

Exhibit “G”

EXHIBIT "G"

Fraser Papers Inc.
 Consolidated Balance Sheet
 As at May 2, 2009

(US \$ millions)	May 2, 2009	December 31, 2008
Assets		
Current assets:		
Accounts receivable	\$ 56.3	\$ 67.9
Inventory	86.8	125.5
Future income taxes - current	0.7	0.3
	<u>143.8</u>	<u>193.7</u>
Property, plant and equipment	253.6	256.0
Other assets	65.3	60.9
	<u>\$ 462.7</u>	<u>\$ 510.6</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness	\$ 1.4	\$ 7.4
Accounts payable and accrued liabilities	72.6	78.0
Current portion of long-term debt	25.0	25.0
	<u>99.0</u>	<u>110.4</u>
Long-term debt	45.3	64.0
Other liabilities	49.9	48.4
Future income taxes	1.9	3.5
Shareholders' equity	266.6	284.3
	<u>\$ 462.7</u>	<u>\$ 510.6</u>

Fraser Papers Inc.
 Consolidated Statement of Earnings and Deficit
 For the month ended May 2, 2009

(US \$ millions)	Month ended		Four months ended	
	May 2, 2009	April 28, 2008	May 2, 2009	April 28, 2008
Earnings				
Net sales	\$ 46.7	\$ 60.2	\$ 202.8	\$ 240.9
Cost of sales	47.9	62.1	209.1	247.7
Selling, general and administrative	1.8	2.3	7.3	9.3
	49.7	64.4	216.4	257.0
Earnings/(loss) before following:	(3.0)	(4.2)	(13.6)	(18.1)
Interest expense, net	(0.3)	(0.3)	(1.5)	(1.0)
Depreciation	(2.4)	(2.2)	(10.5)	(9.6)
Income tax	0.3	0.3	3.5	1.2
Earnings (loss)	\$ (5.4)	\$ (8.4)	\$ (22.1)	\$ (25.5)
Deficit				
Balance, beginning of period	\$ (291.6)	\$ (222.1)	\$ (274.9)	\$ (203.0)
Earnings (loss)	(5.4)	(8.4)	(22.1)	(25.5)
Balance, end of period	\$ (297.0)	\$ (228.5)	\$ (297.0)	\$ (228.5)

Fraser Papers Inc.
Consolidated Statement of Comprehensive Income
For the month ended May 2, 2009

(US \$ millions)	Month ended		Four months ended	
	May 2, 2009	April 28, 2008	May 2, 2009	April 28, 2008
Earnings (losses)	(5.4)	(6.4)	(22.1)	(25.5)
Changes in unrealized net gains on cash flow hedges	6.0	(0.1)	7.1	(0.1)
Changes in unrealized gains on lumber hedges	-	-	(0.7)	-
Tax impact of above	(1.9)	0.1	(1.8)	0.1
Comprehensive earnings (losses)	\$ (1.3)	\$ (6.4)	\$ (17.5)	\$ (25.5)

Fraser Papers Inc.
Consolidated Statement of Accumulated Other Comprehensive Income
For the month ended May 2, 2009

(US \$ millions)	Month ended		Four months ended	
	May 2, 2009	April 28, 2008	May 2, 2009	April 28, 2008
Balance, beginning of period	3.1	0.2	2.6	0.2
Other comprehensive income	4.1	-	4.6	-
Balance, end of period	\$ 7.2	\$ 0.2	\$ 7.2	\$ 0.2

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Fraser Papers Inc.
Consolidated Statement of Cash Flow
For the month ended May 2, 2009

	Month ended		Four months ended	
	May 2, 2009	April 26, 2008	May 2, 2009	April 25, 2008
Cash Provided By (Used For):				
Operating Activities				
Earnings (Loss)	\$ (5.4)	\$ (6.3)	\$ (22.1)	\$ (25.4)
Items not affecting cash:				
Depreciation	2.4	2.2	10.5	9.8
Future income taxes	(0.3)	(0.4)	(3.7)	(1.4)
Other	2.1	(1.9)	4.4	(2.5)
	(1.2)	(6.4)	(10.9)	(19.7)
Change in non-cash working capital balances				
Accounts receivable	(1.1)	(2.6)	11.9	(0.3)
Inventory	10.5	6.8	38.6	5.9
Accounts payable	0.8	(10.1)	(6.1)	(9.7)
	10.2	(5.9)	44.4	(4.1)
	9.0	(12.3)	33.5	(23.8)
Investing Activities				
Capital investments	(2.0)	(0.6)	(7.9)	(3.9)
	(2.0)	(0.5)	(7.9)	(3.9)
Financing Activities				
Debt incurred (repaid), net	(4.9)	13.8	(19.6)	(33.0)
Share issued (repurchased)	-	-	-	59.7
	(4.9)	13.8	(19.6)	26.7
(Decrease) Increase in cash and short-term notes	\$ 2.1	\$ 1.0	\$ 6.0	\$ (1.0)
Cash and short-term notes, beginning of period	\$ (3.6)	\$ (6.3)	\$ (7.4)	\$ (4.3)
Cash and short-term notes, end of period	\$ (1.4)	\$ (5.3)	\$ (1.4)	\$ (5.3)

Fraser Papers Inc.
Consolidating Balance Sheet
As at May 2, 2009

	Fraser Papers Holdings Inc.	Fraser Papers Inc. (unconsolidated)	Eliminations	Fraser Papers Inc.
Assets				
Current assets:				
Cash and short-term notes	-	-	-	-
Accounts receivable	56.4	31.8	(31.9)	56.3
Inventory	55.4	31.4	-	86.8
Future income taxes - current	-	0.7	-	0.7
	111.8	63.9	(31.9)	143.8
Property, plant and equipment	118.5	135.1	-	253.6
Future income taxes - L/T	-	-	-	-
Investment in subsidiaries	-	432.6	(432.6)	-
Divisional Control	-	-	-	-
Other assets	(54.1)	119.4	-	65.3
	176.2	751.0	(464.5)	462.7
Liabilities and Shareholders' Equity				
Current liabilities:				
Bank advances	-	1.4	-	1.4
Accounts payable	61.5	42.9	(31.9)	72.5
Taxes Payable	-	0.1	-	0.1
Current portion of long-term debt	-	25.0	-	25.0
	61.5	69.4	(31.9)	99.0
Long-term debt	-	45.3	-	45.3
Other liabilities	17.1	32.8	-	49.9
Future income taxes	-	1.9	-	1.9
Shareholders' equity	97.6	601.6	(432.6)	266.6
	176.2	751.0	(464.5)	462.7

Fraser Papers Inc.
 Consolidated Statement of Earnings and Deficit
 For the month ended May 2, 2009

(US \$ millions)	Fraser Papers Holdings Inc.	(unconsolidated)	Eliminations	Fraser Papers Inc.
Earnings				
Net sales	186.1	78.9	(62.2)	202.8
Cost of sales	176.4	94.9	(62.2)	209.1
Selling, general and administrative	3.5	3.8	-	7.3
	179.9	98.7	(62.2)	216.4
Earnings/(loss) before following:	6.2	(19.8)	-	(13.6)
Intercompany management fee	-	-	-	-
Interest expense, net	0.1	(1.6)	-	(1.5)
Depreciation	(5.1)	(5.4)	-	(10.5)
Income tax	-	3.5	-	3.5
Earnings (loss)	1.2	(23.3)	-	(22.1)
Deficit				
Balance, beginning of period	(335.7)	60.8	-	(274.9)
Earnings (loss)	1.2	(23.3)	-	(22.1)
Balance, end of period	(334.5)	37.5	-	(297.0)

