of Grant Forest's creditors and other stakeholders because Grant Forest is not in a position to finance a purchase of the other party's interests while Grant Forest is insolvent. Any exercise of any shotgun buy/sell right during the CCAA period could result in a material loss to Grant Forest and its stakeholders.

<u>TAX REFUND SALES</u>

51. By an agreement dated March 31, 2008, Peter Grant, Sr. agreed to purchase from Grant Forest:

(a) part of Grant Forest's income tax refund in excess of $45 million with respect to its income taxes paid for 2005 and 2006 (the **"Sold 2008 Refund"**) for a purchase price of the Canadian dollar equivalent on March 31, 2008 of US $10 million; and

(b) part of Grant Forest's income tax refund in excess of $15 million with respect to its income taxes paid for 2006 (the **"Sold 2009 Refund"**) for a purchase price of the Canadian dollar equivalent on January 2, 2009 of US $10 million.

The purpose of the transaction was for Peter Grant, Sr. to provide cash to Grant Forest to improve Grant Forest's liquidity.

52. On or about March 31, 2008 the sale by Grant Forest to Peter Grant, Sr. of the Sold 2008 Refund was completed, Peter Grant, Sr. paid to Grant Forest the sum of Cdn. $10,270,947 and the First Lien Lenders' Agents and the Second Lien Lenders' Agents discharged their respective security interests in the Sold 2008 Refund to facilitate such

sale. Grant Forest has paid the Sold 2008 Refund in the amount of Cdn. $10,478,857 to Peter Grant, Sr.

53. As part of the transaction, Peter Grant, Sr. also paid to Grant Forest a deposit with respect to the Sold 2009 Refund of the sum of Cdn. $10,270,947 on March 31, 2008. Grant Forest has not delivered to Peter Grant, Sr. the partial security discharges by the First Lien Lenders' Agents or the Second Lien Lenders' Agents and other documents pursuant to the agreement and is in default of its obligation to do so.

PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT

54. Because of their financial difficulties, the Applicants believe it is necessary for them to file for CCAA protection. The Applicants have begun work with the proposed monitor, Ernst & Young Inc. ("**E&Y**"), which expects to provide the Court with a preliminary report.

55. The Applicants intend to work with their advisors to develop and implement a restructuring plan if the Applicants are granted CCAA protection.

PROJECTED CASH FLOW

56. A copy of the Applicants' projected cash flow (the "**Cash Flow Projection**") for the period June 22, 2009 to September 27, 2009 is attached hereto as Exhibit "F".

57. The Cash Flow Projection indicates the Applicants do not require debtor-in-possession financing at this time.

MARKETING PROCESS

58. Grant Forest intends, with the approval of the First Lien Lenders' Agents and subject to the approval of the Court, to enter into an engagement agreement with an investment offering advisor (the "**Investment Offering Advisor**"). The agreement will appoint the Investment Offering Advisor to assist Grant Forest *inter alia* to elicit letters of intent with respect to the refinancing or recapitalization of Grant Forest and its subsidiaries or the sale of their assets in accordance with the investment offering protocol attached as

Exhibit "H". I believe that the process set out in the protocol will elicit expressions of interest which will facilitate Grant Forest's decision to complete a restructuring, recapitalization or sale which will optimize the returns for the Applicants' creditors and other stakeholders.

INITIAL CCAA ORDER SOUGHT

Need for a Stay of Proceedings

59. Because of the Applicant's financial difficulties and the bankruptcy application brought by GE Leasing, a stay of proceedings is essential for the continued operations of the Applicants' businesses. Such stay would create the necessary environment to allow the Applicants to develop and implement a restructuring plan.

60. Stability is necessary to facilitate on-going customer, supplier and employee support critical to a successful reorganization of the Applicants' businesses.

Need for a Chief Restructuring Advisor

61. Because of the challenges facing the Applicants, on December 12, 2008 Grant Forest retained Stonecrest Capital Inc. to assist it with its restructuring. Since then Stonecrest Capital Inc., and specifically Hap Stephen and Sandra Rosch, have worked with Grant Forest in this regard. Grant Forest is currently negotiating an amended engagement letter (the **"CRA Engagement Letter"**) with Stonecrest Capital Inc which, I am hopeful, will be completed and presented to the Court for approval. I anticipate the CRA Engagement Letter will engage Stonecrest Capital Inc. to provide services to Grant Forest and Grant Holdings in connection with the development and implementation of a restructuring plan and to advise and assist Grant Forest and Grant Holdings with their negotiations with creditors and other stakeholders.

