**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE DISTRICT OF DELAWARE**

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| In re:<br><br>GRANT FOREST PRODUCTS INC., *et al.*,[1]<br><br>Debtors in Foreign Proceedings. | CHAPTER 15<br><br>Case No. 10-11132<br>Jointly Administered<br><br>**Re: Docket No. 56**<br><br>**Obj. Deadline: 5/6/2010 at 4:00 p.m.**<br>**Hearing Date: 5/11/2010 at 10:30 a.m.** |

**NOTICE OF MONITOR'S MOTION FOR ENTRY OF AN ORDER TO MODIFY THE RECOGNITION ORDER PURSUANT TO 11 U.S.C. §§ 1517, 1521 AND 1525**

TO: All Parties on the Master Service List as defined in the Order (I) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings Pursuant to Chapter 15 of the Bankruptcy Code and (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition and for Approval of Sale of Certain Assets (the "Notice Order") (Docket No. 31) and the Internal Revenue Service.

**PLEASE TAKE NOTICE** that Ernst & Young Inc., Monitor under the Companies' Creditors Arrangement Act of above-captioned chapter 15 debtors has filed the attached Monitor's Motion for Entry of an Order to Modify the Recognition Order Pursuant to 11 U.S.C. §§ 1517, 1521 and 1525 (the "Motion") on April 30, 2010.

**PLEASE TAKE FURTHER NOTICE** that the Court, during the April 26, 2010 omnibus hearing, set this Motion for a hearing on **May 11, 2010 at 10:30 a.m.** (prevailing Eastern Time).

**PLEASE TAKE FURTHER NOTICE** that any responses or objection to the relief request in the Motion must be filed on or before **May 6, 2010 at 4:00 p.m.** (prevailing Eastern Time) with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, Wilmington, Delaware 19801. At the same time, you must also serve a copy of any responses or objection upon the undersigned attorneys.

**PLEASE TAKE FURTHER NOTICE** that on April 28, 2010, under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, the Ontario Superior Court of Justice (Commercial List) (the "CCAA Court") entered an Order "In the Matter of a Plan of Compromise or Arrangement of Grant Forest Products Inc., Grant Forest Products Sales

[1] The jointly administered cases are those of the following debtors: 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.

Date: 4-30-10
Docket No: 59

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."

**PLEASE TAKE FURTHER NOTICE** THAT IF NO RESPONSES OR OBJECTIONS ARE TIMELY FILED AND RECEIVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, AN ORDER MAY BE ENTERED GRANTING THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: April 30, 2010
Wilmington, Delaware

**ELLIOTT GREENLEAF**

/s/ *Rafael X. Zahralddin-Aravena*
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*Attorneys for Ernst & Young Inc., Monitor and Foreign Representative of the Debtors*

**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE DISTRICT OF DELAWARE**

| | |
|---|---|
| In re:<br><br>GRANT FOREST PRODUCTS INC., *et al.*,[1]<br><br>Debtors in Foreign Proceedings. | CHAPTER 15<br><br>Case No. 10-11132<br>Jointly Administered<br><br>**Re: Docket No. 56**<br><br>**Obj. Deadline: 5/6/2010 at 4:00 p.m.**<br>**Hearing Date: 5/11/2010 at 10:30 a.m.** |

# MONITOR'S MOTION FOR ENTRY OF AN ORDER TO MODIFY THE RECOGNITION ORDER PURSUANT TO 11 U.S.C. §§ 1517, 1521 AND 1525

Ernst & Young Inc. ("**E&Y**"), in its capacity as court-appointed monitor (the "**Monitor**") and authorized foreign representative of the above-captioned debtors (collectively, the "**Debtors**"), pursuant to Sections 1517(d), 1521(a), and 1525(a) of Title 11 of the United States Code (the "**Bankruptcy Code**"), hereby moves this Court for an order (A) Modifying the Recognition Order to Recognize the Plan of Compromise or Arrangement (the "**Canadian Filing Receiver Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") and (B) Separately Appointing E&Y as Filing Receiver and Granting Other Related and Further Relief (the "**Motion**"). In support of the Motion, the Monitor respectfully states as follows:

## JURISDICTION

1. The Court has jurisdiction over these matters pursuant to 28 U.S.C. §§ 157 and 1334. These matters are core proceedings within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. § 1410.

