Court File No.: CV-09-824700CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

TWENTY SECOND REPORT OF THE MONITOR DATED SEPTEMBER 16, 2011

INTRODUCTION

1. On June 25, 2009, Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. ("**GAI**"), Grant Forest Products Sales Inc. ("**GFPSI**") and Grant U.S. Holdings GP (the "**Grant Partnership**" or "**U.S. Holdings**") (collectively the "**Original Applicants**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Original Applicants. Pursuant to the Order of this Honourable Court dated June 25, 2009 (the "**Initial Order**"), Ernst & Young Inc. ("**EYI**") was appointed as the Monitor of the Original Applicants (the "**Monitor**") in the CCAA proceeding. The Initial Order provided for a stay of proceedings through to July 24, 2009. The stay

of proceedings was most recently extended to November 30, 2011 (the "**Stay Period**") pursuant to an Order of this Honourable Court dated August 26, 2011.

2. On March 30, 2010, Southeast Properties LLC ("**Southeast**"), Grant Newco LLC ("**Newco**"), Grant US Sales Inc. ("**U.S. Sales**"), Grant Clarendon LP ("**Clarendon**"), Grant Allendale LP ("**Allendale**") and Grant Excluded GP ("**Excluded**") were added as additional applicants to these CCAA proceedings (collectively, the "**Additional Applicants**" and together with the Original Applicants, the "**Applicants**" or "**Grant**"). Pursuant to an Order of this Honourable Court dated March 30, 2010 (the "**Supplemental Initial Order**"), EYI was appointed as the Monitor of the Additional Applicants in the CCAA proceeding.

3. The Initial Order, among other things, approved the continuation of the engagement of Stonecrest Capital Inc. ("**Stonecrest**") as Chief Restructuring Advisor (the "**CRA**") of the Applicants with services to be provided by Hap Stephen and Sandra Rosch.

4. On June 30, 2010, this Honourable Court approved the revised engagement of Stonecrest as the Chief Restructuring Organization (the "**CRO**") of the Applicants with services to be provided by Hap Stephen and Sandra Rosch.

5. Paragraph 33 of the Supplemental Initial Order set out that, upon the delivery of a certificate by the Monitor to 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**") (collectively "**Georgia Pacific**"), primarily certifying that the funds related to the transaction between Georgia Pacific and Grant were received, the transaction between Georgia Pacific and Grant closed and the CCAA proceedings with respect to the Additional Applicants and the Grant Partnership were terminated. Accordingly, the Monitor was discharged as Monitor of the Additional Applicants and the Grant Partnership.

6. As a result of the completion of the sale to Georgia Pacific and the resultant termination of the CCAA proceedings of the Additional Applicants and the Grant Partnership, only GFPI, GAI and GFPSI (the "**Remaining Applicants**") continue to

remain as applicants in these CCAA proceedings.

PURPOSE

7. The purpose of this Twenty Second Report of the Monitor (the "**Twenty Second Report**") is to report to this Honourable Court with respect to the Remaining Applicants' motion:

   i. for an Order approving the sale transaction (the "**Boat House Transaction**") contemplated by an agreement of purchase and sale (the "**Boat House Sale Agreement**") between GFPI and Crown Capital Corporation (the "**Boat House Purchaser**") dated as of August 26, 2011, and vesting in the Boat House Purchaser GFPI's right, title and interest in and to the assets described in the Boat House Sale Agreement free and clear of all claims, liens and encumbrances;

   ii. for an Order 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 vesting in the Golf Course Purchaser GFPI's right, title and interest in and to the assets described in the Golf Course Sale Agreement free and clear of all claims, liens and encumbrances;

   iii. for an Order approving the sale transaction (the "**Hangar Transaction**") contemplated by an agreement of purchase and sale (the "**Hangar Lease Sale Agreement**") between GFPI and Canadian Land Corporation (the "**Hangar Lease Purchaser**") dated as of August 26, 2011 and vesting in the Hangar Lease Purchaser GFPI's right, title and interest in and to the assets described in the Hangar Lease Sale Agreement free and clear of all claims, liens and encumbrances;

   iv. for an Order approving the sale transaction (the "**Timmins Land Transaction**") contemplated by an agreement of purchase and sale (the

"**Timmins Land Sale Agreement**") between GFPI and Canadian Land Corporation (the "**Timmins Land Purchaser**") dated as of August 26, 2011 and vesting in the Timmins Land Purchaser GFPI's right, title and interest in and to the assets described in the Timmins Land Sale Agreement free and clear of all claims, liens and encumbrances, but subject to the agreement of purchase and sale between GFPI and EDS Decommissioning Canada Inc. ("**EDS**") dated January 25, 2011 and approved by this Honourable Court on March 9, 2011; and

v. to approve this Twenty Second Report and the conduct and activities of the Monitor as set forth herein.

TERMS OF REFERENCE

8. In preparing this Twenty Second Report, the Monitor has been provided with, and in making the comments herein, relied upon unaudited financial information, the Remaining Applicants' books and records, financial information prepared by the Remaining Applicants and discussions with management of the Remaining Applicants. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Twenty Second Report. Some of the information referred to in this Twenty Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants ("**CICA**") Handbook, has not been performed. Future oriented financial information referred to in this report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

9. Unless otherwise stated all monetary amounts contained herein are expressed in

U.S. Dollars.

10. Capitalized terms not defined in this Twenty Second Report are defined in the Initial Order, the Supplemental Initial Order or previous Reports of the Monitor.

BACKGROUND

11. GFPI and certain of its subsidiaries are privately owned corporations which carried on an oriented strand board ("**OSB**") manufacturing business from facilities located in Canada and the United States. OSB is an engineered, mat-formed panel product made of strands, flakes or wafers sliced from logs and bonded with an exterior-type binder under heat and pressure. The most common uses are sheathing in walls, floors and roofs in the construction of buildings and residential housing.

12. The Applicants and Footner Forest Products Ltd. ("**Footner**") (in which GFPI had a 50% interest) had a total annual capacity to produce 3.7 billion square feet of OSB, which made them the third largest OSB manufacturer in North America.

13. The Applicants had interests in three mills in Canada located at Englehart and Timmins in Ontario and High Level in Alberta, and two mills in the United States located in the counties of Allendale and Clarendon in South Carolina.

14. The OSB mills located in Englehart (the "**Englehart Mill**") and Timmins (the "**Timmins Mill**") in Ontario were owned by GFPI, and as such, were subject to these CCAA proceedings.

15. The OSB mills located in Allendale (the "**Allendale Mill**") and Clarendon (the "**Clarendon Mill**") in South Carolina were owned by Allendale and Clarendon respectively, each of which was owned by Southeast, which in turn was owned by the Grant Partnership. Each of these entities were Additional Applicants and were subject to these CCAA proceedings.

16. As described in the Fourteenth Report of the Monitor dated June 1, 2010 (the "**Fourteenth Report**"), the Applicants completed a sale of the Grant Partnership

and the Englehart Mill to Georgia Pacific on May 26, 2010, and as such, the Allendale Mill and the Clarendon Mill are no longer owned by the Remaining Applicants.

17. As described above, GFPI also had a 50% interest in an OSB mill located at High Level in Alberta (the "**Footner Mill**"), which was described in detail in the Sixteenth Report of the Monitor dated December 20, 2010 (the "**Sixteenth Report**"). GFPI's sale of its interests in the Footner Mill was approved by this Honourable Court on January 5, 2011 and the sale closed on February 17, 2011.

18. As described above, GFPI had owned the Timmins Mill located in Timmins, Ontario, which was described in detail in the Nineteenth Report of the Monitor dated March 22, 2011 (the "**Nineteenth Report**"). GFPI's sale of the building and equipment comprising the Timmins Mill was approved by this Honourable Court on March 9, 2011 and the sale closed on March 21, 2011. GFPI's sale of the building and equipment related to the Timmins Mill to EDS did not include the land on which the Timmins Mill is located and this land (defined below as the Timmins Land) is still owned by GFPI.

19. With the completion of the Georgia Pacific sale and the sale of GFPI's interests in Footner, the remaining assets (collectively, the "**Remaining Assets**") of the Remaining Applicants include the following:

   i. Office premises and boathouse in Haileybury, Ontario (the "**Boat House**");

   ii. a parcel of land in Earlton, Ontario that was formerly a golf course (the "**Golf Course Lands**");

   iii. GFPI's interest in the prepaid lease of an airplane hangar in Earlton, Ontario (the "**Hangar Lease**");

   iv. a custom built 65 foot yacht located in Florida (the "**Boat**");

v. a parcel of land near Timmins, Ontario which contained the Timmins Mill (the "**Timmins Land**"). The Timmins Mill is in the process of being dismantled and demolished; and

vi. a landfill site near Timmins, Ontario (the "**Timmins Ogden Landfill**").

20. The Boat House, the Golf Course Lands, the Hangar Lease, the Timmins Land and the Timmins Ogden Landfill are collectively referred to as the "**Remaining Ontario Assets**". The Boat is physically located in the state of Florida.

21. The Boat House, the Golf Course Lands and the Hangar Lease have previously been marketed for sale to potential purchasers. In each case, the sales process did not identify bidders whose bids were acceptable to the Remaining Applicants.

OVERVIEW OF THE MARKETING PROCESS OF THE REMAINING ONTARIO ASSETS

Description of the Remaining Ontario Assets:

22. As described earlier in this Twenty Second Report, the Remaining Ontario Assets include:

    i. The Boat House;

    ii. The Golf Course Lands;

    iii. The Hangar Lease;

    iv. The Timmins Land; and

    v. The Timmins Ogden Landfill.

23. A detailed description of each of the Remaining Ontario Assets is provided in the Twentieth Report of the Monitor dated April 15, 2011 (the "**Twentieth Report**").

24. The monthly holding costs of the Remaining Ontario Assets are in the range of approximately CDN$32,000 a month, including costs for utilities, property taxes, repairs and maintenance, rent related to the Hangar Lease, and the costs of a maintenance person overseeing each of the properties.

The Marketing Process of the Remaining Ontario Assets:

25. As discussed in the Twentieth Report, each of the Remaining Assets were included in the sales process conducted to market the Applicants' OSB Mills, as more fully described in the Sixth Report of the Monitor dated January 15, 2010 (the "**Sixth Report**"). These efforts did not result in acceptable offers for the Remaining Assets at the time.

26. As described in the Twentieth Report, subsequent to the completion of the sale of the majority of the Applicants' OSB mills to Georgia Pacific, the Remaining Applicants' attempted to sell certain of the Remaining Ontario Assets through the following efforts:

    i. The Boat House was listed on the Multiple Listing Service ("**MLS**") at a price of CDN$25 million. The listing commenced in April, 2010 and was extended until December, 2010;

    ii. The Golf Course was listed on MLS at a price of approximately CDN$1 million. The listing commenced in June, 2010 and was extended until December, 2010; and

    iii. The Hangar Lease was also listed on MLS beginning November 11, 2010 and expired on May 4, 2011.

27. No acceptable bids were received through the MLS listings on either of the Boat House, the Golf Course or the Hangar Lease.

28. As a result of the above unsuccessful attempts to sell the Remaining Ontario Assets, on April 26, 2011, this Honourable Court issued an Order (the "**Further Marketing**

Process Order"), which, among other things, authorized the Remaining Applicants to conduct a modified tender process with the oversight of the Monitor and the CRO, to identify purchasers for the Remaining Ontario Assets (the "**Further Marketing Process**").

29. The terms and conditions of the Further Marketing Process provided for the marketing for sale of each of the Remaining Ontario Assets in five parcels: the Boat House, the Golf Course Lands, the Hangar Lease, the Timmins Land and the Timmins Ogden Landfill. The terms and conditions also provided that the highest or any offer would not necessarily be accepted and that GFPI reserved its rights to sell any of the parcels in a manner other than as set out in the Further Marketing Process.

30. Pursuant to the Further Marketing Process Order, the Monitor carried out the following activities:

    i. placed four newspaper advertisements in each of the Globe and Mail (National Edition), North Bay Nugget and the Timmins Daily Press;

    ii. sent information packages to over 50 parties who had expressed an interest in purchasing golf courses previously marketed for sale by the Monitor;

    iii. sent information packages to approximately 10 national and international real estate brokerage firms for distribution to clients who may have an interest in purchasing any of the Remaining Ontario Assets;

    iv. contacted certain high net worth individuals known to the Monitor to canvass an interest in the Remaining Ontario Assets; and

    v. provided the City of Temiskaming Shores (where the Boat House is located) with an information package to assess any interest that may be held by it.

31. In addition, the Monitor, during the course of the Further Marketing Process arranged for tours for prospective purchasers to view the Remaining Ontario Assets, provided prospective purchasers with information necessary to conduct their due

diligence with respect to the Remaining Ontario Assets and responded to queries regarding certain elements of the Remaining Ontario Assets.

32. On June 24, 2011, the bid deadline for the Further Marketing Process, the Monitor received bids from five potential bidders interested in the Remaining Ontario Assets. As described above, each of the Remaining Ontario Assets was considered a parcel. Certain of the bids received were for more than one parcel and all parcels received bids.

33. Two of the five bidders submitted offers for the Timmins Ogden Landfill only. One of these bidders was selected as the successful bidder and GFPI, with the assistance of the Monitor and the CRO, are currently negotiating a sale agreement with this successful bidder. Such sale agreement, once finalized, will be subject to the approval of this Honourable Court. The deposit of the unsuccessful bidder was returned.

34. One of the five bidders submitted a bid for three of the five Remaining Ontario Assets. This bidder's offer was not acceptable in terms of price to the Remaining Applicants. Accordingly, this bidder's deposit was returned.

35. One of the five bidders submitted a bid for four of the five Remaining Ontario Assets and another of the bidders submitted a bid for two of the five Remaining Ontario Assets. Each of these two bidders included offers for both the Boat House and the Golf Course Lands, and such bids were similar in value. As such, the Monitor, along with counsel for the Remaining Applicants contacted both bidders and invited them to re-submit their offers.

36. One of these bidders did increase the quantum of its offer, however, that bid, along with the other bidder who had bid on the similar parcels, was ultimately not accepted in favour of the successful bid. Accordingly, both bidders' deposits were returned.

37. One of the unsuccessful bidders represented an undisclosed purchaser. Counsel for this bidder indicated to both the Monitor and the Applicant that it was willing to

consider increasing the quantum of its bid, and the bidder was invited to do so. However, as at the date of this Twenty Second Report, no such improved bid has been received.

38. After the receipt of offers under the Further Marketing Process, the Monitor again communicated with the broker for an individual who had previously submitted offers for certain of the Remaining Ontario Assets to discuss whether he could make another offer. As a result, GFPI received offers from Canadian Land Corporation and Crown Capital Corporation (collectively, the "**Purchaser**") for the Boat House, the Golf Course Lands, the Hangar Lease and the Timmins Land (collectively referred to as the "**Purchased Non Core Assets**"). The Monitor understands that Canadian Land Corporation and Crown Capital Corporation are controlled by the same individual. The Purchaser has previously expressed interest in certain of the Remaining Ontario Assets when they were previously listed on the MLS as described in paragraph 26 of this Twenty Second Report.

39. On June 15, 2011, GFPI and the Monitor received a letter from Kemp Pirie, counsel to Grant Capital Corporation (formerly, Grant Forest Products Corp.) raising certain issues with respect to small portions of the Golf Course Lands. A copy of this correspondence is attached as Appendix 'B' to this Twenty Second Report. The Purchaser was provided with a copy of this letter.

40. The offers from the Purchaser were materially higher in value than the other offers received in the tenders from the Further Marketing Process.

OVERVIEW OF THE SALE AGREEMENTS RELATED TO THE REMAINING ONTARIO ASSETS

41. Because the aggregate purchase price contemplated by the offers from the Purchaser for the Boat House, the Golf Course Lands, the Hangar Lease and the Timmins Land was materially higher in value than any offers received for the Purchased Non Core Assets through the Further Marketing Process, and the offers contained minimal conditions, GFPI and the CRO, in consultation with the Monitor,

proceeded to negotiate sale agreements with respect the Purchased Non Core Assets with the Purchaser.

42. GFPI concluded negotiations with the Purchaser, following which, the Boat House Sale Agreement, the Golf Course Sale Agreement, the Hangar Lease Sale Agreement and the Timmins Land Sale Agreement (collectively, these sale agreements are referred to as the "**Non Core Asset Sale Agreements**") were signed by the Purchaser on August 30, 2011. Pursuant to the approval of the Monitor and the second lien lenders, GFPI signed the Non Core Asset Sale Agreements on September 14, 2011.

43. The Purchaser has requested that the purchase price not be disclosed publicly; accordingly, copies of the redacted Non Core Asset Sale Agreements are attached as Appendix 'A' to this Twenty Second Report.

44. Certain significant items included in the Non Core Asset Sale Agreements are described below:

    i. The closing date of each of the Purchased Non Core Asset transactions is October 12, 2011 (the "**Closing Date**");

    ii. The completion of the transactions described in the Non Core Asset Sale Agreements is conditional upon GFPI obtaining, prior to the Closing Date, an order from this Honourable Court approving the transactions described in the Non Core Asset Sale Agreements and vesting in the Purchaser, on the Closing Date;

    iii. The purchase price for each of the Purchased Non Core Assets is set out in each of the Non Core Asset Sale Agreements. The Purchased Non Core Assets include the Purchased Non Core Assets along with GFPI's interest, if any, in any chattels physically located on the Purchased Non Core Assets as of the Closing Date;

    iv. Pursuant to the signing of the Non Core Asset Sale Agreements, the Purchaser is required to pay a deposit in respect of each of the Purchased

Non Core Assets to Royal LePage Best Choice Realty Ltd, the broker of the Purchaser. The remaining purchase price, after adjusting for certain purchase price adjustments as described below, will be paid by the Purchaser to GFPI on the Closing Date;

v. Each of the Boat House Sale Agreement, the Golf Course Lands Sale Agreement and the Hangar Lease Sale Agreement are conditional upon GFPI accepting the offers for each of the Boat House, the Golf Course Lands and the Hangar Lease. The Timmins Land Sale Agreement is conditional upon GFPI accepting all of the Non Core Asset Sale Agreements;

vi. The Purchased Non Core Assets are being sold on an "as is, where is" basis as each of the Purchased Non Core Assets exist as of the Closing Date. The Non Core Asset Sale Agreements set out that the Purchaser acknowledges that it has been advised to conduct its own due diligence and obtain proper counsel prior to signing the Non Core Asset Sale Agreements. The Purchaser acknowledges that no representation, warranty or condition with respect to title, encumbrances, description or condition of the Purchased Non Core Assets is being provided by GFPI. As noted earlier in this Twenty Second Report, GFPI and the Monitor received a letter from Kemp Pirie, counsel to Grant Capital Corporation (formerly, Grant Forest Products Corp.) raising certain issues with respect to small portions of the Golf Course Lands and the Purchaser was provided with a copy of this letter;

vii. Adjustments to the purchase price of the Purchased Non Core Assets primarily relate to real property taxes and unmetered utility charges. In addition, the Hangar Lease Sale Agreement includes payments owing to the landlord. The Non Core Asset Sale Agreements contemplate that there shall be no other adjustments to the purchase price for any other expense or for any revenue;

viii. GFPI shall be entitled to receive any property tax refunds arising from any present or future property tax assessment or appeals in respect of the Purchased Non Core Assets to the extent such tax refunds relate to the period prior to the Closing Date. Such appeals will be controlled by GFPI and the Purchaser will be kept informed by GFPI. In addition, the Purchaser is required to keep GFPI informed of any property tax appeals commencing after the Closing Date;

ix. The Hangar Lease Sale Agreement includes a provision that on the Closing Date, GFPI will deliver to the Purchaser an assignment of GFPI's interest in the Hangar Lease. The Purchaser will obtain the landlord's consent to such assignment and will agree to perform all GFPI's obligations pursuant to the Hangar Lease; and

x. The Timmins Land Sale Agreement includes a provision that the Purchaser agrees to comply with GFPI's obligations under the provisions of the agreement of purchase and sale between GFPI and EDS dated January 25, 2011 and approved by this Honourable Court on March 9, 2011, and the Purchaser shall not, before March 31, 2012, enter on the Timmins Land or extract any waste or other material from the Timmins Land without the prior consent of EDS.

RECOMMENDATIONS

45. It is the Monitor's view that the marketing process with respect to the Purchased Non Core Assets was conducted in a fair and efficient manner and consisted of three separate attempts to sell the Purchased Non Core Assets. Further, the marketing process included a lengthy comprehensive marketing canvass in order to solicit potential purchasers for the Purchased Non Core Assets.

46. The condition of the Purchased Non Core Assets, particularly: the location of the Purchased Non Core Assets; the unfinished nature of the Boat House and the significant costs required to complete this property; the Golf Course Lands having not been maintained throughout the CCAA proceedings, and containing only six

and a half holes (the remaining two and a half holes being owned by a separate party); and the limited number of potential users of the Hangar Lease made these assets challenging to sell.

47. It is the Monitor's view that the sale of the Purchased Non Core Assets to the Purchaser will realize the highest amount of proceeds for the Purchased Non Core Assets. In addition, the Monitor notes that GFPI is currently funding holding costs in the range of approximately CDN$32,000 per month, which will cease on the Closing Date.

48. The Remaining Applicants are seeking this Honourable Court's authorization for the following Orders:

   i. an Order approving the Boat House Transaction contemplated by the Boat House Sale Agreement between GFPI and the Boat House Purchaser dated as of August 26, 2011, and vesting in the Boat House Purchaser GFPI's right, title and interest in and to the assets described in the Boat House Sale Agreement free and clear of all claims, liens and encumbrances;

   ii. an Order approving the Golf Course Transaction contemplated by the Golf Course Sale Agreement between GFPI and the Golf Course Purchaser dated as of August 26, 2011 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 free and clear of all claims, liens and encumbrances;

   iii. an Order approving the Hangar Transaction contemplated by the Hangar Lease Sale Agreement between GFPI and the Hangar Lease Purchaser dated as of August 26, 2011 and vesting in the Hangar Lease Purchaser GFPI's right, title and interest in and to the assets described in the Hangar Lease Sale Agreement free and clear of all claims, liens and encumbrances;

   iv. an Order approving the Timmins Land Transaction contemplated by the Timmins Land Sale Agreement between GFPI and the Timmins Land Purchaser dated as of August 26, 2011 and vesting in the Timmins Land

Purchaser GFPI's right, title and interest in and to the assets described in the Timmins Land Sale Agreement free and clear of all claims, liens and encumbrances, but subject to the agreement of purchase and sale between GFPI and EDS dated January 25, 2011 and approved by this Honourable Court on March 9, 2011; and

v. approving this Twenty Second Report and the conduct and activities of the Monitor as reported on herein.

49. The Monitor recommends that this Honourable Court grant the relief sought by the Remaining Applicants.

All of which is respectfully submitted this 16th day of September, 2011.

ERNST & YOUNG INC.
in its capacity as the Monitor of
Grant Forest Products Inc., Grant Alberta Inc., and
Grant Forest Products Sales Inc.

Per:

Alex Morrison
Senior Vice President

Simone Carvalho
Vice President

APPENDIX “A”

Boat House
(Redacted)

boathouse

OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this ....29th.......... day of ....August.............. 20..11...

BUYER, ...CROWN CAPITAL CORPORATION.........................., agrees to purchase from
(Full legal names of all Buyers)

SELLER, ...Grant Forest Products Inc.........................., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address ....Farr Drive.......................... fronting on the ....South.......... side

of ....Farr Drive.......... in the ....District of Temiskaming..........................

~~and having a frontage of .... more or less by a depth of .... more or less~~

and legally described as ....See Attached Schedule "B"..........................

.... (the "property").
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: Dollars (CDN$)............

.... Dollars

DEPOSIT: Buyer submits ....Upon acceptance..........................
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

.... Dollars (CDN$).........

by negotiable cheque payable to..........Royal LePage Best Choice Realty Ltd. "Listing Broker" or.......... "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A..........B.......... **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This Offer shall be irrevocable by ....Buyer.......... until .....5:00 PM..... on
(Seller/Buyer)
the 16TH ~~29th~~ ~~August~~ day of .... ~~August~~ September.. 20...11..., after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the ...... ~~30th~~ 12TH...... day of .... ~~September~~ October 20...11.... Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

3. ~~**NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.~~ Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. .... (For delivery of notices to Seller) FAX No. .... (For delivery of notices to Buyer)

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

 Form 500 Rev.03/2010

4. **CHATTELS INCLUDED:** .... See Schedule "A" ....

5. **FIXTURES EXCLUDED:** .... None ....

6. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: .... None ....