62. Because there will be many issues related to the CCAA proceedings and the development and implementation of the Applicants' restructuring plan, I believe that it is necessary that the Applicants have the assistance of the CRA.

63. There are a large number of stakeholders with varying interests and many issues which will need to be addressed quickly given the financial circumstances the Applicants are

facing. I believe the engagement of the CRA is critical to moving the restructuring process forward effectively. In addition, the CRA will have the independence and the objectivity necessary to facilitate the restructuring process.

64. The form of the order sought by the Applicants contains provisions authorizing the continuation of the appointment of the CRA pursuant to the CRA Engagement Letter and providing for an indemnification and charge relating to the fees and expenses of the CRA. Such charge is part of the Administration Charge described below.

Payment of Professional Fees and the Administration Charge

65. I believe it is in the interests of the Applicants and their stakeholders that the CRA, the Applicants' legal advisors, the Monitor, the Monitor's legal advisors, the legal advisors to Grant Forest's board of directors and the legal advisors to the First Lien Lenders' Agents assist throughout this process. Consequently, it is necessary to continue to pay their reasonable fees and disbursements, whether incurred before, on or after the date of the initial CCAA order requested by the Applicants and to provide the Monitor and such advisors with a first ranking charge in the total amount of $2,000,000 (the "**Administration Charge**") of all assets of the Applicants as security for all amounts now or hereafter owing by the Applicants to them.

KERP Charge

66. On December 19, 2008, Grant Forest entered into a key employee retention agreement (the "**KERP Agreement**") with me. The agreement was approved by the board of directors of Grant Forest before it was signed and was provided in recognition of my role as the principal officer of Grant Forest assigned the task of guiding the Applicants through the CCAA process and their restructuring. Such agreement provides for the payment by Grant Forest to me of an amount equivalent to three times base salary upon any of the Termination Events (as defined in the KERP Agreement) for a total maximum payment of $1,134,000.

67. The KERP Agreement required Grant Forest to provide me with a letter of credit or cash deposit in such amount as security. Because of the financial condition of Grant Forest, it

has been unable to do so and, accordingly, Grant Forest and I entered into an amendment agreement dated as of April 1, 2009 which requires Grant Forest to seek, in the initial CCAA order, a charge (the **"KERP Charge"**) of the assets of the Applicants in the amount of $1,134,000 as security for payment of the amounts hereafter owing by Grant Forest to me under the KERP Agreement. The amendment agreement provides that such charge will have the same priority as the directors' charge. Copies of the KERP Agreement and such amendment agreement are attached as Exhibit "I" hereto.

Directors' Charge

68. The Applicants wish to retain their current directors and officers to assist the Applicants during the uncertainties of the restructuring period with the development and implementation of their restructuring plan. The current directors of Grant Forest (other than Peter Grant Sr. and Peter Grant Jr.) do not own any shares or other ownership interests in any of the Applicants.

69. A charge (the **"Directors' Charge"**) of the Applicants' assets in favour of the directors and officers of the Applicants is required in order to provide a level of protection to the directors and officers of the Applicants with respect to liabilities imposed on individuals in their capacities as directors or officers of a corporation. The directors and officers of the Applicants require the protection afforded by the Directors' Charge due to the uncertainty created by the filing of these proceedings. The Applicants are requesting that the Directors' Charge rank second in priority, directly behind the Administration Charge and pari passu with the KERP Charge.

U.S. Subsidiaries

70. All trade payables of Allendale and Grant US Sales Inc. (**"US Sales"**) are current and Grant Forest believes that sufficient revenues will be generated by Allendale and US Sales during the restructuring period to continue to pay their trade payables when due in the ordinary course. Clarendon has not yet started production at its mill. None of Southeast Properties LLC, Grant Newco LLC or Grant Excluded GP has any trade payables. Accordingly, Grant Forest does not intend to cause any of the Subsidiaries to make filings under the U.S. Bankruptcy Code unless such filings become necessary in the

future. Grant Forest is hopeful that this will simplify the Applicants' restructuring and reduce expenses.