[1] The jointly administered cases are those of the following debtors: 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.

2. The statutory bases for relief requested herein are sections 105(a), 1517, 1521, and 1525 of the Bankruptcy Code.

## BACKGROUND

3. On March 31, 2010 (the "**Petition Date**"), the Monitor commenced the Debtors' chapter 15 cases by filing petitions pursuant to section 1504 and 1515 of the Bankruptcy Code.

4. On April 26, 2010, the Court granted recognition of the CCAA Proceeding as a "foreign main proceeding" as defined in sections 1502(4) and 1517(b)(1) of the Bankruptcy Code pursuant to its *Order Granting Recognition and Relief in Aid of Foreign Main Proceeding Pursuant to 11 U.S.C. 1515, 1517, and 1520* (the "**Recognition Order**").

5. The Court is respectfully referred to the "Background" Section of the previously filed *Memorandum of Law in Support of (I) Monitor's Motion for Entry of an Order Granting Recognition and Relief in aid of Foreign Main Proceeding Pursuant to 11 U.S.C. §§ 1515, 1517, and 1520; (II)Monitor's Motion for Joint Administration; and (III) Monitor's Motion for Ex Parte Emergency Relief and Provisional Relief Pursuant to 11 U.S.C. §§ 105(a), 1519, and 1521*, the Lynch Declaration, and the Morrison Declaration for a detailed explanation of the Debtors, their business, their debt structure, and the CCAA Proceeding.[2]

6. In brief, the Debtors are the third largest North American manufacturer of oriented strand board, a building material that has replaced plywood in many uses. Debtors applied for protection under the CCAA after, among other things, Debtors defaulted on their obligations under the two primary secured lending facilities. In its initial order, the CCAA Court appointed E&Y as monitor. E&Y was subsequently selected as the Investment Offering Advisor to conduct and oversee the court-approved Marketing Process.

[2] Capitalized terms not defined herein shall have the same meaning as provided in the Memorandum.

7. As a result of the Marketing Process, Debtors and Georgia-Pacific LLC, and certain of its affiliates and subsidiaries ("**Georgia-Pacific**"), have agreed to a complex series of transactions (the "**Transaction**"), after which Georgia-Pacific will own certain of the Debtors' Canadian assets and all of the equity interests in various American entities that were formerly subsidiaries of Grant Forest Products Inc. (the direct or indirect parent of all other Debtors).

8. On March 30, 2010, the CCAA Court approved the Transaction by entering an Approval and Vesting Order ("**Canadian Sale Approval Order**").

9. On April 26, 2010 this Court entered an *Order Pursuant to Sections 363, 1501, 1507, 1520, 1521, and 105(a) of the Bankruptcy Code and Bankruptcy Rules 2002, and 6004 for an Order (A) Affirming and Enforcing the Order of the Canadian Court Approving the Sale of Certain Assets and Such Other Related Relief and (B) Separately (i) Authorizing and Approving the Sale of Assets and (ii) Granting Other Related and Further Relief* (the "**Sale Order**") approving the Transaction.

10. Section 11.01(q)(A) of the Purchase Sale Agreement that governs the Transaction requires that Grant Forest Products Inc. and Grant Alberta file certain U.S. tax returns (the "**U.S. Tax Returns**") after the Transaction consummates. The U.S. Tax Returns are expected to be filed on or before February 28, 2011.

11. Because of concerns that officers of the Debtors may not exist at the time when the U.S. Tax Returns are filed, Section 11.01(q)(B) of the Purchase Sale Agreement provides for the appointment of a receiver (the "**Filing Receiver**") on a limited basis solely to sign and file the U.S. Tax Returns in the event there are no officers remaining at the Debtors to perform this task.

12. On April 21, 2010, the Monitor applied to the CCAA Court for an order appointing E&Y as the Filing Receiver. E&Y's duties as Filing Receiver are limited to

signing and filing the U.S. Tax Returns, which will be prepared by the Debtors and its accountant, Deloitte.