Fraser Papers Inc.
 Consolidated Statement of Cash Flow
 For the month ended May 2, 2009

	Fraser Papers Holdings Inc.	Fraser Papers Inc. (unconsolidated)	Eliminations	Fraser Papers Inc.
Cash Provided By (Used For):				
Operating Activities				
Earnings (Loss)	1.2	(23.3)	-	(22.1)
Items not affecting cash:				
Depreciation	5.1	5.4	-	10.5
Future income taxes	-	(3.7)	-	(3.7)
Restructuring charges	-	-	-	-
Other	2.6	1.8	-	4.4
	8.9	(19.8)	-	(10.9)
Change in non-cash working capital balances				
Accounts receivable	(6.0)	12.7	5.2	11.9
Inventory	30.5	8.1	-	38.6
Accounts payable	(6.5)	5.6	(5.2)	(6.1)
	18.0	26.4	-	44.4
	26.9	6.6	-	33.5
Investing Activities				
Capital investments	(2.1)	(5.8)	-	(7.9)
	(2.1)	(5.8)	-	(7.9)
Financing Activities				
Debt incurred (repaid), net	(21.4)	1.8	-	(19.6)
Share issued (repurchased)	-	-	-	-
	(21.4)	1.8	-	(19.6)
(Decrease) Increase in cash and short-term notes	3.4	2.6	-	6.0
Cash and short-term notes, beginning of period	(3.4)	(4.0)	-	(7.4)
Cash and short-term notes, end of period	(0.0)	(1.4)	-	(1.4)



Fraser Papers Holdings Inc.
Consolidating Balance Sheet
As at May 2, 2009

(US \$ millions)	Fraser Papers Ltd.	Fraser Timber Ltd.	Corporate and Eliminations	Fraser Papers Holdings Inc.
Assets				
Current assets:				
Cash and short-term notes	(4.4)	(0.1)	4.5	-
Accounts receivable	56.2	0.2	-	56.4
Inventory	46.8	8.8	-	55.4
Future income taxes	-	-	-	-
	98.4	8.9	4.5	111.8
Property, plant and equipment	111.6	6.9	-	118.5
Future income taxes - L/T	-	-	-	-
Investment in subsidiaries	-	-	-	-
Interdivisional balances	(71.2)	(0.1)	71.3	-
Other assets	12.9	-	(67.0)	(54.1)
	151.7	15.7	8.8	176.2
Liabilities and Shareholders' Equity				
Current liabilities:				
Bank advances	-	-	-	-
Accounts payable	56.0	0.7	4.8	61.5
Taxes Payable	-	-	-	-
Current portion of long-term debt	-	-	-	-
	56.0	0.7	4.8	61.5
Long-term debt	-	-	-	-
Other liabilities	11.4	0.9	4.8	17.1
Future income taxes	7.7	4.9	(12.6)	-
Shareholders' equity	76.6	9.2	11.8	97.6
	151.7	15.7	8.8	176.2

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Fraser Papers Holdings Inc.
 Consolidated Statement of Earnings and Deficit
 For the month ended May 2, 2009

(US \$ millions)	Fraser Papers Ltd.	Fraser Timber Ltd.	Corporate and Eliminations	Fraser Papers Holdings Inc.
Earnings				
Net sales	185.2	0.9	-	186.1
Cost of sales	178.1	2.9	0.4	176.4
Selling, general and administrative	3.5	-	-	3.5
	176.6	2.9	0.4	179.9
Earnings (loss) before following:	8.8	(2.0)	(0.4)	6.2
Intercompany management fee	-	-	-	-
Interest expense, net	0.1	-	-	0.1
Depreciation	(4.3)	(0.8)	-	(5.1)
Income tax	-	-	-	-
Earnings (loss)	4.4	(2.8)	(0.4)	1.2
Deficit				
Balance, beginning of period	(228.7)	(37.8)	(69.2)	(335.7)
Earnings (loss)	4.4	(2.8)	(0.4)	1.2
Balance, end of period	(224.3)	(40.6)	(69.6)	(334.5)

Fraser Papers Holdings Inc.
Consolidated Statement of Cash Flow
For the month ended May 2, 2009

	Fraser Papers Ltd.	Fraser Timber Ltd.	Corporate and Eliminations	Fraser Papers Holdings Inc.
Cash Provided By (Used For):				
Operating Activities				
Earnings (Loss)	4.4	(2.8)	(0.4)	1.2
Items not affecting cash:				
Depreciation	4.3	0.8	-	5.1
Future income taxes	-	-	-	-
Restructuring charges	-	-	-	-
Other	2.7	0.1	(0.2)	2.6
	11.4	(1.9)	(0.6)	8.9
Change in non-cash working capital balances				
Accounts receivable	(7.2)	1.4	(0.2)	(6.0)
Inventory	32.5	(2.5)	0.5	30.5
Accounts payable	(3.2)	(2.0)	(1.3)	(6.5)
	22.1	(3.1)	(1.0)	18.0
	33.5	(5.0)	(1.6)	26.9
Investing Activities				
Capital investments	(2.1)	-	-	(2.1)
	(2.1)	-	-	(2.1)
Financing Activities				
Debt incurred (repaid), net	(29.9)	5.1	3.4	(21.4)
Share issued (repurchased)	-	-	-	-
	(29.9)	5.1	3.4	(21.4)
(Decrease) Increase in cash and short-term notes	1.5	0.1	1.8	3.4
Cash and short-term notes, beginning of period	(5.9)	(0.2)	2.7	(3.4)
Cash and short-term notes, end of period	(4.4)	(0.1)	4.5	(0.0)
	-	-	-	-



Fraser Papers Ltd.
Consolidating Balance Sheet
As at May 2, 2009

(US \$ millions)	Fraser NH LLC	Fraser Papers Ltd. (unconsolidated)	Eliminations	Fraser Papers Ltd.
Assets				
Current assets:				
Cash and short-term notes	(1.0)	(3.4)	-	(4.4)
Accounts receivable	7.8	56.3	(7.9)	56.2
Inventory	10.4	36.2	-	46.6
Future income taxes - current	-	-	-	-
	17.2	89.1	(7.9)	98.4
Property, plant and equipment	5.8	105.8	-	111.6
Future income taxes - L/T	-	-	-	-
Investment in subsidiaries	-	73.8	(73.8)	-
Interdivisional balances	(63.3)	(7.9)	-	(71.2)
Other assets	-	12.9	-	12.9
	(40.3)	273.7	(81.7)	151.7
Liabilities and Shareholders' Equity				
Current liabilities:				
Bank advances	-	-	-	-
Accounts payable	8.5	55.4	(7.9)	56.0
Taxes Payable	-	-	-	-
Current portion of long-term debt	-	-	-	-
	8.5	55.4	(7.9)	56.0
Long-term debt	-	-	-	-
Other liabilities	-	11.4	-	11.4
Future income taxes	-	7.7	-	7.7
Shareholders' equity	(48.8)	199.2	(73.8)	76.6
	(40.3)	273.7	(81.7)	151.7

Fraser Papers Ltd.
Consolidated Statement of Earnings and Deficit
For the month ended May 2, 2009