71. Grant Forest intends to cause each of Allendale and US Sales to continue to carry on its business and to cause Clarendon to continue to maintain its mill in the ordinary course in the same manner as it has in the past. Grant Forest believes that sufficient revenues will be generated by Allendale and US Sales to finance the continuation of their businesses in the ordinary course. Grant Forest and Grant Holdings are prepared, in the event any additional funds are required by any of Allendale, US Sales or Clarendon, to lend such funds to it provided the Monitor consents to such loans. Each of Allendale, US Sales and Clarendon has guaranteed payment of all indebtedness of Grant Holdings (and, in the case of the First Lien Lenders, Grant Forest) to the First Lien Lenders and the Second Lien Lenders and charged all its existing and after-acquired assets as security for such guarantee obligations. Accordingly, any amounts loaned to Allendale, US Sales or Clarendon (and all proceeds thereof) would be charged by such security. Therefore Grant Forest believes it is unnecessary for Allendale, US Sales or Clarendon to provide security to Grant Forest or Grant Holdings as security for any such loans.

CONCLUSION

72. The Applicants believe that their core businesses and operations are viable and that, if they are provided with a reasonable period of protection, they will be in a position to develop and implement a restructuring plan to maximize value for their stakeholders and preserve jobs for Grant Forest's and Sales' employees.

73. I swear this affidavit in support of the Applicants' application for an order under the CCAA and for no other or improper purpose.

SWORN before me at the City of Toronto in the Province of Ontario this 22nd day of June, 2009	)))	
A Commissioner, etc. KATE STIGLER	))))	**PETER LYNCH**

TAB C

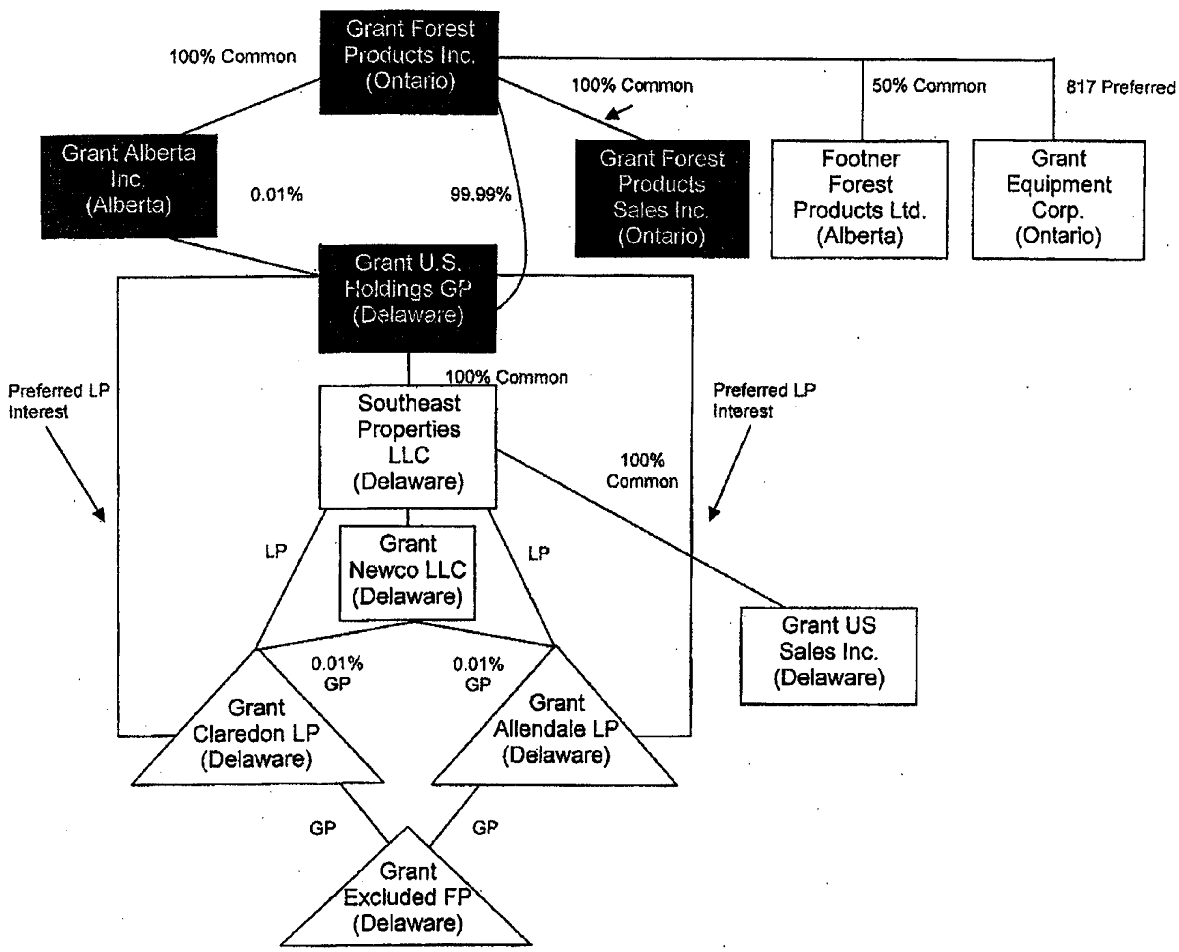
Exhibit "**C**" to the Affidavit of Hap Stephen,
sworn before me this 15th day of January, 2010.

