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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC., GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT NEWCO LLC AND GRANT EXCLUDED GP

Applicants

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

MOTION RECORD
(Motion Returnable May 25, 2010)

May 17, 2010

FRASER MILNER CASGRAIN LLP
100 King Street West
1 First Canadian Place
Toronto, Ontario
M5X 1B2

Daniel R. Dowdall
LSUC No. 16737D
Telephone: 416 863-4700
E-Mail: daniel.dowdall@fmc-law.com

Jane O. Dietrich
LSUC No. 49302U
Telephone: 416 863-4467
E-Mail: jane.dietrich@fmc-law.com

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

To: SERVICE LIST

SERVICE LIST

TO: **AINSWORTH LUMBER CO. LTD.**
Suite 3194 Bentall 4
1055 Dunsmuir Street
PO Box 49307
Vancouver, British Columbia
V7X 1L3

Rick Huff, President and CEO
Telephone: 604 661-3200

AND TO: **AKZO NOBEL WOOD COATINGS LTD.**
155 Rose Glen Rd N.
Port Hope ON, L1A 3Z3

Peter Renmarker
Telephone: (905) 885-6388
Fax: (905) 885-7587
E-mail: peter.renmarker@akzonobel.com

AND TO: **ALSTON & BIRD LLP**
One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309-3424

David A. Wender / Janine Brown
Telephone: (404) 881-7000
Fax: (404) 881-7777
E-mail: david.wender@alston.com /janine.brown@alston.com

Lawyers for Georgia-Pacific

AND TO: **ANGELO, GORDON & CO.**
245 Park Avenue, 26th Floor
New York, NY 10167

Maureen D'Alleva
E-mail: mdalleva@angelogordon.com

For NORTHWOODS CAPITAL IV, LIMITED, NORTHWOODS CAPITAL V, LIMITED, NORTHWOODS CAPITAL VI, LIMITED, NORTHWOODS CAPITAL VII, LIMITED, NORTHWOODS CAPITAL VIII, LTD. AND SILVER OAK CAPITAL, LLC

AND TO: **BANK OF AMERICA**
214 N Tryon Street, Mailcode: NC1-027-14-01
Charlotte, NC 28255
U.S.A.

Michael T. Powell
Telephone: 980-387-1939
E-mail: bas.infomanager@bankofamerica.com

AND TO: **BANK OF AMERICA SECURITIES LLC**
One Bryant Park
3rd Floor
New York, NY 10036
U.S.A.

Robert J. Voreyer
Telephone: 646 855-7709
E-mail: bob.voreyer@baml.com

AND TO: **BANK OF MONTREAL**
1 First Canadian Place
24th Floor
Toronto, Ontario
M5X 1A1

Damien Duprey
Telephone: 514 282-5909
E-mail: damien.duprey@bmo.com

Stanley Julien
Telephone: 416 867-6378
E-mail: stanley.julien@bmo.com

AND TO: **BANK OF NEW YORK MELLON**
600 E. Las Colinas Boulevard, Suite 1300
Irving, TX 75039 USA

Melinda Valentine
E-mail: melinda.valentine@bnymellon.com

ASI Compliance
E-mail: ASIcompliance@bnymellon.com

Russ Tuman
E-mail: russ.tuman@bnymellon.com

AND TO: **BENNETT JONES LLP**
Suite 3400
One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4

Richard Swan
Telephone: 416 777-7479
Facsimile: 416 863-1716
E-mail: swanr@bennettjones.com

Kevin J. Zych
Telephone: 416 777-5738
Facsimile: 416 863-1716
E-mail: zychk@bennettjones.com

Lawyers for Peter Grant Sr., 1308406 Ontario Inc. and Grant Forest Products Corp.

AND TO: **BLACK DIAMOND CAPITAL MANAGEMENT, LLC**
One Conway Park
100 Field Drive, Suite 300
Lake Forest, IL 60045
U.S.A.

Scott Ziemke
Telephone: 847 615-9000
Facsimile: 847-615-9064
E-mail: sziemke@bdcm.com

AND TO: **BLAKE, CASSELS & GRAYDON LLP**
Blake, Cassels & Graydon LLP
199 Bay Street
Suite 2800, Commerce Court West
Toronto, Ontario
M5L 1A9

Jackie Moher
Telephone: 416 863-3174
Facsimile: 416 863-2653
E-mail: jackie.moher@blakes.com

Linc Rogers
Telephone: 416 863-4168
Facsimile: 416 863-2653
E-mail: linc.rogers@blakes.com

Lawyers for Wabi Iron & Steel Corp.