13. On April 28, 2010, the CCAA Court entered an order that, among other things, appointed E&Y as the Filing Receiver and released E&Y from any personal or corporate liability to any party, including the Internal Revenue Service, for any such taxes owing with respect to the U.S. Tax Returns (the "**Canadian Filing Receiver Order**"). A true and correct copy of the Canadian Filing Receiver Order is attached hereto as Exhibit A.

14. In anticipation of entry of the Canadian Filing Receiver Order from the CCAA Court, an Omnibus Hearing has been scheduled for May 11, 2010, at 10:30 a.m. to consider this Motion.

## RELIEF REQUESTED

15. By this Motion, the Monitor seeks the entry of an order: (i) modifying the Recognition Order pursuant to Sections 1517(d), 1521(a), and 1525(a) of the Bankruptcy Code; (ii) recognizing and enforcing the Canadian Filing Receiver Order in the United States; (iii) appointing E&Y as the Filing Receiver for the limited basis of signing and filing Debtors' tax returns if Debtors are unable to do so; (iv) releasing E&Y of any personal or corporate liability resulting from its actions undertaken as Filing Receiver; and (v) granting such further relief as this Court deems just and proper.

## BASIS FOR RELIEF

16. The Court should enter an Order modifying the Recognition Order to recognize and enforce the Canadian Filing Receiver Order in the United States. The Monitor believes that the relief sought herein will assure an economical, expeditious, and equitable administration of the Debtors' restructuring. If E&Y is not appointed as Filing Receiver and

not released from personal and corporate liability, the Debtors' restructuring efforts could be greatly hindered, as the filing of the U.S. Tax Returns is a required aspect of the Transaction.

17. E&Y understands that the Debtors intend to file the U.S. Tax Returns in a timely fashion. However, there is a chance that Debtors will no longer have a representative available to sign and file the U.S. Tax Returns as they become due. Accordingly, the Transaction contemplates appointing a Filing Receiver for the limited purpose of signing and filing the Debtors' tax returns resulting from the Transaction, which will be prepared by Debtors and their accountants. Given E&Y's limited involvement in filing the U.S. Tax Returns, E&Y should be fully released from any and all liability that may arise from the U.S. Tax Returns.

18. The Motion should be granted because section 1517(d) of the Bankruptcy Code provides for "modification...of recognition if it is shown that the grounds for granting it were fully or partially lacking...[and] the court shall give due weight to possible prejudice to parties that have relied upon the order granting recognition." *See, e.g., In re British American Insurance Co.*, 2010 Bankr. LEXIS 757 (Bankr. S.D. Fla. 2010) (granting recognition and acknowledging that if facts or circumstances subsequently change, the Court can modify the recognition order); *In re Petition of Ernst & Young, Inc.*, 383 B.R. 773 (Bankr. D. Colo. 2008) (same); *In re Oversight and Control Comm. of Avanzit, S.A.*, 385 B.R. 525 (Bankr. S.D.N.Y. 2008) (same).

19. The Canadian Filing Receiver Order was entered after this Court recognized the CCAA proceeding as a foreign main proceeding. Because conditions have changed since the Recognition Order, the Court should modify the Recognition Order to account for the additional relief granted by the CCAA Court. Moreover, no party will be prejudiced by the proposed amendment to the Recognition Order.

20. In addition, section 1521(a) allows the court, upon recognition of a foreign proceeding and at the request of the foreign representative, to grant any appropriate relief "to protect the assets of the debtor or the interests of the creditors." Section 1525(a) provides that the Court "shall cooperate to the maximum extent possible with a foreign court or a foreign representative..." The CCAA Court previously appointed E&Y as the Filing Receiver for the limited purpose set forth herein, and requested the assistance of this Court in administering the Debtors' restructuring efforts.

21. Accordingly, the Court should modify the Recognition Order to recognize the Canadian Filing Receiver Order in order to appoint E&Y as the Filing Receiver and release it from personal and corporate liability.

