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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 21ST DAY OF
	)	
JUSTICE CAMPBELL	)	SEPTEMBER, 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
(GOLF COURSE LANDS)

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 September 14, 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 "**Golf Course Transaction**") contemplated by an agreement of purchase and sale (the "**Golf Course Sale Agreement**") between GFPI and Canadian Land

Corporation (the "**Golf Course Purchaser**") dated as of August 26, 2011 and appended to the Twenty-Second Report to Court dated September 16, 2011 (the "**Twenty-Second Report**") of Ernst & Young Inc. in its capacity as court-appointed Monitor of the Remaining Applicants (the "**Monitor**") and vesting in the Golf Course Purchaser GFPI's right, title and interest in and to the assets described in the Golf Course Sale Agreement (the "**Golf Course Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Second Report, the Affidavit of Douglas Blackburn sworn on September 19, 2011 and the Exhibits attached thereto 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 Jane Olive Dietrich sworn September 16, 2011 filed, and the affidavit of Laura Bowles-Dove sworn September 15, 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 Golf Course Transaction is hereby approved, and the execution of the Golf Course 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 Golf Course Transaction and for the conveyance of the Golf Course Assets to the Golf Course Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Golf Course 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 Golf Course Assets including the real property listed on Schedule **"B"** hereto (the "**Golf Course Real Property**") shall vest absolutely in the Golf Course 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 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 Golf Course Assets are hereby expunged and discharged as against the Golf Course Assets. For greater certainty, nothing in this Order affects any claim of Grant Capital Corporation related to the matters raised in the affidavit of Douglas Blackburn sworn September 19, 2011.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office #54 for the Land Titles Division of Timiskaming 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 Golf Course Purchaser as the owner of the Golf Course Real Property in fee simple, and is hereby directed to delete and expunge from title to the Golf Course 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 Golf Course Assets shall stand in the place and stead of the Golf Course 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 Golf Course Assets with the same priority as they had with respect to the Golf Course Assets immediately prior to the sale, as if the Golf Course 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.

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 Golf Course Assets in the Golf Course 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 Golf Course 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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
SEP 21 2011
PER/PAR: NB

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
(GOLF COURSE LANDS)

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, 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 September 21, 2011, the Court approved the agreement of purchase and sale made as of August 26, 2011 (the "**Golf Course Sale Agreement**") between GFPI and Canadian Land Corporation (the "**Golf Course Purchaser**") and provided for the vesting in the Golf Course Purchaser of GFPI's right, title and interest in and to the Golf Course Assets, which vesting is to be effective with respect to the Golf Course Assets upon the delivery by the Monitor to the Golf Course Purchaser of a certificate confirming (i) the payment by the Golf Course Purchaser of the Purchase Price for the Golf Course Assets;

(ii) that the conditions to Closing as set out the Golf Course Sale Agreement have been satisfied or waived by GFPI and the Purchaser; and (iii) the Golf Course 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 Golf Course Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Golf Course Assets payable on the closing date pursuant to the Golf Course Sale Agreement (other than the deposit which was received by Royal LePage Best Choice Realty Ltd. as listing brokerage);

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

3. The Golf Course 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"

GOLF COURSE REAL PROPERTY

1. PIN 61334- 0018 LT

   PCL 2856 SEC SST; S PT BROKEN LT 9 CON 3 HUDSON AS IN TP8027 EXCEPT PL M197TIM AND EXCEPTING THEREFROM THE LAND COVERED BY THE WATER OF A BAY OF TWIN LAKE; HUDSON; DISTRICT OF TIMISKAMING

2. PIN 61334 – 0459 LT

   SURFACE RIGHTS ONLY PT LOCATION CL 14498 BEING PT LT 10, CON 3 HUDSON, PT 8 54R5283; CONTAINING 0.060 HECTARES MORE OR LESS. PT LOCATION CL 13462 BEING PT LT 10 CON 3 HUDSON, PT 1, 2, 3, 4, 5, 6, 7, 8 & 21 54R4981; CONTAINING 8.495 HECTARES MORE OR LESS. S/T ESMT OVER PTS 4, 5 & 8 54R4981 AS IN DT100, S/T ESMT OVER PTS 4, 5, & 8 54R4981 AS IN DT 3779; HUDSON; DISTRICT OF TIMISKAMING; AS IN CROWN GRANT DT13078. T/W E SMT OVER PTS 2, 3 54R5283 AS IN DT15015; T/W ESMT OVER PT 1 54R5283 AS IN DT15012

SCHEDULE "C"

INSTRUMENTS TO BE DELETED FROM TITLE

1. PIN 61334-018 (LT)

	Instrument No.	Description of Instrument
1.	LT 334509	Charge in favour of The Toronto-Dominion Bank
2.	DT 7091	Charge in favour of The Toronto-Dominion Bank
3.	DT 7092	Charge in favour of The Toronto-Dominion Bank
4.	DT 18502	Charge in favour of The Toronto-Dominion Bank
5.	DT 18503	Charge in favour of The Toronto-Dominion Bank
6.	DT 18861	Transfer of Charge in favour of The Bank of New York Mellon
7.	DT 18862	Transfer of Charge in favour of The Bank of New York Mellon

2. PIN 61334-0459 (LT)

	Instrument No.	Description of Instrument
1.	DT 18502	Charge in favour of The Toronto-Dominion Bank
2.	DT 18503	Charge in favour of The Toronto-Dominion Bank
3.	DT 18862	Transfer of Charge in favour of The Bank of New York Mellon

SCHEDULE "D"

INSTRUMENTS NOT TO BE DELETED FROM TITLE

1. PIN 61334-0018 (LT)

	Instrument No.	Description of Instrument
1.	LT 327291	Transfer in favour of Grant Forest Products Inc.
2.	54R5079	Plan Reference

2. PIN 61334-0459 (LT)

	Instrument No.	Description of Instrument
1.	54R4981	Plan Reference
2.	54R5283	Plan Reference
3.	DT 13078	Crown Patent

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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
GOLF COURSE - April 26, 2011

FRASER MILNER CASGRAIN LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Lawyer: Jane O. Dietrich
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.