(US\$ millions)	Fraser NH LLC	Fraser Papers Ltd. (unconsolidated)	Eliminations	Fraser Papers Ltd.
Earnings				
Net sales	36.6	148.6	-	185.2
Cost of sales	31.2	141.9	-	173.1
Selling, general and administrative	-	3.5	-	3.5
	31.2	145.4	-	176.6
Earnings (loss) before following:	5.4	3.2	-	8.6
Intercompany management fee	(1.3)	1.3	-	-
Interest expense, net	-	0.1	-	0.1
Depreciation	(0.1)	(4.2)	-	(4.3)
Income tax	-	-	-	-
Earnings (loss)	4.0	0.4	-	4.4
Deficit				
Balance, beginning of period	(100.5)	(153.6)	25.4	(228.7)
Earnings (loss)	4.0	0.5	-	4.5
Balance, end of period	(96.5)	(153.1)	25.4	(224.2)

Fraser Papers Ltd.
 Consolidated Statement of Cash Flow
 For the month ended May 2, 2009

	Fraser NH LLC	Fraser Papers Ltd. (unconsolidated)	Eliminations	Fraser Papers Ltd.
Cash Provided By (Used For):				
Operating Activities				
Earnings (Loss)	4.0	0.4	-	4.4
Items not affecting cash:				
Depreciation	0.1	4.2	-	4.3
Future Income taxes	-	-	-	-
Restructuring charges	-	-	-	-
Other	(0.9)	3.6	-	2.7
	3.2	8.2	-	11.4
Change in non-cash working capital balances				
Accounts receivable	3.7	(7.8)	(3.1)	(7.2)
Inventory	4.3	28.2	-	32.5
Accounts payable	(1.4)	(4.9)	3.1	(3.2)
	6.6	15.5	-	22.1
	9.8	23.7	-	33.5
Investing Activities				
Capital Investments	(0.2)	(1.9)	-	(2.1)
	(0.2)	(1.9)	-	(2.1)
Financing Activities				
Debt incurred (repaid), net	(10.3)	(19.6)	-	(29.9)
Share Issued (repurchased)	-	-	-	-
	(10.3)	(19.6)	-	(29.9)
(Decrease) Increase in cash and short-term notes	(0.7)	2.2	-	1.5
Cash and short-term notes, beginning of period	(0.3)	(5.6)	-	(5.9)
Cash and short-term notes, end of period	(1.0)	(3.4)	-	(4.4)

Exhibit “H”

EXHIBIT "H"

PPSA SUMMARY – FRASER PAPERS INC.

New Brunswick

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
11229481	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Inc.	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration. <i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.
11229515	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Holdings Inc.	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration. <i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.
11229598	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Limited	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration. <i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.

Reg. No.	Name of Secured Party	Dobtor	Date of Registration	Collateral Secured and Comments
11516325	Xerox Canada Ltd.	Fraser Paper Inc.	October 1, 2004 (exp. Oct. 1, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
11626025	Xerox Canada Ltd.	Fraser Papers Inc.	November 3, 2004 (exp. Nov. 3, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
11881018	Xerox Canada Ltd.	Fraser Papers Inc.	February 2, 2005 (exp. Feb. 2, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
12085890	Xerox Canada Ltd.	Fraser Papers Inc.	April 7, 2005 (exp. Apr. 7, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
12156709	Caterpillar Financial Services Limited	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. • Papiers Fraser Inc. • FPS Canada Inc. <p><i>(added May 24/05)</i></p>	April 26, 2005 (exp. Apr. 26, 2009)	2005 Caterpillar 966GII VIN CAT0966GHANZ01170

REG. NO.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
12192274	Xerox Canada Ltd.	Fraser Papers Inc.	May 4, 2005 (exp. May 4, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
12860623	Xerox Canada Ltd.	Fraser Papers Inc.	October 26, 2005 (exp. Oct. 26, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
13119169	National Leasing Group Inc.	Fraser Papers Inc.	January 16, 2006 (exp. Jan. 16, 2012)	All postage mail/machines & scales of every nature or kind described in lease number 2324294, between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
13340278	Xerox Canada Ltd.	Fraser Papers Inc.	March 27, 2006 (exp. Mar. 27, 2012)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or an affiliate thereof. Classifications: equipment, other.

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
13368048	Xerox Canada Ltd.	Fraser Papers Inc.	April 3, 2006 (exp. Apr. 3, 2011)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
13446927	Praxair Canada Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. (Canada) • Papiers Fraser Inc. (Canada) 	April 24, 2006 (exp. Apr. 24, 2011)	Collateral classification includes equipment. Collateral description – equipment supplied by the secured party, consisting of bulk cryogenic storage tanks used for the storage, filling and delivery of industrial and medical gases including, without limitation, argon, carbon dioxide, nitrogen, nitrous oxide and oxygen, and cryogenic freezers, together with all related accessories, parts, components and attachments and all proceeds of or relating to any of the foregoing as well as all present or after-acquired property that may be derived from the sale or other disposition of the collateral described herein.
13691910	Caterpillar Financial Services Limited	<ul style="list-style-type: none"> • Fraser Inc. • Papier Fraser Inc. • Fraser Paper Inc. • Papiers Fraser Inc. • Fraser Papers Inc. • FPS Canada Inc. 	June 20, 2006 (exp. June 20, 2010)	2006 Caterpillar D8T VIN CAT00D8THKPZ01166 2006 Craig 45CYD Blade VIN T5112105 Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.

Reg. No.	Secured Party	Name of Debtor	Date of Registration	Collateral Secured and Commitments
14236251	Export Development Canada/Exportation et Développement Canada	Fraser Papers Inc. Papier Fraser Inc.	November 15, 2006 (exp. Nov. 15, 2009)	<p>All present and future claims, accounts and other intangibles representing the refund of cash deposits, together with all accrued interest on such deposits, to which the United States Customs and Border Protection has determined the debtor is entitled under the Softwood Lumber Agreement entered into between the Government of Canada and the Government of the United States, including, without limitation:</p> <p>The refund of all deposits covered by the "Antidumping Duty Order regarding certain softwood lumber from Canada", 67 Fed. Reg. 36,068 (May 22, 2002), as amended; and</p> <p>The refund of all deposits covered by the "Countervailing Duty Order regarding certain softwood lumber from Canada", 67 Fed. Reg. 36,070 (May 22, 2002), as amended.</p> <p>Together with all present and future accounts, intangibles, instruments, chattel paper, documents of title, securities and money, and all proceeds of the foregoing in any form, including goods, documents of title, chattel paper, securities, instruments, money and intangibles, and all proceeds thereof.</p> <p>This registration relates to an absolute assignment of the refund of cash deposits and accrued interest identified as collateral.</p>

REG. NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION	COLLATERAL SECURED AND COMMENTS
15548886	Motion Industries (Canada) Inc.	Fraser Papers Inc./Papiers Fraser Inc.	November 6, 2007 (exp. Nov. 6, 2017)	PMSI Registration Fraser Papers Inc./Papiers Fraser Inc. Fraser Inc. Lengthy additional information – please see registration.
16015851	Brookfield Asset Management Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc./Papiers Fraser Inc. • Papiers Fraser Inc./Fraser Papers Inc. 	April 4, 2008 (exp. Apr. 4, 2013)	<p>All the debtors' present and after acquired personal property including, without limitation, all goods (including all parts, equipment, inventory, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, books and records, receivables, intangibles, money and securities now owned or hereafter owned or acquired by or on behalf of the debtor and all proceeds and renewal thereof, accretions thereto and substitutions therefor.</p> <p><i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.</p>
16375628	Her Majesty the Queen in Right of the Province of New Brunswick, as represented by the Minister of Business New Brunswick	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc./Papiers Fraser Inc. • Papiers Fraser Inc./Fraser Papers Inc. 	June 24, 2008 (exp. June 24, 2013)	<p>All the debtors' present and after acquired personal property including, without limitation, all goods (including all parts, equipment, inventory, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, books and records, receivables, intangibles, money and securities now owned or hereafter owned or acquired by</p>

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
16375628 (cont'd)		•		or on behalf of the debtor and all proceeds and renewals thereof, accretions thereto and substitutions therefor. <i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.