## NOTICE

22. The Monitor proposes to serve (i) the Debtors, (ii) the Master Service List (as defined in the Notice Order) by email, as is customary in CCAA proceedings; and (iii) the Internal Revenue Service by overnight mail. Under the circumstances, the Monitor submits that the foregoing constitutes due and adequate notice and that no further notice is required.

## NO PRIOR REQUEST

23. No prior request for relief sought herein has been made to this or any other court in the United States.

**WHEREFORE**, for the reasons set forth herein, the Monitor respectfully requests that the Court, after notice and a hearing, (i) enter the proposed order attached hereto as Exhibit B, which modifies the recognition order to recognize the Canadian Filing Receiver Order and to appoint E&Y as Filing Receiver; and (ii) grant such other and further relief as the Court deems just.

Dated: April 30, 2010
Wilmington, Delaware

**ELLIOTT GREENLEAF**


/s/ *Rafael X. Zahralddin-Aravena*
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*Attorneys for Ernst & Young Inc., Monitor and Foreign Representative of the Debtors*

# Exhibit A

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

*ONTARIO*
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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| THE HONOURABLE MR. | ) | WEDNESDAY, THE 28TH DAY OF |
| | ) | |
| JUSTICE CAMPBELL | ) | APRIL, 2010 |

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE

**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**

**THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security**

**Respondents**

**ORDER**

**THIS MOTION**, made by the Applicants, for an order in the form attached as schedule "A" to the notice of motion of the Applicants dated April 21, 2010 (the "**Notice of Motion**") *inter alia*: (i) abridging and validating the timing and method of service of this Motion Record so that the Motion is properly returnable; (ii) extending, until June 30, 2010, the Added Applicants' Stay Period with respect to the Added Applicants, as those terms are defined by the Supplemental Initial Order of the Honourable Mr. Justice Campbell made in these proceedings made on March 30, 2010 (the "**Supplemental Initial Order**"); (iii) approving the eleventh report of Ernst & Young Inc. in its capacity as Court appointed monitor in these proceedings (the "**Monitor**") dated April 9, 2010 (the "**Eleventh Report**"), and the twelfth report of the Monitor to be filed separately (the "**Twelfth Report**") and the activities of the Monitor as set out therein; and (iv) authorizing, empowering and directing Grant Forest Products Inc. and Grant Alberta Inc. (collectively, the "**Partners**") and their respective officers to execute, file and take related actions in respect of the appropriate U.S. federal income tax returns for the taxable period that includes the Closing Date or alternatively appointing Ernst & Young Inc. as Filing Receiver on the terms set out in the Draft Order, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Peter Lynch sworn April 21, 2010, the Eleventh Report and the Twelfth Report 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 Bank of New York Mellon as agent for the second lien lenders, the independent directors of Grant Forest Products Inc., Peter Grant Sr., and no one else appearing although duly served as appears from the affidavit of service of Stephanie Waugh sworn April 21, 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.

**Approval of Monitor's Activities**

2. **THIS COURT ORDERS** that the Eleventh Report and the Twelfth Report and the activities of the Monitor as set out therein, be and are hereby approved.

**Extension of Stay of Proceedings**

3. **THIS COURT ORDERS** that the "Added Applicants' Stay Period" as defined in paragraph 12 of the Supplemental Initial Order, be and is hereby extended to June 30, 2010, subject to the terms of this Order.

**FILING OF U.S. FEDERAL TAX RETURNS**

4. **THIS COURT ORDERS** that each of the Partners and any one of their respective officers who are in office at the time of the filing of its respective Tax Returns (as defined below), shall be expressly authorized, empowered and directed to:

(a) execute its U.S. federal income tax returns on Form 1120-F for the taxable period that includes the Closing Date reflecting no amount realized and no taxable gain on the surrender and cancellation of the Vendors' Partnership Interests which returns shall be in form and substance satisfactory to the Purchasers as to the foregoing, acting reasonably (collectively, the "**Tax Returns**");

(b) file such Partner's Tax Returns, and to take all such steps and actions as may be necessary or desirable to permit or enable such Partner to file its Tax Returns with the Internal Revenue Service immediately upon the earlier of February 15, 2011 and fifteen (15) days following its dissolution; and

(c) furnish copies of its Tax Returns, as filed, to the U.S. Purchaser and the Additional U.S. Purchaser within five (5) Business Days following such filing.