AND TO: **CAISSE CENTRALE DESJARDINS**
1170, rue Peel, bureau 600
Montreal, Quebec
H3B 0B1

Pierre Pellepier
Telephone: 514 281-2269
Facsimile: 514-281-2686
E-mail : pierre.pelletier@ccd.desjardins.com

Peter Lattuca
Telephone: 514 281-7334
Facsimile : 514-281-2686
E-mail: peter.lattuca@ccd.desjardins.com

AND TO: **CAISSE DE DEPOT ET PLACEMENT DU QUEBEC**
1000, Place Jean-Paul-Riopelle
Montreal, Quebec
H2Z 2B3

Pierre Pharand
Telephone: 514-847-2620
Facsimile: 514-281-5220
E-mail: ppharand@lacaisse.com

AND TO: CALEYWRAY
1600 – 65 Queen Street West
Toronto, Ontario
M5H 2M5

Douglas J. Wray
Telephone: 416 366-3763
Facsimile: 416 366-3293
E-mail: wrayd@caleywray.com

Jesse B. Kugler
Telephone: 416 775-4677
Facsimile: 416 366-3293
E-mail: kuglerj@caleywray.com

Lawyers for the Communications, Energy and Paperworkers Union of Canada

AND TO: CARGILL
12700 Whitewater Drive, MS 144
Minnetonka, Minnesota 55343-9439
U.S.A.

Teri Salberg
Telephone: 952 984-3416
Facsimile: 952-367-1473
E-mail: teri.salberg@carval.com

Dana Zuraff
Telephone: 952 984-3973
Facsimile: 952-367-1473
E-mail: dana.zuraff@carval.com
bdsettlements@carval.com

AND TO: CARVAL INVESTORS, LLC
12700 Whitewater Drive, MS 144
Minnetonka, Minnesota 55343-9439
U.S.A.

Joel Hawkins
Telephone: 952 984-3507
E-mail: joel.hawkins@carval.com

Teck Wong
Telephone: 952 984-3292
E-mail: teck.wong@carval.com

AND TO: **CVI GVF (LUX) MASTER S.A.R.L.**
c/o Carval Investors, LLC
12700 Whitewater Drive, MS144
Minnetonka, MN 55343

Teri Salberg
E-mail: teri.salberg@carval.com

AND TO: **ELMER'S FIGHTING SUPPLY INC.**
RR#2 7635 HWY 21
Allenford, Ontario
N0H 1A0

Telephone: 519 934-2193
Facsimile: 519 934-2361
E-mail: customaugerhouse@yahoo.ca

AND TO: **ERNST AND YOUNG INC.**
P.O. Box 251
Ernst & Young Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1J7

Alex Morrison
Telephone: 416 941-7743
Facsimile: 416 864-1174
E-mail: alex.morrison@ca.ey.com

Simone Carvalho
Telephone: 416 943-2085
Facsimile: 416 864-1174
E-mail: simone.carvalho@ca.ey.com

Monitor

AND TO: **FASKEN MARTINEAU DUMOULIN**
66 Wellington Street West
Suite 4200, Toronto Dominion Bank Tower
Box 20, Toronto-Dominion Centre
Toronto, Ontario
M5K 1N6

Jonathan A. Levin
Telephone: 416 865-4401
Facsimile: 416 364-7813
E-mail: jlevin@tor.fasken.com

Edmond F.B. Lamek
Telephone: 416 865-4506
Facsimile: 416 364-7813
E-mail: elamek@tor.fasken.com

Stuart Brotman
Telephone: 416 865-5419
Facsimile: 416 364-7813
E-mail: SBrotman@fasken.com

Aubrey E. Kauffman
Telephone: 416 868-3538
Facsimile: 416 364-7813
E-mail: akauffman@fasken.com

Lawyers for the Independent Directors of Grant Forest Products Inc.

AND TO: **FINANCIAL SERVICES COMMISSION OF ONTARIO (FSCO) PENSION DIVISION**
5160 Yonge Street
P.O. Box 85, 4th floor
Toronto, Ontario
M2N 6L9

Deborah McPhail
E-mail: deborah.mcphail@fsco.gov.on.ca

Mark Bailey
E-mail: mark.bailey@fsco.gov.on.ca

Alena Thouin
E-mail: alena.thouin@fsco.gov.on.ca

AND TO: **FORTRESS INVESTMENT GROUP**
1345 Avenue of Americas, 46th Floor
New York, NY 10020

Bryce Fraser
E-mail: bfraser@fortress.com

For DRAWBRIDGE SPECIAL OPPORTUNITIES FUND, LP AND FORTRESS CREDIT OPPORTUNITIES I LP

AND TO: **FRASER MILNER CASGRAIN LLP**
1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1B2