Quebec

Inscription	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
04-0442355-0003	CIT Business Credit Canada Inc.	• Fraser Papers Inc. • Papiers Fraser Inc.	July 27, 2004 (exp. July 26, 2014)	-\$100,000,000 plus an additional amount equal to 20% thereof, the whole with interest from the date hereof at the rate of 25% per annum. -Please see registration for entire description.
05-0638343-0001	Services Financiers CIT Ltée.	• Papiers Fraser Inc. • Fraser Papers Inc.	November 9, 2005 (exp. Oct. 31, 2011)	-Please see registration for listing of equipment.
06-0055407-0011	Xerox Canada Inc.	Fraser Papers Inc.	February 3, 2006 (exp. Jan. 21, 2011)	Equipment, other -All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
06-055407-0021	Xerox Canada Ltd.	Fraser Papers Inc.	February 3, 2006 (exp. Feb. 1, 2011)	Equipment, other -All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.

Inscription	Secured Party	Debtors	Date of Registration	Collateral Secured and Comments
06-0695366-0001	CIT Business Credit Canada Inc.	• Papiers Fraser Inc. • Fraser Papers Inc.	December 1, 2006 (exp. Nov. 30, 2016)	-\$150,000,000, plus an additional amount of \$30,000,000 the whole with interest at the rate of 25% per annum. -The Holder authorized the Grantor to collect when due the capital falling due of, and any revenues of, any other claim until the Holder shall have given the Grantor a notice withdrawing such authorization. -Please see registration for entire description.
07-062914-0001	Kinecor LP	Fraser Papers Inc. Canada	October 31, 2007 (exp. Oct. 31, 2017)	-Appears to relate to a consignment agreement between Kinecor LP and Fraser Papers Inc. Canada
08-0251027-0001	CIT Business Credit Canada Inc.	Fraser Papers Inc.	May 5, 2008 (exp. May 1, 2018)	-\$207,000,000 (including an additional hypothec of \$34,500,000), the whole with interest thereon at the rate of 25% per annum. -Please see registration for entire description.
08-0420056-0002	Brookfield Asset Management Inc.	Fraser Papers Inc. / Papiers Fraser Inc.	July 18, 2008 (exp. July 18, 2018)	-\$25,000,000 US with interest at the rate of 25% per annum plus an additional hypothec in the amount of \$5,000,000 US. -Please see registration for entire description.
08-0644185-0001	Brookfield Asset Management Inc.	• Fraser Papers Inc. • Papiers Fraser Inc.	November 7, 2008 (exp. Nov. 7, 2018)	-Registered on title to multiple properties -\$150,000,000 with interest at the rate of 25% per annum plus an additional hypothec in the amount of \$30,000,000 -The Grantor may collect all accounts receivable and other claims forming part of the Collateral until the Holder withdraws its authorization. -Please see registration for entire description.

Ontario

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
607541616	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	Fraser Papers Limited	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above. <i>Partial discharge on Feb. 18/05 relating to Jan. 5/05 Asset Purchase Agreement – please see registration.</i>
607541553	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	Fraser Papers Inc.	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above.
618768189	CIT Financial Ltd.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. / Papiers Fraser Inc. 	September 12, 2005 (exp. Sept. 12, 2012)	Equip, other -Photocopying equipment
622439064	Xerox Canada Ltd.	<ul style="list-style-type: none"> • Fraser Papers Inc. 	February 1, 2006 (exp. Feb. 1, 2011)	Equip, other
623664675	GE Vehicle and Equipment Leasing	<ul style="list-style-type: none"> • Norbord Inc. • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. • Fraser Papers Inc. • Papiers Fraser Inc. • Norbord Industries Inc. / Industries Norbord Inc. 	March 24, 2006 (exp. Mar. 24, 2011)	Inv, equip, accts, other, MV incl. -All present and after acquired motor vehicles, trailers, and goods of whatever make or description, now or hereafter leased by the secured party to the debtor, together with all additions, replacement parts, accessions, attachments and improvements thereto, and all proceeds thereof, including

Reference File No.	Secured Party	Debtors	Date of Registration	Collateral Secured and Comments
623664675 (cont'd)		<ul style="list-style-type: none"> • Industries Norbord Inc. / Norbord Industries Inc. • Norbord Industries Inc. • Industries Norbord Inc. • 		money, chattel paper, intangibles, goods, documents of title, securities, substitutions, accounts receivable, rental and loan contracts, all personal property returned, traded in or repossessed and all insurance proceeds and any other form of proceeds thereof.
625365738	GE Vehicle and Equipment Leasing	<ul style="list-style-type: none"> • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. • Fraser Papers Inc. • Papiers Fraser Inc. 	May 19, 2006 (exp. May 19, 2010)	Inv, equip, accts, other, MV incl. -2005 Toyota Sienna VIN 5TDZA23CX336944 -All present and after acquired motor vehicles, trailers and goods of whatever make or description, now or hereafter leased by the secured party to the debtor, together with all additions, replacement parts, accessions, attachments and improvements thereto, and all proceeds thereof, including money, chattel paper, intangibles, goods, documents of title, securities, substitutions, accounts receivable, rental and loan contracts, all personal property returned, traded in or repossessed and all insurance proceeds and any other form of proceeds thereof.
626242059	Royal Bank of Canada	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. 	June 16, 2006 (exp. June 16, 2024)	Accts, other -All funds on deposit, including in account no. 893-50043-1-0, held pursuant to a cash collateral agreement between Royal Bank of Canada and the debtor, as same may be amended, revised, supplemented, replaced or restated from time to time and all conversions, transfers and investments of such monies.

Reference File No.	Claimed Party	Debtors	Date of Registration	Collateral Secured and Comments
630129879	Export Development Canada	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. Papiers Inc. • Papiers Fraser Inc. Fraser Papers Inc. • FPS Canada Inc. • Fraser Paper Juniper • Fraser Paper Plaster Rock • Fraser Plaster Rock 	October 27, 2006 (exp. Oct. 27, 2009)	Accts, other -Absolute assignment of all the present and future claims, accounts and other intangibles representing the refund of all cash deposits together with all accrued interest on such deposits to which the United States Customs and Border Protection has determined the debtor is entitled under the Softwood Lumber Agreement entered into between the Government of Canada the Government of the United States, including, without limitation, the refund of all deposits covered by the "Antidumping Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,068 (May 22, 2002), as amended, and the refund of all deposits covered by the "Countervailing Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,070 (May 22, 2002), as amended.
634045401	Buckman Laboratores, Inc.	<ul style="list-style-type: none"> • Fraser Papers Limited • Fraser Papers, Inc. 	April 4, 2007 (exp. Apr. 4, 2012)	Equip, other -See registration for lengthy listing of equipment.
643909428	Brookfield Asset Management Inc.	Fraser Papers Limited	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.
643909374	Brookfield Asset Management Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. 	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.
646522767	Xerox Canada Ltd.	Fraser Papers Inc.	June 30, 2008 (exp. June 30, 2014)	Equip, other, no fixed maturity date

PPSA SUMMARY - FPS CANADA INC.

