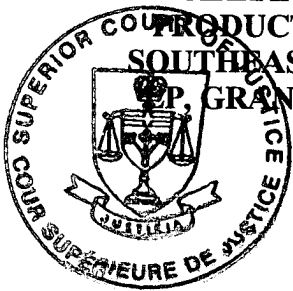


ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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
P, 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
(OGDEN LANDFILL)**

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 “**B**” 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 “**Landfill Sale Transaction**”) contemplated by an agreement of purchase and sale (the “**Landfill Sale Agreement**”) between GFPI and Chartrand Power

Generation Inc. (the “**Landfill Purchaser**”) dated as of the 20th Day of September, 2011 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 Landfill Purchaser GFPI’s right, title and interest in and to the Property as defined in the Landfill Sale Agreement (the “**Property**”), 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 Landfill Sale Transaction is hereby approved, and the execution of the Landfill 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 Landfill Sale Transaction and for the conveyance of the Property to the Landfill Purchaser.
3. THIS COURT ORDERS AND DECLARES that, upon the delivery of a Monitor’s certificate to the Landfill 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 Property being the real property listed on Schedule “B” hereto (the “**Real Property**”) shall vest absolutely in the Landfill 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; and (iii) those Claims listed on Schedule “C” hereto (all of which are collectively referred to as the “Encumbrances”, which term shall not include the instruments listed on Schedule “D” hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office #6 for the Land Titles Division of Cochrane of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Landfill Purchaser as the owner of the Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, 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 Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

7. 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 Property in the Landfill 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.

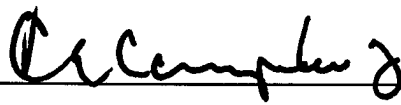
8. THIS COURT ORDERS AND DECLARES that the Landfill Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. 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.

FILED AT / INSÉRÉ À TORONTO
17 BOOK NO:
/ DANS LE REGISTRE NO.:

NOV 17 2011

RECEIVED

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
(OGDEN LANDFILL)**

RECITALS

A. Pursuant to an Order of the Honourable 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 made as of the 20th day of September, 2011 (the "**Landfill Sale Agreement**") between GFPI and Chartrand Power Generation Inc. (the "**Landfill Purchaser**") and provided for the vesting in the Landfill Purchaser of GFPI's right, title and interest in and to the Property, which vesting is to be effective with respect to the Property upon the delivery by the Monitor to the Landfill Purchaser of a certificate confirming (i) the payment by the Landfill Purchaser of the Purchase Price for the Property to the Monitor; (ii) that the conditions to

Closing as set out the Landfill Sale Agreement have been satisfied or waived by GFPI and the Purchaser; and (iii) the Landfill 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 Landfill Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Property payable on the closing date pursuant to the Landfill Sale Agreement;
2. The conditions to closing as set out the Landfill Sale Agreement have been satisfied or waived by GFPI and the Landfill Purchaser; and
3. The Landfill 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:

SCHEDULE "B"

REAL PROPERTY

PIN 65441-0321 (LT)

PCL 24714 SEC SEC; LOCATION C.L. 12151 OGDEN BEING PT 1 6R7502; RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDER THE LAND; CITY OF TIMMINS

SCHEDULE "C"

INSTRUMENTS TO BE DELETED FROM TITLE

PIN 65441-0321 (LT)

	Instrument No.	Description of Instrument
1.	CB 12821	Charge in favour of The Toronto-Dominion Bank
2.	CB 27695	Charge in favour of The Toronto-Dominion Bank
3.	CB 27696	Charge in favour of The Toronto-Dominion Bank
4.	CB 52060	Charge in favour of The Toronto-Dominion Bank
5.	CB 52061	Charge in favour of The Toronto-Dominion Bank
6.	CB 52653	Transfer of Charge in favour of The Bank of New York Mellon
7.	CB 52654	Transfer of Charge in favour of The Bank of New York Mellon

SCHEDULE "D"

INSTRUMENTS NOT TO BE DELETED FROM TITLE

PIN 65441-0321 (LT)

	Instrument No.	Description of Instrument
1.	6R 7502	Plan Reference
2.	C 521444	Crown Patent
3.	C 524394	Certificate
4.	CB 13485	LR's Order

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-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 (the "Respondents")

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO
(Commercial List)

**APPROVAL AND VESTING ORDER
OGDEN LANDFILL – November 16, 2011**

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Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

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LSUC: 49302U
Email: jane.dietrich@fmcolaw.com /

Telephone: 416 863-4467

Facsimile: 416-863-4592

*Lawyers for Grant Forest Products Inc., Grant Forest Products Sales Inc.,
and Grant Alberta Inc.*