Ross W. Walker
LSUC No.: 15817R
Telephone: 416 863-4742
Facsimile: 416 863-4592
E-mail: ross.walker@fmc-law.com

Daniel R. Dowdall
LSUC No.: 16737D
Telephone: 416 863-4700
Facsimile: 416 863-4592
E-mail: dan.dowdall@fmc-law.com

Alex MacFarlane
LSUC No. 28133Q
Telephone: 416 863-4582
Facsimile: 416 863-4592
E-mail: alex.macfarlane@fmc-law.com

Jane O. Dietrich
LSUC No.
Telephone: 416 863-4467
Facsimile: 416 863-4592
E-mail: jane.dietrich@fmc-law.com

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

AND TO: **GE CAPITAL CANADA LEASING SERVICES INC.**
5420 North Service Road
Burlington, ON L7L 6C7

Customer Care
Telephone: 905 319-5100
Facsimile: 1-866-514-0779
E-mail: burcustomerservice@ge.com

AND TO: **GENERAL ELECTRIC**

Michael Coseglia
Telephone: 203 956-4059
E-mail: michael.coseglia@gecapital.com

Bond Harberts
Telephone: 312 441-6140
E-mail: bond.harberts@ge.com

AND TO: **GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED AND GMAC LEASECO CORPORATION**
3250 Bloor Street West, 8th floor
Toronto, Ontario
M8X 2Y5

Customer Care
Telephone: 1-800-616-4622
Facsimile: 416 234-6614

AND TO: **GOODMANS LLP**
250 Yonge Street
Suite 2400, Box 24
Toronto, Ontario
M5B 2M6

Joe Pasquariello
Telephone: 416 597-4216
Facsimile: 416 979-1234
E-mail: jpasquariello@goodmans.ca

Fred Myers
Telephone: 416 597-5923
Facsimile: 416 979-1234
E-mail: fmyers@goodmans.ca

Lawyers for Bank of New York Mellon as agent for the Second Lien Lenders

AND TO: **GRAND CENTRAL ASSET TRUST, CMF SERIES**
c/o Camulos Capital Master Fund LP
3 Landmark Square, 4th Floor
Stamford, CT 06901

Michael Iuliano
E-mail: miuliano@camuloscapital.com

AND TO: **GSC GROUP**
888 Seventh Avenue
New York, NY 10019

Joshua Gale
Telephone: 917 322-6758
E-mail: jgale@gsc.com

I. Turkedjiev
Telephone: 917 322-6765
E-mail: iturkedjiev@gsc.com

AND TO:	**GSCP (NJ) LP** 300 Campus Drive, Suite 110 Florham Park, NJ 07932 **Dennis Phan** E-mail: dphan@gsc.com *For GSC INVESTMENT FUNDING LLC, GSC PARTNERS CDO FUND IV LIMITED AND GSC PARTNERS CDO FUND VII, LIMITED*
AND TO:	**HER MAJESTY THE QUEEN** The Ministry of Revenue Revenue Collections Branch Insolvency Unit 33 King Street West, 6th Floor Oshawa, Ontario L1H 8H5 **Vicki Schnurr** Telephone: 905 433-6969 Facsimile: 905 436-4524 E-mail: Vicki.Schnurr@ontario.ca
AND TO:	**IBM CANADA LTD. - PPSA ADMINISTRATORS** 3600 Steeles Avenue East F4 Markham, Ontario L3R 9Z7 **IBM Canada, Procurement Department** Telephone: 905 316-5000 Facsimile: 905 316-4068 **Louise Novak, IBM Legal Department** Telephone: 914 499-4841 Email: lnovak@us.ibm.com

AND TO: **LANG MICHENER LLP**
Brookfield Place
Suite 2500, 181 Bay Street
Toronto, Ontario M5J 2T7

Sheryl E. Seigel / Marnie Foster
Telephone: (416) 360-8600
Facsimile: (416) 365-1719
E-mail: sseigel@langmichener.ca /mfoster@langmichener.ca

Lawyers for Georgia-Pacific

AND TO: **LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP**
2600-130 Adelaide Street West
Toronto, Ontario
M5H 3P5

Peter J. Osborne
Telephone: 416 865-3094
Facsimile: 416 865-9010
E-mail: posborne@litigate.com

Lawyers for Peter Grant Jr.