New Brunswick

Reg. No.	Secured Party	Debt to	Date of Registration	Collateral Secured and Comments
11229507	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	FPS Canada Inc.	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy - please see registration.
11962578	LiftCapital Corporation <i>(amended from LiftCapital Corporation/Corporation LiftCapital on May 9/06)</i>	FPS Canada Inc.	March 2, 2005 (exp. Mar. 2, 2010)	2005 Toyota 7FGCU30 Lift Truck, serial number 64783 -Material handling equipment together with all parts, attachments, accessories, additions, batteries, chargers, repair parts, and other equipment placed on or forming part of the goods described herein with any proceeds thereof and therefrom including, without limitation, all goods, securities, instruments, documents of title, chattel paper and intangibles (as defined in the <i>Personal Property Security Act</i>).
12156709	Caterpillar Financial Services Limited	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papier Fraser Inc. • Fraser Papers Inc. • Papier Fraser Inc. • FPS Canada Inc. <i>(added May 24/05)</i>	April 26, 2005 (exp. Apr. 26, 2009)	2005 Caterpillar 966GII VIN CAT0966GHANZ01170
12277372	LiftCapital Corporation <i>(amended from LiftCapital Corporation/Corporation LiftCapital on May 9/06)</i>	FPS Canada Inc.	May 25, 2005 (exp. May 25, 2010)	2005 Toyota 7FGCU30 Lift Truck, serial number 67066 -Material handling equipment together with all parts, attachments, accessories, additions, batteries, chargers, repair parts, and other equipment placed on or forming part of the goods described herein with any proceeds thereof and therefrom including, without limitation, all goods, securities, instruments,

Reg. No.	Collateral Description	Description of Security	Date of Registration	Collateral Described and Comments
12277372 (cont'd)				documents of title, chattel paper and intangibles (as defined in the <i>Personal Property Security Act</i>).
12647665	CIT Financial Ltd.	FPS Canada Inc.	August 24, 2005 (exp. Aug. 24, 2010)	Motorola mobile radios, together with all accessions, attachments, accessories and proceeds in any form including goods, documents of title, chattel paper, securities, instruments, money or intangibles.
12741831	CIT Financial Ltd.	FPS Canada Inc.	September 20, 2005 (exp. Sept. 20, 2011)	Avaya Definity telephone system, together with all accessions, attachments, accessories and proceeds in any form including goods, documents of title, chattel paper, securities, instruments, money or intangibles.
13106067	John Deere Limited	FPS Canada Inc.	January 11, 2006 (exp. Jan. 11, 2010)	John Deere 744J VIN DW744JX599785 -One (1) John Deere 744J 4WD loader, together with all attachments, accessories, accessions, replacements, substitutions, additions, improvements thereto and all proceeds of every type, item or kind in any form derived directly or indirectly from any dealing with collateral including without limitation trade-ins, equipment, inventory, goods, notes, chattel paper, contract rights, accounts, rental payments, securities, intangibles, documents of title and money and all proceeds of proceeds and a right to any insurance payment and any other payment that indemnifies or compensates for loss or damage to the collateral or the proceeds of the collateral.

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
13106075	John Deere Limited	FPS Canada Inc.	January 11, 2006 (exp. Jan. 11, 2010)	John Deere 744J VIN DW744JX600707 -same further description of collateral as previous John Deere registration.
13691910	Caterpillar Financial Services Limited	<ul style="list-style-type: none"> • Fraser Inc. • Papier Fraser Inc. • Fraser Paper Inc. • Papiers Fraser Inc. • Fraser Papers Inc. • FPS Canada Inc. 	June 20, 2006 (exp. June 20, 2010)	2006 Caterpillar D8T VIN CAT00D8THKPZ01166 2006 Craig 45CYD Blade VIN T5112105 -Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.
13888896	John Deere Limited	FPS Canada Inc.	August 10, 2006 (exp. Aug. 10, 2010)	John Deere 744J VIN DW744JX606627 -same further description of collateral as previous John Deere registration.
13995162	GMAC Leaseco Corporation	FPS Canada Inc.	September 7, 2006 (exp. Sept. 7, 2010)	2006 GMC Sierra VIN 1GTEK14X76Z286320 -And all proceeds therefrom.
13995253	GMAC Leaseco Corporation	FPS Canada Inc.	September 7, 2006 (exp. Sept. 7, 2010)	2007 Chevrolet Silverado VIN 2GCEK13VX71150306 -And all proceeds therefrom.
14194492	Irwin Commercial Finance Canada Corporation	FPS Canada Inc.	November 1, 2006 (exp. Nov. 1, 2009)	2000 JLG 1932E3 VIN 0200083120 -JLG 1932E3 scissor lift(s) together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the

REG. NO.	Secured Party	Debtor	DATE OF REGISTRATION	Collateral Secured and Comments
14194492 (cont'd)				collateral or proceeds of the collateral.
14649669	Caterpillar Financial Services Limited	FPS Canada Inc.	March 26, 2007 (exp. Mar. 26, 2011)	2007 Caterpillar 966H VIN CAT0966HEA6D00770 -Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.
14664262	Caterpillar Financial Services Limited	FPS Canada Inc.	March 29, 2007 (exp. Mar. 29, 2011)	2006 Caterpillar 966H VIN CAT0966HLA6D00314 -Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.
14671697	Caterpillar Financial Services Limited	FPS Canada Inc.	March 30, 2007 (exp. Mar. 30, 2011)	2006 Caterpillar 950H VIN CAT0950HEK5K00255 -Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.
14678981	Caterpillar Financial Services Limited	FPS Canada Inc.	April 2, 2007 (exp. Apr. 2, 2011)	2007 Caterpillar 950H VIN CAT0950HCK5K01138 -Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
14678981 (cont'd)				received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.
14922223	GMAC Leaseco Corporation	FPS Canada Inc.	May 30, 2007 (exp. May 30, 2011)	2007 Chevrolet Silverado VIN 1GCEK14C97Z537059 -And all proceeds therefrom.
16015984	Brookfield Asset Management Inc.	FPS Canada Inc.	April 4, 2008 (exp. Apr. 4, 2013)	All the debtor's present and after acquired personal property including, without limitation, all goods (including all parts, equipment, inventory, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, books and records, receivables, intangibles, money and securities now owned or hereafter owned or acquired by or on behalf of the debtor and all proceeds and renewals thereof, accretions thereto and substitutions therefor.
16138026	GMAC Leaseco Corporation	FPS Canada Inc.	May 2, 2008 (exp. May 2, 2012)	2008 Chevrolet Silverado VIN 1GCEC14X18Z203285 -And all proceeds therefrom.
16204166	GMAC Leaseco Corporation	FPS Canada Inc.	May 16, 2008 (exp. May 16, 2012)	2008 GMC Sierra VIN 1GTEK14X88Z223522 -And all proceeds therefrom.
16204174	GMAC Leaseco Corporation	FPS Canada Inc.	May 16, 2008 (exp. May 16, 2012)	2008 GMC Sierra VIN 1GTEK14X08Z228178 -And all proceeds therefrom.

