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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY **~~MONDAY~~, THE 30th**
	)	
JUSTICE CAMPBELL	)	**DAY OF MARCH, 2010**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST PRODUCTS SALES 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

SUPPLEMENTAL INITIAL ORDER

THE MOTION by The Toronto-Dominion Bank (the "**Agent**"), as agent for the first lien lenders (the "**First Lien Lenders**") under a credit agreement made as of October 26, 2005 between Grant Forest Products Inc. ("**GFPI**") and Grant U.S. Holdings GP ("**Grant Partnership**"), as borrowers, Southeast Properties LLC, Grant Clarendon LP, Grant Allendale LP, Grant US Sales Inc. and Grant Newco LLC, as guarantors, and the Agent (the "**First Lien Credit Agreement**") for an Order, among other things, to supplement the Order of this Court made on June 25, 2009, as it may be amended and extended (the "**Initial Order**") in relation to

GFPI, Grant Alberta Inc., Grant Forest Products Sales Inc. and Grant Partnership (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") by adding as applicants to the within CCAA proceeding (the "**CCAA Proceeding**") Southeast Properties LLC, Grant Clarendon LP, Grant Allendale LP, Grant US Sales Inc., Grant Newco LLC and Grant Excluded GP (the "**Added Applicants**"), by adding the Agent and The Bank of New York Mellon (the "**Second Lien Agent**"), in its capacity as the agent for the second lien lenders (the "**Second Lien Lenders**") under a credit agreement made as of March 21, 2007 between Grant Partnership, as borrower, the Applicants and the Added Applicants other than Grant Excluded GP, as guarantors, and the Second Lien Agent (the "**Second Lien Credit Agreement**"), as respondents (collectively, the "**Respondents**") to the CCAA Proceeding and for other relief, was heard the 1st and 8th days of February, 2010 at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion (the "**Notice of Motion**") served and filed by the Agent, as a respondent to the CCAA Proceeding, the affidavit of Hap Stephen sworn on January 15, 2010 (the "**Stephen Affidavit**"), the affidavit of William O'Connor sworn on January 15, 2010, the affidavit of Peter Lynch sworn June 22, 2009 and the exhibits thereto, the Initial Order and the Sixth Report of Ernst & Young Inc. ("**E&Y**"), the Monitor appointed in the CCAA Proceeding (the "**Monitor**") in respect of the Applicants dated January 15, 2010 (the "**Sixth Report**") and on hearing the submissions of counsel for the Applicants, the Agent, the independent directors of GFPI, E&Y, Peter Grant Sr., Peter Grant Jr., the Second Lien Agent and no one else appearing although duly served as appears from the affidavit of service of Swee-Teen Yeoh sworn January 21, 2010.

AND ON READING the Notice of Motion of the Applicants of even date for an Order (the "**Approval and Vesting Order**"), among other things, approving a transaction (the "**Transaction**") between the Applicants and the Added Applicants, on the one hand, and GP International Acquisition III, Ltd. (the "**Canadian Purchaser**"), Georgia-Pacific LLC (the "**U.S. Purchaser**") and GP Palmetto Holding LLC (the "**Additional U.S. Purchaser**" and together with the Canadian Purchaser and the U.S. Purchaser the "**Purchasers**"), on the other hand, substantially in the form of the agreement attached as a confidential Appendix to the Sixth Report (the "**Agreement**"), and authorizing and directing certain actions contemplated by the

Agreement and for other relief related thereto, and on the understanding that the Approval and Vesting Order is to be made by this Court immediately following the making of this Order.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Added Applicants are companies to which the CCAA applies, and that the center of main interest of each Added Applicant is in Canada.

3. **THIS COURT ORDERS** that, effective as of this date, the Added Applicants are hereby added as applicants to the CCAA Proceeding, the Respondents are hereby added as respondents to the CCAA Proceeding and that the title of proceeding in the CCAA Proceeding be and the same is hereby amended to include the Added Applicants and the Respondents in the CCAA Proceeding.

4. **THIS COURT ORDERS** that this Order shall supplement and, effective as of this date, form part of and be read together with the Initial Order. In the case of any inconsistency between the Initial Order and this Order in relation to the Added Applicants and the relief granted in this Order, the provisions of this Order shall govern.