AND TO **McCARTHYS LLP**
Suite 4700, Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6

Kevin McElcheran
Telephone: 416 601-7730
Facsimile: 416 868-0673
E-mail: kmcelcheran@mccarthy.ca

Barry J. Ryan
Telephone: 416 601-7799
Facsimile: 416 868-0673
E-mail: bryan@mccarthy.ca

James D. Gage
Telephone: 416 601-7539
Facsimile: 416 868-0673
E-mail: jgage@mccarthy.ca

Lawyers for The Toronto-Dominion Bank as agent for the First Lien Lenders

AND TO: **MCDONNELL INVESTMENT MANAGEMENT, LLC**
1515 West 22nd Street, 11th Floor
Oak Brook, IL 60523

Robert Hickey
Telephone: 630 684-8742
E-mail: hickeyr@mcdmgmt.com

Matthew Kelly
Telephone: 630 684-8757
E-mail: kellym@mcdmgmt.com

Kathy Zarn
E-mail: zarnk@mcdmgmt.com

For GANNETT PEAK CLO I, LTD., McDONNELL LOAN OPPORTUNITY LTD., WIND RIVER CLO I LTD. AND WIND RIVER CLO II- TATE INVESTORS, LTD.

AND TO: **MILLER THOMSON LLP**
Barristers & Solicitors
London Office
One London Place
255 Queens Avenue, Suite 2010
London, Ontario
N6A 5R8

Alissa K. Mitchell
Telephone: 519 931-3510
Facsimile: 519 858-8511
E-mail: amitchell@millerthomson.com

A. Duncan Grace
Telephone: 519 931-3507
Facsimile: 519 858-8511
E-mail: dgrace@millerthomson.com

Ryan T. Sills
Telephone: 519 931-3514
Facsimile: 519 858-8511
E-mail: rsills@millerthomson.com

Lawyers for GE Canada Leasing Services Company

AND TO: **MINISTRY OF FINANCE (ONTARIO)**
Office of Legal Services
33 King Street West, 6th Floor
Oshawa, Ontario
L1H 8H5

Kevin J. O'Hara
Telephone: 905 433-6934
Facsimile: 905 436-4510
E-mail: kevin.ohara@ontario.ca

AND TO: **MINISTRY OF NATURAL RESOURCES**
Legal Services Branch
99 Wellesley Street West, Room 3420
Toronto, Ontario
M7A 1W3

Stuart D. Davidson
Telephone: 416 314-2004
Facsimile: 416 314-2030
E-mail: stuart.davidson@ontario.ca

AND TO: **MINISTRY OF NORTHERN DEVELOPMENT**
Mines and Forestry
Forest Sector Competitiveness Secretariat
70 Foster Drive, Suite 400
Sault Ste. Marie, Ontario
P6A 6V5

Paul Mingay
Telephone: 705 945-6770
E-mail: paul.mingay@ontario.ca

AND TO: **MINISTRY OF NORTHERN DEVELOPMENT MINES AND FORESTRY**
Legal Services Branch
Room M2-17
MacDonald Block
900 Bay Street
Toronto, Ontario
M7A 1C3

Donald Bennett
Telephone: 416 327-0637
E-mail: donald.bennett@ontario.ca
andrew.macdonald@ontario.ca

AND TO: **MINISTRY OF THE ENVIRONMENT**
135 St. Clair Avenue
8th Floor
Toronto, Ontario
M4V 1P5

Mario Faieta, Legal Department
E-mail: mario.faieta@ontario.ca

AND TO: **MINISTRY OF TRANSPORTATION ONTARIO**
Corridor Management Office
500 Rockley Road
New Liskeard, Ontario
P0J 1PO

Lisa Kramp
Telephone: 705 647-6761 ext. 143
Toll Free: 1-800-720-1120
Facsimile: 705 647-4571
E-mail: lisa.kramp@ontario.ca

AND TO: **MORGAN STANLEY SENIOR FUNDING, INC.**
1 Pierrepont Plaza, 7th Floor
Brooklyn, NY 11201

Vanessa Marling
E-mail: vanessa.marling@morganstanley.com

AND TO: **NATIONAL BANK FINANCIAL**
600 rue de La Gauchetiere West
9th Floor
Montreal, Quebec
H3B 4L2

Jean Gosselin
Telephone: 514 394-8829
Facsimile: 514-394-4375
E-mail: jean.gosselin@bnc.ca

Kennedy William
Telephone: 514 394-8062
Facsimile: 514-394-4375
E-mail: williamd.kennedy@bnc.ca

AND TO: **NATIONAL LEASING GROUP INC.**
Lease# 2271912
1525 Buffalo Place
Winnipeg, Manitoba
R3T 1L9

Nick Logan (Owner)
Telephone: 1-800-665-1326
Facsimile: 1-866-408-0729
E-mail: nick.logan@nationalleasing.com