Quebec

Inscription	Secured Party	Debtors	Date of Registration	Collateral Secured and Comments
04-0442355-0001	CIT Business Credit Canada Inc.	FPS Canada Inc.	July 27, 2004 (exp. July 26, 2014)	-\$100,000,000, plus an additional amount equal to 20% thereof, the whole with interest from the date hereof at the rate of 25% per annum. -Please see registration for entire description.
06-0695366-0002	CIT Business Credit Canada Inc.	FPS Canada Inc.	December 1, 2006 (exp. Nov. 30, 2016)	-\$150,000,000, plus an additional amount of \$30,000,000 the whole with interest at the rate of 25% per annum. -The Holder authorizes the Grantor to collect when due the capital falling due of, and any revenues of, any other claim until the Holder shall have given the Grantor a notice withdrawing such authorization. -Please see registration for entire description.
07-0146660-0063	<ul style="list-style-type: none"> • Demers Chevrolet Inc. • La Compagnie GMAC Location • GMAC Leaseco Corporation 	FPS Canada Inc.	March 22, 2007 (exp. Mar. 12, 2011)	2007 Chevrolet Colorado VIN 1GCDT13E278158776 -And all proceeds therefrom.
08-0251027-0003	CIT Business Credit Canada Inc.	FPS Canada Inc.	May 5, 2008 (exp. May 1, 2018)	-\$207,000,000 (including an additional hypothec of \$34,500,000), the whole with interest thereon at the rate of 25% per annum. -Please see registration for entire description.

Ontario

Reference Title No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
607541535	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	FPS Canada Inc.	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above.
630129879	Export Development Canada	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. Papiers Inc. • Papiers Fraser Inc. Fraser Papers Inc. • FPS Canada Inc. • Fraser Paper Juniper • Fraser Paper Plaster Rock • Fraser Plaster Rock 	October 27, 2006 (exp. Oct. 27, 2009)	Accts, other -Absolute assignment of all the present and future claims, accounts and other intangibles representing the refund of all cash deposits together with all accrued interest on such deposits to which the United States Customs and Border Protection has determined the debtor is entitled under the Softwood Lumber Agreement entered into between the Government of Canada the Government of the United States, including, without limitation, the refund of all deposits covered by the "Antidumping Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,068 (May 22, 2002), as amended, and the refund of all deposits covered by the "Countervailing Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,070 (May 22, 2002), as amended.
643909392	Brookfield Asset Management Inc.	FPS Canada Inc.	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.

PPSA SUMMARY – FRASER PAPERS HOLDINGS INC.

New Brunswick

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
11229515	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Holdings Inc.	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration. <i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.

Quebec

Inscription	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
N/A				

Ontario

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
607541544	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	Fraser Papers Holdings Inc.	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above.
643909401	Brookfield Asset Management Inc.	Fraser Papers Holdings Inc.	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.

PPSA SUMMARY – FRASER TIMBER LIMITED

New Brunswick

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
11229549	CIT Business Credit Canada Inc., as Agent (amended from CIT Business Credit Canada Inc. on Apr. 29/08)	Fraser Timber Limited	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration.

Quebec

Inscription	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
N/A				

Ontario

Preference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
607541598	CIT Business Credit Canada Inc., as Agent (amended from CIT Business Credit Canada Inc. on May 2/08)	Fraser Timber Limited	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above.
630799137	Export Development Canada	Fraser Timber Limited	November 22, 2006 (exp. Nov. 22, 2009)	Accts, other -Absolute assignment of all the present and future claims, accounts and other intangibles representing the refund of all cash deposits together with all accrued interest on such deposits to which the United States Customs and Border Protection has determined the debtor is entitled under the Softwood Lumber Agreement entered into between the Government of Canada the Government of the United States, including, without limitation, the refund of all

Preference File No.	Secured Party	Creditor	Date of Registration	Collateral Secured and Comments
630799137 (cont'd)				deposits covered by the "Antidumping Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,068 (May 22, 2002), as amended, and the refund of all deposits covered by the "Countervailing Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,070 (May 22, 2002), as amended.
643909419	Brookfield Asset Management Inc.	Fraser Timber Limited	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.

PPSA SUMMARY – FRASER PAPERS LIMITED

New Brunswick

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
11229598	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Limited	July 14, 2004 (exp. July 14, 2014)	<p>All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration.</p> <p><i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.</p>
11229481	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Inc.	July 14, 2004 (exp. July 14, 2014)	<p>All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration.</p> <p><i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.</p>
11229515	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser Papers Holdings Inc.	July 14, 2004 (exp. July 14, 2014)	<p>All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration.</p> <p><i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.</p>

File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
11516325	Xerox Canada Ltd.	Fraser Paper Inc.	October 1, 2004 (exp. Oct. 1, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
11626025	Xerox Canada Ltd.	Fraser Papers Inc.	November 3, 2004 (exp. Nov. 3, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
11881018	Xerox Canada Ltd.	Fraser Papers Inc.	February 2, 2005 (exp. Feb. 2, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
12085890	Xerox Canada Ltd.	Fraser Papers Inc.	April 7, 2005 (exp. Apr. 7, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
12156709	Caterpillar Financial Services Limited	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. • Papiers Fraser Inc. • FPS Canada Inc. <p>(added May 24/05)</p>	April 26, 2005 (exp. Apr. 26, 2009)	2005 Caterpillar 966GII VIN CAT0966GHANZ01170

Reg. No.	Secured Party	Debtor	DATE OF REGISTRATION	Collateral Required and Comment
12192274	Xerox Canada Ltd.	Fraser Papers Inc.	May 4, 2005 (exp. May 4, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
12860623	Xerox Canada Ltd.	Fraser Papers Inc.	October 26, 2005 (exp. Oct. 26, 2010)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
13119169	National Leasing Group Inc.	Fraser Papers Inc.	January 16, 2006 (exp. Jan. 16, 2012)	All postage mail/machines & scales of every nature or kind described in lease number 2324294, between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
13340278	Xerox Canada Ltd.	Fraser Papers Inc.	March 27, 2006 (exp. Mar. 27, 2012)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or an affiliate thereof. Classifications: equipment, other.

FILE NO.	Secured Party	Debtors	Date of Registration	Collateral Secured (and Comments)
13368048	Xerox Canada Ltd.	Fraser Papers Inc.	April 3, 2006 (exp. Apr. 3, 2011)	All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof. Classifications: equipment, other.
13446927	Praxair Canada Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. (Canada) • Papiers Fraser Inc. (Canada) 	April 24, 2006 (exp. Apr. 24, 2011)	Collateral classification includes equipment. Collateral description – equipment supplied by the secured party, consisting of bulk cryogenic storage tanks used for the storage, filling and delivery of industrial and medical gases including, without limitation, argon, carbon dioxide, nitrogen, nitrous oxide and oxygen, and cryogenic freezers, together with all related accessories, parts, components and attachments and all proceeds of or relating to any of the foregoing as well as all present or after-acquired property that may be derived from the sale or other disposition of the collateral described herein.
13691910	Caterpillar Financial Services Limited	<ul style="list-style-type: none"> • Fraser Inc. • Papier Fraser Inc. • Fraser Paper Inc. • Papiers Fraser Inc. • Fraser Papers Inc. • FPS Canada Inc. 	June 20, 2006 (exp. June 20, 2010)	2006 Caterpillar D8T VIN CAT00D8THKPZ01166 2006 Craig 45CYD Blade VIN T5112105 Together with all accessions and proceeds including goods, documents of title, chattel paper, security, instruments, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of.