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that the Added Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (collectively, the "**Plan**") between, *inter alia*, the Applicants and the Added Applicants, or any of the Applicants or Added Applicants, and one or more classes of its or their secured and/or unsecured creditors as it deems or they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that the Added Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Added Applicants' Property**"). Subject to further Order of this Court, the Added Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and the Added Applicants' Property. The Added Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, the "**Assistants**") currently retained or employed by them, with liberty, subject to obtaining the prior consent of the Monitor or further order of the Court, to amend in any material manner the mandate of any Assistants or to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order (except that such consent or further order shall not be required for the Added Applicants to hire new employees in the ordinary course of business).

7. **THIS COURT ORDERS** that the Applicants, or any of them, may, with the prior written consent of the Monitor, lend funds to the Added Applicants (or any of them), to enable them to continue to carry on their respective businesses in the ordinary course and the Applicants, or any of them, may receive and retain any repayments made by the Added Applicants (or any of them).

8. **THIS COURT ORDERS** that, except as specifically permitted herein or included in the cash flow statements (as attached to the Stephen Affidavit) as amended or prepared for later periods from time to time with the Agent's approval (the "**Cash Flow Projections**"), the Added Applicants are hereby prohibited, without the prior written approval of the Agent and the Monitor, from:

(a) granting, or permitting to be outstanding, any lien, charge, security interest or any other encumbrance of any kind whatsoever (each an "**Encumbrance**") other than valid and enforceable Encumbrances existing on the date of this Order, charges created by this Order and liens arising solely by operation of law in the ordinary course of business of the Added Applicants;

(b) creating, incurring, assuming or suffering to exist, directly, contingently or otherwise, any debt or obligations other than:

A. debt or obligations existing on the date hereof; or

B. unsecured current liabilities (which are not the result of borrowing) incurred and payable in the ordinary course of business of the Added Applicants as permitted herein or in the Agreement;

(c) entering into any transactions outside the ordinary course of its business, other than the transactions contemplated under the Agreement (provided the Agreement is approved by this Court);

(d) making expenditures or commitments or incurring any obligations or entering into any agreements that are prohibited by or are not in conformity with the Agreement;

(e) declaring any dividends or distributions to any shareholder or any person affiliated or associated with any shareholder whether by way of dividend or otherwise;

(f) guaranteeing, endorsing or otherwise becoming surety for or upon any obligations of any person;

(g) paying any amount to its employees and officers as such by way of salary, bonus, commission, directors' fees or otherwise in excess of the amounts currently being paid or at a rate in excess of the current rate thereof, provided that nothing in this Order shall prohibit the Added Applicants from reimbursing their employees and officers for reasonable expenses incurred by them in the ordinary course of business;

(h) increasing the coverage or benefits available under any U.S. Employee Benefit Plans (as defined in the Agreement) or otherwise modify, terminate or amend such plans (except to the extent necessary to comply with applicable regulations), enter into any deferred compensation, special pay, or non-competition agreement or arrangement with any employees or former employees (or amend any such agreements), or enter into any employment or consulting agreement or arrangement with any person that involves payment to such person of more than $75,000 per annum;

(i) paying any amount to any shareholder of GFPI, any person who owns shares of any shareholder of GFPI or any person related by blood or marriage to any such person, except for payments permitted by the immediately preceding subparagraph;

(j) making expenditures or commitments in respect of any or all assets of an Applicant or Added Applicant not required in connection with the Business;

(k) opening or maintaining deposit accounts other than any deposit accounts maintained with The Toronto-Dominion Bank, Wachovia Bank, National Association, Harris N.A. and Bank of Montreal as of the date hereof or such other account approved by the Agent (the "**Accounts**");

(l) making any changes to the officers or senior management, or to any of the signing authorities specified on the Accounts;

(m) entering into any interest or currency exchange agreement or any other swap agreement;

(n) selling, leasing, transferring, disposing of, or removing any asset of the Added Applicants, or any interest therein, other than the sale of oriented strand board, wood pellets and other related products or other inventories, made in the ordinary course of business;

(o) amending any organizational documents of any of the Added Applicants or, with respect to the Added Applicants, modifying the organizational structure, changing or altering any Tax (as defined in the Agreement) election, repaying any intercompany indebtedness among the U.S. Applicants (as defined below), liquidating any Added Applicants, or redeeming any Equity Interests (as defined in the Agreement), except as provided for in the Agreement; and

(p) obtaining any debtor-in-possession financing from any lender other than one or more of the First Lien Lenders and in accordance with the further order of the Court.