AND TO: **NORTHLAND POWER INC.**
505 Archers Drive
Kirkland Lake ON, P2N 3M7

Mike McLaughlin (Wood Waste Manager)
Telephone: (705) 567-9501 x226
Facsimile: (705) 567-5193
E-mail: Operations@NorthlandPower.com

AND TO: **ONTARIO MINISTRY OF LABOUR**
Employment Standards Program
Central Region Insolvencies and Collections
1201 Wilson Ave., 2nd Floor –Bldg. E
Toronto, Ontario
M3M 1J8

Nancy Walters
Telephone: 416 235-6704
Facsimile: 1-888-252-4684
E-mail: nancy.walters@ontario.ca

AND TO: **ONTARIO TEACHERS' PENSION PLAN BOARD**
5650 Yonge Street
Toronto, ON M2M 4H5

Stephen McLennan (Portfolio Manager, Fixed Income)
E-mail: stephen_mclennan@otpp.com

AND TO: **PACIFIC INVESTMENT MANAGEMENT CO.**
840 Newport Center Dr.
Newport Beach, CA 92660

Sandy Benson
E-mail: benson@pimco.com

For PIMCO FLOATING RATE INCOME FUND AND PIMCO FLOATING RATE STRATEGY FUND

AND TO: **PENSIONFUND REALTY LIMITED**
800-55 City Centre Drive
Mississauga, Ontario
L5B 1M3

John Borrell, Director of Leasing
Telephone: 905 281-3800 ext 4791
Facsimile: 905 281-4826
E-mail: jborrelli@morguard.com

AND TO: **PRUCO LIFE INSURANCE COMPANY**
Prudential Plaza
751 Broad Street
Newark, New Jersey 07102-3714
U.S.A.

Jack Pfeilsticker, Vice President, Corporate Counsel
Telephone: 973 802-9200
E-mail: jack.pfeilsticker@prudential.com

AND TO: **PRUDENTIAL INSURANCE COMPANY OF AMERICA**
Three Gateway Center, 18th Floor
100 Mulberry Street
Newark, NJ 07102
U.S.A.

Matthew Howell
Telephone: 973 367-2131
E-mail: matthew.howell@prudential.com

Paul Procyk
Telephone: 973 367-3279
E-mail: paul.procyk@prudential.com

Jack Pfeilsticker
Telephone: 973 802-9200
E-mail: jack.pfeilsticker@prudential.com

AND TO: **REDWOOD MASTER FUND LTD.**
910 Sylvan Avenue
Englewood Cliffs, NJ 07632

Sean Sauler
E-mail: ssauler@redwoodcap.com

AND TO: **RIOPELLE GRIENER LAWYERS PROFESSIONAL CORPORATION**
202-85 Pine Street South
Timmins, Ontario
P4N 2K1

Gordon G. Conley
Telephone: 705 264-9591
Facsimile: 705 264-1393
E-mail: gordon@rglaw.ca

Lawyers for K&C Mechanical

AND TO: **SPCP GROUP, LLC**
2 Greenwich Plaza, 1st Floor
Greenwich, CT 06830

Benjamin Tecmire
E-mail: ayu@silverpointcapital.com

AND TO: **STIKEMAN ELLIOTT LLP**
5300 Commerce Court West
99 Bay Street
Toronto, Ontario
M5L 1B9

Sean Dunphy
Telephone: 416 869-5662
Facsimile: 416 947-0866
E-mail: sdunphy@stikeman.com

Daniel Murdoch
Telephone: 416 869-5529
Facsimile: 416 947-0866
E-mail: dmurdoch@stikeman.com

Jordana Bergman
Telephone: 416 869-5510
Facsimile: 416 947-0866
E-mail: JBergman@stikeman.com

Lawyers for the Monitor

AND TO: **STONECREST CAPITAL INC.**
Stonecrest Capital Inc.
Suite 3130, Royal Trust Tower
77 King Street West
PO Box 33, TD Centre
Toronto, Ontario
M5K 1B7

Hap Stephen
Telephone: 416 364-0228
E-mail: hstephen@stonecrestcapital.com

Sandra Rosch
Telephone: 416 364-0730
E-mail: srosch@stonecrestcapital.com

Chief Restructuring Advisor

AND TO: **TALON ASSET MANAGEMENT**
One North Franklin, Suite 900
Chicago, IL 60606

Evan Dreyfuss
E-mail: edreyfuss@talonmanagement.com

For GPC 69, LLC, HFR RVA OPAL MASTER TRUST, TALON ASSET MANAGEMENT, TALON TOTAL RETURN PARTNERS LP AND TALON TOTAL RETURN QP PARTNERS LP

AND TO: **THIRD AVENUE MANAGEMENT**
c/o Jim Hall
622 Third Avenue
32nd Floor
New York, NY 10017
U.S.A.