7. **GST/HST: If the sale of the property (Real Property as described above) is subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect GST or HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the GST or HST payable and file the prescribed form and shall indemnify the Seller in respect of any GST or HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. ~~If the sale of the property is not subject to GST or HST, Seller agrees to certify on or before closing, that the transaction is not subject to GST or HST~~. Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 28TH ~~15th~~ day of September, 20 11 (Requisition Date) to examine the title to the property at his own expense ~~and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or, (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (..........) may be lawfully continued and that the principal building may be insured against risk of fire.~~ Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful ~~except as may be specifically provided for in this Agreement.~~

10. ~~**TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and~~ encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage ~~shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.~~

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property ~~except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan~~

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):** SN

~~Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and~~ which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, ~~a discharge~~ in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge ~~out of the balance due on completion.~~

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion ~~and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.~~
16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. ~~If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.~~
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. ~~**ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or~~ private utility charges and unmetered ~~cost of fuel, as applicable,~~ shall be apportioned and allowed to the day of ~~completion, the day of completion itself to be apportioned to Buyer.~~
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage or Salesperson, for any changes in property tax as a result of a re-assessment of the property, ~~save and except any property taxes that accrued prior to completion of this transaction.~~
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
22. ~~**FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent hereinafter provided.~~
23. ~~**UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused~~ any building on the property to be insulated with insulation containing ureaformaldehyde, ~~and that~~ to the best of Seller's knowledge no building on the property contains or ~~has ever contained~~ insulation that contains ureaformaldehyde. This warranty shall survive ~~and not merge~~ on the completion of this transaction, and if the building is part of a multiple unit ~~building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement ~~other than as expressed herein~~. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) .... CROWN CAPITAL CORPORATION .... (Seal) DATE Aug. 30 /11

By: (Buyer/Authorized Signing Officer)

(Witness) .... (Buyer/Authorized Signing Officer) (Seal) DATE ....

I, the Undersigned Seller, agree to the above Offer. ~~I hereby irrevocably instruct my lawyer to pay directly to the Listing~~ Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable) from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) .... Grant Forest Products Inc. by its chief Restructuring organization, Stonecrest Capital Inc (Seller/Authorized Signing Officer) (Seal) DATE ....

(Witness) .... By: Sandra Rosch (Seller/Authorized Signing Officer) (Seal) DATE September 14, 2011

~~**SPOUSAL CONSENT:** The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.~~

(Witness) .... (Spouse) .... (Seal) DATE ....

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at Toronto this 14th day of Toronto, 20 11.

GRANT FOREST PRODUCTS INC. by its Chief Restructuring Organization Stonecrest Capital Inc.
(Signature of Seller or Buyer) Sandra Rosch

INFORMATION ON BROKERAGE(S)

Listing Brokerage .... Royal LePage Best Choice Realty Ltd., Brokerage	Tel.No.(705) 647-6848
Co-op/Buyer Brokerage .... N/A	Tel.No.( )

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

Grant Forest Products Inc (Seller) DATE ....
by its Chief Restructuring Organization Stonecrest Capital Inc (Seller) DATE ....
Sandra Rosch Sept. 14, 2011

Address for Service .... Tel.No.( )

Seller's Lawyer .... Kate Stigler

Address .... 1 First Canadian Place, 100 King St West, Toronto

(..416..) 862-3482 (Tel.No.) (..416..) 863-4592 (FAX No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

(Buyer) .... DATE Aug 30 /11

(Buyer) .... DATE ....

Address for Service 4950 Yonge Street, Suite 1000 ~~140 Ascalon Drive, Vaughan Ontario~~ Toronto, Ont. Tel.No.( )

Buyer's Lawyer .... Barry Polisuk

Address .... 1 Adelaide Street East, Suite 801, Toronto Ontario

(..416..) 869-7610 Ext 240 (Tel.No.) ( ) (FAX No.)

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, CROWN CAPITAL CORPORATION, and

SELLER, Grant Forest Products Inc.

for the purchase and sale of Farr Drive

dated the 26th day of August, 20 11.

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay a further sum of
by bank draft or certified cheque, to the Seller (or as the Seller may direct) on completion of this transaction.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Canadian Land Corporation, dated August 26th, 2011, to purchase the property known as the "Golf Course"; legally described as Hudson Con 3 spt Broken Lot 9 PT CL13462 & CL14498 & RP 54R4981 PTS 1 to 8 RP 54R5283 PT 8 PCL2856SST.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Canadian Land Corporation, dated August 26th, 2011, to purchase the property known as the "Hanger Lease"; dated the 19th day of December, 2002.

The Seller agrees to allow the Buyer and or the Buyers respective agents, reasonable access to the property during normal business hours for the purposes of conducting inspections that the Buyer deems to be necessary.

The Parties to the transaction hereby acknowledge that Listing Broker (Royal LePage Best Choice Realty Ltd, Sales Representative Troy Wilson) represents the interests of the both the Buyer and Seller in this transaction.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Crown Capital Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as Farr Drive

dated the 26th day of August, 20 11.

...(continued from page 5)

Adjustments.

Any real property taxes (including local improvement rates), unmetered public utility charges shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer. There shall be no other adjustments to the purchase price for any other expense or for any revenue.

Seller's Rights in respect of Tax Refunds and Property Tax Appeals.

Seller shall be entitled to receive (and Buyer shall remit to Seller) any property tax refunds (without any deduction therefrom for costs or other amounts) arising from any present or future property tax or assessment appeals in respect of the Property to the extent such tax refunds relate to a period or periods before the day of completion. The Seller shall control all such appeals but shall keep the Buyer informed of such appeals. The Buyer shall keep the Seller informed of such appeals relating to the Property for periods commencing on or after completion.

Approval and Vesting Order

The completion of this transaction shall be conditional on the Seller's obtaining, prior to the Closing, an Order (the "Approval and Vesting Order") of the Ontario Superior Court of Justice: (a) approving the sale by the Seller to the Buyer of the Property in accordance with the provisions of this Agreement; and (b) containing a provision which on Closing vests absolute, clear and unencumbered title to the Property of the Seller in the Buyer subject to applicable permitted encumbrances. In the event that the Seller shall not have obtained the Approval and Vesting Order after making application for it or them, the Deposit shall be returned to the Buyer without interest or deduction, this Agreement shall automatically terminate without any further action on the part of any party hereto, no party hereto shall be under any further obligation to the other to complete the transactions contemplated by this Agreement and each party hereto shall be released of all of its obligations hereunder.

In the event a receiver or a receiver and manager is appointed by the Court with respect to the Property or the Seller becomes bankrupt, the Buyer shall complete the purchase of the Property in accordance with the provisions of this Agreement with such receiver, receiver and manager or trustee in bankruptcy, provided that the Buyer receives a vesting order containing the provision set out in the foregoing paragraph (b).

As Is Where Is

The Buyer acknowledges that the Seller is selling the Property on an "as is, where is" basis as it shall exist on the Closing Date. The Buyer further acknowledges that it will conduct such inspections of the condition of and title to the Property as it deems appropriate and that it will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or implied pursuant to this Agreement, any schedule to this Agreement (including any list of any property) or otherwise as to title, encumbrances, description, fitness for purpose, merchantability,condition, assignability. collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Property or the right of the Seller to sell any Property. Without limiting the generality of the foregoing, any and all conditions, warranties or representations by the Seller expressed or implied pursuant to the Sale of Goods Act (Ontario) or similar legislation in any other jurisdiction shall not apply hereto and are hereby waived by the Buyer. This section shall apply despite any other provision of the Agreement.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, CROWN CAPITAL CORPORATION, and

SELLER, Grant Forest Products Inc.

for the purchase and sale of Farr Drive

dated the 26th day of August, 20 11.

~~Buyer agrees to pay the balance as follows:~~

...(continued from page 6)

Chattels
There shall be included in the purchase and sale transaction the Seller's interest, if any, in any chattels physically located on the property on the Completion Date.

Title
Provided that, upon the delivery to the Buyer on closing of the monitor's certificate and a copy of the approval and vesting order, the title to the property will be good and free from all registered mortgages and financial charges. If within the specified time referred to in paragraph 8, any valid objection to title is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy and which Buyer will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller and Listing Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

~~No Adjustments~~
~~There shall be no adjustments to the Purchase Price as a result of any rents, realty taxes including local improvement rates, public utility charges or any other revenue or expense. The Seller shall not, after the date of this offer, pay any property tax payments for the property (including any payment due August 31, 2011). The Buyer shall be entitled to receive any and all tax refunds arising from any tax or reassessment appeals in respect of the property whether such refunds relate to the period before or after completion.~~

This form must be initialled by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): [initials] **INITIALS OF SELLER(S):** [initials]

OREA Ontario Real Estate Association

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Crown Capital Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as Farr Drive "Boathouse"

dated the 26th day of August, 20 11.

Haileybury Boathouse

1.PIN 61351-0224 (LT)

LTS 41, 42, 43, 74, 75, 76, 93, 94, 95, 126, 127, 128, 129, 130, 152, 153, 154, 155, 156, 157 & 158 PL M58NB BUCKE; PT OF LTS 90, 91, 92, 131, 132, 159, 160, 161 & 162 PL M58NB BUCKE; PT MCLELLAN ST. PL M58NB BUCKE; PT ALGONQUIN DRIVE PL M58NB BUCKE & PT GORDON DRIVE PL M58NB BUCKE, ALL PT 1 54R5168; PT LTS 109, 110, 111, 112 & 113 BLK 1 PL M30NB BUCKE; LTS 105, 106, 107, 108, 114, 115, 117, 118 & 119 BLK 1 PL M30NB BUCKE; PT LAWLOR STREET PL M30NB BUCKE, PT FARR DRIVE PL M30NB, BUCKE, LTS 32, 33, 34, 35, 36, 37, 38, 39, 40, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 134, 135, 136, 164, 165, 166, 167, 168, 169, 170, 171, 172173 & 174 PL M58NB BUCKE ; PT LTS 77, 89, 90, 91, 132, 133, 160, 161, 162 & 163 PL M58NB BUCKE; PT MCLELLAN ST PL M58NB BUCKE, PT CONNIE ST PL M58NB BUCKE, PT GORDON DRIVE PL M58NB BUCKE PT ALGONQUIN DRIVE PL M58NB BUCKE, ALL PT 3 54R5168; PT FARR DRIVE PL M30NB BUCKE, PT LAWLOR STREET PL M30NB BUCKE PT OF LTS 109, 110, 111, 112 & 113 M30NB BUCKE; PT CONNIE STREET PL M58NB BUCKE, PT GORDON DRIVE PL M58NB BUCKE, ALL PT 5 54R5168; BOUNDARIES CONFIRMED BY PL BA181 REG'D 1970 03 31 AS PL D-47; BY-LAW 2006-013 REG'D AS DT5229 2006 10 31; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

2.PIN 61351-0226 (LT)

PT LT 13 CON 3 BUCKE PTS 6, 7, 10, 11 & 13 54R5168; BOUNDARIES CONFIRMED BY PL BA 181 REG'D 1970 03 31 AS PL D-47; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

3.PIN 61351-0228 (LT)

PT LT 13 CON 3 BUCKE PTS 14, 16 17 & 18 54R5168; BOUNDARIES CONFIRMED BY PL BA 181 REG'D 1970 03 31 AS PL D-47; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

4.PIN 61351-0102 (LT)

PCL 17517 SEC SST; LT 116 BLK 1 PL M30NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): INITIALS OF SELLER(S):

OREA Ontario Real Estate Association

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ... Crown Capital Corporation ...., and

SELLER, ... Grant Forest Products Inc. ....

for the property known as .... Farr Drive "Boathouse" ....

.... dated the .... 26th .... day of .... August .... 20...11...

...(continued from page 1)

5.PIN 61351 - 0210 (LT)
PCL 25544 SEC SST; LT 138-142 BLK J PL M30NB BUCKE; TIMISKAMING SHORES; DISTRICT OF TIMISKAMING

6.PIN 61351 - 0206 (LT)
PCL 25602 SEC SST; FIRSTLY: LT 1 PL M58NB BUCKE; SECONDLY: LT 2 PL M58NB BUCKE; LT 3 PL M58NB BUCKE; LT 4 PL M58NB BUCKE; LT 5 PL M58NB BUCKE; LT 6 PL M58NB BUCKE; LT 30 PL M58NB BUCKE; THIRDLY: LT 22 PL M58NB BUCKE; LT 25 PL M58NB BUCKE; LT 26 PL M58NB BUCKE; LT 29 PL M58NB BUCKE; FOURTHLY: LT 23 PL M58NB BUCKE; LT 24 PL M58NB BUCKE; LT 27 PL M58NB BUCKE; LT 28 PL M58NB BUCKE; FIFTHLY: LT 31 PL M58NB BUCKE; SIXTHLY: PT LT 112 PL M58NB BUCKE PT 12 54R4952; SEVENTHLY: PT LT 113 PL M58NB BUCKE PT 12 54R4952; EIGHTHLY: PT LAKE SHORE RD PL M58NB BUCKE NOW FARR DRIVE CLOSED BY LT326233 PT 1, 2 & 3 54R4952; NINTHLY: PT LAKE SHORE RD PL M30NB BUCKE NOW FARR DRIVE CLOSED BY LT326233 PT 4, 5 & 6 54R4952; TENTHLY: PT LAWLOR ST E PL M30NB BUCKE CLOSED BY LT326233 PT 8 & 10 54R4952; ELEVENTHLY: PT LAWLOR ST E PL M30NB BUCKE CLOSED BY LT326233 PT 9 54R4952; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

7.PIN 61351 - 0120 (LT)
PCL 21278 SEC SST; LT 9 PL M58NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

8.PIN 61351 - 0121 (LT)
PCL 21277 SEC SST; LT 8 PL M58NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

9.PIN 61351 - 0122 (LT)
PCL 21276 SEC SST; LT 7 PL M58NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Crown Capital Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as Farr Drive "Boathouse"

dated the 26th day of August, 20 11.

...(continued from page 2)

10.PIN 61351 - 0123 (LT)
PCL 21276 SEC SST; LT 10-11 PL M58NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

11.PIN 61351 - 0124 (LT)
PCL 21276 SEC SST; LT 12-18, 21 PL M58NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

12.PIN 61351 - 0126 (LT)
PCL 21276 SEC SST; LT 19-20 PL M58NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

13.PIN 61351 -0202 (LT)
PCL 21675 SEC SST; PT FARR DR PL M58NB BUCKE THE E, S & W BOUNDARIES AS CONFIRMED BY PL D-47 PT 1 54R2515; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

14.PIN 61351 - 0103 (LT)
PCL 19030 SEC SST; LT 120 BLK H PL M30NB BUCKE; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

15.PIN 61351 -0104 (LT)
PCL 19625 SEC SST; LT 121 BLK H PL M30NB BUCKE THE SOUTH BOUNDARY OF WHICH WAS CONFIRMED BY PLAN BA181 FILED AS D47 AS IN LT162304; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): INITIALS OF SELLER(S):

OREA Ontario Real Estate Association

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Crown Capital Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as Farr Drive "Boathouse"

dated the 26th day of August, 20 11.

...(continued from page 3)

16.PIN 61351 - 0225 (LT)
PT OF LTS 77, 89, 90, 91, 92, 131, 132, 133, 159, 161, 162 & 163 PL M58NB BUCKE, PT MCLELLAN ST PL M58NB BUCKE, PT ALGONQUIN STREET PL M58NB BUCKE, PT GORDON STREET PL M58NB BUCKE PT 2 54R5168; BOUNDARIES CONFIRMED BY PL BA 181 REG'D 1970 03 31 AS PL D-47; BY LAW 2006-013 REG'D AS DT5229 2006 10 31; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING;

17.PIN 61351 - 0232 (LT)
PT LT 13 CON 3 BUCKE; PT 15 54R5168; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

18.PIN 61351 - 0234 (LT)
PT LT 13 CON 3 BUCKE PTS 8, 9 & 12 54R5168; BOUNDARIES CONFIRMED BY PL BA 1814 REG'D 1970 03 31 AS PL D-47; TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

19.PIN 61351 - 0238 (LT)
PT LT 13 CON 3 BUCKE PT 1 54R5226 TEMISKAMING SHORES; DISTRICT OF TIMISKAMING

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Confirmation of Co-operation and Representation

Form 320
for use in the Province of Ontario

BUYER: Crown Capital Corporation

SELLER: Grant Forest Products Inc.

For the transaction on the property known as: Farr Drive "Boathouse"

For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant and a "sale" includes a lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

Multiple Representation - Listing Brokerage represents both the Seller and Buyer.

MULTIPLE REPRESENTATION:
The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction.
The Listing Brokerage has a duty of full disclosure to both the Selle r and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Listing Brokerage shall not disclose:

That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
The price the Buyer should offer or the price the Seller should accept;
And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage has also entered into a Customer Service Agreement with the Buyer.)

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

Royal LePage Best Choice Realty Ltd., Brokerage (Name of Listing Brokerage)	N/A (Name of Co-operating/Buyer Brokerage)
117 Whitewood Ave, New Liskeard Ontario	
Tel: 705-647-6848 Fax: 705-647-9072	Tel: Fax:
(Authorized to bind the Listing Brokerage) Date: Aug 30, 2011	(Authorized to bind the Co-operating/Buyer Brokerage) Date:
Troy Wilson (Print Name of Broker/Salesperson Representative of the Brokerage)	(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction.)

The Seller/Buyer consent with their initials to their Brokerage representing more than one client for this transaction.

SELLER'S INITIALS BUYER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Grant Forest Products Inc. by its Chief Restructuring Organization (Signature of Seller) Date:	(Signature of Buyer) Date: Aug-30'11
Stonecrest Capital Inc. (Signature of Seller) Sandra Rosa Date: Sept. 14, 2011	(Signature of Buyer) Date:

Golf Course Lands
(Redacted)

golf course lands

OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this ....25th............ day of ....August............ 20...11...

BUYER, ...Canadian Land Corporation............ agrees to purchase from
(Full legal names of all Buyers)

SELLER, ...Grant Forest Products Inc............ the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address ....Land On Pine Drive............ fronting on the ....South............ side

of ....Pine Drive............ in the ....District of Temiskaming............

~~and having a frontage of .... more or less by a depth of .... more or less~~

and legally described as ....Set out in schedule "B" here to............

.... (the "property").
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: Dollars (CDN$)............

.... Dollars

DEPOSIT: Buyer submits ....Upon acceptance............
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

.... Dollars (CDN$)............

by negotiable cheque payable to............Royal LePage Best Choice Realty Ltd. "Listing Broker" or............ "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A ....B............ **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This Offer shall be irrevocable by ....Buyer............ until ....5:00 PM.... on
(Seller/Buyer)
the 16TH ~~26th~~ ~~[illegible]~~.... day of September ~~August~~............ 20...11..., after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the ....~~[illegible]~~ 12TH.... day of ....~~September~~ October 20...11.... Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

3. ~~**NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.~~ Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. .... (For delivery of notices to Seller) FAX No. .... (For delivery of notices to Buyer)

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

 Form 500 Rev.02/2010

4. **CHATTELS INCLUDED:** .... None ....

5. **FIXTURES EXCLUDED:** .... None ....

6. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: .... None ....

7. **GST/HST: If the sale of the property (Real Property as described above) is subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect GST or HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the GST or HST payable and file the prescribed form and shall indemnify the Seller in respect of any GST or HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. ~~If the sale of the property is not subject to GST or HST, Seller agrees to certify on or before closing, that the transaction is not subject to GST or HST~~. Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 22nd ~~ster~~ .... day of .... September ......, 20...11.. (Requisition Date) to examine the title to the property at his own expense ~~and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (..) may be lawfully continued and that the principal building may be insured against risk of fire~~. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful ~~except as may be specifically provided for in this Agreement~~.

10. ~~**TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and~~ encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any ~~objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.~~

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property ~~except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan~~

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

~~Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.~~

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion ~~and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.~~
16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. ~~If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.~~
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. ~~**ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or~~ private utility charges and unmetered ~~cost of fuel, as applicable, shall be~~ apportioned and allowed to the day of ~~completion, the day of completion itself to be apportioned to Buyer.~~
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage or Salesperson, for any changes in property tax as a result of a re-assessment of the property ~~save and except any property taxes that accrued prior to completion of this transaction~~.
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
22. ~~**FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the~~ Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent hereinafter ~~provided.~~
23. **UFFI:** Seller represents and warrants to Buyer that during the time ~~Seller has owned the~~ property, Seller has not caused any building on the property to be insulated with ~~insulation containing~~ ureaformaldehyde, and that to the best of Seller's knowledge no building on the ~~property contains~~ or has ever contained insulation that contains ureaformaldehyde. This warranty shall ~~survive and not~~ merge on the completion of this transaction, and if the building is part of a multiple unit ~~building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement ~~other than as expressed herein~~ For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): ( ) **INITIALS OF SELLER(S):** ( )

28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Canadian Land Corporation

(Witness) By: (Buyer/Authorized Signing Officer) (Seal) DATE Aug. 30 '11

(Witness) (Buyer/Authorized Signing Officer) (Seal) DATE

I, the Undersigned Seller, agree to the above Offer. ~~I hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.~~

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Grant Forest Products Inc. by its chief restructuring organization Stonecrest Capital

(Witness) (Seller/Authorized Signing Officer) (Seal) DATE

(Witness) By: Sandra Rosch (Seller/Authorized Signing Officer) (Seal) DATE September 14, 2011

~~**SPOUSAL CONSENT:** The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.~~

(Witness) (Spouse) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at Toronto this 14th day of September, 20 11.

GRANT FOREST PRODUCTS INC. by its Chief Restructuring Organization StoneCrest Capital Inc.
(Signature of Seller or Buyer)
Sandra Rosch

INFORMATION ON BROKERAGE(S)

Listing Brokerage Royal LePage Best Choice Realty Ltd., Brokerage Tel.No.(705) 547-6848

Co-op/Buyer Brokerage N/A Tel.No.( )

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

GRANT FOREST PRODUCTS INC. by its Chief Restructuring Organization StoneCrest Capital Inc. DATE
(Seller)

DATE Sept. 14, 2011
(Seller) Sandra Rosch

Address for Service

Tel.No.( )

Seller's Lawyer Kate Stigler

Address 1 First Canadian Place, 100 King St West, Toronto

(416) 862-3482 (416) 863-4592
Tel.No. FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

DATE Aug. 30 '11
(Buyer)

DATE
(Buyer)

Address for Service 4950 Yonge Street, Suite 1000 Toronto, Ont

Tel.No.( )

Buyer's Lawyer Barry Polisuk

Address 1 Adelaide St. East, Suite 801, Toronto Ontario

(416) 869-7810 ext 240 ( )
Tel.No. FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

 Form 500 Rev.03/2010

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ... Canadian Land Corporation ...., and

SELLER, ... Grant Forest Products Inc. ....

for the purchase and sale of .... Land On Pine Drive ....

.... dated the .... 26th .... day of .... August ...., 20..11...

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay a further sum of
by bank draft or certified cheque, to the Seller (or as the Seller may direct) on completion of this transaction.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer. submitted by Canadian Land Corporation, dated August 26th, 2011, to purchase the property known as the "Hanger Lease".

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Crown Capital Corporation, dated August 26th, 2011, to purchase the property known as the "The Boathouse"; described as the Grant Forest Products Inc. property located on Farr Drive in Haileybury Ontario.

The Seller agrees to allow the Buyer and or the Buyers respective agents, reasonable access to the property during normal business hours for the purposes of conducting inspections that the Buyer deems to be necessary.

The Parties to the transaction hereby acknowledge that Listing Broker (Royal LePage Best Choice Realty Ltd, Sales Representative Troy Wilson) represents the interests of the both the Buyer and Seller in this transaction.

The Buyer acknowledges and agrees that the Sales Representative Troy Wilson of Royal LePage Best Choice Realty Ltd., Brokerage, has advised them to seek their own due diligence and proper counsel from experts such as but not limited to, Lawyers, Accountants, Appraisers, Municipal Offices, Ministry of Health, Ministry of Natural Resources, Fuel Safety Branch, Ministry of Environment, Fire Marshall's Office etc... prior to signing this Agreement of Purchase and Sale.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Canadian Land Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as Land On Pine Drive

dated the 26th day of August, 20 11.

...(continued from page 5)

Adjustments.

Any real property taxes (including local improvement rates), unmetered public utility charges shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer. There shall be no other adjustments to the purchase price for any other expense or for any revenue.

Seller's Rights in respect of Tax Refunds and Property Tax Appeals.

Seller shall be entitled to receive (and Buyer shall remit to Seller) any property tax refunds (without any deduction therefrom for costs or other amounts) arising from any present or future property tax or assessment appeals in respect of the Property to the extent such tax refunds relate to a period or periods before the day of completion. The Seller shall control all such appeals but shall keep the Buyer informed of such appeals. The Buyer shall keep the Seller informed of such appeals relating to the Property for periods commencing on or after completion.

Approval and Vesting Order

The completion of this transaction shall be conditional on the Seller's obtaining, prior to the Closing, an Order (the "Approval and Vesting Order") of the Ontario Superior Court of Justice: (a) approving the sale by the Seller to the Buyer of the Property in accordance with the provisions of this Agreement; and (b) containing a provision which on Closing vests absolute, clear and unencumbered title to the Property of the Seller in the Buyer subject to applicable permitted encumbrances. In the event that the Seller shall not have obtained the Approval and Vesting Order after making application for it or them, the Deposit shall be returned to the Buyer without interest or deduction, this Agreement shall automatically terminate without any further action on the part of any party hereto, no party hereto shall be under any further obligation to the other to complete the transactions contemplated by this Agreement and each party hereto shall be released of all of its obligations hereunder.

In the event a receiver or a receiver and manager is appointed by the Court with respect to the Property or the Seller becomes bankrupt, the Buyer shall complete the purchase of the Property in accordance with the provisions of this Agreement with such receiver, receiver and manager or trustee in bankruptcy, provided that the Buyer receives a vesting order containing the provision set out in the foregoing paragraph (b).