9. **THIS COURT ORDERS** that the Added Applicants shall be entitled but not required to pay all obligations, excepting only those amounts described in paragraph 10 below, incurred in the ordinary course of business, whether incurred prior to, on or after the date of this Order, including, but not limited to, the following expenses:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) all expenses and capital expenditures reasonably necessary for the preservation of the Added Applicants' Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(c) payment for goods or services actually supplied to the Added Applicants whether before, on or after the date of this Order;

(d) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Added Applicants in connection with the sale of goods and services by the Added Applicants; and

(e) any amount payable to any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid and which are attributable to or in respect of the carrying on of the Business by the Added Applicants.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Added Applicants are hereby directed, until further Order of this Court to make no payments of

principal, interest thereon or otherwise on account of amounts owing by the Added Applicants to the Agent, the Second Lien Agent, the First Lien Lenders or the Second Lien Lenders.

11. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Added Applicants shall in all respects comply with their obligations under the First Lien Credit Agreement in respect of reporting and the provision of information. The Added Applicants shall cooperate fully with PricewaterhouseCoopers Inc. ("**PWC**"), the financial advisor to the First Lien Lenders, in providing such information.

EFFECTIVE AS OF THIS DATE, NO PROCEEDINGS AGAINST THE ADDED APPLICANTS OR THE ADDED APPLICANTS' PROPERTY

12. **THIS COURT ORDERS** that until and including April 29, 2010, or such later date as this Court may order (the "**Added Applicants' Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Added Applicants or the Monitor, or affecting any of the Added Applicants' Property, except with the written consent of the Added Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Added Applicants or affecting the Added Applicants' Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Added Applicants' Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Added Applicants or the Monitor, or affecting the Added Applicants' Property, are hereby stayed and suspended except with the written consent of the Added Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Added Applicants to carry on any business which the Added Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Added Applicants' Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Added Applicants, except with the written consent of the Added Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Added Applicants' Stay Period, all Persons having oral or written agreements with the Added Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Added Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Added Applicants, and that the Added Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Added Applicants in accordance with normal payment practices of the Added Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Added Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Added Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that, during the Added Applicants' Stay Period and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Added Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Added Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Added Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Added Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. **THIS COURT ORDERS** that the Applicants shall indemnify the directors and officers of the Added Applicants from all claims, costs, charges and expenses relating to the failure of any of the Added Applicants, after the date hereof, to make payments due and payable after the date of this Order of the nature referred to in subparagraphs 9(a), (d) and (e) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of any of the Added Applicants, except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

19. **THIS COURT ORDERS** that the directors and officers of the Added Applicants shall be entitled to the benefit of the Directors' Charge granted in paragraph 28 of the Initial Order as security for the indemnity provided in paragraph 18 of this Order.

20. **THIS COURT ORDERS** that, notwithstanding any provision of any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Added Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 18 of this Order.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that E&Y is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Added Applicants' Property and the Added Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Added Applicants and their shareholders, partners, officers, directors and Assistants shall advise the Monitor of all material steps taken by any of the Added Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Added Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Added Applicants' Property, the Business and such other matters as may be relevant to the proceedings herein;

(c) assist the Added Applicants, to the extent required by the Applicants and the Added Applicants, in the dissemination to the Agent and Second Lien Agent and their respective counsel on a bi-weekly basis or otherwise as required herein of financial and other information as agreed to between the Added Applicants and the Agent or Second Lien Agent;

(d) advise the Added Applicants in relation to the Cash Flow Projections, including the reconciliation of actual results to Cash Flow Projections and the formulation of Cash Flow Projections as may be required herein, which information shall be reviewed with the Monitor and delivered to the Agent and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the Agent;

(e) advise the Added Applicants in their development of the Plan and any amendments to the Plan;

(f) report and advise the Court and the Agent in relation to the Agreement and the status of the transactions contemplated thereunder;

(g) assist the Added Applicants, to the extent required by the Applicants and the Added Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(h) have full and complete access to the books, records, management, employees and advisors of the Added Applicants, the Business and the Added Applicants' Property to the extent required to perform its duties arising under this Order;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(j) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan; and

(k) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Added Applicants' Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business, the Added Applicants' Property or any part thereof.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Added Applicants' Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law, including any law of the United States of America or any State, respecting the protection, conservation, enhancement, remediation or rehabilitation of the

environment or relating to the disposal of waste or other contamination including, without limitation, any law of the United States of America or any State (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Added Applicants' Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of any of the Added Applicants with information provided by the Added Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Added Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Added Applicants, as appropriate, may agree.