Commissioner for Taking Affidavits, etc.

Jarvis Hétu

Organizational Structure of the Applicants and the Subsidiaries

June 1, 2009



TAB D

Exhibit "**D**" to the Affidavit of Hap Stephen,
sworn before me this 15th day of January, 2010.

Commissioner for Taking Affidavits, etc.
Jarvis Hétu

Extract from the minutes of a meeting of an informal committee of the independent directors (the "**Independent Directors Committee**") of Grant Forest Products Inc. (the "**Corporation**") held on January 5, 2010

It was noted that:

1. the Corporation and its affiliates have proceeded to implement Phase I and Phase II of a marketing process for all the Corporation's core properties and businesses held directly or indirectly by it;

2. such marketing process was conducted in accordance with the various court orders binding upon the Corporation under the *Companies' Creditors Arrangement Act* proceedings (the "**CCAA Proceedings**") applicable to the Corporation;

3. although various bids were received for some or all of the Corporation's directly or indirectly held properties and assets, the bid which was viewed by the advisors to the Corporation and by its management as being superior (notwithstanding that it was for less than all of such properties and assets) was one received from Georgia Pacific LLC and related entities (collectively "**GP**");

4. the Independent Directors Committee has, through the Corporation's management and professional advisors, sought to enhance the terms of such bid and has come to the view, after careful consideration and after considering the reports of management and its professional advisors as well as the views of the Court appointed monitor and the Court appointed Chief Restructuring Advisor under the CCAA Proceedings, that, subject to Court approval under the CCAA Proceedings, it is appropriate in all the circumstances for the Corporation (i) to accept the bid on its present terms from GP, such terms having been more particularly described to the Independent Directors Committee in detail and to be reflected in a sixth report of the monitor to be filed with the Court under the CCAA Proceedings and (ii) to implement the transaction of purchase and sale contemplated thereby;

Following a discussion of the members of the Independent Directors Committee it was unanimously agreed that:

1. the Corporation agree to sell certain of the properties and assets directly or indirectly held by it to GP in accordance with and on the present terms and conditions contemplated by the bid from GP;

2. the Corporation's management and advisors be authorized and directed to negotiate and settle the terms of an agreement of purchase and sale and such other closing documents as may be necessary or desirable in order to implement such bid;

3. Peter Lynch be authorized and directed to execute and deliver such agreement of purchase and sale and such other closing documents, in such form as he may deem appropriate in order to give effect to the provisions of this resolution such that any such agreement of purchase and sale or other document, when so executed and delivered, shall

be a document authorized by this resolution and shall be the legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms

4. Peter Lynch and/or such other officer(s) of the Corporation as he may deem appropriate be authorized and directed to do all such other acts and things and enter into all such other instruments and take all such steps as may be necessary or desirable to give effect to this resolution including, without limitation, in order to close the transaction of purchase and sale with GP."

Exhibit "**E**" to the Affidavit of Hap Stephen,
sworn before me this 15th day of January, 2010.

Commissioner for Taking Affidavits, etc.