As is Where is

The Buyer acknowledges that the Seller is selling the Property on an "as is, where is" basis as it shall exist on the Closing Date. The Buyer further acknowledges that it will conduct such inspections of the condition of and title to the Property as it deems appropriate and that it will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or implied pursuant to this Agreement, any schedule to this Agreement (including any list of any property) or otherwise as to title, encumbrances, description, fitness for purpose, merchantability,condition, assignability. collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Property or the right of the Seller to sell any Property. Without limiting the generality of the foregoing, any and all conditions, warranties or representations by the Seller expressed or implied pursuant to the Sale of Goods Act (Ontario) or similar legislation in any other jurisdiction shall not apply hereto and are hereby waived by the Buyer. This section shall apply despite any other provision of the Agreement.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):** on

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ... Canadian Land Corporation ...., and

SELLER, ... Grant Forest Products Inc. ....

for the purchase and sale of .... Land On Pine Drive ....

.... dated the .... 26th .... day of .... August ...., 20..11...

~~Buyer agrees to pay the balance as follows:~~

...(continued from page 6)

Title

Provided that, upon the delivery to the Buyer on closing of the monitor's certificate and a copy of the approval and vesting order, the title to the property will be good and free from all registered mortgages and financial charges. If within the specified time referred to in paragraph 8, any valid objection to title is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy and which Buyer will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller and Listing Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

~~No Adjustments~~

~~There shall be no adjustments to the Purchase Price as a result of any rents, realty taxes including local improvement rates, public utility charges or any other revenue or expense. The Seller shall not, after the date of this offer, pay any property tax payments for the property (including any payment due August 31, 2011). The Buyer shall be entitled to receive any and all tax refunds arising from any tax or reassessment appeals in respect of the property whether such refunds relate to the period before or after completion.~~

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): INITIALS OF SELLER(S): AN

SCHEDULE "B"

GOLF COURSE LANDS

1. Pcl 2856 SST— 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

Initials of Buyer: ____________ Initials of Seller: ____________

OREA Ontario Real Estate Association

Confirmation of Co-operation and Representation

Form 320
for use in the Province of Ontario

BUYER: Canadian Land Corporation

SELLER: Grant Forest Products Inc.

For the transaction on the property known as: Land On Pine Drive

For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant and a "sale" includes a lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

Multiple Representation - Listing Brokerage represents both the Seller and Buyer.

MULTIPLE REPRESENTATION: The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction.The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage has also entered into a Customer Service Agreement with the Buyer.)

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

Royal LePage Best Choice Realty Ltd., Brokerage (Name of Listing Brokerage)	N/A (Name of Co-operating/Buyer Brokerage)
117 Whitewood Avenue, New Liskeard Ontario	
Tel: 705-647-6848 Fax:	Tel: Fax:
(Authorized to bind the Listing Brokerage) Date: Aug 30, 2011	(Authorized to bind the Co-operating/Buyer Brokerage) Date:
Troy Wilson (Print Name of Broker/Salesperson Representative of the Brokerage)	(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction.)

The Seller/Buyer consent with their initials to their Brokerage representing more than one client for this transaction.

SELLER'S INITIALS   BUYER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

GRANT FOREST PRODUCTS Inc by its Chief Restructuring Organization Stonecrest Capital Inc. Date: Sept. 14, 2011
(Signature of Seller)

Date: Aug. 30 '11
(Signature of Buyer)

Date: Sept. 14, 2011
(Signature of Seller) Sandra Rosch

Date:
(Signature of Buyer)

Real Forms™ 2011

Hangar Lease
(Redacted)

hangar
leasehold

OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this ......26th...... day of ......August...... 20..11...

BUYER, ...Canadian Land Corporation......, agrees to purchase from
(Full legal names of all Buyers)

SELLER, ...Grant Forest Products Inc. the Seller's leasehold interest (the "property") in ......, the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address ......106294 Airport Road, Earlton Ontario...... fronting on the ......South...... side

of ......Airport Road...... in the ......District of Temiskaming......

~~and having a frontage of ......N/A...... more or less by a depth of ......N/A...... more or less~~

[~~and legally described as~~] ......Pursuant to a lease dated December 19, 2002 between the Corporation of the Township of Armstrong, as landlord, and the Seller, as tenant, as amended by any amendments (the "lease")...... ~~(the "property")~~.
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: Dollars (CDN$)......

....Dollars

DEPOSIT: Buyer submits ......Upon acceptance......
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

.... Dollars (CDN$)......

by negotiable cheque payable to ......Royal LePage Best Choice Realty Ltd. "Listing Broker" or...... "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A ......B...... **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This Offer shall be irrevocable by ......Buyer...... until ......5:00 PM...... on the 16th ~~31st~~ day of ~~August~~ September, 20...11..., after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.
(Seller/Buyer)

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the ~~...~~ 12th ...... day of ~~September~~ October, 20...11... . Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

3. ~~**NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.~~ Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. ...... (For delivery of notices to Seller) FAX No. ...... (For delivery of notices to Buyer)

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

4. **CHATTELS INCLUDED:** None

5. **FIXTURES EXCLUDED:** Any ~~chattels~~ chairs affixed to the floor and claimed by the landlord

6. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: None

7. **GST/HST: If the sale of the property (Real Property as described above) is subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect GST or HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the GST or HST payable and file the prescribed form and shall indemnify the Seller in respect of any GST or HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. ~~If the sale of the property is not subject to GST or HST, Seller agrees to certify on or before closing, that the transaction is not subject to GST or HST.~~ Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 26th ~~day~~ day of September, 20 11 (Requisition Date) to examine the title to the property at his own expense ~~and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (...) may be lawfully continued and that the principal building may be insured against risk of fire.~~ Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful ~~except as may be specifically provided for in this Agreement.~~

10. ~~**TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and~~ encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any ~~objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.~~

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property ~~except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan~~

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

~~Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and~~ which is not to be assumed by Buyer on completion, is not available in registrable form on ~~completion, Buyer~~ agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing ~~funds, a discharge~~ in registrable form and to register same, or cause same to be registered, on title within ~~a reasonable~~ period of time after completion, provided that on or before completion Seller shall provide ~~to Buyer a mortgage~~ statement prepared by the mortgagee setting out the balance required to obtain the ~~discharge, and~~, where a real-time electronic cleared funds transfer system is not being used, a ~~direction executed by~~ Seller directing payment to the mortgagee of the amount required to obtain the discharge ~~out of the balance due on completion.~~

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion ~~and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.~~

16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. ~~If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.~~

17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.

18. ~~**ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or~~ private utility charges and unmetered ~~cost of fuel, as applicable, shall be apportioned~~ and allowed to the day of ~~completion, the day of completion itself to be apportioned to Buyer.~~

19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage or Salesperson, for any changes in property tax as a result of a re-assessment of the property, ~~save and except any property taxes that accrued prior to completion of this transaction.~~

21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.

22. ~~**FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent hereinafter provided.~~

23. **UFFI:** Seller represents and warrants to Buyer that during the time ~~Seller has owned the~~ property, Seller has not caused any building on the property to be insulated with ~~insulation containing~~ ureaformaldehyde, and that to the best of Seller's knowledge no building on the ~~property contains~~ or has ever contained insulation that contains ureaformaldehyde. This warranty ~~shall survive and not~~ merge on the completion of this transaction, and if the building is part of a multiple unit ~~building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~

24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**

26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement ~~other than as expressed herein.~~ For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

~~CROWN CAPITAL CORPORATION~~ Canadian Land

(Witness) .... By: .... (Buyer/Authorized Signing Officer) (Seal) DATE Aug. 30'11

(Witness) .... (Buyer/Authorized Signing Officer) (Seal) DATE ....

I, the Undersigned Seller, agree to the above Offer. ~~I hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable) from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.~~

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Grant Forest Products Inc. by its chief restructuring organization Stonecrest Capital Inc.

(Witness) .... (Seller/Authorized Signing Officer) (Seal) DATE ....

(Witness) .... By: (Seller/Authorized Signing Officer) Sandra Rosch (Seal) DATE Sept. 14, 2011

~~**SPOUSAL CONSENT:** The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.~~

(Witness) .... (Spouse) (Seal) DATE ....

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at Toronto this 14th day of September, 2011.

Grant Forest Products Inc. by its Chief Restructuring Organization Stonecrest Capital Inc.

(Signature of Seller or Buyer) Sandra Rosch

INFORMATION ON BROKERAGE(S)

Listing Brokerage Royal LePage Best Choice Realty Ltd., Brokerage	Tel.No.(705) 647-5848
Co-op/Buyer Brokerage N/A	Tel.No.( )

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

GRANT FOREST PRODUCTS INC by its Chief Restructuring organization Stonecrest Capital Inc.

(Seller) .... DATE ....

Sandra Rosch Sept. 14, 2011

(Seller) .... DATE ....

Address for Service ....

.... Tel.No.( )

Seller's Lawyer Kate Stigler

Address 1 First Canadian Place, 100 King St West, Toronto

(416) 862-3482 (416) 863-4592
Tel.No. FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

(Buyer) .... DATE Aug. 30'11

~~CROWN CAPITAL CORPORATION~~ Canadian Land

(Buyer) .... DATE ....

Address for Service ~~140 Applewood Drive, Vaughan, Ontario~~ 4950 Yonge Street, Suite 1000 Toronto, Ont.

.... Tel.No.( )

Buyer's Lawyer Barry Polisuk

Address 1 Adelaide Street East, Suite 801, Toronto Ontario

(416) 869-7610 Ext 240 ( )
Tel.No. FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

 Form 500 Rev.03/2010

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ... Canadian Land Corporation ...., and

SELLER, ... Grant Forest Products Inc. with respect to the Seller's leasehold interest .... in the following

.... 106294 Airport Road, Earlton Ontario ....

.... dated the .... 26th .... day of .... August ...., 20...11... .

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay a further sum of by bank draft or certified cheque, to the Seller (or as the Seller may direct) on completion of this transaction.

This is an offer to purchase the Seller's interest in the current Grant Forest Products lease with the township of Armstrong found in attached schedule "B" to this Agreement of Purchase and Sale.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Canadian Land Corporation, dated August 26th, 2011, to purchase the property known as the "Golf Course"; legally described as Hudson Con 3 spt Broken Lot 9 PT CL13462 & CL14498 & RP 54R4981 PTS 1 to 8 RP 54R5283 PT 8 PCL2856SST.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Crown Capital Corporation, dated August 26th, 2011, to purchase the property known as the "The Boathouse"; described as the Grant Forest Products Inc. property located on Farr Drive in Haileybury Ontario.

The Seller agrees to allow the Buyer and or the Buyers respective agents, reasonable access to the property during normal business hours for the purposes of conducting inspections that the Buyer deems to be necessary.

The Parties to the transaction hereby acknowledge that Listing Broker (Royal LePage Best Choice Realty Ltd, Sales Representative Troy Wilson) represents the interests of the both the Buyer and Seller in this transaction.

The Buyer acknowledges and agrees that the Sales Representative Troy Wilson of Royal LePage Best Choice Realty Ltd., Brokerage, have advised them to seek their own due diligence and proper counsel from experts such as but not limited to, Lawyers, Accountants, Appraisers, Municipal Offices, Ministry of Health, Ministry of Natural Resources, Fuel Safety Branch, Ministry of Environment, Fire Marshall's Office etc... prior to signing this Agreement of Purchase and Sale

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): INITIALS OF SELLER(S):

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale

Form 105 for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Canadian Land Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as 106294 Airport Road Earlton Ontario

dated the 26th day of August, 20 11 .

...(continued from page 5)

Adjustments.

Any real property taxes (including local improvement rates), unmetered public utility charges and payments owing to the landlord shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer. There shall be no other adjustments to the purchase price for any other expense or for any revenue.

Seller's Rights in respect of Tax Refunds and Property Tax Appeals.

Seller shall be entitled to receive (and Buyer shall remit to Seller) any property tax refunds (without any deduction therefrom for costs or other amounts) arising from any present or future property tax or assessment appeals in respect of the Property to the extent such tax refunds relate to a period or periods before the day of completion. The Seller shall control all such appeals but shall keep the Buyer informed of such appeals. The Buyer shall keep the Seller informed of such appeals relating to the Property for periods commencing on or after completion.

Approval and Vesting Order

The completion of this transaction shall be conditional on the Seller's obtaining, prior to the Closing, an Order (the "Approval and Vesting Order") of the Ontario Superior Court of Justice: (a) approving the sale by the Seller to the Buyer of the Property in accordance with the provisions of this Agreement; and (b) containing a provision which on Closing vests absolute, clear and unencumbered title to the Property of the Seller in the Buyer subject to applicable permitted encumbrances. In the event that the Seller shall not have obtained the Approval and Vesting Order after making application for it or them, the Deposit shall be returned to the Buyer without interest or deduction, this Agreement shall automatically terminate without any further action on the part of any party hereto, no party hereto shall be under any further obligation to the other to complete the transactions contemplated by this Agreement and each party hereto shall be released of all of its obligations hereunder.

In the event a receiver or a receiver and manager is appointed by the Court with respect to the Property or the Seller becomes bankrupt, the Buyer shall complete the purchase of the Property in accordance with the provisions of this Agreement with such receiver, receiver and manager or trustee in bankruptcy, provided that the Buyer receives a vesting order containing the provision set out in the foregoing paragraph (b).

As is Where is

The Buyer acknowledges that the Seller is selling the Property on an "as is, where is" basis as it shall exist on the Closing Date. The Buyer further acknowledges that it will conduct such inspections of the condition of and title to the Property as it deems appropriate and that it will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or implied pursuant to this Agreement, any schedule to this Agreement (including any list of any property) or otherwise as to title, encumbrances, description, fitness for purpose, merchantability,condition, assignability. collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Property or the right of the Seller to sell any Property. Without limiting the generality of the foregoing, any and all conditions, warranties or representations by the Seller expressed or implied pursuant to the Sale of Goods Act (Ontario) or similar legislation in any other jurisdiction shall not apply hereto and are hereby waived by the Buyer. This section shall apply despite any other provision of the Agreement.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ... Canadian Land Corporation ...., and

SELLER, ... Grant Forest Products Inc. with respect to the Seller's leasehold interest .... in the following

.... 108294 Airport Road, Earlton Ontario ....

.... dated the .... 26th .... day of .... August ...., 20...11...

~~Buyer agrees to pay the balance as follows:~~

...(continued from page 6)

Title
Provided that, upon the delivery to the Buyer on closing of the monitor's certificate and a copy of the approval and vesting order, the leasehold title to the property will be good and free from all registered mortgages and financial charges. If within the specified time referred to in paragraph 8, any valid objection to the Seller's leasehold title is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy and which Buyer will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller and Listing Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of Seller's leasehold title, Buyer shall be conclusively deemed to have accepted Seller's leasehold title to the property.

~~No Adjustments~~
~~There shall be no adjustments to the Purchase Price as a result of any rents, realty taxes including local improvement rates, public utility charges, maintenance charges or expenses, or any other revenue or expense. The Seller shall not, after the date of this offer, pay any property tax payments for the property (including any payment due August 31, 2011). The Buyer shall be entitled to receive any and all tax refunds arising from any tax or reassessment appeals in respect of the property whether such refunds relate to the period before or after completion.~~

Assignment of Lease
Seller shall on closing deliver to Buyer an assignment of Seller's interest in the Lease. Buyer shall obtain the landlord's consent to such assignment and Seller shall co-operate with respect thereto. Buyer shall on closing deliver to Seller an agreement by Buyer to perform all Seller's obligations pursuant to the Lease and an indemnity by Buyer to Seller with respect thereto.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): ( ) **INITIALS OF SELLER(S):** ( )

THIS LEASE made the19th day of December , 2002.

BETWEEN:

The Corporation of the Township of Armstrong
O/A Earlton-Timiskaming Regional Airport

(the "Landlord")

AND

Grant Forest Products Inc.

(the "Tenant")

WHEREAS the Landlord has agreed to lease to the Tenant the Lands, as hereinafter defined together with the Hanger to be constructed on the Lands for a term of 25 years;

IN CONSIDERATION of the rents hereby reserved and the covenants contained on the part of the Tenant, the Landlord grants this lease to the Tenant and in consideration of this grant the Landlord, and the Tenant hereby covenant with each other as follows:

1. Definitions and Interpretation

(1)Definitions. The following expressions, where used in this lease, mean:

(a) "Airport Maintenance Charge" means a monthly charge payable by the Tenant to the Landlord to be applied towards the Landlord's ongoing costs for maintenance of the air field apron and runways, runway lighting (runway lights and approach lights), snow removal, building management and any other costs the Landlord deems appropriate;

(b) "Airport Manager" means the person designated from time to time by the Landlord to manage the operations of the airport;

(c) "Airport" means Earlton-Timiskaming Regional Airport;

(d) "Completion Date" means the date determined as provided in paragraph 7(2)(b);

(e) "Detail Plans" means the working drawings and specifications of the Hanger and Terminal Building which have been prepared by the Tenant's engineer, Dario Rocca;

(f) "Hanger" means airplane hanger to be erected upon the Lands by the Landlord pursuant to the provisions of this lease and the Detail Plans and includes all alterations, additions, improvements and replacements thereto and all other fixtures and improvements from time to time erected upon or affixed or appurtenant to the Lands;

(g) "Hanger Market Value" means the market value of the Hanger, excluding any leasehold improvements or other improvements made by the Tenant based upon the assumption that the hanger is vacant, free from encumbrance and immediately available for possession and that it may lawfully be used as an airplane hanger;
If the Landlord and the Tenant do not agree upon the Hanger Market Value on any date when it is required to be determined hereunder within 1 month thereafter, then the applicable Hanger Market Value shall be determined by arbitration in accordance with the provisions of paragraph 31(2).

(h) "Lands" means the lands in the Township of Armstrong in the District of Temiskaming, consisting of Part of Parcel 5640 in the register for South Section Temiskaming at the

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Land Registry Office in the Land Titles Division at Haileybury, Ontario, described as Part of the North Half of Lot 10, Concession 2, designated as Part 3 on Plan 54R-4874 prepared by P.A. Blackburn, Ontario Land Surveyor, dated the 2nd day of December, 2002;

(i) "Person" includes individuals, firms and corporations;

(j) "Tenant's Engineer" means Dario Rocca of the Township of Harris in the District of Temiskaming and other engineers as the Tenant may have appointed in his stead with the written approval of the Landlord;

(k) "Term" means the term of this lease as set out in paragraph 3; and,

(l) "Terminal Building" means an airport terminal building to be erected by the Landlord abutting the West Wall of the Hanger in accordance with the Detail Plans.

(2) Interpretation. The captions and headings in this lease are for convenience of reference only, and do not affect the scope, intent, or interpretation of any provision. This lease is governed by the laws of the Province of Ontario.

2. Grant

(1) Grant. The Landlord leases to the Tenant the Lands together with the Hanger and all fixtures and improvements thereon, (subject to the Tenant's obligation to offer hanger space, as available, to third parties pursuant to paragraph 9 of this lease) for the Term.

(2) Access. The Lease to the Tenant of the Lands and Hanger shall include access to and from the public road abutting the airport property.

3. Term

(1) Term. To hold the Lands, the Hanger, and all fixtures and improvements from time to time upon or appurtenant thereto for the term of 25 years commencing on the Completion Date but subject to prior termination in the events herein set out.

(2) Overholding after Term. In the event that the Landlord permits the Tenant to remain in occupation of the Lands and Hanger after the expiration of the Term, the Tenant is thereafter a tenant from year to year (the tenancy being terminable by either the Landlord or the Tenant upon the day preceding any anniversary date of the commencement of the yearly tenancy by written notice given to the other party not less than six months prior to the termination date) and at an annual rent equal to 12.0% of the Land Market Value at the time payable yearly in advance as herein provided, and otherwise upon and subject to all the covenants and provisos of this lease applicable to a yearly tenancy.

(3) Surrender of lease. Upon the expiration of the Term, but subject to the Tenant's option to Purchase the Hanger contained in paragraph 20 of this lease and the Landlord's First Right of Refusal to Purchase the Hanger contained in paragraph 23 of this lease, or any permitted period of overholding, or if the Landlord becomes entitled to terminate and declares this lease to be terminated pursuant to any provisions hereof, the Tenant shall surrender to the Landlord the possession of the Lands, Hanger, the fixtures and improvements thereon (all of which become the property of the Landlord without any claim by or compensation to the Tenant) and all the rights of the Tenant under this lease terminate but the Tenant, notwithstanding termination, remains liable to the Landlord for any loss or damage suffered by the Landlord from any default of the Tenant. Upon surrender the Tenant shall assign to the Landlord the benefit of all leases, licence agreements and other

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agreements and rights benefitting the Lands, the Hanger or the Tenant's Interest therein, if and to the extent that the Landlord requires the benefits to be assigned to it.

4. Rent

(1) Rent. The Tenant shall pay to the Landlord rent in the amount of $800,000.00 for the Term.

(2) Payment of rent. The rent shall be paid to the Landlord in the amounts and at the times hereinafter set forth:

(a) $25,000.00 shall become due and payable upon the date of execution of this lease by the parties provided that if the conditions precedent set out in paragraph 5 of this lease are not satisfied the $25,000.00 shall be returned to the Tenant without deduction or interest; and,

(b) the remaining $775,000.00 shall become due and payable upon satisfaction of the conditions precedent set out in paragraph 5 of this lease.

All payment of rent shall be made to the Landlord at Earlton-Timiskaming Regional Airport or as the Landlord may otherwise direct in writing.

(3) Goods and Services Tax. Goods and Services Tax payable by the Tenant to the Landlord under the Excise Tax Act of Canada shall be in addition to and not included in the rent or any other amounts payable by the Tenant to the Landlord under the provisions of this Lease and shall be payable at the same time as rent or such other amounts are payable.

(4) Rent to be Net to the Landlord. Rent shall be paid without any deduction, abatement or setoff and free of all abatement, setoff, or deduction of realty taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature related to the Lands, the Hanger or any other improvements thereon, and the Tenant shall pay all taxes, charges, rates, assessments, expenses, costs, payments and outgoings with the only exception being snow and ice removal which shall be the responsibility of the Landlord.

(5) Collection of other amounts due. Any sums, costs, expenses or other amounts from time to time due and payable by the Tenant to the Landlord under the provisions of this lease, including sums payable by way of indemnity, and whether expressed to be rent or not, may at the option of the Landlord be treated as and deemed to be rent, in which event the Landlord has all remedies for the collection of the sums, when in arrears, as are available to the Landlord for the collection of rent in arrears.

(6) Interest on amounts in arrears. When rent or other moneys payable hereunder by the Tenant to the Landlord are in arrears, they shall bear interest at the rate of 16.0 per cent per annum until paid, and the Landlord has all remedies for the collection of interest, if unpaid after demand, as in the case of rent in arrears, but this stipulation for interest does not prejudice or affect any other remedies of the Landlord under this lease.

5. Conditions precedent

(1) Conditions precedent for the benefit of the Landlord. This lease agreement shall be conditional upon satisfaction of the following:

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(a) The Landlord obtaining satisfactory financing to construct the Hanger in accordance with the Detail Plans; and,

(b) Council for The Corporation of the Township of Armstrong passing a by-law pursuant to Section 193 of the Municipal Act of Ontario authorizing the Landlord to enter into this lease, specifically including the option to purchase the Hanger in favour of the Tenant contained in paragraph 20 of this lease;

failing which this lease agreement shall be null and void. These conditions are inserted for the benefit of the Landlord.

6. General covenants of Landlord and Tenant

(1) General covenant of the Tenant. The Tenant covenants with the Landlord;

(a) .to pay rent; and;

(b) to observe and perform all the covenants, and provisos of this lease on the part of the Tenant to be observed and performed.

(2) General covenant of the Landlord. The Landlord covenants with the Tenant:

(a) for quiet enjoyment; and;

(b) to observe and perform all the covenants and provisos of this lease on the part of the Landlord to be observed and performed.

7. Construction of Hanger

(1) Landlord to construct Hanger. The Landlord shall construct and complete the Hanger expeditiously and in good and workmanlike manner and in accordance with the Detail Plans and provisions of this paragraph, and in particular

(a) shall cause the Hanger to be substantially completed, in accordance with paragraph 7(2), not later than February 28, 2003 (but subject to extensions of time granted pursuant to paragraph 7(3)), and;

(b) shall cause the Hanger to be fully completed in accordance with all the provisions of this lease with reasonable promptitude thereafter.

(2) Substantial completion of Hanger and Completion Date.

(a) For the purposes of this paragraph the Hanger shall be deemed to have been substantially completed when the Tenant's Engineer has certified to the Tenant that:

(i) all work of a structural nature has been properly completed;

(ii) all building equipment and services, including heating and ventilation systems and utilities, have been completed and are operating properly and available for use by Tenant;

(iii) all building by-laws and other regulations have been complied with and all necessary permits for occupancy have been obtained;

(iv) the Hanger is completed for occupancy by the Tenant except for work of a superficial nature (such as painting) and work which is reasonably and customarily allocated to the Tenant to complete;

(v) all areas are clean and all surplus building material and rubbish removed;

(vi) the Hanger generally is in a condition in which it can be leased to and occupied by the Tenant and any work that is still unfinished is work that can be completed promptly and is work to whose incompletion a reasonable tenant would not object; and,

(vii) the Hanger shall have been completed in all respects in a good and workmanlike manner in accordance with the Detail Plans except for any requirements of the Detail Plans which have been waived or varied by the Landlord in writing and for faults and defects which, in the opinion of the Tenant's Engineer, are minor and the correction of which is adequately assured.