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
14236251	Export Development Canada/Exportation et Développement Canada	Fraser Papers Inc. Papiers Fraser Inc.	November 15, 2006 (exp. Nov. 15, 2009)	<p>All present and future claims, accounts and other intangibles representing the refund of cash deposits, together with all accrued interest on such deposits, to which the United States Customs and Border Protection has determined the debtor is entitled under the Softwood Lumber Agreement entered into between the Government of Canada and the Government of the United States, including, without limitation:</p> <p>The refund of all deposits covered by the "Antidumping Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,068 (May 22, 2002), as amended; and</p> <p>The refund of all deposits covered by the "Countervailing Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,070 (May 22, 2002), as amended.</p> <p>Together with all present and future accounts, intangibles, instruments, chattel paper, documents of title, securities and money, and all proceeds of the foregoing in any form, including goods, documents of title, chattel paper, securities, instruments, money and intangibles, and all proceeds thereof.</p> <p>This registration relates to an absolute assignment of the refund of cash deposits and accrued interest identified as collateral.</p>

Reg. No.	Secured Party	Debtors	Date of Registration	Collateral Secured and Comments
15548886	Motion Industries (Canada) Inc.	Fraser Papers Inc./Papiers Fraser Inc.	November 6, 2007 (exp. Nov. 6, 2017)	PMSI Registration Fraser Papers Inc./Papiers Fraser Inc. Fraser Inc. Lengthy additional information – please see registration.
16015851	Brookfield Asset Management Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc./Papiers Fraser Inc. • Papiers Fraser Inc./Fraser Papers Inc. 	April 4, 2008 (exp. Apr. 4, 2013)	<p>All the debtors' present and after acquired personal property including, without limitation, all goods (including all parts, equipment, inventory, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, books and records, receivables, intangibles, money and securities now owned or hereafter owned or acquired by or on behalf of the debtor and all proceeds and renewal thereof, accretions thereto and substitutions therefor.</p> <p><i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.</p>
16375628	Her Majesty the Queen in Right of the Province of New Brunswick, as represented by the Minister of Business New Brunswick	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc./Papiers Fraser Inc. • Papiers Fraser Inc./Fraser Papers Inc. 	June 24, 2008 (exp. June 24, 2013)	<p>All the debtors' present and after acquired personal property including, without limitation, all goods (including all parts, equipment, inventory, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, books and records, receivables, intangibles, money and securities now owned or hereafter owned or acquired by</p>

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
16375628 (cont'd)				or on behalf of the debtor and all proceeds and renewals thereof, accretions thereto and substitutions therefor. <i>Added Sept. 22/08:</i> Intercreditor Agreement between the parties dated June 16, 2008 regarding rights, priorities and interest of the parties in collateral of the debtor.

Quebec

Inscription	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
04-0442355-0003	CIT Business Credit Canada Inc.	• Fraser Papers Inc. • Papier Fraser Inc.	July 27, 2004 (exp. July 26, 2014)	-\$100,000,000 plus an additional amount equal to 20% thereof, the whole with interest from the date hereof at the rate of 25% per annum. -Please see registration for entire description.
05-0638343-0001	Services Financiers CIT Ltée.	• Papier Fraser Inc. • Fraser Papers Inc.	November 9, 2005 (exp. Oct. 31, 2011)	-Please see registration for listing of equipment.
06-0055407-0011	Xerox Canada Inc.	Fraser Papers Inc.	February 3, 2006 (exp. Jan. 21, 2011)	Equipment, other -All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
06-055407-0021	Xerox Canada Ltd.	Fraser Papers Inc.	February 3, 2006 (exp. Feb. 1, 2011)	Equipment, other -All present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.

Registration Number	Document Description	Debtors	Date of Registration	Collateral Secured and Comments
06- 0695366- 0001	CIT Business Credit Canada Inc.	<ul style="list-style-type: none"> • Papiers Fraser Inc. • Fraser Papers Inc. 	December 1, 2006 (exp. Nov. 30, 2016)	<p>-\$150,000,000, plus an additional amount of \$30,000,000 the whole with interest at the rate of 25% per annum.</p> <p>-The Holder authorized the Grantor to collect when due the capital falling due of, and any revenues of, any other claim until the Holder shall have given the Grantor a notice withdrawing such authorization.</p> <p>-Please see registration for entire description.</p>
08- 0251027- 0001	CIT Business Credit Canada Inc.	Fraser Papers Inc.	May 5, 2008 (exp. May 1, 2018)	<p>-\$207,000,000 (including an additional hypothec of \$34,500,000), the whole with interest thereon at the rate of 25% per annum.</p> <p>-Please see registration for entire description.</p>
08- 0644185- 0001	Brookfield Asset Management Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. 	November 7, 2008 (exp. Nov. 7, 2018)	<p>Registered on title to multiple properties</p> <p>-\$150,000,000 with interest at the rate of 25% per annum plus an additional hypothec in the amount of \$30,000,000</p> <p>-The Grantor may collect all accounts receivable and other claims forming part of the Collateral until the Holder withdraws its authorization.</p> <p>-Please see registration for entire description.</p>

Ontario

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
607541616	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	Fraser Papers Limited	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above. <i>Partial discharge on Feb. 18/05 relating to Jan. 5/05 Asset Purchase Agreement— please see registration.</i>
607541553	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	Fraser Papers Inc.	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above.
618768189	CIT Financial Ltd.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papier Fraser Inc. • Fraser Papers Inc. / Papier Fraser Inc. 	September 12, 2005 (exp. Sept. 12, 2012)	Equip, other -Photocopying equipment
622439064	Xerox Canada Ltd.	<ul style="list-style-type: none"> • Fraser Papers Inc. 	February 1, 2006 (exp. Feb. 1, 2011)	Equip, other
623664675	GE Vehicle and Equipment Leasing	<ul style="list-style-type: none"> • Norbord Inc. • Fraser Papers Inc. / Papier Fraser Inc. • Papier Fraser Inc. / Fraser Papers Inc. • Fraser Papers Inc. • Papier Fraser Inc. • Norbord Industries Inc. / Industries Norbord Inc. 	March 24, 2006 (exp. Mar. 24, 2011)	Inv, equip, accts, other, MV incl. -All present and after acquired motor vehicles, trailers, and goods of whatever make or description, now or hereafter leased by the secured party to the debtor, together with all additions, replacement parts, accessions, attachments and improvements thereto, and all proceeds thereof, including

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
623664675 (cont'd)		<ul style="list-style-type: none"> • Industries Norbord Inc. / Norbord Industries Inc. • Norbord Industries Inc. • Industries Norbord Inc. • 		money, chattel paper, intangibles, goods, documents of title, securities, substitutions, accounts receivable, rental and loan contracts, all personal property returned, traded in or repossessed and all insurance proceeds and any other form of proceeds thereof.
625365738	GE Vehicle and Equipment Leasing	<ul style="list-style-type: none"> • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. • Fraser Papers Inc. • Papiers Fraser Inc. 	May 19, 2006 (exp. May 19, 2010)	Inv, equip, accts, other, MV incl. -2005 Toyota Sienna VIN 5TDZA23CXS336944 -All present and after acquired motor vehicles, trailers and goods of whatever make or description, now or hereafter leased by the secured party to the debtor, together with all additions, replacement parts, accessions, attachments and improvements thereto, and all proceeds thereof, including money, chattel paper, intangibles, goods, documents of title, securities, substitutions, accounts receivable, rental and loan contracts, all personal property returned, traded in or repossessed and all insurance proceeds and any other form of proceeds thereof.
626242059	Royal Bank of Canada	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. 	June 16, 2006 (exp. June 16, 2024)	Accts, other -All funds on deposit, including in account no. 893-50043-1-0, held pursuant to a cash collateral agreement between Royal Bank of Canada and the debtor, as same may be amended, revised, supplemented, replaced or restated from time to time and all conversions, transfers and investments of such monies.