PROVISIONS RELATED TO THE MONITOR AND OTHERS

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Added Applicants and counsel to the Agent 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 Monitor, counsel to the Monitor, counsel to the Added Applicants and counsel to the Agent on a weekly basis.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time and, for this purpose, the accounts of the Monitor and counsel to the Monitor are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Added Applicants and counsel to the Agent 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 Monitor, counsel to the Monitor, counsel to the Added Applicants and counsel to the Agent as set out in paragraph 27 hereof, both before and after the making of this Order in respect of the CCAA Proceedings.

<u>SERVICE AND NOTICE</u>

30. **THIS COURT ORDERS AND DIRECTS** that the Monitor shall (i) without delay, publish in each of The Temiskaming Speaker, The State and The Wall Street Journal, a single notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any Added Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

31. **THIS COURT ORDERS** that the Added Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Added Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Added Applicants, as appropriate, and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

32. **THIS COURT ORDERS** that the Added Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on the Monitor's website.

TERMINATION OF THIS ORDER

33. **THIS COURT ORDERS AND DECLARES** that effective immediately upon delivery by the Monitor to the Purchasers of the Monitor's Certificate (i) the CCAA Proceeding shall be and is hereby terminated in relation to the Added Applicants and Grant Partnership (collectively, the "**U.S. Applicants**"); (ii) the Monitor shall be and is hereby automatically and without further Order of this Court discharged as Monitor of the U.S. Applicants; and (iii) E&Y shall be and is hereby released and discharged from any and all liability that E&Y now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of E&Y while acting in its capacity as Monitor of the U.S. Applicants, other than gross negligence or wilful misconduct; providing that notwithstanding the discharge of the Monitor as provided for herein (a) the Monitor shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceeding, including all approvals, protections and stays of proceedings in favour of E&Y in its capacity as Monitor of the U.S. Applicants; and (b) the Monitor shall be required to perform its obligations under the Approval and Vesting Order, the Agreement, and the Escrow Agreements (as defined in the Approval and Vesting Order); provided further that nothing herein shall affect, discharge or terminate the appointment of E&Y as Partnership Proceeds Trustee (as defined in the Approval and Vesting Order) or as the escrow agent under the Escrow Agreements (as defined in the Approval and Vesting Order) or E&Y's duties and obligations with respect to the Net Partnership Interests Acquisition Proceeds (as defined in the Approval and Vesting Order) and the distribution thereof to the creditors of the Grant Partnership in accordance with the Approval and Vesting Order.

34. **THIS COURT ORDERS** those persons entitled to the benefit of the Directors' Charge and the Administration Charge continue to have the benefit of such charges, provided, however,

that upon the filing of the Monitor's Certificate, any and all such charges shall attach to the Net Purchased Assets Sale Proceeds (as defined in the Approval and Vesting Order) and the Net Partnership Interests Acquisition Proceeds, and shall be the sole responsibility of the Applicants other than the Grant Partnership, and, for clarity, shall not be obligations of any of the U.S. Applicants or encumber any of their property or assets.

GENERAL

35. **THIS COURT ORDERS** that any of the Applicants, the Added Applicants or the Monitor may from time to time apply to this Court for advice and directions including, in relation to the Monitor, in the discharge of its powers and duties hereunder.

36. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Added Applicants, the Business or the Added Applicants' Property.

37. **THIS COURT ORDERS** that the Monitor is hereby authorized to apply, after consultation with the Applicants, the Added Applicants and the Agent or in accordance with the Approval and Vesting Order, for recognition of these proceedings as foreign proceedings in the United States pursuant to Chapter 15 of the *U.S. Bankruptcy Code.*

38. **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 Added Applicants, the Monitor and their respective 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 Applicants, the Added Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Added Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

39. **THIS COURT ORDERS** that each of the Applicants, the Added Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal,

regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

40. **THIS COURT ORDERS** that any interested party (including the Applicants, the Added Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than four (4) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

41. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.

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

MAR 3 1 2010

PER / PAR: TV

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF THE A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC. et al.

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

SUPPLEMENTAL INITIAL ORDER

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