(b) For the purpose of this lease the Completion Date is the date upon which all of the following conditions have been fulfilled:

(i) the Hanger has been substantially completed as certified by the Tenant's Engineer pursuant to paragraph 7(2)(a);

(ii) this lease has not been terminated and there is no existing material breach by the Tenant of any obligation under this lease; and,

(iii) there are no liens or other claims outstanding in respect of the construction of the Hanger except for claims for completion payments by contractors not exceeding any amounts which the Landlord is required to retain under the provisions of the Construction Lien Act of Ontario or is required or permitted to retain under the provisions of this lease; and except for amounts required or permitted to be so retained, all accounts for work and materials which could give rise to any claim for a construction lien against the Lands or the Hanger have been paid;

For the purpose of establishing the Completion Date the Tenant (but not the Landlord) has the right to waive the conditions set out in 7(2)(b)(i) and (iii) above in whole or in part, but no waiver of the conditional nature of either of the foregoing provisions relieves the Landlord of its obligation to perform its covenant hereunder.

(3) Extensions of time for construction of Hanger. If the Landlord

(a) has been delayed in constructing the Hanger by reason of strikes, lockouts, governmental restrictions, acts of God, unavailability of material and labour and similar causes, all being beyond the control of the Landlord, and the delays render it unlikely or uncertain that the Hanger will be substantially completed not later than the date the date set out in paragraph 7(1)(a); and,

(b) has used all reasonable diligence to overcome the delays and proceeded with the construction of the Hanger to the extent possible, then the Landlord may at any time before the date set out in paragraph 7(1)(a) apply to the Tenant for an extension of the time for compliance with paragraph 7(1)(a) by a period, not longer than the length of the delay imposed by the causes beyond the Tenant's control, which will reasonably be required for the Tenant substantially to complete the Hanger with reasonable diligence, the application to be accompanied by a certificate of the Tenant's Engineer certifying the following:

(a) the length of time required for the substantial completion of the Hanger with reasonable diligence;
(b) the length of the delay imposed by causes beyond the Tenant's control;
(iii) that these causes were beyond the Tenant's control; and,
(iv) that the delay will be likely to prevent compliance with paragraph 7(1)(a) by the date specified therein notwithstanding exercise of reasonable diligence by the Tenant; and in this event the Tenant shall grant to the Tenant an extension of the time specified in paragraph 7(1)(a), equal to the shorter of the two lengths of time referred to in items (i) and (ii) above as certified by the Tenant's Engineer,

and shall from time to time grant further extensions of the date for completion if application is made during the currency of any extension already granted and is accompanied by a like certificate of the Tenant's Engineer, provided always that in no event is the Tenant entitled to an extension beyond January 1, 2004.

(4) Contracts for construction of Hanger. The Landlord shall submit to the Tenant for the Tenant's approval every construction contract which the Landlord proposes to enter into for the Hanger, and shall not enter into any contract until approved by the Tenant. The Tenant's approval extends to the contractor, the terms of the contract, and the indemnity, insurance and performance bonds to be given by the contractor, but the approval of the Tenant shall not be unreasonably withheld, and in every case the Tenant shall promptly either give approval or notify the Tenant of the reasons for its being withheld. The Landlord has the right to submit from time to time to the Tenant for its approval contracts affecting part of the work (such as contracts for excavation and foundations and contracts for structural steel work) as the contracts require to be let, and it is not necessary to let contracts for the entire work at the same time. All working drawings and specifications supplied to contractors shall be consistent with the Detail Plans.

(5) Commencement of construction of Hanger . Before commencing excavation or any work on the Lands for the construction of the Hanger (other than as contemplated in the letter attached as Schedule "7(5)" from the Tenant to Wabi Development Corporation dated November 6, 2002 and upon the terms and conditions set out in that letter) the Landlord shall have:

(a) submitted to the Tenant the parts of the Detail Plans that relate to the portion of the work which the Landlord proposes to commence;
(b) furnished proof of the insurance required by paragraph 7(7);
(c) obtained the approval of the Tenant to and have entered into a construction contract for that part of the construction which is to be commenced; and,
(d) obtained from the contractor the indemnity, insurance and performance bonds required by the contract.

(6) Duties of Landlord in construction. The Landlord shall perform and comply with the following covenants and requirements in the construction of the Hanger:

(a) The Hanger shall be constructed in all respects in accordance with the Detail Plans except in so far as any requirements hereof have been waived or varied by the Tenant in writing;

(b) All necessary building permits shall be obtained and all municipal by-laws and legal requirements pertaining to the conduct of the work shall be complied with;

(c) The construction work shall be conducted expeditiously in a good and workmanlike manner and otherwise in accordance with the provisions of this lease;

(d) The Landlord, through the Tenant's Engineer, shall properly supervise the work;

(e) Any contractor engaged on the work shall be required to observe all provisions of its contract as approved by the Tenant, and to furnish and maintain all security, indemnity, insurance and performance bonds required by the contract;

(f) The Tenant and its agents and engineers shall at all times have the right to inspect the work and to protest to the Landlord any default or noncompliance with the construction contract or this lease, and the Landlord shall forthwith deal with the protest and remedy any default or non-compliance;

(g) The Tenant may require the Landlord at its own expense to submit at reasonable intervals certificates of the Tenant's Engineer of the standing of the work, the existence and extent of any faults or defects, the value of the work then done and to be done under any contract, the amount owing to any contractor and the amounts paid or retained by the Landlord on any contract, and the Landlord shall also, whenever requested by the Tenant, furnish copies of certificates furnished to it by contractors or by the Tenant's Engineer in connection with construction;

(h) The Landlord shall promptly pay all proper accounts for work done or materials furnished under all contracts which it has entered into relating to the construction of the Hanger, but this shall not prevent the Landlord from retaining any amounts claimed due which the Tenant's Engineer has not certified to be due, or which are properly and reasonably retained to secure the performance of any work or the correction of any defect or which in the opinion of the Tenant's Engineer are reasonably retained in anticipation of damages arising from any contractor's default, or which are required to be retained under provisions of the Construction Lien Act of Ontario; and,

(i) The Hanger shall be substantially completed to the extent required by paragraph 7(1)(a) on or before the expiration of the date therein stipulated, as the date may be extended pursuant to paragraph 7(3);

(7) Fire and liability insurance during construction.

(a) The Landlord shall effect or shall cause its contractor or contractors to effect prior to the commencement of construction of the Hanger, and shall maintain and keep in force until the insurance required under paragraph 12 has been effected, insurance:

(i) protecting both the Landlord and the Tenant (without any rights of cross claim or subrogation against the Tenant) against claims for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Lands and from any cause, including the risks occasioned by the

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construction of the Hanger, and to an amount of not less than $2,000,000.00 for any personal injury, death, property or other claims in respect of any one accident or occurrence; and,

(ii) protecting both the Landlord and the Tenant from loss or damage (without any rights of cross claim or subrogation against the Tenant) to the Hanger and all fixtures, equipment, improvements and building materials on the Lands from time to time, both during and after construction (but which may be by policies effected from time to time covering the risk during different phases of construction) against fire, all other perils from time to time customarily included in the usual extended coverage endorsements upon fire policies applicable to similar properties during construction and effected in Ontario by prudent owners, and other perils as the Landlord may reasonably require to be insured against, excluding earthquakes and hurricanes, to the full insurable value thereof at all times (to be computed upon a replacement cost basis with deduction only of the cost of excavation and foundations and of the value of building materials from time to time on the site but not incorporated in the Hanger if and to the extent the building materials are at the risk of the contractor or contractors and not at the risk of the Landlord) and in any event in an amount sufficient to prevent the Landlord being deemed a co-insurer.

(b) The proceeds of insurance which may become payable under any policy of insurance effected pursuant to paragraph 7(7)(a)(ii) shall be payable to the Landlord, and shall be available to finance repair and reconstruction.

(c) All the provisions of paragraph 12 respecting insurance which are of general application apply to the insurance during construction of the Hanger required by this paragraph.

8. Ownership of Hanger and fixtures

(1) Landlord's ownership of Hanger. The Landlord and the Tenant agree that the Hanger and all other fixed improvements which the Landlord constructs upon the Lands from time to time are and shall be fixtures to the Lands and are intended to be and are the absolute property of the Landlord; but the above proviso does not apply in the event that the Tenant exercises its option to Purchase the Hanger contained in paragraph 20 of this lease and the Landlord does not exercise its first right of refusal contained in paragraph 23 of this lease.

(2) Removal of Tenant's fixtures. Provided the Tenant is not in default hereunder, the Tenant may at or immediately before the expiration of the term of this lease, remove its furniture, chattels and other usual tenant's fixtures not forming any part of the structure or an integral part of the Hanger or any building services, and the Tenant may from time to time remove such tenant's fixtures in the ordinary course of its business or in the event of any reconstruction, changes and alterations of the Hanger pursuant to paragraph 15; provided that the Tenant shall, except upon the expiration of the term of this lease, cause the Tenant's fixtures to be replaced with fixtures having a value and utility at least equal to that of the fixtures so removed, considering the need to replace obsolete or defective fixtures and to substitute improved fixtures, and the consequences of any reconstruction, changes and alterations to the Hanger.

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9. Lease of Space in Hanger to Third Parties

(1) During the Term of this lease the Tenant shall offer hanger space, as available, to third parties at market rates. The sublease or other agreement with respect to use of space in the Hanger to third parties shall contain terms and provisions commonly found in such arrangements, shall include the Landlord as a party and shall contain a provision that the Landlord shall be entitled to 60% of the rate charged and the Tenant shall be entitled to the remaining 40% of the rate charged.

10. Use and operation of Hanger

(1) Use of Hanger. The Tenant covenants that the Hanger, and all fixed improvements from time to time erected upon the Lands, shall be used for storage, repair and maintenance of airplanes, and in compliance with all provisions of municipal by-laws pertaining to the use, and that the Tenant shall not commit or permit any waste (except as permitted by paragraph 15) or any nuisance thereon, or permit any part of the Hanger to be used for any dangerous, noxious or offensive trade, occupation or business.

(2) Operation of Hanger. The Tenant shall operate, manage and maintain the Hanger as a good quality hanger and (in addition to performing all its other covenants under this lease) shall properly and adequately supervise the Hanger, shall supply heat and other necessary building services to it whenever reasonably required, shall keep the Hanger and the adjacent landscaping and all other improvements upon the Lands neat and clean, shall impose and enforce regulations relating to the use and occupancy of space in the Hanger consistent with a good quality airplane hanger, shall maintain the general appearance and standards of the Hanger and shall generally manage the Hanger as a prudent owner would.

(3) Compliance with by-laws.

(a) Throughout the term of this lease the Tenant shall, without cost or expense to the Landlord, comply with all laws, by-laws, regulations and requirements of all government, municipal and other authorities having jurisdiction, including the requirements of the Board of Fire Underwriters and any body exercising similar functions, and whether compliance involves extraordinary measures, structural repairs or alterations. The Tenant shall likewise observe and comply with the requirements of insurers under policies of public liability, pressure vessel, fire, and any insurance at any time covering the Hanger, unless the requirements are unreasonable or involve a breach of any provision of this lease;

(b) If compliance with any laws, by-laws, regulations or requirements necessitates major physical changes, alterations or additions to the Hanger which are estimated to cost more than $100,000.00, the provisions of paragraph 15 apply; and,

(c) The Tenant has the right to contest the application or validity of any law, by-law, regulation or requirement affecting the Hanger, without expense to the Landlord, and may defer compliance with any requirement provided that the delay is lawful, that it does not subject the Landlord to any penalty for failure to comply, and that it does not otherwise constitute a breach of this lease. The Tenant shall prosecute any proceedings taken by it to contest the application or validity of any law, by-law, regulation or requirement affecting the Hanger with due diligence.

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11. Real estate taxes and utility charges

(1) Real estate taxes.

(a) The Tenant shall pay before any fine, penalty, interest or costs accrue for the non-paymen thereof (but subject to paragraph (d) hereof) all real estate taxes, assessments, rates an charges and other government impositions, general or special, ordinary or extraordinary foreseen or unforeseen, of every kind (including assessments for local or public improvement and school taxes) which may at any time during the Term be imposed, assessed or levied i respect of the Lands, the Hanger and all fixtures and improvements from time to time thereon or which, however, imposed, might constitute a lien on the Lands or the Hanger or any pa thereof or a liability of the Landlord (all of which taxes, assessments, rates, charges an impositions are referred to in this paragraph as "Realty Taxes"). If any Realty Taxes relate t a fiscal period which extends beyond the expiration of the Term, and the Tenant is obliged b the provisions of this paragraph to pay taxes, the Landlord shall, upon demand and proof c payment, reimburse the Tenant for that proportion of the Realty Taxes which relates to th period after the date of expiration of the Term. If the Tenant fails to pay any Realty Taxes, th Tenant shall pay any fine, penalty, interest and expense arising therefrom;

(b) Nothing in this paragraph requires the Tenant to pay any franchise, estate, inheritance succession, capital levy or transfer tax of the Landlord, or any income, profits or revenue ta of the Landlord, or any tax imposed upon the rent received by the Landlord;

(c) The Tenant shall furnish to the Landlord, within thirty days after payment of Realty Taxes official receipts or other proof satisfactory to the Landlord evidencing the payment thereof;

(d) The Tenant has the right to contest the amount or validity of all Realty Taxes imposed i respect of the Lands or the Hanger, but this does not relieve the Tenant of its obligation to pa Realty Taxes or authorize the Tenant to defer payment of Realty Taxes unless the defermer is lawful; and,

(e) If the Tenant is contesting in good faith the amount or validity of any Realty Taxes and ha complied with the provisions of this paragraph and if it becomes necessary for the Landlord t join in or consent to the proceedings, the Landlord shall join or consent as required, and th Tenant shall indemnify the Landlord against all expense arising therefrom.

(2) Utility charges related to the Hanger. The Tenant shall pay or cause to be paid when due all charges fo gas, electricity, light, heat, power, telephone and other utilities and services used in or supplied to the Hange throughout the Term of this lease, and shall indemnify the Landlord against any liability or damages pertainin thereto.

(3) Heat and Hydro related to the Terminal Building. The Tenant shall pay or cause to be paid when due a charges for gas, electricity, light, heat and power for the Terminal Building provided that the Landlord sha reimburse the Tenant on a monthly basis in an amount equal to average monthly cost for these same expenses incurred for the year 2002 for the existing terminal building which the parties estimate to be $250.0 per month.

12. Insurance

(1) Liability insurance respecting Hanger. The Tenant shall effect, not later than the completion of constructio of the Hanger, and shall keep in force during the Term insurance protecting both Landlord and Tenant (withou

any rights of cross claim or subrogation against the Landlord) against claims for personal injury, death, property damage, or third party or public liability claims arising from any accident or occurrence upon or in the Lands and the Hanger, from any cause to an amount of not less than $5,000,000.00 (or from time to time such greater amounts as are sufficient, having regard to any decline in the real value of the Canadian dollar as determined from time to time by the Landlord acting reasonably, to afford equivalent protection) for personal injury, death, property or other claims in respect of any one accident or occurrence.

(2) Tenant's fire insurance on Tenant's property. The Tenant shall obtain, not later than the completion of the construction of the Hanger and shall keep in force throughout the Term, insurance on the Tenant's property, including it's airplanes, personal property of any nature whatsoever and the Tenant's fixtures and improvements located or erected on the lands protecting the Tenant's (without any rights of cross claim or subrogation against the Landlord) from loss or damage caused by;

(a) fire or other perils as may from time to time be included in a standard Tenant's Insurance policy; and,
(b) risks normally insured against in Ontario by a Tenant leasing a building similar to the Hanger.

Insurance shall be for the replacement value of the Tenant's property and shall in any case be for an amount sufficient to prevent the Tenant being considered being a co-insurer with the insured.

(3) Pressure vessel insurance. The Tenant shall effect, not later than the completion of construction of the Hanger and Terminal Building, and shall keep in force during the Term, pressure vessel insurance protecting both Landlord and Tenant in respect of all steam boilers and other pressure vessels as the Landlord may from time to time deem it necessary to insure in the amount and in respect of the risks as are normally covered by prudent owners of similar properties in Ontario.

(4) Fire insurance on Hanger and Terminal Building. The Tenant shall effect, not later than the completion of construction of the Hanger and Terminal Building and shall keep in force throughout the Term, insurance on the Hanger and all fixtures and improvements erected on the Lands and on the Terminal Building and all fixtures and improvements thereto in the joint names of Landlord and Tenant protecting both Landlord and Tenant (without any rights of cross claim or subrogation against the Landlord) from loss or damage caused by

(a) fire and other perils as may from time to time be included in the standard fire insurance additional perils supplementary contract generally available in Ontario;
(b) risks normally insured against in Ontario for a building of construction, location and use similar to the Hanger and Terminal Building; and,
(c) risks which the Landlord may from time to time reasonably require to be insured against (except earthquakes and hurricanes).

Insurance shall be for the full insurable value of the Hanger, the Terminal Building and the replacement value of fixtures and improvements (exclusive of the cost of foundations) and shall in any case be for an amount sufficient to prevent the Landlord being considered a co-insurer with the insured.

(5) Identity of insurers and policy terms. The terms of the policies required to be effected by the Landlord and Tenant under this paragraph or under any other provision of this lease, and the insurers issuing them, are subject to the approval of both the Landlord and Tenant, but the approval shall not be unreasonably withheld.

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(6) Payment of loss under fire policy. The parties agree as follows:

(a) Where insurance proceeds under any fire insurance policy become payable they shall be paid to the Landlord and the cost of work in progress shall be borne by the Landlord;
(b) If the Landlord fails to effect repairs in accordance with paragraph (a) within a reasonable time, the Tenant is entitled to effect the repairs itself and recover any balance from the Landlord;
(c) When at the time of the occurrence of the damage or the completion of its repair the Tenant is in default to the Landlord under this lease but the Landlord has not elected to forfeit the lease, the Landlord is entitled, out of any insurance moneys in its hands, to retain any moneys not paid over for the cost of repair against the rectification of the Tenant's default;
(d) Before any contract is entered into by the Landlord for the carrying out of any repair work pursuant to paragraph (e) above, copies of the estimates for all work and the contracts for the completion of the work shall be submitted to the Tenant;
(e) In making any payment under this paragraph the Landlord shall have regard to construction lien legislation applicable in the Province of Ontario and shall retain within its control for the period specified in the legislation the amount of any hold-back required; and,
(f) In case of dispute over the outstanding cost or the filing of liens on the Hanger or Lands arising out of the work of repair, the Landlord is not under any obligation to make or authorize any progress or lump sum payment until the dispute is settled or the lien discharged.

(7) Premiums and proof of insurance. The Tenant shall pay all premiums and costs of all insurance required to be effected by either the Landlord or Tenant under any provision of this lease except for any portion of premiums and costs attributable to the Terminal Building which the Landlord shall pay, and each party shall from time to time keep on file with the other party certified copies of insurance policies, renewal contracts and other documents sufficient to show and establish accurately at all times the current status of policies in force, and in particular shall submit to each party before the expiration of every current policy evidence of the renewal of the policy or the issuance of a replacement policy and of the payment of all premiums due for the renewal or replacement, and shall promptly notify each party of any cancellation or intended cancellation by any insurer of any policy or any circumstances known to each party materially affecting its coverage. The Tenant shall not cancel any policy of insurance without the prior written consent of the Landlord. Each policy shall provide that no cancellation is effective without prior notice by the insurer to the Landlord.

(8) Landlord's right to insure. If the Tenant defaults on any of its obligations under this lease regarding insurance including the obligation to submit proof of insurance to the Landlord, the Landlord may, but is not obliged to, place any insurance at the cost and expense of the Tenant, or pay any arrears of premium, and any expense incurred by the Landlord shall be reimbursed to it by the Tenant on demand.

13. Damage or destruction of Hanger

(1) Rebuilding with alterations. If the Hanger is destroyed or damaged, but in the opinion of the Tenant's Engineer (as certified by him to the Landlord) it is practicable and economic to rebuild or restore the Hanger with changes or alterations, and if the Tenant desires to make the changes or alterations, then notwithstanding the provisions of paragraph 14 the Landlord may, in the course of repairing the damage or destruction, incorporate changes or alterations provided that the provisions of paragraph 15 are complied with.

(2) Rent not to abate. The Tenant's obligation to pay rent and all other sums payable by the Tenant under the provisions of this lease is not affected, nor shall rent abate or be diminished, in the event of damage to or

destruction of the Hanger or any fixtures or improvements upon the Lands, regardless of the cause or extent thereof, and the Tenant hereby waives the provisions of any statute or rule of law to the contrary now or hereafter in effect, it being the intent of this lease that the Hanger and all fixtures and improvements are at the risk of the Tenant.

14. Repairs

The Tenant shall throughout the Term at its own expense (a) keep in good and tenant like repair, as is fitting to a good quality airplane hanger, the Hanger and all structures, improvements and fixtures at any time erected upon the Lands (including all building equipment, fixtures, heating, ventilation and plumbing apparatus and electric lighting fixtures and equipment) whether the repairs are interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen, excepting from the standard of repair reasonable wear and tear to the extent only that reasonable wear and tear is not inconsistent with maintenance in good order and condition of the Hanger generally. Repairs include replacements and renewals when necessary. All repairs made by the Tenant shall be equal in quality and class to the original work. To the extent that repairs involve structural or major portions of the Hanger or a cost (as estimated by the Tenant's Engineer) in excess of $100,000.00, all the provisions of paragraph 15 apply thereto, (b) maintain the Hanger and all fixtures and improvements from time to time on the Lands, in a clean and orderly condition, free from any accumulation of dirt, rubbish and water and generally as is fitting to a good quality airplane hanger, (c) keep or cause to be kept in good order and condition, reasonable wear and tear excepted, all chattels located in or about the Hanger and belonging to the Tenant, and (d) promptly upon notice in writing from the Landlord make and do all repairs and maintenance which it has hereunder covenanted to perform.

15. Changes and alterations in Hanger

The Tenant has the right from time to time during the Term to make changes, alterations, additions, extensions or rebuildings, structural or otherwise (collectively called "Improvements") in and to the Hanger as the Tenant thinks necessary, but subject to the following conditions (which the Tenant covenants to observe and perform):

(1) The Improvements shall be such as will not, when completed, diminish the value or utility of the Hanger, or change its character as a good quality airplane hanger;

(2) No Improvements shall be commenced until the Tenant has obtained all building and other permits required by lawful authority;

(3) No Improvements which involve structural or substantial changes, alterations, additions, extensions or rebuildings to the Hanger shall be commenced until detail plans and specifications have first been submitted to and approved by the Landlord in writing, the approval not to be unreasonably withheld;

(4) Every improvement involving an estimated cost of more than $100,000.00 shall be conducted under the proper supervision of the Tenant's Engineer;

(5) Every improvement shall be constructed expeditiously, in good and workmanlike manner, in compliance with the detail plans and specifications approved by the Landlord, and in compliance with all applicable municipal by-laws and other laws, regulations and requirements of all authorities having jurisdiction;

(6) The cost of every improvement shall be paid by the Tenant in cash when due (subject only to the retention of any amounts which are required to be withheld under the provisions of the Construction Lien Act of Ontario or which the Tenant's Engineer has certified are properly to be retained in order to secure due performance of the work);

(7) The Tenant shall maintain fire and liability insurance during the construction of every improvement

involving an estimated cost of more than $100,000.00 whenever the Landlord reasonably requires, sufficient to comply with the provisions of paragraph 7(7) (mutatis mutandis); and,

(8) The Landlord has the right to approve all construction contracts for Improvements involving an estimated cost of more than $100,000.00 and the provisions of paragraph 7(4) apply thereto (mutatis mutandis).

16. Airport Maintenance Charge

On the first day of each month during the Term the Tenant shall pay to the Landlord an Airport Maintenance Charge which in the first year of the Term shall be in the amount of $1,500.00 per month. For each ensuing one year period during the Term of this lease the amount of the Airport Maintenance Charge shall be in an amount agreed to between a Landlord and Tenant prior to the end of the prior year and failing agreement shall be determined in the same manner as disputes arising between the Tenant and Landlord in accordance with paragraph 31(2) of this lease provided that in no event shall any annual increase be greater than the percentage charge over the previous full calendar year's all items consumer price index for Canada as provided by Statistics Canada plus any such percentage charge to the extent not taken in previous years.

17. Standard airport charges

The Tenant acknowledges that in addition to the rent and any other amounts payable by the Tenant to the Landlord provided for in this Lease the Tenant shall be responsible for the standard airport charges with respect to the operation of its airplane set out in the attached Schedule "17" such charges to be subject to annual review by the parties.

18. Snow and Ice removal

The Landlord shall be responsible for all snow and ice removal in and about the Lands as reasonably required by the Tenant.

19. Construction liens

The Tenant shall not permit any lien under the Construction Lien Act of Ontario or any like statute to be filed or registered against the Lands, the Hanger or any fixtures or Improvements on the Lands, by reason of work, labour, services or materials supplied or claimed to have been supplied to the Tenant or anyone holding any interest in any part thereof through or under the Tenant. If any lien is at any time filed or registered the Tenant shall procure registration of its discharge within twenty days after the lien has come to its notice or knowledge; provided that if the Tenant desires to contest in good faith the amount or validity of any lien and has so notified the Landlord, and if the Tenant has deposited with the Landlord, or paid into court to the credit of any lien action, the amount of the lien claimed plus a reasonable amount for costs, then the Tenant may defer payment of the lien claim for a period of time sufficient to enable the Tenant to contest the claim with due diligence, provided always that neither the Lands nor the Hanger or any part thereof, nor the Tenant's leasehold interest therein thereby becomes liable to forfeiture or sale. The Landlord may, but is not obliged to, discharge any lien filed or registered at any time if in the Landlord's judgment the Lands or the Hanger or any part thereof or the Tenant's interest therein becomes liable to any forfeiture or sale or is otherwise in jeopardy, and any amount paid by the Landlord in so doing, together with all reasonable costs and expenses of the Landlord, shall be reimbursed to the Landlord by the Tenant on demand together with interest at the rate of 16% per cent per annum from the date incurred until paid, and may be recovered as rent in arrears. Nothing herein contained authorizes the Tenant, or implies any consent or agreement of the Landlord, to subject the Landlord's estate and interest in the Lands and Hanger to any lien.