**APPOINTMENT OF THE FILING RECEIVER**

5. **THIS COURT ORDERS** that that subject to the United States Bankruptcy Court for the District of Delaware granting an order recognizing the Court's appointment of the Filing Receiver (defined below) and appointing the Filing Receiver in the related chapter 15 proceedings with the powers and responsibilities set forth herein and granting the Filing Receiver substantially the same protections as set forth in paragraphs 7 and 8 herein, in the event the Partners do not take the steps required to complete and file the Tax Returns in accordance with the Agreement and as provided for in paragraph 4 of this Order, Ernst & Young Inc. be and is hereby appointed as the receiver of the Partners, but not with respect to any of their respective property or assets other than the rights and powers to take the steps and actions specified in this Order in relation to the filing of the Tax Returns (the "**Filing Receiver**"), and solely having the powers and responsibilities set forth in this Order.

6. **THIS COURT ORDERS, EMPOWERS, AUTHORIZES AND DIRECTS** the Filing Receiver, in the event that the Partners do not take the steps and actions and file the Tax Returns provided for in paragraph 4 of this Order on or before

February 15, 2011, or in the event that there are no longer any persons in office at either of the Partners to ensure that such that such steps and actions can or will be taken by the Partners by such date, to take the steps and actions provided for in paragraph 4 of this Order and such other steps and actions as are necessary or appropriate to effect the completion, execution and filing of the Tax Returns with the United States Internal Revenue Service, by no later than February 28, 2011, or such later date as may be agreed to as between the Filing Receiver and Georgia-Pacific LLC or as may be ordered by the Court on motion made on notice to Georgia-Pacific LLC, including without limitation, to execute the Tax Returns, in its capacity as the Filing Receiver, on behalf of and in the name of the Partners.

**PROVISIONS RELATED TO THE FILING RECEIVER**

7. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Filing Receiver nor Ernst & Young Inc. in any capacity shall have or be under any personal or corporate liability to any person as a result of its appointment or the carrying out of the provisions of this Order. Nothing in this Order shall derogate from the protections afforded the Monitor or the Filing Receiver by this Order, the CCAA or any applicable legislation.

8. **THIS COURT ORDERS** that in the event the United States Internal Revenue Service determines that taxes are owing with respect to the Tax Returns neither the Filing Receiver nor Ernst & Young Inc. in any capacity shall have or be under any personal or corporate liability to any party, including the United States Internal Revenue Service, for any such taxes.

9. **THIS COURT ORDERS** that the Filing Receiver may apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

10. **THIS COURT ORDERS** that the Filing Receiver and counsel to the Filing Receiver, 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. The Applicants are hereby authorized and directed to pay the accounts of the Filing Receiver and counsel to the Filing Receiver on a weekly basis.

11. **THIS COURT ORDERS** that the Filing Receiver and counsel to the Filing Receiver, each shall be entitled to the benefit of the Administration Charge granted in paragraph 41 of the Initial Order, as security for all amounts owing to the Filing Receiver and counsel to the Filing Receiver for carrying out its responsibilities and obligations under and relating to this Order, both before and after the making of this Order.

12. **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, the Filing Receiver and their respective agents in carrying out the terms of this Order. All court, tribunals regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Applicants, the Monitor, as an officer of this Court, and the Filing Receiver, as may be necessary or desirable to give effect to this Order.