Jarvis Hétu

Grant US Sales Inc.
Unconsolidated Balance Sheet
US $
As at June 30, 2009

Cash and Cash Equivalents	347,803
Accounts Receivable	6,912,260
Inventory	403,674
Current Assets	**7,663,737**
Assets	**7,663,737**
Trade Payables and Accruals	431,082
Payroll Accruals	5,153
Income Tax Payable (Receivable)	(614,068)
Current Liabilities	**(177,833)**
Due from Assoc. Co's	7,801,173
Liabilities	**7,623,340**
Opening Retained Earnings	510,066
Adjustment due to adoption of CICA HB S.	(231,506)
Net Loss (July 1, 2008- June 30, 2009)	(238,164)
Retained Earnings	40,396
Equity	**40,396**
Liabilities & Shareholder's Equity	**7,663,737**

Grant US Sales Inc.
Unconsolidated
Income Statement
US $
For the year ended June 30, 2009

Revenues	**213,916**
Total Cost of Operations	**(618,463)**
Earnings from Operations	**832,379**
Selling, General & Administrative	**1,061,965**
EBITDA	(229,586)
Interest Expense	6,281
Foreign Exchange Loss (Gain)	2,297
	8,579
Income Before Taxes	(238,164)
Net Loss	**(238,164)**

Grant US Sales Inc.
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2009
US $

Operating Activities	
Net Loss	(238,164)
Items not affecting cash	-
Net change in non-cash working capital	(941,826)
	(1,179,990)
Investing Activities	
Additions to capital assets	-
Increase in other assets	(231,506)
	(231,506)
Financing Activities	
Increase in loans	-
	-
Increase (decrease) in cash and cash equivalents	**(1,411,496)**
Cash and cash equivalents, beginning of year	**1,759,299**
Cash and cash equivalents, end of year	**347,803**

Grant Allendale LP
Unconsolidated Balance Sheet
US $
As at June 30, 2009

Accounts Receivable	11,693
Inventory	7,972,224
Prepaid Expenses	1,301,796
Current Assets	**9,285,713**
Investment in Excluded GP	295,514,248
Long Term Assets	**295,514,248**
Fixed Assets	280,593,138
A/D Fixed Assets	(20,116,375)
Construction in Progress	2,450,400
Fixed Assets	**262,927,163**
Assets	**567,727,123**
Bank indebtedness	135,799
Trade Payables and Accruals	3,861,224
Payroll Accruals	283,834
Income Tax Payable (Receivable)	(4,404)
Current Liabilities	**4,276,453**
Due to Associated Co's	90,871,151
Loan Payable - Excluded GP	295,514,191
Long Term Liabilities	**295,514,191**
Liabilities	**390,661,796**
Limited Partner's capital	36,939,274
Preferred Partner's capital	295,514,191
General Partner's capital	100
Opening RE	(83,177,169)
Adjustment due to adoption of CICA HB S. 3064	(16,629,450)
Net loss (July 1, 2008- June 30, 2009)	(55,581,619)
Closing Retained Earnings	(155,388,238)
Equity	**177,065,327**
Liabilities & Shareholder's Equity	**567,727,123**

Grant Allendale LP
Unconsolidated
Income Statement
US $
For the year ended June 30, 2009

Revenues	**69,565,538**
Total Cost of Operations	**77,259,024**
Loss from Operations	(7,693,486)
Financial Expense (Income)	846,399
Selling, General & Administrative	**846,399**
EBITDA	(8,539,885)
Interest Expense	26,226,795
Interest Income	(18,709)
Foreign Exchange Loss (Gain)	531,771
Depreciation	13,499,533
Amortization of Deferred Startup Costs	6,802,343
	47,041,734
Loss Before Taxes	(55,581,619)
Net Loss	**(55,581,619)**

Grant Allendale LP
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2009
US $

Operating Activities	
Net Loss	(55,581,619)
Items not affecting cash	20,302,000
Net change in non-cash working capital	44,173,597
	8,893,978
Investing Activities	
Additions to capital assets	(7,323,672)
Increase in other assets	(1,432,566)
	(8,756,238)
Financing Activities	
Increase in loans	-
	-
Increase (decrease) in cash and cash equivalents	**137,740**
Cash and cash equivalents, beginning of year	**(273,539)**
Cash and cash equivalents, end of year	**(135,799)**

