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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 16th DAY OF
	)	
JUSTICE CAMPBELL	)	NOVEMBER, 2011

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

-and-

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

APPROVAL AND VESTING ORDER
(BOAT)

THIS MOTION, made by Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc., and Grant Forest Products Sales Inc. (the "**Remaining Applicants**"), for *inter alia* an order in the form attached as Schedule "**C**" to the notice of motion of the Remaining Applicants dated November 7, 2011 (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) approving the sale transaction (the "**Boat Sale Transaction**") contemplated by an agreement of purchase and sale between GFPI and Crown Capital Corporation (the "**Boat Purchaser**") dated as of the 25th day of October, 2011 and amended by an agreement dated as of November 4, 2011 (collectively, the "**Boat Sale Agreement**") and appended to the Twenty-Third Report to Court (the "**Twenty-Third Report**") of Ernst & Young Inc. in its capacity as court-appointed Monitor of the Remaining Applicants (the "**Monitor**") and vesting in the Boat Purchaser GFPI's right, title and interest in and to the Vessel and Trailer as described by the Boat Sale Agreement (collectively, the "**Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Third Report, the Affidavit of Hap Stephen sworn November 7, 2011 and on hearing the submissions of counsel for the Remaining Applicants, the Monitor and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Laura Bowles-Dove sworn November 7, 2011, filed:

1. THIS COURT ORDERS that the method and timing of service of the Notice of Motion and Motion Record be and is hereby abridged and validated so that this Motion is properly returnable today.

2. THIS COURT ORDERS AND DECLARES that the Boat Sale Transaction is hereby approved, and the execution of the Boat Sale Agreement by GFPI is hereby authorized and approved, with such minor amendments as GFPI may deem necessary. GFPI is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Boat Sale Transaction and for the conveyance of the Assets to the Boat Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Boat Purchaser substantially in the form attached as Schedule "**A**" hereto (the "**Monitor's Certificate**"), all of GFPI's right, title and interest in and to the Assets shall vest absolutely in the Boat Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Newbould dated June 25, 2009; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or

any other personal property registry system; (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of GFPI and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of GFPI;

the vesting of the Assets in the Boat Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of GFPI and shall not be void or voidable by creditors of GFPI, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Boat Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. 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 GFPI and/or the Monitor and its 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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

NOV 1 7 2011

PER/PAR:

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

-and-

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

MONITOR'S CERTIFICATE
(BOAT)

RECITALS

A. Pursuant to an Order of the Honourable Mr. Newbould of the Ontario Superior Court of Justice (the "**Court**") dated June 25, 2009, Ernst & Young Inc. was appointed as the monitor (the "Monitor") of Grant Forest Products Inc. ("**GFPI**").

B. Pursuant to an Order of the Court dated November 16, 2011, the Court approved the agreement of purchase and sale between GFPI and Crown Capital Corporation (the "**Boat Purchaser**") dated as of the 25th day of October, 2011 and amended by an agreement dated as of November 4, 2011 (collectively, the "**Boat Sale Agreement**") and provided for the vesting in the Boat Purchaser of GFPI's right, title and interest in and to the Assets, as defined in the Boat Sale Agreement, which vesting is to be effective with respect to the Assets upon the delivery by the Monitor to the Boat Purchaser of a certificate confirming (i) the payment by the Boat Purchaser of the Purchase Price for the Assets to the Monitor; (ii) that the conditions to Closing as set out the Boat Sale Agreement have been satisfied or waived by GFPI and the Purchaser; and (iii) the Boat Transaction has been completed to the satisfaction of the Monitor.

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

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Assets payable on the closing date pursuant to the Boat Sale Agreement;

2. The conditions to closing as set out the Boat Sale Agreement have been satisfied or waived by GFPI and the Boat Purchaser; and

3. The Boat Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as court-appointed Monitor of Grant Forest Products Inc., and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

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

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ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO
(Commercial List)

APPROVAL AND VESTING ORDER
BOAT – November 16, 2011

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