Steven Chua
Telephone: 212 277-7043
E-mail: schua@thirdave.com

Michael Fineman
Telephone: 212 906-1142
E-mail: mfineman@thirdave.com

AND TO: **TORONTO DOMINION (TEXAS) LLC AND TORONTO DOMINION (TEXAS) LLC, AS AGENT**
31 West 52nd Street
New York, NY 10019

Jason Algazi
E-mail: Jason.algazi@tdsecurities.com

AND TO: **TORONTO-DOMINION BANK**
77 King Street West, 18th Floor
Royal Trust Tower, TD Centre
Toronto, ON M5K 1A2

Ben Montgomery
Telephone: 604 654-3525
E-mail: ben.montgomery@tdsecurities.com

Bill O'Connor
Telephone: 416 982-5663
E-mail: bill.oconnor@tdsecurities.com

AND TO: **TORONTO-DOMINION BANK**
43 Elm Street
Sudbury, Ontario
P3E 4R7

Tina Clark (Branch Manager)
Telephone: 705 669-4000
Facsimile: 705 675-5497
E-mail: clarkt3@td.com

AND TO: **TORONTO-DOMINION BANK**
P.O. Box 420
240 Main Street East
North Bay, Ontario
P1B 1B1

Charles Elliott (Bank Manager)
Telephone: 705 472-4370
Facsimile: 705 472-6383
E-mail: charles.elliott@td.com

AND TO: **TOYOTA CREDIT CANADA INC.**
80 Micro Court, Suite 200
Markham, Ontario
L3R 9Z5

Customer Service Department
Telephone: 905 513-8200
Facsimile: (local): 905 513-9776
Facsimile: (toll free): 1 -800-665-4948

AND TO: **TRILON BANCORP INC.**
c/o Brookfield Asset Management
181 Bay Street, Suite 300
Toronto, Canada M5J 2T3

Jon Haick
E-mail: jhaick@brookfield.com

AND TO: **WEST FACE CAPITAL**
2 Bloor Street East, Suite 810
Toronto, ON M4W 1A8

Peter Fraser (Partner)
Telephone: (647) 724-8903
Fax: (647) 724-8910
E-mail: peter@westfacecapital.com

AND TO: **XEROX CANADA LTD.**
33 Bloor Street East, 3rd floor
Toronto, Ontario
M4W 3H1

Jason Moyse, Legal Counsel
Telephone: 416 972-7145
Facsimile: 416 926-1203
E-mail: jason.moyse@xerox.com

AND TO: **ACORN GROUP CONSULTING**
46 Autumn Drive
Caledon, Ontario
L7K 0T8

Sal Bellicoso
Telephone: 416-825-9217
E-mail: sal.bellicoso@rogers.com

INDEX

INDEX

TAB 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC., GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT NEWCO LLC AND GRANT EXCLUDED GP

Applicants

-and-

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security

Respondents

NOTICE OF MOTION
(Returnable May 25, 2010)

The Applicants will make a motion to a Judge presiding over the Commercial List on Tuesday, the 25th day of May, 2010 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order in the form attached as Schedule "A" hereto, *inter alia*, (the "**Draft Order**"):

(a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record herein, and dispensing with further service thereof;

(b) approving a marketing process (the "**Footner Marketing Process**") in respect of the 50% interest of Grant Forest Products Inc. ("**GFPI**") in the assets comprising the Footner mill in High Level, Alberta and the business with respect thereto and in the shares issued by Footner Forest Products Ltd., and GFPI's interest in agreements relating thereto (collectively, "**Grant's Footner Interests**"); and

(c) approving the thirteenth report of Ernst & Young Inc. in its capacity as Court appointed monitor in these proceedings (the "**Monitor**") (the "**Thirteenth Report**"), and the activities of the Monitor as set out therein.

2. Such further and other relief as counsel may advise and to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

1. GFPI, Grant Alberta Inc., Grant Forest Products Sales Inc. and Grant U.S. Holdings GP obtained protection under the *Companies Creditors' Arrangement Act* (the "**CCAA**") on June 25, 2009 by order of the Honourable Mr. Justice Newbould (the "**Initial Order**").

2. The Initial Order approved an Investment Offering Protocol which encompassed marketing for investment or sale the business and operations of GFPI and its subsidiaries including, among other things, Grant's Footner Interests.