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

APR 28 2010

PER / PAR:

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

**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 (the "Applicants")**

**THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security (the "Respondents")**

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

**ORDER**
**(April 28, 2010)**


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

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*Lawyers for the Applicants 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*


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**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE DISTRICT OF DELAWARE**

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| In re: | CHAPTER 15 |
| GRANT FOREST PRODUCTS INC., *et al.*,[1] | Case No. 10-11132<br>Jointly Administered |
| Debtors in Foreign Proceedings. | **Re: Docket No. ___** |

**ORDER TO MODIFY THE RECOGNITION ORDER**
**PURSUANT TO 11 U.S.C. §§ 1517, 1521, AND 1525**

Upon the Motion (the "**Motion**") of Ernst & Young Inc. ("**E&Y**"), as court-appointed monitor (the "**Monitor**") and foreign representative of Grant Forest Products Inc. and its affiliated captioned debtors (collectively, the "**Debtors**") in a proceeding under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, before the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"), for entry of an Order to Modify the Recognition Order pursuant to sections 1517, 1521, and 1525 of the U.S. Bankruptcy Code, and this Court having considered the Motion, and the Court having considered objections to the Motion, if any, and the Court having conducted a hearing on May 11, 2010,

IT IS HEREBY ORDERED THAT:

a) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334;

b) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P);

c) Venue is proper in this District pursuant to 28 U.S.C. § 1410;

[1] The jointly administered cases are those of the following debtors: 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.

d) On April 26, 2010 the Court granted recognition of the CCAA Proceeding as a "foreign main proceeding" as defined in sections 1502 and 1517(b)(1) of the Bankruptcy Code.

e) On April 28, 2010, the CCAA Court entered an order (the "**Canadian Filing Receiver Order**") that appointed E&Y as the Filing Receiver[2] and released E&Y from any personal or corporate liability to any party, including the Internal Revenue Service, for any such taxes owing with respect to the U.S. Tax Returns.

(f) Modification of the Recognition Order is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to sections 1517, 1521, and 1525 of the Bankruptcy Code, and will assure an economical, expeditious, and equitable administration of the Debtors' restructuring.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Recognition Order is modified pursuant to section 1517(d) of the Bankruptcy Code, as set forth herein. The Recognition Order shall otherwise remain in full force and effect.

2. The Canadian Filing Receiver Order is hereby recognized and enforced on a final basis and shall be given full force and effect in the United States.

3. E&Y is hereby appointed as the Filing Receiver for the limited purpose of signing and filing the U.S. Tax Returns should a representative of the Debtors not be available to do so on or before February 28, 2011.

[2] Capitalized terms not defined herein shall have the same meaning as provided in the Motion.

4. E&Y is hereby forever released and discharged from all personal and corporate liability to any party, including the Internal Revenue Service, that may arise from its actions as Filing Receiver.

5. Notice of the Motion is adequate given the circumstances.

6. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: _______________, 2010
Wilmington, Delaware

_______________________________________
THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE

## File a Motion:

10-11132-PJW Grant Forest Products Inc., et al.,

| | | |
|---|---|---|
| Type: bk | Chapter: 15 v | Office: 1 (Delaware) |
| Assets: y | Judge: PJW | Case Flag: MEGA, LEAD |

**U.S. Bankruptcy Court**

**District of Delaware**

Notice of Electronic Filing

The following transaction was received from Rafael Xavier Zahralddin-Aravena entered on 4/30/2010 at 8:13 PM EDT and filed on 4/30/2010
**Case Name:** Grant Forest Products Inc., et al.,
**Case Number:** 10-11132-PJW
**Document Number:** 59

**Docket Text:**
Motion to Authorize *Entry of an Order to Modify the Recognition Order Pursuant to 11 U.S.C. Sections 1517, 1521 and 1525* (related document(s)[56]) Filed by Ernst & Young Inc., Monitor and Foreign Representative.. Hearing scheduled for 5/11/2010 at 10:30 AM at US Bankruptcy Court, 824 Market St., 6th Fl., Courtroom #2, Wilmington, Delaware. Objections due by 5/6/2010. (Attachments: # (1) Notice # (2) Exhibit A# (3) Proposed Form of Order) (Zahralddin-Aravena, Rafael)

The following document(s) are associated with this transaction:

**Document description:**Main Document
**Original filename:**\\Wlm-ads01\shared-files\Scanned Images\AMP\4-30 GFP - Motion to Modify.PDF
**Electronic document Stamp:**
[STAMP bkecfStamp_ID=983460418 [Date=4/30/2010] [FileNumber=8410439-0]
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