20. Option to purchase

(a)Provided this lease is a subsisting lease at the time, the Tenant shall have the option to purchase the Hanger for an amount equivalent to the Hanger Market Value on the following terms and conditions:

(1) This option shall be exercised by written notice of exercise of option executed under seal by the Tenant and given to the Landlord any time during the first 6 months of the last year of the Term of this lease together with a certified cheque payable to the Landlord for $10,000.00 as a deposit to be credited towards the purchase price on closing. The notice from the Tenant exercising the option shall constitute a binding agreement of purchase and sale. The sale shall be closed within 60 days after the expiry of the Term of this lease and the Landlord shall remove, on or before the closing, all encumbrances affecting the Hanger. Notwithstanding the exercise of this option, this lease shall continue in full force; and,

(2) The provisions of the paragraph 22 regarding demolition of the Hanger shall apply.

21. Early Termination by Tenant

(1) Early Termination by Tenant. At any time during the last 10 years of the Term, the Tenant shall be entitled to terminate this lease by providing the Landlord with 6 months notice of its intention to do so but in no event shall the Tenant be entitled to the return of any rent paid to the Landlord pursuant to this lease. Notwithstanding the provisions of paragraph 22 of this lease, the Tenant shall not be required to demolish the Hanger if the Tenant exercises its right of early termination contained in this paragraph 21 prior to the last 9 months of the Term.

22. Demolition of Hanger

(1) Tenant to demolish Hanger. In the event that:

(a) this lease is no longer a subsisting lease;
(b) the Tenant and Landlord have not entered into any other agreement with respect to the Lands and Hanger;
(c) the Tenant is not a permitted overholding Tenant;
(d) the Tenant has exercised its option to purchase the Hanger contained in paragraph 20 of this lease; and,
(e) the Landlord has not exercised its first right of refusal contained in paragraph 23 of this lease;

then, upon written notice by the Landlord to the Tenant, the Tenant shall demolish the Hanger within 9 months of such notice. In this lease any reference to demolish or demolition shall include dismantling and removing the Hanger from the Lands.

(2) Contract for demolition of Hanger. The Tenant shall not commence demolition of the Hanger until:

(a) it has submitted to the Landlord the demolition contract and the Landlord has approved the contractor, and those terms of the contract covering demolition, security and safety measures to be taken, indemnities, insurance and performance bonds to be given by the demolition contractor, the time within which the demolition is to be performed, and other provisions of the contract which are relevant to the risks of non-performance or faulty performance and the Landlord covenants that it will promptly in every case either give approval or notify the Tenant as to the reasons for the withholding of approval, and that approval shall not be unreasonably withheld;

(b) the demolition contractor shall have produced such indemnities, insurance and performance bonds as are required by the demolition contract which has been approved by the Landlord;

(c) all necessary demolition permits shall have been obtained; and,

(d) the Tenant shall have furnished the proof of insurance required by paragraph 22(3).

(3) Liability insurance during demolition.

(a) The Tenant shall effect, or cause the demolition contractor to effect, prior to the commencement of demolition of the Hanger, and shall maintain and keep in force until the completion of the demolition, insurance protecting both the Tenant and the Landlord (without any rights of cross claim or subrogation against the Landlord) against claims for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Lands and from any cause including the risks occasioned by the demolition of the Hanger, and to an amount of not less than $2,000,000.00 for personal injury, death, property or other claims in respect of any one accident or occurrence; and,

(b) All the provisions of paragraph 12 which are of general application shall apply to the insurance during demolition of the Hanger required by paragraph 22(3)(a).

(4) Performance of demolition of Hanger.

(a) The Tenant shall use all reasonable efforts to cause the demolition of the Hanger to be conducted expeditiously and in a safe and proper manner, shall require compliance with those provisions of the demolition contract to be performed which relate to the safe and proper conduct of the work, and shall cause the work of demolition to be properly supervised and all proper and reasonable precautions to be take for the prevention of accidents and the prevention of injury to any persons or property;

(b) The Landlord has the right to inspect the demolition work in progress at all times and, if the Landlord informs the Tenant or any personnel of the Tenant supervising the work of any apprehended risk or danger or any instance of faulty performance, the Tenant shall take immediate steps to require the risk or danger to be abated and the faulty performance to be cured by the contractor, and if the Landlord requires, halt the performance of the work, including, the halting of the work in progress; and,

(c) During demolition the Lands shall be properly fenced off by suitable barriers and, except for excavations for immediate use in construction, shall be left in a level condition. The work of demolition and the condition of the Lands during and after demolition shall accord with all applicable provisions of municipal by-laws.

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(5) Covering of the outside wall and repair of roof of the Terminal Building. Upon completion of the demolition of the Hanger, the Tenant, at its expense, shall install outside siding on the common wall between the Hanger and the Terminal Building similar to the other outside walls of the Terminal Building and repair or reconstruct the roof of the Terminal Building to the satisfaction of the Landlord acting reasonably.

(6) Restoration of Lands. To the extent possible the Tenant shall restore the Lands to their original condition

23. First Refusal to Purchase

If the Tenant exercises its option to purchase the Hanger pursuant to paragraph 20 of this lease and before the Tenant commences demolition of the Hanger pursuant to paragraph 22 of this lease the Tenant receives a bona fide offer to purchase the Hanger which the Tenant is willing to accept then the Tenant shall give written notice of such offer to the Landlord and the Landlord shall have the right, during the next ten (10) business days after giving of such notice, by written notice given to the Tenant, to elect to purchase the Hanger for the price and upon the terms and conditions contained in the said offer.

If the Landlord does so elect, the notice given by it shall constitute a binding agreement of purchase and sale. If the Landlord does not so elect, the Tenant shall be free to sell the Hanger on the terms and conditions set forth in the said offer. If the Hanger is not sold under the terms of that offer, the Tenant shall be obligated to submit any further offer to the Landlord by giving written notice thereof to the Landlord in the manner in this paragraph provided and the provisions of this paragraph will apply over again.

24. Inspection and exhibition by Landlord

(1) Inspection by Landlord. The Landlord, its employees and agents are entitled to inspect the Hanger and all fixtures and improvements upon the Lands at any time during usual business hours for the purpose of ascertaining their condition or state of repair or of verifying that the provisions of this lease are being complied with, and the Tenant shall, upon reasonable notice, permit access for this purpose.

(2) Exhibition by Landlord. The Landlord is entitled to exhibit the Hanger and all fixtures and improvements from time to time upon the Lands at any time during usual business hours to actual or prospective purchasers, mortgagees or encumbrancers of the Landlord's interest and estate, and the Tenant shall, upon reasonable notice, permit access for that purpose. If at any time during the final lease year it becomes apparent that the Lands and Hanger will become available for letting at the end of the Term then the Landlord is entitled to display upon the Hanger the usual signs advertising the Lands and Hanger as being available for purchase or letting, provided the signs are displayed in a manner as not to interfere unreasonably with the conduct of the Tenant's business.

25. Assignments and other dealings by Landlord

(1) Right of Landlord to assign or encumber. Nothing contained in this lease prohibits or restricts the Landlord or implies any prohibition or restriction from assigning, syndicating, mortgaging, encumbering or otherwise dealing with its reversionary interest in the Lands and all its interest in the Hanger under this lease, but subject always to this lease and the rights of the Tenant hereunder.

(2) Certificate by Tenant. The Tenant shall promptly, whenever from time to time requested by the Landlord, execute an acknowledgment or certificate in favour of any actual or prospective purchaser, mortgagee or

encumbrancer of the Landlord's interest, acknowledging or certifying the status of this lease, any modifications thereof, any breaches of covenant known to the Tenant and the state of the rent account, with the intent that any acknowledgment or certificate may be relied upon by any person to whom it is addressed.

26. Assignment and other dealings by Tenant

(1) Subleases of space for other airplanes.

- (a) The Tenant may enter into Subleases and agreements with third party's for space in the Hanger, as available, as permitted by paragraph 9, without the consent or approval of the Landlord; provided that no Sublease or agreement shall be for a period (taking into account any renewals and extensions) which extends beyond the expiration of the Term; and provided further that nothing herein contained authorizes the Tenant, or implies any consent or agreement on the part of the Landlord, to subject the Landlord's estate and interest in the Lands and Hanger to any sublease or agreement for lease.
- (b) No sublease shall release or impair the continuing obligations of the Tenant hereunder.

(2) Assignment and other dealings.

- (a) the Tenant shall not assign this lease or sublet the whole or any part of the Lands or the Hanger (except for subleases and agreements for leases permitted by paragraph 26(1)) without the prior written consent of the Landlord, which consent shall not be unreasonably withheld; provided that every assignment and subletting made with the consent of the Landlord shall nevertheless comply with the additional conditions in paragraph 26(4); and,
- (b) the Tenant shall not mortgage or encumber its leasehold interest under this lease and its interest in the Lands and Hanger.

(3) Additional conditions affecting assignment by Tenant.

- (a) No assignment of this lease, or sublease of any part of the Lands or the Hanger (except subleases permitted by paragraph 26(1)(a)) shall be made by the Tenant unless the following conditions have been complied with:
  - (i) no assignment is valid unless the assignee expressly covenants and agrees with the Landlord to perform and observe all the Tenant's covenants under this lease and unless the assignee of the interest of the Tenant under this lease receives an assignment of the Agreement to Lease and all of the Tenant's rights relating to the Lands and to the Hanger.

(4) Acknowledgments by Landlord. The Landlord shall promptly, whenever requested by the Tenant, execute an acknowledgment or certificate in favour of third party, acknowledging or certifying the status of this lease, any modifications of the lease, any breaches of covenant known to the Landlord and the state of the rent account, with the intent that any acknowledgment or certificate may be relied upon by any person to whom it is addressed.

Initial of Buyer ________ Initial of Seller ________

27. Liability and Indemnity of Landlord

(1) Exemption of Landlord from liability. The Landlord is not liable or responsible in any way for personal or consequential injury of any kind that is suffered or sustained by the Tenant, or any employee, agent or invitee of the Tenant, or any other persons who may be on the Lands, or for any loss, theft, damage or injury to any property on the Lands unless caused by the negligence of the Landlord or its agents, contractors, employees, invitees or licensees.

(2) Indemnity of Landlord by Tenant. The Tenant shall indemnify the Landlord against all claims by any person arising from the operation of the Hanger or any defect or want of repair therein or any want of maintenance thereof or anything done or omitted on or in the vicinity of the Lands (including any adjoining sidewalks) or any other thing, whether arising from any breach or default or from any negligence by the Tenant, its agents, contractors, employees, invitees or licensees, or from any accident, injury or damage or any other cause other than the negligence of the Landlord or its agents, contractors, employees, invitees or licensees; and the indemnity extends to all costs, counsel fees, expenses and liabilities which the Landlord may incur with respect to any claim.

28. Notices

Any notice, election, demand or exercise of option to which a party to this lease is entitled or required to give is deemed to have been duly given to any other party if in writing and delivered personally to some responsible officer of the party or if mailed by postage prepaid, registered mail, and addressed as follows: if to the Landlord, to the Landlord at P.O. Box 99, Earlton, Ontario, P0J 1E0; if to the Tenant, to the Tenant at P.O. Box 130, New Liskeard, Ontario, P0J 1P0. Notice is deemed to have been given twenty-four hours from the time when it was mailed. A party may from time to time change the address to which notice is to be sent by mail by giving written notice to the other parties hereto.

29. Default of Tenant and remedies of Landlord

(1) Bankruptcy or insolvency of Tenant. If during the Term of this lease the Tenant makes an assignment for the benefit of creditors, or assigns in bankruptcy or takes the advantage in respect of its own affairs of any statute for relief in bankruptcy, moratorium, settlement with creditors, or similar relief of bankrupt or insolvent debtors, or if a receiving order is made against the Tenant or if the Tenant is adjudged bankrupt or insolvent, or if a liquidator or receiver of any property of the Tenant is appointed by reason of any actual or alleged insolvency or any default of the Tenant under any mortgage or other obligation, or if the interest of the Tenant in the Lands or Hanger becomes liable to be taken or sold under any writ of execution or other like process which remains undischarged for thirty days, then the occurrence of any such contingency is deemed to be a breach of this lease, and at the option of the Landlord this lease may be terminated and expires as fully and completely as if the date of the happening of the default were the date herein fixed for the expiration of the Term, and the Tenant shall quit and surrender the Lands and the Hanger to the Landlord but remains liable for any loss or damage suffered by the Landlord.

(2) Re-entry on certain defaults by Tenant. If

(a) the Tenant defaults in the payment of rent or any other sums required to be paid to the Landlord by any provision of this lease, and the default continues for fifteen days after notice thereof given by the Landlord to the Tenant; or

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(b) the Tenant defaults in performing or observing any of its other covenants or obligations under this lease, or any contingency occurs which by the terms of this lease constitutes a breach hereof or confers upon the Landlord the right to re-enter or forfeit or terminate this lease, and the Landlord has given to the Tenant notice of the default or the happening of the contingency, and at the expiration of thirty days after the giving of the notice the default or contingency continues to exist (or, in the case of a default or contingency which cannot with due diligence be cured within a period of thirty days, the Tenant fails to proceed promptly after the giving of notice even though it thereafter proceeds with due diligence to cure the same); or

(c) this lease expires or is forfeited or is terminated by any other provision contained in it, the Landlord or the Landlord's agents or employees authorized by it may immediately or at any time thereafter re-enter the Lands and the Hanger, may remove all persons and their property therefrom either by summary eviction proceedings or by any other suitable action or proceeding at law, equity or otherwise without being liable therefor, and may repossess and enjoy the Lands, the Hanger and all fixtures and improvements upon the Lands without the re-entry and repossession working a forfeiture or waiver of the rents to be paid and the covenants to be performed by the Tenant up to the date of re-entry and repossession.

(3) Landlord's right to cure defaults. The Landlord has the right at all times to enter the Lands and Hanger for the purpose of curing any default of the Tenant, and no such entry is deemed to work a forfeiture or termination of this lease, and the Tenant shall permit the entry. The Landlord shall give not less than seven days' notice to the Tenant of its intention to enter for this purpose but may enter upon a shorter period of notice or without notice where in the Landlord's reasonable judgment there is real or apprehended emergency or danger to persons or property, or where any delay in remedying the default would or might materially prejudice the Landlord. The Tenant shall reimburse the Landlord upon demand for all expenses incurred by the Landlord in remedying a default, together with interest thereon at 16% per annum from the date incurred until paid. The Landlord is under no obligation to remedy any default of the Tenant, and does not incur any liability to the Tenant for any action or omission in the course of its remedying or attempting to remedy any default unless the act amounts to intentional misconduct or gross negligence of the Landlord.

(4) Remedies of Landlord are cumulative. The remedies of the Landlord specified in this lease are cumulative and are in addition to the remedies of the Landlord at law or equity. No remedy is deemed to be exclusive, and the Landlord may from time to time have recourse to one or more or all of the available remedies specified herein or at law or equity. In addition to the remedies provided in this lease the Landlord is entitled to restrain by injunction any violation or attempted or threatened violation by the Tenant of any of the covenants hereof.

(5) Effect of waiver by Landlord. The failure of the Landlord to insist upon the strict performance of any covenant hereof does not waive the covenant, and the waiver by the Landlord of any breach of any covenant does not waive the covenant in respect of any future or other breach. The receipt and acceptance by the Landlord of rent due hereunder with knowledge of a breach of covenant by the Tenant does not waive the breach. No waiver by the Landlord is effective unless made in writing.

30. Compliance with laws generally

In addition to complying with the requirements of the lease, the Tenant shall ensure, in its use and occupation of the Lands and Hanger and other fixtures and improvements on the Lands, and in the conduct of its business

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thereon, and in the maintenance and repair thereof, and as to all other matters or things pertaining to the Lands and Hanger, compliance with all laws, by-laws, statutes, orders and regulations of all governmental authorities having jurisdiction.

31. Determination of disputes between Landlord and Tenant

(1) Determination of disputes by independent Engineer. If any dispute arises between the Tenant and the Landlord under this lease as to:

(a) whether the approval of the Landlord to the demolition contract required under paragraph 22(2)(b) has been reasonably or unreasonably withheld;
(b) whether the Tenant has complied with the provisions of paragraph 22(4)(a) respecting the conduct of demolition;
(c) whether any approval of the Landlord to any construction contract required under paragraph 7(4) has been reasonably or unreasonably withheld; or
(d) whether in the construction of the Hanger the Tenant has complied with paragraph 7(6)(a), (b), (c) and (i);

and shall remain unresolved after fifteen days, then either the Tenant or the Landlord upon written notice to the other may refer the dispute for determination in accordance with the provisions of this lease to an independent Engineer as the Tenant and the Landlord agree upon, and the Engineer or firm of Engineers have jurisdiction to determine the dispute. Any determination made by the Engineer is binding upon the parties and the cost of determination shall be borne equally between the Tenant and the Landlord.

(2) Determination of disputes by arbitration. If any dispute arises between the Tenant and the Landlord as to:

(a) the Hanger Market Value upon any date when it is required to be determined hereunder;
(b) the reasonableness of the requirements of the Landlord in respect of insurance under paragraph 7(7)(a);
(c) whether hanger space is available for use by third parties and what market rates are for the purpose of paragraph 9;
(d) the standards of a good quality airplane hanger, for the purposes of any provision of this lease requiring that the Hanger be operated and maintained to the standard;
(e) the amount of the liability insurance to be maintained by the Tenant under paragraph 12(1) and the reasonableness of any withholding by the Landlord or Tenant of any approval of insurers under paragraph 12(5);
(f) whether, for the purposes of paragraph 15(1), any improvement to the Hanger will diminish its value or utility or change its character;
(g) whether the outside siding on the common wall between the Hanger and the Terminal Building is similar to the other outside walls for the purposes of paragraph 22(5); or,
(h) whether the Landlord is acting reasonably with respect to the repair and reconstruction of the roof of the Terminal Building for the purposes of paragraph 22(5),

and remains unresolved after thirty days, then either the Tenant or the Landlord may require arbitration of the dispute by giving to the other a written notice to arbitrate. In this event the Tenant and the Landlord shall each, within ten days after giving notice to arbitrate, give notice to the other nominating one arbitrator on its behalf, and the two arbitrators so nominated shall nominate a third arbitrator, and the three arbitrators so nominated shall determine the dispute. If either party fails to nominate an arbitrator or if the two arbitrators fail to agree on the nomination of the third arbitrator, either the Tenant or the Landlord may apply upon notice to the other to a Judge of The Superior Court of Justice in the District of Temiskaming who shall have jurisdiction to nominate the arbitrator or arbitrators. The decision of any two of the three arbitrators is binding on the parties. The cost of each arbitration shall be borne equally by the parties. Except as to matters otherwise provided herein, the provisions of the Arbitration Act of Ontario apply. If any dispute has not been determined by the arbitrators within sixty days of the giving of the notice to arbitrate either the Tenant or the Landlord is entitled at any time thereafter, but before a determination is made by the arbitrators, to resort to the courts having jurisdiction to determine the dispute, and upon the commencement of any action for this purpose the jurisdiction of the arbitrators in respect of the dispute ceases.

(3) Determination of other disputes. Except where this lease provides for the manner of determining a dispute and that the determination so made is binding upon the parties, the parties have all the remedies at law or in equity, and in particular nothing herein deprives the Landlord of recourse to all its legal and equitable remedies for the enforcement of any breach of covenant by the Tenant or the Tenant of its legal or equitable rights to relief under the Commercial Tenancies Act or any other like statutory provision or rule of law from time to time in force.

32. Binding effect

This lease and the covenants and agreements herein contained extend to and enure to the benefit of and are binding upon the Landlord and the Tenant and their respective heirs, executors, successors and assigns, according to the purport and intent of their respective covenants and agreements, but subject to the provisions of paragraphs 25 and 26.

WITNESS the parties' corporate seals attested by their duly authorized officers.

SIGNED, SEALED AND DELIVERED
in the presence of

The Corporation of the Township of Armstrong
O/A Earlton-Timiskaming Regional Airport

Per: Jules Gravel
Jules Gravel, Reeve

Per: J Walkingshaw
Jacqueline Walkingshaw, Clerk

Grant Forest Products Inc.

Per: Robert McLeod
Bob McLeod, Vice-President of Finance

"I/We have the authority to bind the corporation"

SCHEDULE OF AIRPORT FEES

LANDING FEES

Minimum: Piston Powered Aircraft (over 2000 kg GW)..............................$12.00
Minimum: Turbo Prop Aircraft..$25.00
Minimum: Jet Aircraft...$75.00

Aircraft 2000 kg (GW) & greater $6.00/1000 kg

Note:
Piston & Turbo Prop Aircraft: Fuel Purchase 500 litres ....No landing fee
Jet Aircraft: Fuel Purchase 3000 litres..No landing/call out fee

CANPASS FEES

$15.00/1000 kg (GW)

CALL OUT FEES (after 1630 hrs Mon-Fri; weekends & Statutory Holidays)

$30.00

SNOW REMOVAL (Between 2100 – 0500 hrs Mon-Fri, weekends & Statutory Holidays)

9:00pm - 0500

Runway Condition Report: $50.00
Operator & Equipment: ....3 hours @ $85.00/hr = $255.00

Initial of Buyer [signature]

Initial of Seller [signature]

THIS ADDENDUM made as of the 14th day of February, 2003, to a Lease Agreement made the 19th day of December, 2002.

BETWEEN:

The Corporation of the Township of Armstrong
O/A Earlton-Timiskaming Regional Airport

(the "Landlord")

AND

Grant Forest Products Inc.

(the "Tenant")

WHEREAS the Landlord and Tenant have entered into a Lease Agreement with respect to the lease of lands and a Hanger to be constructed on the Lands in accordance with and upon terms and conditions set out in more detail in a written Lease Agreement made the 19th day of December, 2002, between the Landlord and Tenant (the "Lease Agreement");

AND WHEREAS construction has commenced and the parties wish to clarify certain matters with respect to each party's obligations related to funding of the project;

IN CONSIDERATION of the covenants contained herein and other good and valuable consideration the parties hereby covenant with each other as follows:

1. Until such time as financing condition, 5 (1) (a) of the Lease Agreement is satisfied, all costs related to the construction of the Hanger as defined in the Lease Agreement shall be funded by the Tenant with no obligation whatsoever upon the Landlord to reimburse the Tenant for these costs except as provided in the following clause 2;

2. Upon satisfaction of the financing condition contained in clause 5 (1) (a) of the Lease Agreement, all funding for the construction of the Hanger provided by the Tenant shall be dealt with as follows:

   (a) the funding shall be applied firstly to rent payable by the Tenant to the Landlord in accordance with the terms of the Lease Agreement together with any applicable GST;
   (b) secondly, the funding, to the extent that it exceeds rent, shall be applied to any costs overruns with respect to the construction of the Hanger and Terminal Building which are the responsibility of the Tenant; and,
   (c) thirdly, to the extent that the funding exceeds the rent and cost overruns the Tenant shall be reimbursed for the funding by the Landlord.

Initial of Buyer ______ Initial of Seller ______

OREA Ontario Real Estate Association

Confirmation of Co-operation and Representation

Form 320
for use in the Province of Ontario

BUYER: Canadian Land Corporation

SELLER: Grant Forest Products Inc.

For the transaction on the property known as: 106294 Airport Road, Earlton Ontario

For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant and a "sale" includes a lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

Multiple Representation - Listing Brokerage represents both the Seller and Buyer.

MULTIPLE REPRESENTATION: The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction.The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage has also entered into a Customer Service Agreement with the Buyer.)

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

Royal LePage Best Choice Realty Ltd., Brokerage (Name of Listing Brokerage)	N/A (Name of Co-operating/Buyer Brokerage)
117 Whitewood Avenue, New Liskeard Ontario	
Tel: 705-647-6848 Fax:	Tel: Fax:
Date: Aug 30, 2011 (Authorized to bind the Listing Brokerage)	Date: (Authorized to bind the Co-operating/Buyer Brokerage)
Troy Wilson (Print Name of Broker/Salesperson Representative of the Brokerage)	(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction.)

The Seller/Buyer consent with their initials to their Brokerage representing more than one client for this transaction.

SELLER'S INITIALS **BUYER'S INITIALS**

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Grant Forest Products Inc. by its Chief Restructuring Organization Stone Crest Capital Inc. Date: Sept 14 2011 (Signature of Seller) | Date: Aug 30 11 (Signature of Buyer)

Date: (Signature of Seller) Sandra Rosch | Date: (Signature of Buyer)

Real Forms™ 2011

Timmins Land
(Redacted)

Timmins Lands

OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 26th day of August 20 11

BUYER, Canadian Land Corporation (Full legal names of all Buyers), agrees to purchase from

SELLER, Grant Forest Products Inc. (Full legal names of all Sellers), the following

REAL PROPERTY:

Address 5355 Highway 101 W fronting on the South side

of Highway 101 W in the District of Temiskaming

~~and having a frontage of ... more or less by a depth of ... more or less~~

and legally described as See Attached Schedule "B"

(Legal description of land including easements not described elsewhere) (the "property").