3. As a result of the Investment Offering Protocol a purchase and sale agreement (the "**PSA**") was approved by the Order of the Honourable Mr. Justice Campbell dated March 30, 2010 (the "**Approval and Vesting Order**") with respect to the majority of the Applicants business and operations' assets. The PSA and Approval and Vesting Order, however did not include Grant's Footner Interests.

4. In order to fully canvass the market in respect of Grant's Footner Interests and maximize the value thereof, GFPI along with the Monitor and Stonecrest Capital Inc. (the "**CRA**") have, as detailed in the Thirteenth Report developed the Footner Marketing Process.

5. The provisions of the *Companies' Creditors Arrangement Act*.

6. Rules 2.03, 3.02 and 16 of the Rules of Civil Procedure, R.R. O. 1190, Reg. 194.

7. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Thirteenth Report.

2. Such further and other material as counsel may advise and this Honourable Court may permit.

May 17, 2010

FRASER MILNER CASGRAIN LLP
100 King Street West
1 First Canadian Place
Toronto, Ontario
M5X 1B2

Daniel R. Dowdall
LSUC No. 16737D
Telephone: 416 863-4700
E-Mail: daniel.dowdall@fmc-law.com

Jane O. Dietrich
LSUC No. 49302U
Telephone: 416 863-4467
E-Mail: jane.dietrich@fmc-law.com

Lawyers for the Applicants Grant Forest Products Inc., Grant Alberta Inc., Grant Forest Products Sales Inc., and Grant U.S. Holdings GP

TO: SERVICE LIST

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

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 (the "Applicants")

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security (the "Respondents")

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable May 25, 2010)

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario M5X 1B2

Lawyer: Daniel R. Dowdall / Jane O. Dietrich
LSUC: 16737D / 49302U
Email: daniel.dowdall@fmc-law.com / jane.dietrich@fmcolaw.com /

Telephone: 416 863-4700 / 416 863-4467

Facsimile: 416-863-4592

Lawyers for the Applicants 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

8366895_1.DOC

SCHEDULE "A"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 25TH DAY OF
	)	
JUSTICE CAMPBELL	)	MAY, 2010

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC., GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT NEWCO LLC AND GRANT EXCLUDED GP

Applicants

-and-

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security

Respondents

ORDER

THIS MOTION, made by the Applicants, for an order in the form attached as schedule "A" to the notice of motion of the Applicants dated May 17, 2010 (the "**Notice of Motion**") *inter alia*: (i) abridging and validating the timing and method of service of this Motion Record so that the Motion is properly returnable; (ii) approving a marketing process (the "**Footner Marketing Process**") in respect of the 50% interest of Grant Forest Products Inc. ("**GFPI**") in the assets comprising the Footner mill in High Level, Alberta and the business with respect thereto and in the shares issued by Footner Forest Products Ltd., and GFPI's interest in agreements relating thereto (collectively, "**Grant's Footner Interests**"); and (iii) approving the thirteenth report of Ernst & Young Inc. in its capacity as Court appointed monitor in these proceedings (the "**Monitor**") dated May <>, 2010 (the "**Thirteenth Report**"), and the activities of the Monitor as set out therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Thirteenth Report and the appendices thereto and on hearing the submissions of counsel for the Applicants, the Monitor, The Toronto-Dominion Bank as agent for the first lien lenders, The Bank of New York Mellon as agent for the second lien lenders, [the independent directors of Grant Forest Products Inc., Peter Grant Sr.,] and no one else appearing although duly served as appears from the affidavit of service of <> sworn <>;

Service

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

Approval of Monitor's Activities

2. **THIS COURT ORDERS** that the Thirteenth Report and the activities of the Monitor as set out therein, be and are hereby approved.

Approval of Footner Marketing Process

3. **THIS COURT ORDERS** that the Footner Marketing Process, substantially in the form attached as Schedule "A" to this Order, for the purpose of marketing for sale Grant's Footner Interests, be and is hereby approved and the Applicants, the Monitor and the CRA are authorized and directed to perform their respective obligations thereunder.

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor, the Filing Receiver and their respective agents in carrying out the terms of this Order. All court, tribunals regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Applicants, the Monitor, as an

officer of this Court, and the Filing Receiver, as may be necessary or desirable to give effect to this Order.

____

Schedule "A"

FOOTNER MARKETING PROCESS

1. The marketing process set out herein (the "**Footner Marketing Process**") is intended to realize the maximum value from the sale of the 50% interest of Grant Forest Products Inc. ("**GFPI**") in the assets comprising the Footner mill in High Level, Alberta and the business with respect thereto and in the shares issued by Footner Forest Products Ltd., and GFPI's interest in agreements relating thereto (collectively, "**Grant's Footner Interests**") for GFPI's secured creditors (the "**Secured Creditors**") and other creditors.