Grant Clarendon LP
Unconsolidated Balance Sheet
US $
As at June 30, 2009

Inventory	2,798,664
Prepaid Expenses	605,632
Current Assets	**3,404,296**
Investment in Excluded GP	227,207,172
Long Term Assets	**227,207,172**
Construction in Progress	276,301,167
Fixed Assets	**276,301,167**
Assets	**506,912,635**
Liabilities	
Current Liabilities	
Bank Indebtedness	10,547
Trade Payables and Accruals	2,527,985
Payroll Accruals	3,598
Current Liabilities	**2,542,130**
Due to Assoc. Co's	90,759,581
Loan Payable- Excluded GP	227,207,129
Long Term Liabilities	**227,207,129**
Liabilities	**320,508,841**
Limited Partner's Capital SE	28,400,890
General Partner's Capital Newco	100
Preferred Partner's Capital Holdings	227,207,129
Opening RE	(35,796,014)
Adjustment due to adoption of CICA HB S. 3064	(12,443,738)
Net Loss (July 1, 2008- June 30, 2009)	(20,964,573)
Retained Earnings	(69,204,325)
Equity	**186,403,794**
Liabilities & Shareholder's Equity	**506,912,635**

Grant Clarendon LP
Unconsolidated
Income Statement
US $
For the year ended June 30, 2009

Sales	0
Total Cost of Operations	**1,226,407**
Loss from Operations	(1,226,407)
EBITDA	(1,226,407)
Interest Expense	19,738,930
Interest Income	(765)
	19,738,166
Income Before Taxes	(20,964,573)
Net Loss	**(20,964,573)**

Grant Clarendon LP
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2009
US $

Operating Activities	
Net Loss	(20,964,573)
Items not affecting cash	-
Net change in non-cash working capital	25,980,598
	5,016,025
Investing Activities	
Additions to capital assets	(3,547,969)
Increase in other assets	(1,421,312)
	(4,969,281)
Financing Activities	
Increase in loans	-
	-
Increase (decrease) in cash and cash equivalents	**46,744**
Cash and cash equivalents, beginning of year	**(57,291)**
Cash and cash equivalents, end of year	**(10,547)**

Grant Excluded GP
Unconsolidated Balance Sheet
US $
As at July 3, 2009

Cash and Cash Equivalents	100
Due from Assoc. Co's	91,775,078
Current Assets	**91,775,178**
Loan Receivable - Allendale	295,514,191
Loan Receivable- Clarendon	227,207,129
Long Term Assets	**522,721,320**
Assets	**614,496,498**
Payables and Accruals	2,500
Current Liabilities	**2,500**
Liabilities	**2,500**
Partner's capital - Allendale	295,514,247
Partner's capital - Clarendon	227,207,172
Opening Retained Earnings	45,809,079
Net income July 1- June 30/09	45,963,500
Ending Retained Earnings	91,772,579
Equity	**614,493,998**
Liabilities & Shareholder's Equity	**614,496,498**

Grant Excluded GP
Income Statement
US $
For the year ended July 3, 2009

Sales	0
Admin & Exec expense	2,500
Selling, General & Administrative	2,500
EBITDA	(2,500)
Interest Income	(45,966,000)
Income Before Taxes	45,963,500
Net Income	**45,963,500**

Grant Excluded GP
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2009
US $

Operating Activities	
Net Income	45,963,500
Items not affecting cash	-
Net change in non-cash working capital	(45,963,500)
	-
Investing Activities	
Additions to capital assets	-
Increase in other assets	-
	-
Financing Activities	
Increase in loans	-
	-
Increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	100
Cash and cash equivalents, end of year	100

Grant Newco LLC
Unconsolidated Balance Sheet
US $
As at June 30, 2009

Due from Assoc. Co's	200
Assets	**200**
Bank indebtedness	100
Liabilities	100
Common Shares	100
Liabilities & Shareholder's Equity	**200**

Grant Newco LLC
Unconsolidated
Income Statement
US $
For the year ended June 30, 2009

Sales	0
Total Cost of Operations	**0**
Selling, General & Administrative	**0**
Net Income	**0**

Grant Newco LLC
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2009
US $

Operating Activities	
Net Income	-
Items not affecting cash	-
Net change in non-cash working capital	-
	-
Investing Activities	
Additions to capital assets	-
Increase in other assets	-
	-
Financing Activities	
Increase in loans	-
	-
Increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	(100)
Cash and cash equivalents, end of year	(100)

Southeast Properties LLC
Unconsolidated Balance Sheet
US $
As at June 30, 2009

Cash and Cash Equivalents	2,150,900
Due from Assoc. Co's	42,493,120
Current Assets	44,644,020
Investment in Newco LLC	100
Investment in Allendale LP	34,213,272
Investment in Clarendon LP	26,304,670
Long Term Assets	60,518,042
Assets	**105,162,062**
Income Tax Payable (Receivable)	(25)
Current Liabilities	**(25)**
Liabilities	**(25)**
Stated Capital	60,517,943
Opening RE	44,651,834
Net loss (July 1, 2008- June 30, 2009)	(7,690)
Closing Retained Earnings	44,644,144
Equity	**105,162,087**
Liabilities & Shareholder's Equity	**105,162,062**