PURCHASE PRICE: Dollars (CDN$)

Dollars

DEPOSIT: Buyer submits Upon acceptance (Herewith/Upon Acceptance/as otherwise described in this Agreement)

Dollars (CDN$)

by negotiable cheque payable to Royal LePage Best Choice Realty Ltd. "Listing Broker" or "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A B **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This Offer shall be irrevocable by Buyer (Seller/Buyer) until 5:00 PM on the 16TH ~~20th~~ day of ~~August~~ September 20 11, after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the ~~...~~ 12TH day of ~~September~~ October 20 11. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

3. ~~**NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.~~ Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. (For delivery of notices to Seller) FAX No. (For delivery of notices to Buyer)

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

 Form 500 Rev.03/2010

4. **CHATTELS INCLUDED:** .... See Schedule "A" ....

5. **FIXTURES EXCLUDED:** .... None ....

6. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: .... None ....

7. **GST/HST: If the sale of the property (Real Property as described above) is subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect GST or HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the GST or HST payable and file the prescribed form and shall indemnify the Seller in respect of any GST or HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. ~~If the sale of the property is not subject to GST or HST, Seller agrees to certify on or before closing, that the transaction is not subject to GST or HST.~~ Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 28th ~~5th~~ ...... day of .... September ......, 20...11 (Requisition Date) to examine the title to the property at his own expense ~~and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (......................) may be lawfully continued and that the principal building may be insured against risk of fire.~~ Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful ~~except as may be specifically provided for in this Agreement.~~

10. ~~**TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and~~ encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. ~~If~~ within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any ~~objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.~~

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property ~~except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan~~

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

~~Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and~~ which is not to be assumed by Buyer on completion, is not available in registrable form on ~~completion, Buyer agrees to~~ accept Seller's lawyer's personal undertaking to obtain, out of the closing ~~funds, a discharge~~ in registrable form and to register same, or cause same to be registered, on title within ~~a reasonable~~ period of time after completion, provided that on or before completion Seller shall provide ~~to Buyer a mortgage~~ statement prepared by the mortgagee setting out the balance required to obtain ~~the discharge, and~~, where a real-time electronic cleared funds transfer system is not being used, a ~~direction executed~~ by Seller directing payment to the mortgagee of the amount required to obtain the discharge ~~out of the balance due on completion.~~

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion ~~and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.~~
16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. ~~If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.~~
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. ~~**ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or~~ private utility charges and ~~unmetered cost of fuel, as applicable, shall be~~ apportioned and allowed to the day of ~~completion, the day of completion itself to be apportioned to Buyer.~~
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage or Salesperson, for any changes in property tax as a result of a re-assessment of the property, ~~save and except any property taxes that accrued prior to completion of this transaction.~~
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
22. ~~**FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the~~ Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent ~~hereinafter provided.~~
23. **UFFI:** Seller represents and warrants to Buyer that during the ~~time Seller has owned~~ the property, Seller has not caused any building on the property to be insulated ~~with insulation containing~~ ureaformaldehyde, and that to the best of Seller's knowledge no building ~~on the property contains~~ or has ever contained insulation that contains ureaformaldehyde. This ~~warranty shall survive~~ and not merge on the completion of this transaction, and if the building is part of a multiple unit ~~building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement ~~other than as expressed herein~~. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): ( ) **INITIALS OF SELLER(S):** ( )

28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Canadian Land ~~CROWN CAPITAL~~ CORPORATION

(Witness) By: (Buyer/Authorized Signing Officer) (Seal) DATE Aug-30'11

(Witness) (Buyer/Authorized Signing Officer) (Seal) DATE

I, the Undersigned Seller, agree to the above Offer. ~~I hereby irrevocably instruct my lawyer to pay directly to the Listing~~ Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), ~~from the proceeds of the sale~~ prior to any payment to the undersigned on completion, as ~~advised by the Listing Brokerage to my lawyer.~~

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Grant Forest Products Inc. by its chief restructuring organization Stonecrest Capital Inc.

(Witness) (Seller/Authorized Signing Officer) (Seal) DATE

(Witness) By: Sandra Rosch (Seller/Authorized Signing Officer) Sandra Rosch (Seal) DATE Sept. 14, 2011

~~**SPOUSAL CONSENT:** The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant~~ to the provisions of the Family Law Act, R.S.O.1990, ~~and hereby agrees~~ with the Buyer that he/she will execute all necessary ~~or incidental documents to give full force and effect to the sale evidenced herein.~~

(Witness) (Spouse) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at Toronto this 14th day of September, 20 11.

GRANT FOREST PRODUCTS INC. by its Chief Restructuring Organization, Stonecrest Capital Inc.

Sandra Rosch (Signature of Seller or Buyer) Sandra Rosch

INFORMATION ON BROKERAGE(S)

Listing Brokerage	Royal LePage Best Choice Realty Ltd., Brokerage	Tel.No.(705)	647-6848
Co-op/Buyer Brokerage	N/A	Tel.No.( )	

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

GRANT FOREST PRODUCTS INC. by its Chief Restructuring Organization, Stonecrest Capital Inc.

(Seller) DATE Sept. 14, 2011

Sandra Rosch

(Seller) Sandra Rosch DATE

Address for Service

Tel.No.( )

Seller's Lawyer Kate Stigler

Address 1 First Canadian Place, 100 King St West, Toronto

(416) 862-3482 Tel.No. (416) 863-4592 FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

(Buyer) DATE Aug-30'11

Canadian Land ~~CROWN CAPITAL~~ CORPORATION

(Buyer) DATE

Address for Service 4950 Yonge Street, Toronto, Ont. Suite 1000 ~~140 Applewood Crescent, Vaughan Ontario~~ Tel.No.( )

Buyer's Lawyer Barry Polisuk

Address 1 Adelaide Street East, Suite 801, Toronto Ontario

(416) 869-7610 Ext 240 Tel.No. ( ) FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Canadian Land Corporation, and

SELLER, Grant Forest Products Inc.

for the purchase and sale of 5355 Highway 101 W

dated the 26th day of August, 20 11.

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay a further sum of
by bank draft or certified cheque, to the Seller (or as the Seller may direct) on completion of this transaction.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Canadian Land Corporation, dated August 26th, 2011, to purchase the property known as the "Golf Course"; legally described as Hudson Con 3 spt Broken Lot 9 PT CL13462 & CL14498 & RP 54R4981 PTS 1 to 6 RP 54R5283 PT 8 PCL2856SST.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Canadian Land Corporation, dated August 26th, 2011, to purchase the Seller's leasehold interest in the property known as the "Hanger Lease"; dated the 19th day of December, 2002.

This Offer is conditional upon Grant Forest Products Inc. accepting a separate and distinct Offer, submitted by Crown Capital Corporation, dated August 26th, 2011, to purchase the property known as the "The Boathouse"; described as the Grant Forest Products Inc. property located on Far Drive in Haileybury Ontario.

The Buyer agrees to accept the property subject to, and to be bound by and comply with the Seller's obligations under the provisions of the Timmins Purchase and Sale Agreement dated January 25, 2011 (the "EDS Agreement"), a copy of which is attached as Schedule C to this offer. The Buyer shall not, before March 31, 2012, enter on the property or extract any waste or other material from the property without the prior written consent of EDS Decommissioning Canada Inc. The Buyer shall deliver to the Seller and to EDS Decommissioning Canada Inc. on completion an agreement by the Buyer which reflects the provisions of this section.

The Parties to the transaction hereby acknowledge that Listing Broker (Royal LePage Best Choice Realty Ltd, Sales Representative Troy Wilson) represents the interests of the both the Buyer and Seller in this transaction.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): ( ) **INITIALS OF SELLER(S):** ( )

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Canadian Land Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as 5355 Highway 101 W

dated the 26th day of August, 20 11.

...(continued from page 5)

Adjustments.

Any real property taxes (including local improvement rates), unmetered public utility charges shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer. There shall be no other adjustments to the purchase price for any other expense or for any revenue.

Seller's Rights in respect of Tax Refunds and Property Tax Appeals.

Seller shall be entitled to receive (and Buyer shall remit to Seller) any property tax refunds (without any deduction therefrom for costs or other amounts) arising from any present or future property tax or assessment appeals in respect of the Property to the extent such tax refunds relate to a period or periods before the day of completion. The Seller shall control all such appeals but shall keep the Buyer informed of such appeals. The Buyer shall keep the Seller informed of such appeals relating to the Property for periods commencing on or after completion.

Approval and Vesting Order

The completion of this transaction shall be conditional on the Seller's obtaining, prior to the Closing, an Order (the "Approval and Vesting Order") of the Ontario Superior Court of Justice: (a) approving the sale by the Seller to the Buyer of the Property in accordance with the provisions of this Agreement; and (b) containing a provision which on Closing vests absolute, clear and unencumbered title to the Property of the Seller in the Buyer subject to applicable permitted encumbrances. In the event that the Seller shall not have obtained the Approval and Vesting Order after making application for it or them, the Deposit shall be returned to the Buyer without interest or deduction, this Agreement shall automatically terminate without any further action on the part of any party hereto, no party hereto shall be under any further obligation to the other to complete the transactions contemplated by this Agreement and each party hereto shall be released of all of its obligations hereunder.

In the event a receiver or a receiver and manager is appointed by the Court with respect to the Property or the Seller becomes bankrupt, the Buyer shall complete the purchase of the Property in accordance with the provisions of this Agreement with such receiver, receiver and manager or trustee in bankruptcy, provided that the Buyer receives a vesting order containing the provision set out in the foregoing paragraph (b).

As Is Where is

The Buyer acknowledges that the Seller is selling the Property on an "as is, where is" basis as it shall exist on the Closing Date. The Buyer further acknowledges that it will conduct such inspections of the condition of and title to the Property as it deems appropriate and that it will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or implied pursuant to this Agreement, any schedule to this Agreement (including any list of any property) or otherwise as to title, encumbrances, description, fitness for purpose, merchantability,condition, assignability. collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Property or the right of the Seller to sell any Property. Without limiting the generality of the foregoing, any and all conditions, warranties or representations by the Seller expressed or implied pursuant to the Sale of Goods Act (Ontario) or similar legislation in any other jurisdiction shall not apply hereto and are hereby waived by the Buyer. This section shall apply despite any other provision of the Agreement.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ...Canadian Land Corporation................, and

SELLER, ...Grant Forest Products Inc.................

for the purchase and sale of ....5355 Highway 101 W................

.... dated the ......29th...... day of ......August......, 20..11.. .

~~Buyer agrees to pay the balance as follows:~~

...(continued from page 6)

Chattels
There shall be included in the purchase and sale transaction the Seller's interest, if any, in any chattels physically located on the property on the Completion Date.

Title
Provided that, upon the delivery to the Buyer on closing of the monitor's certificate and a copy of the approval and vesting order, the title to the property will be good and free from all registered mortgages and financial charges. If within the specified time referred to in paragraph 8, any valid objection to title is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy and which Buyer will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller and Listing Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

~~No Adjustments~~
~~There shall be no adjustments to the Purchase Price as a result of any rents, realty taxes including local improvement rates, public utility charges or any other revenue or expense.~~

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

OREA Ontario Real Estate Association

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Canadian Land Corporation, and

SELLER, Grant Forest Products Inc.

for the property known as 5355 Highway 101 W

dated the 29th day of August, 20 11.

5355 Highway 101 W

1.PIN 65441-0378 LT
LOCATION AL 937, PT OF UNSUBDIVIDED TOWNSHIP OF OGDEN PT 1 6R1692 EXCEPT LOCATION RY 310 PT 1 6R6276, PT LOCATION AL 937 PT 1 & 2 6r3171, PT 2 6R7487 RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDER SAID LAND; S/T EASEMENT OVER PT 1 6R7487 AS IN CB13261; CITY OF TIMMINS

2.PIN 65441-0120 LT
PCL 24371 SEC SEC; MINING CLAIM P. 27383 OGDEN BEING LAND AND LAND COVERED WITH THE WATERS OF PART OF THE MATTAGAMI RIVER WITHIN THE BOUNDARIES OF THIS MINING CLAIM EXCEPTING SRO PT 1, 6R7154; EXCEPT SRO AS IN C106392; RESERVING THEREOUT AND THEREFROM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WITH ALONG THE SHORE OF THE MATTAGAMI RIVER; RESERVING THEREOUT AND THEREFROM THE SURFACE RIGHTS ON AND OVER THE TRAVELLED ROAD CROSSING THE SAID CLAIM; CITY OF TIMMINS

3.PIN 65441-0121 LT
PCL 23975 SEC SEC; FIRSTLY: PT LOCATION A.L.937 OGDEN PT 1 & 2 6R3171; SECONDLY: LOCATION R.Y. 310 OGDEN PT 1, 6R6276; RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDER THE LAND HEREBY GRANTED; CITY OF TIMMINS

4.PIN 65441-0376 LT
PT LOCATION CL 12042 BEING PT UNSUBDIVIDED TOWNSHIP OF ODGEN BEING PT 3, PLAN 6R7487; RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDERSAID LAND; T/W EASEMENT OVER PT 1 PLAN 6R7542 AS IN CB21031; CITY OF TIMMINS

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): [initials] **INITIALS OF SELLER(S):** [initials]

Form 105 Revised 2008

OREA Ontario Real Estate Association

Schedule B
Agreement of Purchase and Sale

Form 105
for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Canadian Land Corporation and

SELLER, Grant Forest Products Inc.

for the property known as 6355 Highway 101 W

dated the 26th day of August, 20 11

...(continued from page 1)

5.PIN 65441-0324 LT
PCL 18740 SEC SEC SRO; PT MINING CLAIM P. 35808 OGDEN NOT COVERED BY THE WATERS OF THE MATTAGAMI RIVER EXCEPTING THEREOUT AND THEREFROM ON AND OVER A STRIP OF LAND ALONG THE SHORES OF THE MATTAGAMI RIVER AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF THE MATTAGAMI RIVER AND BY A LINE, EVERY POINT OF WHICH IS DISTANT 400 FEET FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; CITY OF TIMMINS

6.PIN 65441-0380 LT - (water intake pipe easement)
LOCATION CL 12369 BEING PART OF THE BED OF THE MATTAGAMI RIVER, OGDEN, BEING PART 1, PLAN 6R7542; CITY OF TIMMINS

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

Schedule C

TIMMINS PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated as of the 25th day of January, 2011,

B E T W E E N:

EDS DECOMMISSIONING CANADA INC., a corporation incorporated under the laws of the Province of New Brunswick

(hereinafter referred to as the "**Purchaser**")

- and -

GRANT FOREST PRODUCTS INC., a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "**Vendor**")

WHEREAS the Vendor was engaged in the business of, among other things, selling oriented strand board manufactured by the Vendor at its manufacturing facility located on the Real Property (as hereafter defined in Section 1.01), which manufacturing facility is herein referred to as the "**Timmins Mill**";

AND WHEREAS the Vendor and related parties commenced proceedings in the Ontario Superior Court of Justice (the "**CCAA Court**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") with respect to which Ernst & Young Inc. (the "**Monitor**") was appointed as the monitor of the Vendor;

AND WHEREAS, subject to the issue of the Approval and Vesting Order (as hereafter defined in Section 1.01) and other provisions of this Agreement, the Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, all of the Vendor's right, title and interest in and to the Purchased Assets;

NOW THEREFORE this Agreement witnesses that in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE 1

INTERPRETATION

Section 1.01 <u>Definitions</u>

In this Agreement:

"**Access Period**" means the 12 month period commencing on the Closing Date;

"**Agreement**" means this agreement, as amended from time to time, and all schedules hereto;

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"**Agents' Liens**" means the encumbrances in favour of The Toronto-Dominion Bank or The Bank of New York Mellon (and instruments related thereto) listed in Schedule 3 hereto;

"**Applicable Law**" means, in respect of any person, property, transaction or event, any domestic or foreign statute, law (including common law), ordinance, rule, regulation, treaty, code, by-law (zoning or otherwise) or Order that applies in whole or in part to such person, property, transaction or event;

"**Approval and Vesting Order**" has the meaning ascribed to that term in Section 6.01;

"**Bankruptcy and Insolvency Act**" means the *Bankruptcy and Insolvency Act* (Canada), as amended;

"**Bill of Sale**" means a bill of sale made by the Vendor in favour of the Purchaser in a form mutually acceptable to both and reflecting the sale transaction contemplated in this Agreement;

"**Bond**" has the meaning ascribed to that term in Section 6.03(k);

"**Books and Records**" means all books and records, if any, relating solely to the Purchased Assets which are located on the Real Property on Closing;

"**Buildings and Fixtures**" means all buildings and fixtures located on the Real Property (other than the fence and gates along the perimeter of the Real Property);

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Toronto are not open for the transaction of domestic business during normal banking hours;

"**CCAA**" has the meaning ascribed to that term in the second recital hereof;

"**CCAA Court**" has the meaning ascribed to that term in the second recital hereof;

"**Claims**" has the meaning ascribed to that term in Section 6.03(j) hereof;

"**Closing**" means the completion of the sale to, and purchase by, the Purchaser of the Purchased Assets;

"**Closing Date**" means the latest of :

(a) the 5th Business Day after the date of the Approval and Vesting Order;

(b) February 15, 2011; or

(c) the 5th Business Day after the Vendor obtains the demolition permit referred to in Schedule 6;

"**Deposit**" has the meaning ascribed to that term in Section 4.02(a);

"**Excluded Assets**" has the meaning ascribed to that term in Section 3.02;

"**Flat and Clean Condition**" means the condition resulting from:

(a) the demolition of all structures down to the concrete slab floor of such structures;

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(b) the removal of all Purchased Assets from the Real Property;

(c) the crushing of all remaining concrete and bricks into aggregate of between 0-6 inches thick and the use of such aggregate to fill in all pits and below grade areas and to level the ground at the demolition sites; and

(d) the removal from the Real Property of all excess aggregate, debris, rubble, other resultant material and other Purchased Assets;

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal and any governmental agency, ministry, department, Tribunal, commission, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government;

"**HST**" means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**HST Legislation**" means such statute and regulations, collectively;

"**Interim Inspection**" has the meaning ascribed to that term in Section 6.03(i);

"**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review and any application for any of the foregoing;

"**Liens**" means liens (including the Agents' Liens), claims, charges, demands, adverse claims, title retention agreements, security interests, pledges, hypothecations, mortgages and encumbrances of any and every nature and kind whatsoever.

"**Machinery and Equipment**" means the machinery, equipment, spare parts, tools, jigs, dies, office equipment (including computers and computer accessories), furniture, fixtures and furnishings of all kinds located on the Real Property on Closing;

"**Monitor**" has the meaning ascribed to that term in the second recital hereof;

"**Order**" means any order, directive, judgment, decree, award or writ of any Tribunal;

"**Person**" has the meaning ascribed to it pursuant to the *Business Corporations Act* (Ontario) as amended;

"**Purchased Assets**" has the meaning ascribed to that term in Section 3.01;

"**Purchase Price**" has the meaning ascribed to that term in Section 4.01;

"**Real Property**" means the real property listed in Schedule 1 hereto;

"**Representative**" means, in respect of a person, each director, officer, employee, agent, solicitor, accountant, professional advisor and other representative of such person;

"**Time of Closing**" means 10:00 a.m. (Toronto, Ontario local time) on the Closing Date or such other time on the Closing Date as the parties hereto agree in writing that the Closing shall take place; and

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"Tribunal" means any court (including a court of equity), arbitrator or arbitration panel and any other Governmental Authority, professional or business organization or association or other body exercising adjudicative, regulatory, judicial or quasi-judicial powers.

Section 1.02 Currency

All references in this Agreement to monetary amounts, unless indicated to the contrary, are to the currency of Canada.

Section 1.03 Entire Agreement; Amendment; Waiver

This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any and all prior negotiations, understandings and agreements between the parties. This Agreement may not be amended or modified in any respect except by written agreement signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

Section 1.04 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or relating hereto.

Section 1.05 Singular, Plural and Gender

Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

Section 1.06 Certain Words

In this Agreement, the words "including" and "includes" means "including without limitation" or "includes without limitation", respectively.

Section 1.07 Headings, Section References and Recitals

The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation hereof. Unless otherwise expressly indicated in this Agreement, any reference which is made in this Agreement to a "*Section*" means and refers to the Section of this Agreement so referenced. The recitals to this Agreement form an integral part of this Agreement and are incorporated into this Agreement by reference.

Section 1.08 Choice of Language

The parties hereby confirm that they have requested that this Agreement and all related documentation be drawn up in English. Les parties confirment qu'elles ont requis que ce contrat et tous les contrat accessoires soient rédigés en anglais.

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Section 1.09 Schedules

The parties hereby agree that disclosure made in a Schedule to this Agreement shall be deemed to be disclosure made in all other Schedules to this Agreement. The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule 1	-	Real Property
Schedule 2	-	Allocation of Purchase Price
Schedule 3	-	List of Agents' Liens
Schedule 4	-	Stages of Work and Corresponding Milestone Dates
Schedule 5	-	Form of Bond
Schedule 6	-	List of Required Government Permits
Schedule 7	-	Form of Draft Approval and Vesting Order

ARTICLE 2

APPROVAL AND VESTING ORDER

Section 2.01 Court Order Required

The Purchaser acknowledges that this Agreement contains a condition (not capable of waiver) that, prior to the Time of Closing, the Vendor shall have obtained the Approval and Vesting Order as provided by this Agreement. In the event that the Vendor shall not have so obtained the Approval and Vesting Order within 30 days of the filing by the Vendor of the initial application for such, this Agreement shall automatically terminate without any further action on the part of either party hereto and no party hereto shall be under any further obligation to the other to complete the transactions contemplated by this Agreement and each party hereto shall be released of all of its obligations hereunder, except that:

(a) the Deposit and any interest thereon shall be returned to the Purchaser as contemplated in Section 4.03; and

(b) the obligations under Section 9.01 shall not be terminated.

ARTICLE 3

PURCHASE AND SALE OF PURCHASED ASSETS

Section 3.01 Purchase and Sale of Purchased Assets

Subject to the provisions of this Agreement, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase from the Vendor, in each case at the Time of Closing, all of the right, title and interest of the Vendor in and to the following assets and property (collectively, the "**Purchased Assets**"):

(a) the Machinery and Equipment;

(b) the Buildings and Fixtures;

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(c) the Books and Records; and

(d) all other personal property of any nature or kind located on the Real Property at the Time of Closing.

Section 3.02 Excluded Assets

Notwithstanding anything to the contrary in this Agreement, all assets of the Vendor other than the Purchased Assets (the "**Excluded Assets**"), shall not form part of the purchase and sale contemplated hereunder and shall remain the property of the Vendor after Closing.

Section 3.03 As is, Where is

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an *"as is, where is"* basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it will conduct such inspections of the condition of and title to the Purchased Assets as it deems appropriate and that it will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or implied pursuant to this Agreement, any schedule to this Agreement (including any list of any Purchased Assets) or otherwise as to title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell any Purchased Assets, except as expressly represented or warranted in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations by the Vendor expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction shall not apply hereto and are hereby waived by the Purchaser.

ARTICLE 4

PURCHASE PRICE OF THE PURCHASED ASSETS

Section 4.01 Purchase Price

The purchase price (the "**Purchase Price**") for the Purchased Assets shall be $ in total plus any Taxes required to be paid in accordance with Section 4.05. There shall be no adjustments, deductions, set-offs or recoupments to the Purchase Price of any nature or kind.

Section 4.02 Payment of Purchase Price

The Purchaser shall pay the Purchase Price to the Monitor on behalf of the Vendor as follows:

(a) the Purchaser shall pay to the Monitor on the date hereof the sum of $ (the "**Deposit**"), as a deposit in respect of the Purchase Price (the receipt of which will be acknowledged by the Monitor), which Deposit shall be held by the Monitor in a segregated interest-bearing trust account and applied against the Purchase Price, forfeited or released to the Purchaser, as the case may be, all in accordance with Section 4.03; and

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(b) the Purchaser shall pay the balance of the Purchase Price to the Monitor on Closing, by certified cheque, bank draft or wire transfer of immediately available funds to an account specified by the Monitor (or as the Monitor may otherwise direct in writing).

Section 4.03 Deposit

The Deposit (and any interest accrued thereon) shall be credited against the Purchase Price on Closing. If the transactions contemplated herein are not completed as a result of the Vendor's failure to satisfy any of the conditions set out in Section 7.01, the Deposit and all interest, if any, earned thereon will be returned to the Purchaser; however, if the transactions contemplated herein are not completed for any other reason, the Deposit and all interest earned thereon shall be the property of the Vendor.

Section 4.04 Allocation of Purchase Price

The Vendor and the Purchaser hereby agree to allocate the Purchase Price among the Purchased Assets in accordance with Schedule 2 hereto. The Vendor and the Purchaser shall report the sale and purchase of the Purchased Assets for all tax purposes in a manner consistent with such allocation.

Section 4.05 HST and Land Transfer Tax

(a) The Purchaser shall be liable for and shall pay all HST exigible in connection with the transactions contemplated hereunder. The Purchaser shall pay to the Vendor at the Time of Closing all applicable HST payable in connection with the transfer of the Purchased Assets to the Purchaser. Notwithstanding the foregoing, the Purchaser shall be liable for and shall self-assess the applicable HST payable in respect of the Buildings and Fixtures in the time and the manner prescribed by the HST Legislation.