Leading the Marketing Process

2. The Monitor shall lead the Footner Marketing Process with the CRA.

Objectives

3. The Footner Marketing Process will be implemented to achieve the objective of value maximization for GFPI's creditors.

4. In order to achieve this objective, interested parties shall be required to participate in the Footner Marketing Process and to respect the timetable set out herein.

Supervision and Reporting

5. The Footner Marketing Process shall be approved by the Court and subject to the Court's overriding supervision. The Monitor will facilitate and oversee the Footner Marketing Process as set out herein. Any sale of Grant's Footner Interests shall not be completed unless approved by the Court in accordance with the Initial Order.

6. The Monitor will provide a report to the Court including a detailed summary as to how the Footner Marketing Process was conducted, the key elements of the resulting transaction and the Monitor's recommendation with respect to such sale.

Reporting to Stakeholders

7. The Monitor, GFPI and the CRA may provide periodic updates, as they deem appropriate, to Secured Creditors which have executed confidentiality agreements including the First Lien Lenders and the Second Lien Lenders.

Identification of Potential Interested Parties

8. The Monitor, GFPI and the CRA will prepare a preliminary potential interested party list with a view to ensuring that all parties that have expressed interest in Grant's Footner Interests prior to the commencement of the Footner Marketing Process and any potential interested party whose interest may be known to GFPI are included on the preliminary list. The Secured Creditors may nominate interested parties for inclusion in the preliminary list.

Phases of Footner Marketing Process

9. Phase I

(a) GFPI will work with the Monitor to prepare a marketing overview (the "**Teaser**"), a draft non-disclosure agreement (an "**NDA**"), a data room and other relevant marketing materials.

(b) The Monitor will contact the parties on the potential interested party list and provide them with copies of the Teaser and NDA form.

(c) Interested parties that execute a NDA will receive information and access to an electronic data room and will be granted the opportunity to tour the Footner facility.

(d) Each potential interested party will be asked to submit a non-binding proposal on or before June 15, 2010.

(e) The Monitor, GFPI and the CRA will evaluate the non-binding proposals based on: i) the proposed purchase price; ii) the lack of conditions; iii) the ability of the proposed purchaser to complete due diligence on a timely basis; iv) its ability to finance its purchase of Grant's Footner Interests; v) its ability to close the transaction in a timely manner; and vi) other buyer selection criteria that may be developed by the Monitor and the CRA.

(f) The Monitor, GFPI and the CRA will, as they deem appropriate, consult with the Secured Creditors regarding the proposals.

(g) The Monitor, GFPI and the CRA will select a party to proceed to Phase II.

10. Phase II

(a) GFPI, assisted by the Monitor and the CRA, will conduct final negotiations of a purchase agreement to sell Grant's Footner Interests to the party selected to proceed to Phase II. The purchase agreement will be conditional on Court approval.

(b) The purchase agreement may, with the Monitor's consent, contain a break fee in favour of the proposed purchaser.

(c) The purchase agreement will be signed and submitted by GFPI to the Court for approval not later than July 15, 2010.

Adjustments to the Marketing Process

11. The Monitor and the CRA may adjust the Footner Marketing Process (and extend any time limits) as necessary to achieve the objectives set out herein.

Appointment of a CRO

12. If a chief restructuring corporation or officer is appointed by the Court with respect to GFPI, such corporation or officer will, subject to order of the Court, fulfill, or assist GFPI to fulfill, GFPI's role in respect of the Footner Marketing Process.

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

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 (the "Applicants")

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security (the "Respondents")

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

ORDER
(May 25, 2010)

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario M5X 1B2

Lawyer: Daniel R. Dowdall /
Jane O. Dietrich
LSUC: 16737D / 49302U
Email: daniel.dowdall@fmc-law.com /
jane.dietrich@fmcolaw.com /

Telephone: 416 863-4700 / 416 863-4467

Facsimile: 416-863-4592

Lawyers for the Applicants 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

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

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 (the "Applicants")

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security (the "Respondents")

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable May 25 , 2010)

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario M5X 1B2

Lawyer: Daniel R. Dowdall / Jane O. Dietrich
LSUC: 16737D / 49302U
Email: daniel.dowdall@fmc-law.com / jane.dietrich@fmcolaw.com /

Telephone: 416 863-4700 / 416 863-4467

Facsimile: 416-863-4592

Lawyers for the Applicants 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