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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 23rd DAY OF
	)	
JUSTICE CAMPBELL	)	FEBRUARY, 2012

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

ORDER

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 "**A**" to the notice of motion of the Remaining Applicants dated February 14, 2012 (the "**Notice of Motion**"): (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 29, 2012, the Stay Period in respect of the Remaining Applicants, as defined by the Order of the Honourable Mr. Justice Newbould made in these proceedings on June 25, 2009 (the "**Initial Order**") and as previously extended until March 30, 2012; (iii) approving the twenty-fourth report to Court (the "**Twenty-Fourth Report**") of Ernst & Young Inc. in its capacity as court-appointed monitor (the "**Monitor**") and the activities of the Monitor as set out therein; (iv) declaring that the obligations owing (a) to The Toronto-Dominion Bank and Toronto Dominion (Texas) LLC as agents (collectively, the "**First Lien Lenders' Agents**") for the first lien lenders (the "**First Lien Lenders**"); and (b) to the First Lien Lenders by the Remaining Applicants, including 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**") are satisfied in full and that the First Lien Lenders' Agents and the First Lien Lenders have no further claims of any nature or kind against the Remaining Applicants, the CRO or the Monitor; (v) authorizing the Remaining Applicants and the Monitor to distribute cash and/or cash equivalents held by the Remaining Applicants and /or the Monitor in the amount of $6,000,000 USD (the "**Distribution**") to The Bank of New York Mellon as agent (the "**Second Lien Lenders' Agent**") for the second lien lenders (the "**Second Lien Lenders**") pursuant to a credit agreement dated as of March 21, 2007, as amended (the "**Second Lien Credit Agreement**"); (vi) declaring that the Distribution is to be applied on account of the indebtedness owing by the Remaining Applicants under the Second Lien Credit Agreement and upon the Distribution such amounts are released from the Charges (as defined by the Initial Order); and (vii) declaring that nothing in the requested Order affects paragraph 3 of the Order of the Honourable Mr. Justice Campbell made on August 26, 2011 in these proceedings or paragraph 3 of the Order of Honourable Mr. Justice Campbell made on September 21, 2011 in these proceedings (collectively the "**Pension Reserve Provisions**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Fourth Report, the affidavit of Hap Stephen sworn February 14, 2012 and on hearing submissions of counsel for GFPI, the Monitor, Financial Services Commission of Ontario and PwC as Pension Plan Administrator, 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 February 14, 2012, filed:

1. **THIS COURT ORDERS** that the timing and method of service and filing of the notice of motion and GFPI's motion record are hereby abridged so that this motion is properly returnable today.

2. **THIS COURT ORDERS** that with respect to the Remaining Applicants, the Stay Period as defined by the Initial Order, be and is hereby extended to June 29, 2012.

3. **THIS COURT ORDERS** that the Twenty-Fourth Report and the activities of the Monitor as set out therein be and are hereby approved.

4. **THIS COURT ORDERS** and declares that the obligations owing to the First Lien Lenders' Agents and the First Lien Lenders pursuant to the First Lien Credit Agreement are satisfied in full and that the First Lien Lenders' Agents and the First Lien Lenders have no further claims of any nature or kind against the Remaining Applicants, the CRO or the Monitor and none of the CRO, the Monitor or the Remaining Applicants have any further claims against the First Lien Lenders' Agent or the First Lien Lenders.

5. **THIS COURT ORDERS** that the Remaining Applicants and the Monitor be and are hereby authorized to make the Distribution in cash and/or cash equivalents held by the Remaining Applicants and /or the Monitor in the amount of $6,000,000 USD to the Second Lien Lenders' Agent for the Second Lien Lenders pursuant to the Second Lien Credit Agreement.

6. **THIS COURT ORDERS** and declares that the Distribution is to be applied on account of the indebtedness owing by the Remaining Applicants under the Second Lien Credit Agreement and upon the Distribution such amounts are released from the Charges.

7. **THIS COURT ORDERS** and declares that nothing in the requested Order affects the Pension Reserve Provisions.

Natasha Brown
Registrar

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ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO
(Commercial List)

ORDER
(February 23, 2012)

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