Southeast Properties LLC
Income Statement
US $
For the year ended June 30, 2009

Sales	0
Total Cost of Operations	**0**
Selling, General & Administrative	**7,690**
EBITDA	(7,690)
Income Before Taxes	(7,690)
Net Loss	**(7,690)**

Southeast Properties LLC
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2009
US $

Operating Activities	
Net Loss	(7,690)
Items not affecting cash	-
Net change in non-cash working capital	442,690
	435,000
Investing Activities	
Additions to capital assets	-
Increase in other assets	-
	-
Financing Activities	
Increase in loans	
	-
Increase (decrease) in cash and cash equivalents	**435,000**
Cash and cash equivalents, beginning of year	**1,715,900**
Cash and cash equivalents, end of year	**2,150,900**

TAB F

Exhibit "**F**" to the Affidavit of Hap Stephen,
sworn before me this 15th day of January, 2010.

Commissioner for Taking Affidavits, etc.
Jarvis Hétu

Southeast Properties LLC, Grant Clarendon LP , Grant Allendale LP, Grant US Sales Inc. Grant Newco LLC, Grant Excluded GP (the "Additional Applicants")
Consolidated Cash Flow Projection
For The Period From January 4, 2010 to April 11, 2010
(In Thousands of US Dollars)

Week Ending	Notes	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	21-Feb	28-Feb	7-Mar	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	Total
Opening Bank Balance	1	1,758	546	565	407	473	418	418	418	553	532	460	267	749	599	1,758
Receipts																
OSB Sales	2	1,356	1,862	1,306	1,306	1,306	1,306	1,356	1,356	1,695	1,695	1,528	1,528	1,528	1,528	20,655
Total Receipts		1,356	1,862	1,306	1,306	1,306	1,306	1,356	1,356	1,695	1,695	1,528	1,528	1,528	1,528	20,655
Disbursements																
Payables-Wood	3	(442)	(610)	(251)	(479)	(560)	(479)	(485)	(375)	(329)	(481)	(481)	(481)	(481)	(481)	(6,415)
Freight	4	(144)	(120)	(120)	(120)	(120)	(120)	(120)	(149)	(149)	(130)	(130)	(130)	(130)	(109)	(1,788)
Other Payables	5	(465)	(614)	(553)	(442)	(439)	(574)	(569)	(568)	(639)	(688)	(438)	(385)	(492)	(719)	(7,583)
Payroll	6	(419)	-	(419)	-	(531)	-	(638)	-	(550)	-	(438)	-	(550)	-	(3,545)
Utilities & Fuel	7	(186)	(452)	(15)	(12)	(15)	(583)	(15)	(15)	(11)	(430)	(197)	(12)	(12)	(450)	(2,405)
SG&A	8	(875)	(10)	(68)	(150)	-	(359)	-	(89)	-	-	-	-	-	-	(1,551)
Restructuring Costs	9	(38)	(38)	(38)	(38)	(25)	(25)	(25)	(25)	(38)	(38)	(38)	(38)	(13)	(13)	(425)
Total Disbursements		(2,569)	(1,843)	(1,464)	(1,240)	(1,689)	(2,139)	(1,851)	(1,221)	(1,716)	(1,766)	(1,721)	(1,045)	(1,677)	(1,771)	(23,712)
Net Weekly Cash Flows		(1,213)	19	(157)	66	(383)	(833)	(495)	135	(21)	(71)	(194)	482	(150)	(244)	(3,058)
Inter-Company Transfers:																
Transfer from (to) Original Applicants	10	-	-	-	-	327	833	495	-	-	-	-	-	-	-	1,655
Total Inter-Company Transfers		-	-	-	-	327	833	495	-	-	-	-	-	-	-	1,655
Ending Bank Balance		546	565	407	473	418	418	418	553	532	460	267	749	599	356	356

In the Matter of the CCAA of Southeast Properties LLC, Grant Clarendon LP , Grant Allendale LP, Grant US Sales Inc. Grant Newco LLC, Grant Excluded GP (collectively the "Additional Applicants")
Notes to the Unaudited Cash Flows Projection

Disclaimer:

In preparing this cash flow projection (the "**Cash Flow Forecast**"), the Additional Applicants have relied upon unaudited financial information and the Additional Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations and costs of the Clarendon Mill and the Allendale Mill and additional assumptions discussed below. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast reflects cash flows from the Additional Applicants' operations including inter-company transfers to and from the Original Applicants' operations. The Additional Applicants with the assistance of the Monitor have prepared the Cash Flow Forecast based primarily on historical results and the Additional Applicants' current business plan. Receipts and disbursements are denominated in US dollars.