(b) Accordingly on Closing:

(i) the Purchaser shall deliver to the Vendor:

A. a statutory declaration by an officer of the Purchaser specifying the Purchaser's HST registration number and confirming that the Buildings and Fixtures are being purchased by the Purchaser as principal for its own account; and

B. an undertaking by the Purchaser to self-assess in respect of the HST payable on the amount of the Purchase Price allocable to the Buildings and Fixtures, which undertaking shall include an indemnity by the Purchaser indemnifying the Vendor in respect of such HST and all interest and penalties payable with respect thereto; and

(ii) the Purchaser shall pay to the Vendor HST in respect of the Purchased Assets (other than the Buildings and Fixtures) in an amount equivalent to 13% of the amount of the Purchase Price allocated to such other Purchased Assets on Closing and the Vendor shall remit such HST to Canada Revenue Agency.

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(c) The Purchaser shall at the Time of Closing pay directly to the appropriate taxing authority all applicable land transfer tax exigible in connection with the transactions contemplated hereunder and shall deliver evidence to the Vendor, at the Closing, to confirm the Purchaser's payment of the foregoing.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

Section 5.01 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

(a) the Vendor is a corporation duly incorporated and validly subsisting under the laws of the Province of Ontario;

(b) subject to the issuance of the Approval and Vesting Order, the Vendor has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

(c) the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada); and

(d) the Vendor is registered for purposes of the HST Legislation and its registration number is 87286 1265 RT0001 and such registration shall be in full force and effect on Closing.

Section 5.02 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

(a) the Purchaser is a corporation duly incorporated and validly subsisting under the laws of New Brunswick and has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

(b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement;

(c) the Purchaser is registered for purposes of the HST Legislation and its registration number is 83802 8355 RT0001 and such registration shall be in full force and effect on Closing;

(d) the Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act*; and

(e) there are no government permits or government approvals required for the Purchaser to complete its demolition and other tasks set out in Section 6.08 except for the demolition permit referred to in Schedule 6.

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ARTICLE 6

COVENANTS

Section 6.01 Approval and Vesting Order

The Vendor shall, promptly following the execution of this Agreement, seek to obtain from the CCAA Court a date for hearing a motion for an Order (the "Approval and Vesting Order") substantially in the form of the draft order attached as Schedule 7 hereof with such changes thereto as may be satisfactory to the Purchaser and the Vendor:

(a) approving this Agreement and the sale by the Vendor to the Purchaser of the Purchased Assets subject to and in accordance with the provisions of this Agreement and the documents contemplated hereby;

(b) containing a provision which on Closing vests absolute, clear and unencumbered title to the Purchased Assets in the Purchaser free and clear of any and all Liens;

(c) containing a declaration that the Purchaser shall not be liable for any environmental problem, including any contamination of soil or groundwater, unless such environmental problem was directly caused by the act of the Purchaser, a Representative of the Purchaser or an invitee of the Purchaser or directly caused by the Purchaser's failure to fulfil its obligations under this Agreement; and

(d) containing a provision which confirms the rights during the Access Period of the access to the Real Property granted to the Purchaser in Section 6.03(a).

The Vendor shall prepare all materials for and shall apply to the CCAA Court for the Approval and Vesting Order. Written notification and service of the motion shall be given to such persons as shall be required by Applicable Law and as may be further agreed upon by the Vendor and the Purchaser. The Vendor shall diligently and in good faith pursue such motion and shall promptly notify the Purchaser of its disposition.

Section 6.02 Purchaser's Co-operation

The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within its power as the Vendor may commercially reasonably require to obtain the Approval and the Vesting Order including such information as may be required to commercially reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder.

Section 6.03 Access Period

The parties agree that, following Closing:

(a) provided that the Purchaser is then in compliance with its obligations under this Agreement, the Purchaser shall be entitled, without charge, to unrestricted access to the Real Property during the Access Period for purposes of carrying out the Purchaser's obligations as contemplated in this Section 6.03; the Vendor and its Representatives shall continue to have unrestricted access to the Real Property during the Access Period; subject to the foregoing and to Section 6.03(f), for the purpose of fulfilling its obligations

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and exercising its rights hereunder, the Purchaser shall assume control of access to the Real Property during the Access Period;

(b) the Vendor shall keep all electrical services to the Real Property in place until the Closing Date and the Vendor shall not be required to provide or arrange for any natural gas services to the Real Property; the Vendor agrees that, following the Time of Closing, the Purchaser may, at the Purchaser's expense, arrange for electrical services to some or all of the Real Property as reasonably required by the Purchaser in order to fulfill its obligations under this Agreement;

(c) the Purchaser shall, during the Access Period: (i) dismantle and demolish the Buildings and Fixtures, pack and remove materials, scrap, Machinery and Equipment, and other Purchased Assets, and supply all the project management, labour, supplies, tools and equipment required for such purpose; and (ii) ensure health and safety, and fire prevention, with regard to its activities at the Real Property; the Purchaser shall perform all work described herein within the estimated timeframes set out on Schedule 4 hereto and, at the end of the Access Period, shall have taken all actions necessary to leave the Real Property in Flat and Clean Condition;

(d) during the Access Period, the Purchaser shall and shall cause its Representatives and its invitees to act in a prudent and responsible manner while on the Real Property and all work done on the Real Property shall be done in a safe and workman-like manner and in compliance with all Applicable Laws;

(e) the Purchaser shall, during the Access Period, remedy, at the Purchaser's expense, in compliance with Applicable Law, environmental problems, if any, at the Real Property to the extent such environmental problems are caused by the acts or omissions of the Purchaser, any of its Representatives or any of its invitees; the Purchaser does not, by this Agreement or the performance of its rights or obligations hereunder, assume liability for the environmental problems, including contamination of soil and/or groundwater, if any, on the Real Property that exist at the Time of Closing;

(f) during the Access Period, the Purchaser shall pay all such utilities costs, long distance telephone costs, postage costs, courier services costs and supplies cost in respect of the Real Property as are required to enable the Purchaser to carry out its obligations under this Agreement;

(g) the Purchaser shall arrange liability insurance covering injuries and damages to persons and property in relation to and in connection with the Purchaser's access to, activities on, use and occupation of the Real Property and shall pay the premium costs of such insurance; such insurance shall be in form and substance satisfactory to the Vendor, acting reasonably, and shall provide for not less than $ public liability coverage per occurrence (with no deductible) and shall name the Vendor as an additional insured; the Purchaser shall provide a certified copy of such policy or polices to the Vendor on Closing;

(h) the Purchaser shall, at the end of the Access Period, leave the Real Property and the Vendor shall be entitled to exclusive possession of the Real Property;

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(i) the Purchaser and the Vendor, acting reasonably, shall conduct periodic inspections of the Real Property and, without limiting the foregoing, the Vendor and Purchaser shall conduct interim inspections of the Real Property on or about each of the milestone dates set out on Schedule 5 hereto and one additional interim inspection between 25 and 15 Business Days prior to the end of the Access Period (each, an "Interim Inspection"); following each inspection, including without limitation, each Interim Inspection, the Vendor may identify any outstanding matters which require rectification or, where applicable, completion prior to the end of the Access Period and the Purchaser shall remedy such outstanding matters as soon as reasonably practical and in any case prior to the end of the Access Period;

(j) the Purchaser hereby agrees to indemnify the Vendor and its Representatives from and against all claims, damages, losses, injuries or costs suffered or incurred, including without limitation, reasonable counsel fees and expenses (collectively, the "Claims"), resulting from or relating to the breach by the Purchaser of any covenants, obligations, agreements, representations or warranties under this Agreement, including without limitation, Claims caused to property or persons by the actions or negligence of the Purchaser, its Representatives, its invitees or anyone for whom it is in law responsible; this indemnity shall survive Closing; and

(k) the Purchaser agrees to deliver to the Vendor on or before Closing a performance bond (the "Bond") in the amount of $ in favour of the Vendor, substantially in the form attached as Schedule 5 hereto; the following provisions shall govern the termination and return of the Bond by the Vendor following the completion of the Purchaser's obligations under this Agreement:

  (i) whenever the Purchaser believes the Purchaser's obligations under this Agreement have been completed, the Purchaser shall give notice to the Vendor of such completion;

  (ii) the Vendor shall, within 30 days after receipt of such notice, inspect the Real Property and give notice to the Purchaser stating that the Purchaser's obligations hereunder have been completed or stating that the Purchaser's obligations hereunder have not been completed (and, in the latter case, specifying the Purchaser's obligation or obligations to be completed (including any work to be rectified));

  (iii) upon receipt by the Purchaser of notice from the Vendor that the Purchaser's obligations hereunder have been completed, the Bond shall terminate;

  (iv) if the Vendor does not, within 30 days after receipt by the Vendor from the Purchaser of the notice referred to in subparagraph (i) hereof, give to the Purchaser a notice that the Purchaser's obligations hereunder have not been completed and specifying the Purchaser's obligation or obligations to be completed (including any work to be rectified), the Bond shall terminate; but if the Vendor gives such notice within such 30-day period, the Bond shall not terminate; and

  (v) the Vendor shall, after the Bond terminates, promptly return the original Bond to the Purchaser.

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Section 6.04 Ministry of Labour Work Order

The Purchaser acknowledges that the Vendor has received from the Ontario Ministry of Labour a work order with Org/Ind ID No. 1223650 with respect to part or parts of the building situated on the Real Property. The Purchaser shall, in completion of its demolition of the building and other activities pursuant to this Agreement, ensure that it complies with such work order and keeps its employees and other Representatives out of the affected areas of the building (except to the extent their entry is permitted by the Ministry of Labour or the Vendor).

ARTICLE 7

CONDITIONS

Section 7.01 Conditions for the Benefit of the Purchaser

The obligations of the Purchaser to complete the transactions contemplated by this Agreement are subject to the following conditions being fulfilled or performed, at or prior to the Time of Closing:

(a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct as at the Time of Closing with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect (provided that acceptance of such evidence and completion of the transactions contemplated hereunder shall not be a waiver of such representations and warranties);

(b) the Vendor shall have complied with and performed all of its covenants and obligations contained in this Agreement;

(c) the Vendor shall have delivered the items referred to in Section 8.02 in escrow pending the Closing;

(d) the CCAA Court shall have granted the Approval and Vesting Order which shall not have been stayed, varied or vacated;

(e) no injunction or other Order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement; and

(f) the demolition permit referred to in Schedule 6 shall have been obtained.

The foregoing conditions are for the exclusive benefit of the Purchaser and, subject to Section 2.01, any of the foregoing conditions, other than the conditions specified in Section 7.01(d), Section 7.01(e) and Section 7.01(f), may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if it is made in writing.

Section 7.02 Conditions for the Benefit of the Vendor

The obligations of the Vendor to complete the transactions contemplated by this Agreement are subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

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(a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct as at the Time of Closing with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect (provided that acceptance of such evidence and the completion of the transactions contemplated hereunder shall not be a waiver of such representations and warranties);

(b) the Purchaser shall have complied with and performed all of its covenants and obligations contained in this Agreement;

(c) the Purchaser shall have delivered to the Vendor the items and paid the amounts referred to in Section 8.03;

(d) the CCAA Court shall have granted the Approval and Vesting Order which shall not have been stayed, varied or vacated;

(e) no injunction or other Order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement; and

(f) the demolition permit referred to in Schedule 6 shall have been obtained.

The foregoing conditions are for the exclusive benefit of the Vendor and, subject to Section 2.01, any of the foregoing conditions, other than the conditions specified in Section 7.02(d), Section 7.02(e) and Section 7.02 (f) may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if it is made in writing.

Section 7.03 Non-Satisfaction of Conditions

Subject to Section 2.01, if any condition set out in Section 7.01 (other than the conditions specified in Section 7.01(d), Section 7.01(e) and Section 7.01(f)) or in Section 7.02 (other than the conditions specified in Section 7.02(d), Section 7.02(e) and Section 7.02(f)) is not satisfied or performed prior to the Time of Closing, the party for whose benefit the condition is inserted may:

(a) in writing, waive compliance with the condition in whole or in part in its sole discretion by notice to the other party (if such condition is waivable pursuant to the provisions of this Agreement) and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

(b) elect to terminate this Agreement, in which case, subject to Section 4.03 and Section 9.01, this Agreement shall be terminated and no party shall be under any further obligation to the other to complete the transactions contemplated by this Agreement, provided that the foregoing shall not release either party hereto from any liability hereunder for any breach by such party, before such termination, of any of its covenants or obligations hereunder.

SAR Vh

ARTICLE 8

CLOSING

Section 8.01 <u>Closing Date and Place of Closing</u>

The transactions contemplated by this Agreement shall close and be completed at the Time of Closing on the Closing Date. The completion of the transactions contemplated hereunder shall take place at the Toronto offices of Fraser Milner Casgrain LLP or such other location as the parties may agree in writing.

Section 8.02 <u>Deliveries on Closing by the Vendor</u>

The Vendor shall deliver to the Purchaser at the Time of Closing:

(a) the certificate by the Vendor referred to in Section 7.01(a);

(b) copy of the Approval and Vesting Order;

(c) an executed Bill of Sale containing *inter alia* a provision similar to Section 3.03; and

(d) such other documents as are required by this Agreement.

Section 8.03 <u>Deliveries and Payments on Closing by the Purchaser</u>

The Purchaser shall pay to the Monitor the following amounts and deliver to the Vendor the following documents at the Time of Closing:

(a) the balance of the Purchase Price required to be paid by the Purchaser in accordance with Section 4.02(b);

(b) the HST to be collected by the Vendor pursuant to Section 4.05;

(c) the statutory declaration, undertaking and indemnity with respect to HST referred to in Section 4.05(b)(i);

(d) the certificate by the Purchaser referred to in Section 7.02(a);

(e) the certified copies of the insurance policies referred to in Section 6.03(g);

(f) the Bond referred to in Section 6.03 (k); and

(g) such other documents as are required by this Agreement.

Section 8.04 <u>Appeal Periods</u>

The parties shall proceed with the transaction referred to in this Agreement without waiting for the expiry of any applicable appeal period or appeal periods relating to the Approval and Vesting Order (or whether such Order becomes a final order) unless such Order is stayed pending any such appeal.

SSR [illegible]

Section 8.05 <u>Risk and Insurance</u>

The risk of loss of the Purchased Assets shall remain with the Vendor until Closing. In the event there is any material loss or material damage to any Purchased Assets occurring between the date of this Agreement and the Closing Date, the Purchaser may terminate this Agreement or complete its purchase of the Purchased Assets without any reduction of the Purchase Price and be entitled, after such completion, to receive all insurance proceeds payable with respect to such loss or damage.

Section 8.06 <u>Possession</u>

The Purchaser shall, subject to Section 6.03, be entitled to possession of the Purchased Assets on and after Closing.

ARTICLE 9

MISCELLANEOUS

Section 9.01 <u>Confidentiality</u>

If, for any reason, the transactions contemplated by this Agreement are not completed, the Purchaser for itself and on behalf of each of its affiliates, directors, officers, employees and agents, hereby agrees to keep confidential and to refrain from using any information concerning the business and affairs of the Vendor, which it may have acquired in connection with the transactions contemplated by this Agreement and in addition, shall return all records or documents, including computer tapes and other forms of electronic media received from the Vendor. The Purchaser's obligations in this respect shall not apply to any information which:

(a) is in the public domain at the time of its disclosure to the Purchaser ;

(b) subsequently comes into the public domain without breach by the Purchaser; or

(c) the Purchaser can show was:

(i) in its possession prior to its disclosure to the Purchaser in connection with this transaction; or

(ii) independently developed by or on behalf of the Purchaser.

Section 9.02 <u>Further Assurances</u>

Each of the parties hereto after the Time of Closing shall, from time to time, and at the request and expense of the party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested for more effectually carrying out the true intent and meaning of this Agreement.

Section 9.03 <u>Certain Obligations to Survive Closing</u>

Notwithstanding the completion of the transactions contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the parties set out in Sections 3.03, 4.04, 4.05, 6.03, 9.01, 9.02, 9.03 and 9.11 shall survive such completion and delivery,

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remain in full force and effect, and not merge on Closing. All other obligations and covenants of the parties hereto shall terminate on Closing.

Section 9.04 No Assignment by Purchaser

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement but the Purchaser may direct the Vendor in writing prior to the granting of the Approval and Vesting Order to transfer the Purchased Assets to a wholly-owned subsidiary of the Purchaser.

Section 9.05 Time of the Essence

Time shall be of the essence of this Agreement.

Section 9.06 Costs and Expenses

Each party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel) incurred by it in connection with this Agreement and the transactions contemplated herein.

Section 9.07 Notices

Any notice, demand or other communication required or permitted to be given to either party hereunder shall be given in writing or electronically and addressed as follows:

(a) In the case of the Vendor:

Grant Forest Products Inc.
c/o Stonecrest Capital Inc.
Suite 3130, Royal Trust Tower
77 King Street West
P.O. Box 33, Toronto-Dominion Centre
Toronto, ON M4K 1B7

Attention: Ms. Sandra Rosch
Facsimile No.: 416.364.7275
E-mail: srosch@stonecrestcapital.com

with a copy to the Monitor at the following address

Ernst & Young Tower,
222 Bay Street, P. O. Box 251,
Toronto, ON M5K 1J7

Attention: Alex Morrison
Facsimile No.: 416-943-3365
E-mail: Alex.Morrison@ca.ey.com

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(b) In the case of the Purchaser:

6555 Metropolitan Blvd. East
Suite 503
Montreal, Quebec
H1P 3H3
Attention: Sylvain Dupont
Facsimile No.: 514-321-4605
E-mail: s.dupont@theedsgroup.com

with a copy to:

Gowling Lafleur Henderson LLP
1600-100 King Street West
Toronto, Ontario
M5X 1G5
Attention: Stephen A. Pike
Facsimile No: 416-862-7661
Email: Stephen.pike@gowlings.com

Any such notice, demand or other communication shall be deemed to be sufficiently given if personally delivered or sent by facsimile, pdf or email transmission and, in each case, shall be deemed to have been received by the other party on the same day on which it was delivered or sent by facsimile, pdf or email transmission, if such day is a Business Day or, if not, on the next following Business Day.

Section 9.08 Successors and Assigns

This Agreement shall be binding on, and enure to the benefit of the parties hereto and their respective successors and permitted assigns, including any receiver, receiver and manager or trustee in bankruptcy of either of the parties.

Section 9.09 Appointment of a Trustee in Bankruptcy, Receiver or Receiver and Manager in respect of the Vendor

In the event a trustee in bankruptcy of the Vendor is appointed or a receiver or receiver and manager of the Real Property and of the Purchased Assets then owned by the Vendor is appointed, such trustee in bankruptcy, receiver or receiver and manager shall be entitled to assume this Agreement by written notice to the Purchaser and the Monitor and, in such event, such trustee in bankruptcy, receiver or receiver and manager shall succeed to all rights of the Vendor under this Agreement and shall assume all obligations of the Vendor under this Agreement without the need for any approval or consent of the Purchaser thereto and, in such event, all references in this Agreement to the Vendor shall apply *mutatis mutandis* to such trustee in bankruptcy, receiver or receiver and manager.

Section 9.10 Facsimile or PDF Execution and Counterparts

This Agreement may be executed by facsimile or pdf and in two counterparts with the same effect as if all parties had signed the same document, and both counterparts shall constitute one and the same agreement.

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Section 9.11 <u>No claim by the Purchaser to Funds held by the Monitor</u>

Despite any other provision of this Agreement, the Purchaser shall not make or have any claim to or against any amount paid by it to the Monitor hereunder and the Purchaser shall not take any step to prevent or delay the distribution by the Monitor of any such funds to the applicable creditors of the Vendor in accordance with an Order or Orders of the CCAA Court.

Section 9.12 <u>Third Party Beneficiaries</u>

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their respective successors and permitted assigns, and no person, other than the parties hereto and their respective successors and permitted assigns, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

[Signature page follows]

JKR

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

EDS DECOMMISSIONING CANADA INC.

Per: ______________________

Name: Sylvain Dupont

Title: President

GRANT FOREST PRODUCTS INC.
by its Chief Restructuring Organization,
STONECREST CAPITAL INC.

Per: ______________________

Name: Sandra Rosch

Title: President

Schedule 1

Real Property

TIMMINS MILL

5355 Highway 101 W

1. **PIN 6544-0878 (LT)**

   Location AL 937, PT of Unsubdivided Township of Ogden PT 1 6R1692 except Location RY 310 PT 1 6R276, PT Location AL 937 PT 1 & 2 6R3171, PT 2 6R7487 reserving all ores, mines or minerals which are or shall hereafter be found on or under said land; S/T easement over PT 1 6R7487 as in CB13261, City of Timmins.

2. **PIN 65441-0120 (LT)**

   PCL 24371 SEC SEC; Mining Claim P.27383 Ogden being land and land covered with the waters of Part of the Mattagami River within the boundaries of this Mining Claim excepting SRO PT 1, 6R7154; except SRO as in C106392; reserving thereout and therefrom the surface rights on and over a strip of land one chain in perpendicular width along the shore of the Mattagami River; reserving thereout and therefrom the surface rights on and over the travelled road closing the said Claim; City of Timmins.

Including all buildings, fixtures and improvements located thereon.

SLK Ch

Schedule 2

Allocation of Purchase Price

Purchased Assets	Allocated Purchase Price	
Machinery and Equipment (chattels)		$
Buildings and Fixtures	buildings	$
	fixtures	$
Books and Records		$
TOTAL		$

SKR Ch

Schedule 3

List of Agents' Liens

All security interests and charges granted by the Vendor to The Toronto-Dominion Bank, as Agent, or to Toronto Dominion (Texas) LLC, as Agent, in any Purchased Assets, financing statements in respect of which were filed under the *Personal Property Security Act* (Ontario)

sar ch

Schedule 4

Stages of Work and Corresponding Milestone Dates

Stage	Description of Work	Estimated Milestone Date
1.	Mobilization and Sales of Equipment	Seven (7) days following the Closing Date
2.	Dismantling	Two (2) months following the Closing Date
3.	Asbestos Removal	Four (4) months following the Closing Date
4.	Demolition	Six (6) months following the Closing Date
5.	Cleaning	Eleven (11) months following the Closing Date
6.	Demobilisation	Twelve (12) months following the Closing Date

Sdi [illegible]

Schedule 5

Form of Bond

PERFORMANCE BOND

No.__________________________________ $

KNOW ALL MEN BY THESE PRESENTS THAT EDS DECOMMISSIONING CANADA INC as Principal, hereinafter called the Principal, and ACE INA INSURANCE INC a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto GRANT FOREST PRODUCTS INC. C/O STONECREST CAPITAL INC. as Obligee, hereinafter called the Obligee, in the amount of. ($) lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bond themselves, their heirs, successors and assigns, jointly and severally, firmly by these presents.

Whereas the principal has entered into a written contract with the Obligee, dated the ___________, for work comprising of the removal of assets and the demolition of all structures to concrete slab floors at Timmins OSB Mill Highway 101 West, PO Box 180, Timmins, Ontario, P4N 7C9 in accordance with the Contract Documents submitted therefore which are by reference made part hereof and are hereinafter referred to as the Contract.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect until issue of the Final Certificate as defined in the Contract.

The Surety hereby waives notice of any, omission, addition, extra work or extension of time made by the Obligee.

Whenever, the Principal shall be, and declared by the Obligee to be, in default under the Contract, the Obligee having performed the Obligee's obligations thereunder, the Surety shall either within ten (10) days, remedy the default, or complete the execution of the Contract in accordance with it's terms and conditions.

If the Surety does not act as hereinbefore specified, the Obligee shall have the right to complete the Works in accordance with the Contract, by whatever means the Obligee may deem expedient, but without undue delay or expense, and the Surety shall make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the Contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Contract price", as used in this paragraph, shall mean the total amount payable by the Obligee to the Principal under the Contract and any amendments thereto, less the amount properly paid by the Obligee to the Principal.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

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The Surety shall not be liable for a greater sum than the specified penalty of the bond.

No right of action shall accrue on this bond, to or for the use of, any person or corporation other than the Obligee named herein, or the heirs, executors, administrators or successors of the Obligee.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this Bond this ____ day of __________ 2010.

SIGNED AND SEALED
In presence of

____
Principal

____
Surety

ssn CR

<u>Schedule 6</u>

<u>List of Required Government Permits</u>

Demolition permit to be issued by the City of Timmins

SSR CV

Schedule 7

Form of Draft Approval and Vesting Order

SM CR

OREA Ontario Real Estate Association

Confirmation of Co-operation and Representation

Form 320
for use in the Province of Ontario

BUYER: Canadian Land Corporation

SELLER: Grant Forest Products Inc.

For the transaction on the property known as: 5355 Highw ay 101 W

For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant and a "sale" includes a lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

Multiple Representation - Listing Brokerage represents both the Seller and Buyer.

MULTIPLE REPRESENTATION: The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage has also entered into a Customer Service Agreement with the Buyer.)

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

Royal LePage Best Choice Realty Ltd., Brokerage (Name of Listing Brokerage)	(Name of Co-operating/Buyer Brokerage)
117 Whitew ood Avenue, New Liskeard Ontario	
Tel: 705-647-6848 Fax:	Tel: Fax:
Date: Aug 30, 2011 (Authorized to bind the Listing Brokerage)	Date: (Authorized to bind the Co-operating/Buyer Brokerage)
Troy Wilson (Print Name of Broker/Salesperson Representative of the Brokerage)	(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction.)