The Cash Flow Forecast assumes that one of the Additional Applicants' mill, specifically; the Clarendon Mill continues to remain non-operational during the Cash Flow Forecast period. The Cash Flow Forecast does not reflect the closing of the PSA in the Cash Flow Forecast period. In addition, the Cash Flow Forecast also assumes that no interest will be paid to the lenders during the projection period.

Assumptions:

1) **Opening Balance:**
   This is the anticipated opening cash balance of the Additional Applicants at the commencement of the CCAA proceedings and includes funds held in U.S. dollars.

2) **Sales Receipts:**
   OSB Sales are calculated as the product of the projected volume and the projected price per unit. The projected volume is estimated based on the Additional Applicants' historical volumes with a discount for the decline in sales as a result of the slower U.S. housing market as compared to previous years. The projected sales price per unit is estimated using historical pricing data by the Additional Applicants' sales department and market forecasts published by independent services. Further amounts estimated for freight are added to the unit price to arrive

at the gross price per unit. The Additional Applicants assume that sales are collected in two weeks, based on recent historical run rates.

3) **Payables – Wood:**
The cost of wood is estimated based on recent historical run rates and current production levels.

4) **Freight:**
Freight costs are recovered from customers, however, the Additional Applicants pay freight costs approximately a week after the sales are made and recover these amounts from customers in two weeks, at the same time as payment for product sold as described in note 2 above.

5) **Other Payables:**
Other payables represent suppliers not included in other specific line items. Payables primarily include payments to suppliers for resin, wax, repairs & maintenance, packaging, and contract labour.

6) **Payroll:**
Payroll represents bonus and payroll costs including deductions for all executives and employees and is forecast based on historical run rates. Both salaried and hourly employees are paid bi-weekly through direct deposits. The Additional Applicants have outsourced their payroll services to ADP. ADP is usually funded a few days prior to the payroll date. Included in the payroll line item are costs for benefits and pension.

7) **Utilities & Fuel:**
Utilities represent costs for electricity. These costs are estimated based on recent historical run rates and production levels.

   Fuel represents cost for natural gas, hog fuel, gas and diesel used in the production process. These costs are estimated based on recent historical run rates and production levels.

8) **SG&A:**
SG&A represents costs for property taxes, customer rebates, and insurance premiums.

9) **Restructuring Costs:**
Restructuring costs include costs related to the Additional Applicants' advisors and their counsel and the Monitor and its counsel. These costs are incremental to the restructuring costs included in the cash flow forecast of the Original Applicants.

10) **Transfer from (to) Original Applicants:**
Represents intercompany funding between the Original Applicants and the Additional Applicants. During the projection period, it is projected that the

Additional Applicants will require approximately $1.7 million of funding from the Original Applicants. This amount is primarily related to working capital requirements.

Court File No: CV-09-8247-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP (the "Applicants")

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF HAP STEPHEN
(Sworn January 15th, 2010)

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario
M5X 1B2

Lawyer: Daniel R. Dowdall / Jane O. Dietrich
LSUC: 16737D / 49302U
Email: daniel.dowdall@fmc-law.com / jane.dietrich@fmcolaw.com /

Telephone: 416 863-4700 / 416 863-4467

Facsimile: 416-863-4592

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

Court File No: CV-09-8247-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES INC. and GRANT U.S. HOLDINGS GP (the "Applicants")

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Motion Returnable February 1, 2010)

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario
M5X 1B2

Lawyer:	Daniel R. Dowdall / Jane Dietrich
LSUC:	16737D / 49302U
Email:	dan.dowdall@fmc-law.com jane.dietrich@fmc-law.com
Telephone:	416 863-4700 / 416-863-4467
Facsimile:	416 863-4592

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

7771774_1.DOC