The Seller/Buyer consent with their initials to their Brokerage representing more than one client for this transaction.

SELLER'S INITIALS BUYER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Grant Forest Products Inc. by its chief restructuring organization ~~Sto~~ Stonecrest Capital Inc. Date:
(Signature of Seller)

Date: Aug - 30 '11
(Signature of Buyer)

Date: Sept 14, 2011
(Signature of Seller) Sandra Rosch

Date:
(Signature of Buyer)

Real Forms™ 2011

APPENDIX "B"

KEMP PIRIE

Barristers, Solicitors and Notaries

George W. Kemp, B.Comm., LL.B.
Kathryn J. Pirie, B.A., LL.B.
Website: www.nllaw.ca

Phone: (705) 647-7353
Fax: (705) 647-6473
E-mail: nllaw@ntl.sympatico.ca

June 15, 2011

Emailed to alex.f.morrison@ca.ey.com and couriered to:
Ernst and Young Inc.
Monitor of Grant Forest Products Inc.
222 Bay Street, Suite 2400
Toronto, ON M5K 1J7
Attn: Alex Morrison, Senior Vice-President

Emailed to hstephen@stonecrestcapital.com and couriered to:
Stonecrest Capital Inc.
Suite 3130, Royal Trust Tower
77 King Street West, P.O. Box 33, TD Centre
Toronto, ON M5K 1B7
Attn: Mr. Hap Stephen

Dear Sirs;

Re: Twin Lakes Golf Course Property Issues

We act as solicitors for Grant Capital Corporation (formerly Grant Forest Products Corp.) with respect to local real estate matters.

It has come to the attention of Grant Capital Corporation that there are two property issues related to the golf course property located at Twin Lakes. The first issue involves Part 21 on Plan 54R-4981 and is an ownership issue. For your assistance I am enclosing a copy of the relevant portion of that plan identifying Part 21. It would appear for the sake of expediency on the part of the Ministry, the Crown Patent issued in the spring of 2008 for the golf course property included Part 21 even though the application to purchase Part 21 from the Crown was totally separate and apart from the application for the golf course property.

By way of background, GFP Newco, a corporation affiliated with Grant Capital Corporation, purchased the parcel of land identified as Parcel 9872 SST on Plan 54R-4981 located immediately to the west of Part 21 from the Wrights. That parcel of land fronts on Twin Lakes and has a cottage located on it. For the purposes of this letter I will refer to that property as the Wright Property.

The Ministry of Natural Resource's key criteria for the purchase of what is now identified as Part 21 from the Crown was that it could only be purchased by the owner of the abutting lakefront property; that is, the owner of the Wright Property. The application was submitted in the name of and purchased by Grant Forest Products Corp. for its affiliate, GFP Newco.

I am enclosing a copy of the Land use permit no. LUP TEM10105 issued January 7, 2002, to Grant Forest Products Corp. for Part 21.

Part 21 is an orphaned parcel of land with Grant Capital Corporation and its affiliated corporation abutting it on the east, north and west and private ownership unrelated to Grant Capital Corporation abutting it to the south. In other words it is landlocked. As I mentioned, out of expediency, the Crown patent issued for the golf course property included Part 21. In fact a separate patent should have been issued for it to the owner of the Wright Property.

We would now like to correct that error and have title to Part 21 transferred to where it should have gone prior to any sale of the golf course property and require your assistance to do so.

The second issue involves access to Grant Capital Corporation property via the municipal road now commonly known as Pine Drive and the extension of it over an old access road. When the Crown patent was issued for the golf course property it included Parts 2, 3, 4, 5, 6 and 7 on Plan 54R-4981 and Part 8 on Plan 54R-5283 which consist of a road used to access Grant Capital Corporations properties located to the west and south. These parts have no relevance to the golf course. A copy of the relevant portions of the 2 Plans are enclosed for your convenience. The golf course is located on Part 1 on Plan 54R-4981. Those parts on the plan provided road access to private cottagers for over 50 years and continue to be required by Grant Capital Corporation for access to its property. Part 8 represents a hydro transmission line running across the property and separates the long established access road from the golf course property. Our client requires that Parts 2, 3, 4, 5, 6 & 7 on Plan 54R-4981 and Part 8 on Plan 54R-5283 be transferred to it in order to resolve the access issue prior to the sale of the golf course property.

Part 21 consists of 1.344 acres. Parts 2, 3, 4, 5, 6 & 7 on Plan 54R-4981 consists of 0.245 of an acre and Part 8 on Plan 54R-5283 consist of 0.15 of an acre.

We look forward to hearing from you with respect to the resolution of these issues at your earliest convenience.

Yours Very Truly,

Kemp Pirie

George W. Kemp

GWK:rc

Encl.

Ministry of Natural Resources
Ontario

Land Use Permit
Public Lands Act

File: HU LU

Permit No.
LUP TEM10105

Use shaded areas for corrections.

Name of Applicant/Permittee (insert Corporate Name if Applicant is "Limited" or "Incorporated")	Area Code	Telephone No.
Grant Forest Products Corp.	705	544-6104

As Trustee for

Postal Address of Applicant/Permittee
P.O. Box 960

City, Town or Village	Prov./State	Country	Postal Code
Englehart	ON	Canada	P0J 1H0

Location of Land

Lot	Concession/Block No.	Geographic Township	Municipality
10	3	HUDSON	HUDSON TP

U.T.M. Grid	Geographic Location	Area in ha.
Zone 17 E. 5858 N. 52639	Area West of Parcel 9872 SST	0.53

As per sketch and description which is attached to the original permit for this site and forms part of this permit. A copy of this sketch and description is on file at the District Office and available for inspection by the applicant at any time during normal business hours.

Land Required for the Purpose of	GST I.D. Number
GOLF COURSE	R124668666

Fee(s) and Period of Land Use

Amount Due	Annual Fee (subject to adjustment)	Permit Effective Date	Permit Termination Date
$4,312.24	$4,030.13 + $282.11 (GST)	Oct 25, 2001	Oct 24, 2003

Note: Terms and Conditions applicable to all Land Use Permits are on the reverse side of this form.

Terms and Conditions applicable to this permit

Applicant's certification

I certify that the information given herein is true and complete, and that I have read, fully understand, and agree to comply with all of the terms and conditions set out in this permit and that I am of the age of majority. I agree that this is the complete agreement between the parties hereto.

Signature of Applicant (incl. Corporation Official)	Date Signed
[signature]	Dec. 12/01

Corporation Use Only

I have authority to bind the herein-named Corporation

Initials and Surname of Corporation Official (Please Print)	Signature of Corporation Official	Position

Ministry Approval

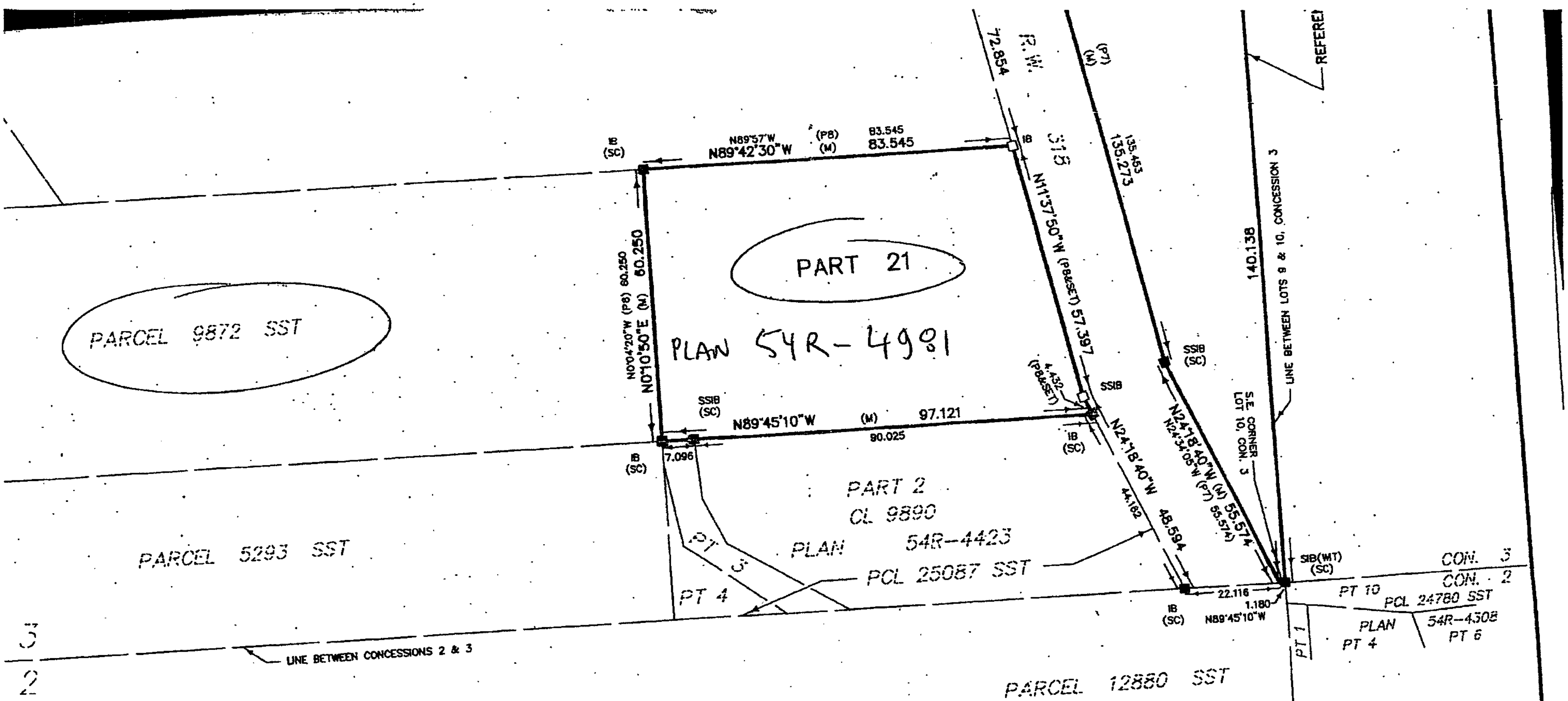
Under authority of the Regulations under the Public Lands Act, this Land Use Permit is hereby issued to the above applicant, subject to all terms and conditions contained herein and no other, and these shall be the exclusive terms and conditions applicable to the use of this land.

Signature of MNR Official	Date Signed	Cash Register Validation or Receipt No.	Amount Paid
[signature]	7/01/02	6165	$4,312.24

Personal information on this form is collected under authority of the Public Lands Act R.S.O., 1990, C. P. 43, and will be used for the administration of that Act. Questions about this information should be directed to the local MNR Office, whose address and telephone number appear in the Ontario Government Telephone Directory.

1620(95-03)

Return all parts of this form to the District/Area Office for authorization.



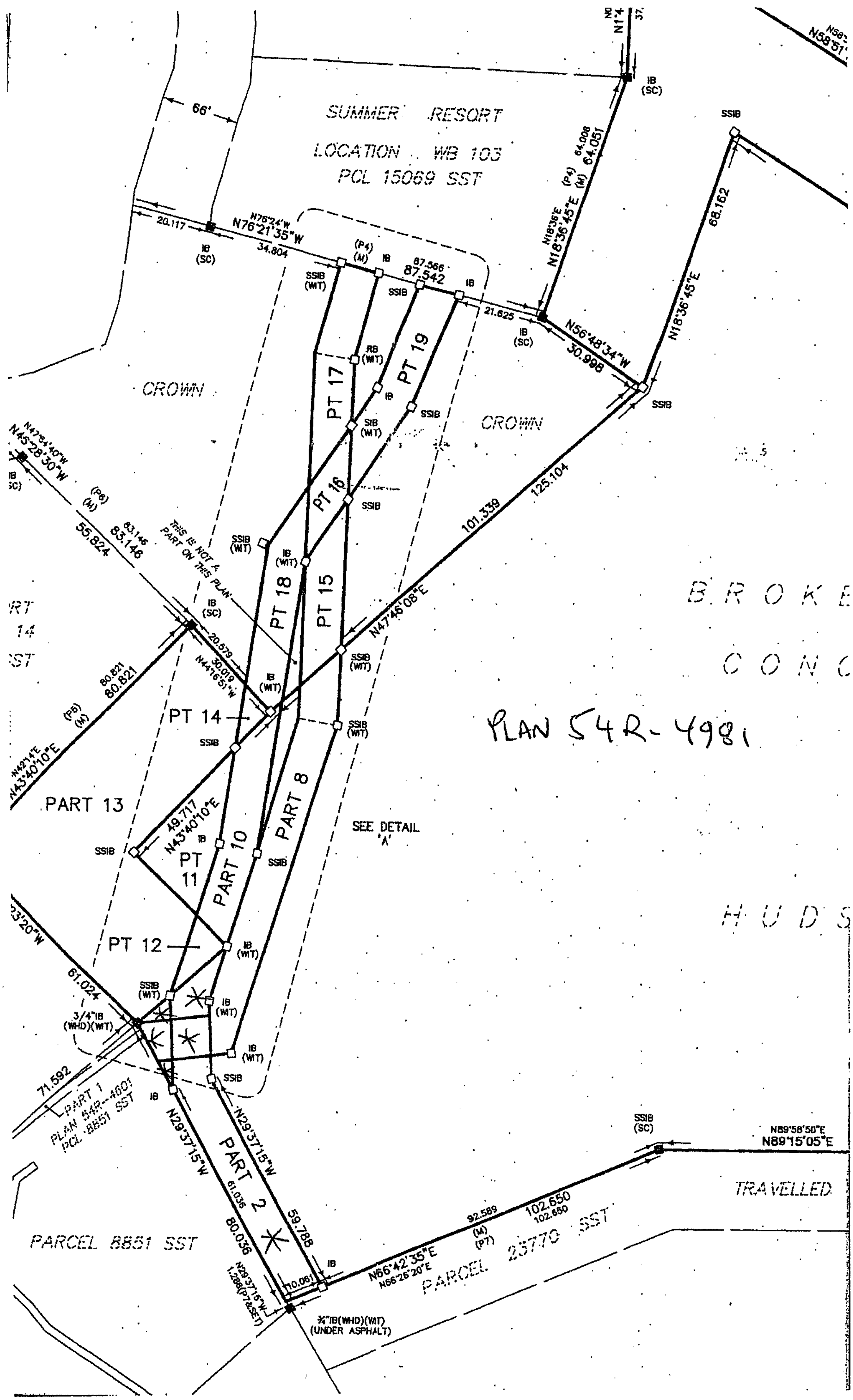
END

P1 DENOTES PLAN M-197 T. BY W.J. RYAN OLS
DATED JUNE 30, 1959
P2 DENOTES PLAN 54R-4308 BY D.F. ADAMUS OLS
DATED JULY 3, 1996.
P3 DENOTES PLAN R.F. 15 BY R.W. FARRELL OLS
DATED JANUARY 14, 1957.
P4 DENOTES PLAN W.B. 103 BY R.W. BROTHERHOOD OLS
DATED JANUARY 18, 1960.
P5 DENOTES PLAN R.F. 14 BY R.W. FARRELL OLS
DATED JANUARY 14, 1957.
DENOTES PLAN 54R-4790 BY D.F. ADAMUS OLS

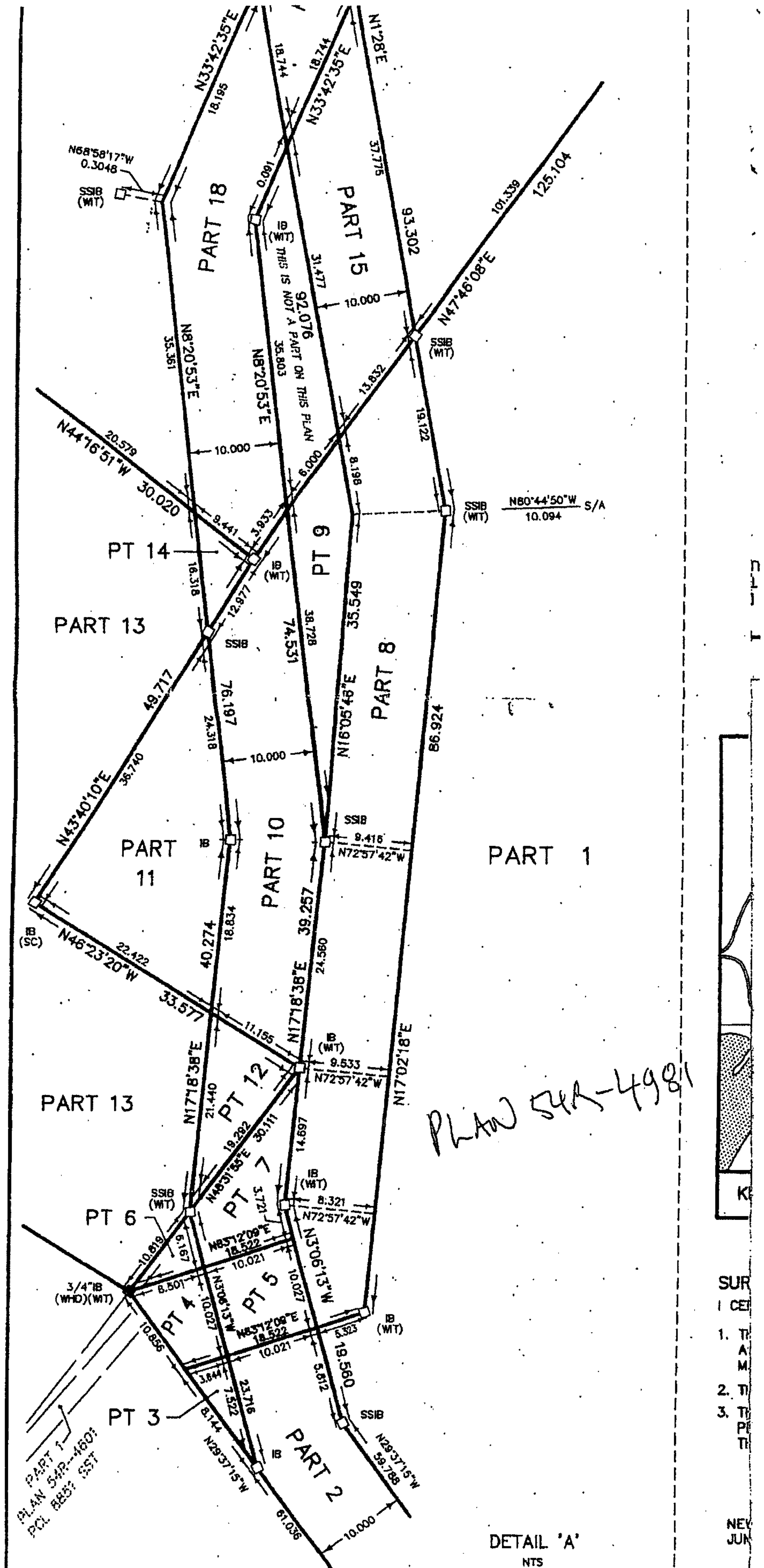
BEARING NOTE:
BEARINGS ARE ASTRONOMIC AND ARE REFERRED TO ... AS SHOWN ON PLAN

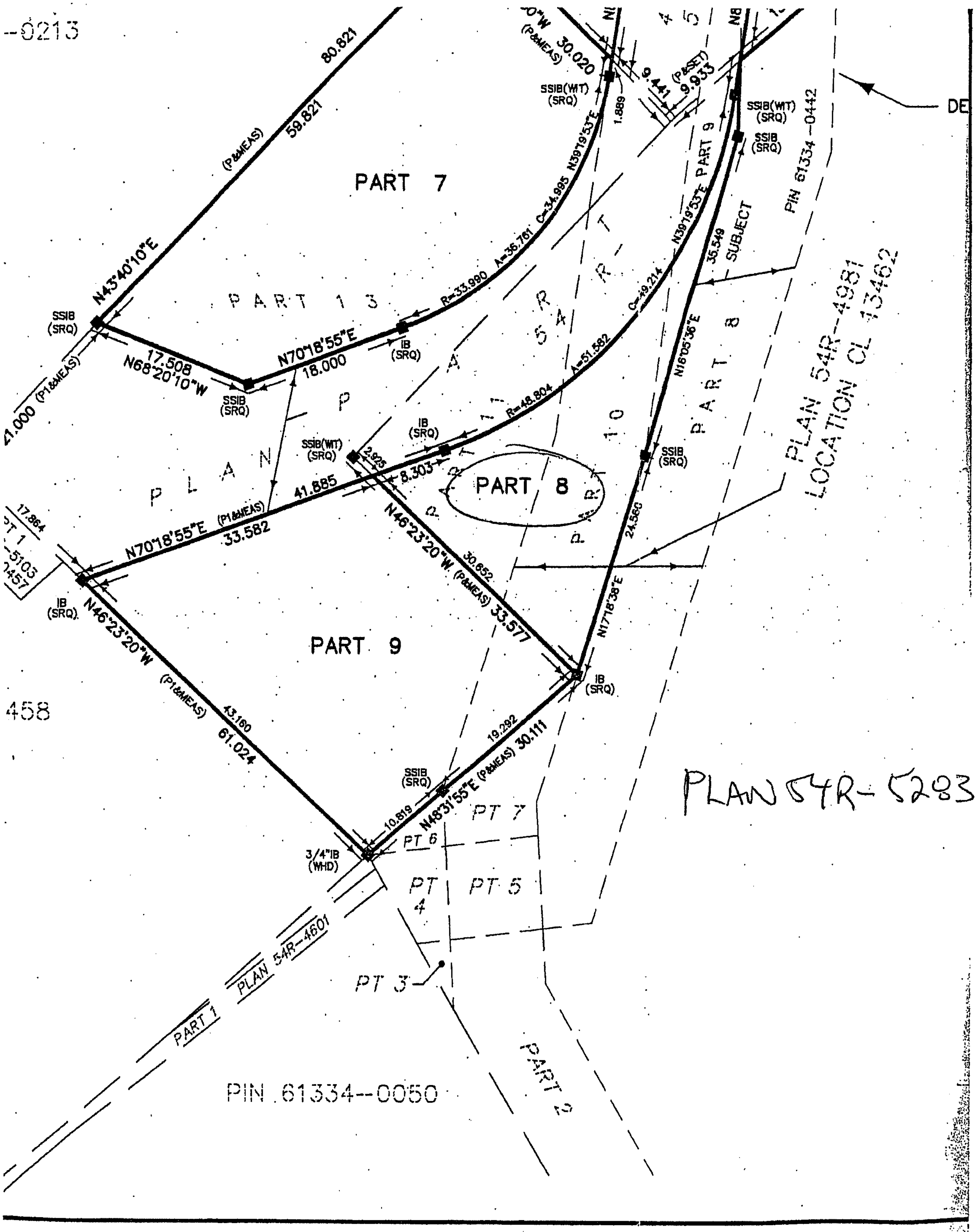
Sutcliffe Rody Quesnel Inc.
Ontario Land Surveyors
New Liskeard Cochrane Timmins Kenora
1-800-461-4584

PLAN	NOTES	CHK
5605-D4	Bk 2173/Pg 45-59	DFA



PLAN 54R-4981


PART 18
PART 15
PART 13
PT 14
PT 9
PART 8
PART 11
PART 10
PART 1
PART 13
PT 12
PT 7
PT 6
PT 5
PT 4
PT 3
PART 2
N33°42'35"E
N1°28'E
N68°58'17"W
0.3048
SSIB (WIT)
IB (WIT)
THIS IS NOT A PART ON THIS PLAN
N8°20'53"E
N47°46'08"E
125.104
101.339
93.302
92.076
N44°16'51"W
30.020
20.579
N80°44'50"W S/A
10.094
10.000
74.531
35.549
N16°05'48"E
86.924
76.197
49.717
N43°40'10"E
36.740
N72°57'42"W
9.416
39.257
40.274
N46°23'20"W
33.577
22.422
IB (SC)
N17°18'38"E
N17°02'18"E
9.533
8.321
N48°31'55"E
N83°12'09"E
18.522
10.021
N3°06'13"W
19.560
3/4"IB (WHD)(WIT)
N29°37'15"W
59.788
61.038
PART 1 PLAN 54R-4601 PCL 8851 SST
DETAIL 'A'
NTS
PLAN 54R-4981



--0213
PART 7
PART 13
PART 8
PART 9
PART 10
PART 11
PART 9
PART 8
PLAN 54R-
N43°40'10"E
80.821
59.821
(P&MEAS)
N68°20'10"W
17.508
N70°18'55"E
18.000
R=33.990
A=36.761
C=34.995
N39°19'53"E
30.020
1.889
9.441
9.933
(P&SET)
N39°19'53"E
C=49.214
A=51.582
R=48.804
35.549
SUBJECT
N16°05'36"E
24.560
N17°18'38"E
N70°18'55"E
(P1&MEAS)
41.885
33.582
2.925
8.303
N46°23'20"W
30.652
33.577
N46°23'20"W
(P1&MEAS)
43.160
61.024
N48°31'55"E
(P&MEAS)
19.292
30.111
10.819
SSIB (SRQ)
SSIB(WIT) (SRQ)
IB (SRQ)
3/4"IB (WHD)
PIN 61334-0442
PLAN 54R-4981
LOCATION CL 13462
DE
PT 1
17.864
458
PT 7
PT 6
PT 5
PT 4
PT 3
PART 2
PART 1
PLAN 54R-4601
PIN 61334-0050
PLAN 54R-5283