Preference File No.	Secured Party	Debtors	Date of Registration	Collateral Stated and Comment
630129879	Export Development Canada	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. / Papiers Inc. • Papiers Fraser Inc. / Fraser Papers Inc. • EPS Canada Inc. • Fraser Paper Juniper • Fraser Paper Plaster Rock • Fraser Plaster Rock 	October 27, 2006 (exp. Oct. 27, 2009)	Accts, other -Absolute assignment of all the present and future claims, accounts and other intangibles representing the refund of all cash deposits together with all accrued interest on such deposits to which the United States Customs and Border Protection has determined the debtor is entitled under the Softwood Lumber Agreement entered into between the Government of Canada the Government of the United States, including, without limitation, the refund of all deposits covered by the "Antidumping Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,068 (May 22, 2002), as amended, and the refund of all deposits covered by the "Countervailing Duty Order regarding certain softwood lumber from Canada", 67 Fed.Reg.36,070 (May 22, 2002), as amended.
634045401	Buckman Laboratories, Inc.	<ul style="list-style-type: none"> • Fraser Papers Limited • Fraser Papers, Inc. 	April 4, 2007 (exp. Apr. 4, 2012)	Equip, other -See registration for lengthy listing of equipment.
643909428	Brookfield Asset Management Inc.	Fraser Papers Limited	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.
643909374	Brookfield Asset Management Inc.	<ul style="list-style-type: none"> • Fraser Papers Inc. • Papiers Fraser Inc. • Fraser Papers Inc. / Papiers Fraser Inc. • Papiers Fraser Inc. / Fraser Papers Inc. 	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.
646522767	Xerox Canada Ltd.	Fraser Papers Inc.	June 30, 2008 (exp. June 30, 2014)	Equip, other, no fixed maturity date

PPSA SUMMARY - FRASER N.H. LLC

New Brunswick

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
11229614	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 29/08)</i>	Fraser N.H. LLC	July 14, 2004 (exp. July 14, 2014)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy - please see registration.

Quebec

Registration No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
N/A				

Ontario

Preference Matter No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
607541625	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on May 2/08)</i>	Fraser N.H. LLC	July 22, 2004 (exp. July 22, 2014)	Inv, equip, accts, other -The security interest in "equipment" (as defined in the <i>Personal Property Security Act</i>) is limited to all present and future books, records, ledger cards, disks and related data processing software in all forms relating to the other collateral classifications referred to above.
643909437	Brookfield Asset Management Inc.	Fraser N.H. LLC	April 4, 2008 (exp. Apr. 4, 2013)	Inv, equip, accts, other, MV incl.

Exhibit “I”

205.

EXHIBIT "I"

UCC LIEN SUMMARY – FRASER PAPERS INC.

DELAWARE

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
40707705	E.I. Du Pont de Nemours & Company	Fraser Papers Inc.	March 12, 2004 (continued on March 5, 2009, expires March 12, 2014)	Pursuant to a consignment agreement, Du Pont is to supply titanium dioxide to Fraser. Du Pont retains all ownership, rights, title and interest in the titanium dioxide until title is transferred to Fraser as set forth in the agreement.
42151092	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 30/08)</i>	Fraser Papers Holdings Inc.	July 30, 2004 (exp. July 30, 2009)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration.
81194057	Brookfield Asset Management, Inc.	Fraser Papers Holdings Inc.	April 4, 2008 (expires April 4, 2013)	All personal property of every kind and nature, including all goods (including inventory, equipment, and accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to payment of money, insurance claims and proceeds, and all other general intangibles.
43417732	Caterpillar Financial Services Corp.	Fraser Papers Limited	December 6, 2004 (expires December 6, 2009)	One Caterpillar 938GII Wheel Loader, serial number CRD01118, and substitutions, replacements, additions, and accessions thereto.
42151068	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on Apr. 30/08)</i>	Fraser N.H. LLC	July 30, 2004 (expires July 30, 2009)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration.

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
50723818	Caterpillar Financial Services Corp.	Fraser N.H. LLC	March 7, 2005 (expires March 7, 2010)	One Caterpillar 246 Skid Steer Loader, serial number 5SZ06927, One Caterpillar 246 Skid Steer Loader, serial number 5SZ06928, One Caterpillar 246 Skid Steer Loader, serial number 5SZ06933, and substitutions, replacements, additions, and accessions thereto.
14761818	Brookfield Asset Management, Inc.	Fraser N.H. LLC	April 29, 2008 (expires April 29, 2013)	All personal property of every kind and nature, including all goods (including inventory, equipment, and accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to payment of money, insurance claims and proceeds, and all other general intangibles.

NEW HAMPSHIRE

FISCIER#	Secured Party	Debtor	Date of Registration	Collateral Secured and P.C. comments
626255	Munce's Superior, Inc.	Fraser N.H. LLC	September 2, 2003 (lapsed September 2, 2008 - only included b/c there was no filing of termination statement)	Various tanks, reels, and other equipment. -Please see registration for entire description.
200600063 93M	Munce's Superior, Inc.	Fraser N.H. LLC	March 21, 2006 (expires March 21, 2011)	One BS&B Water Bath Vaporizer, Manufacturer #42062, Model 32-6SC-45178-01, and One 18,000 Atlas Tank Manufacturer Co. Serial Number 1295, date of manufacture ~ 1972.
200800072 63K	Brookfield Asset Management, Inc.	Fraser N.H. LLC	April 4, 2008 (expires April 4, 2013)	All personal property of every kind and nature, including all goods (including inventory, equipment, and accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to payment of money, insurance claims and proceeds, and all other general intangibles.

MAINE

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
207000185 0188-60	Buckman Laboratories, Inc.	Fraser Papers Inc., Madawaska Mill	March 29, 2007 (expires March 29, 2012)	Various equipment - the list of secured equipment is long and detailed (please see registration statement)
207000185 1390-46	Buckman Laboratories, Inc.	Fraser Papers Limited	April 4, 2007 (expires April 4, 2012)	Various equipment - the list of secured equipment is long and detailed, and is identical to that on the Fraser Papers Inc. UCC filing (please see registration statement)
204000168 6410-52	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on April 30/08)</i>	Fraser Papers Limited	August 10, 2004 (expires August 10, 2009)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy – please see registration. - On February 22, 2005, the following collateral was added: All right, title and interest in the Purchased Assets (as defined in the APA dated January 5, 2005 between Fraser Papers Limited, Premium Paper Holdco LLC, Smart Papers LLC, PF Papers LLC, and Sun Paper Holdco LLC; provided that the foregoing does not release any right, title or interest in and to bank accounts, safe deposit boxes or bank accounts of the Debtor, or books and records of the Debtor related to the Excluded Assets defined in the APA. - On February 23, 2005, that same collateral was deleted.
204000170 1436-98	IBM Credit LLC	Fraser Papers Limited	November 2, 2004 (expires November 2, 2009)	The following equipment with related software: IBM Equipment Type 3581 5733 9406 9910 9994 999G 9SSR, and substitutions, replacements, additions, and accessions thereto.
205000171 4230-95	IBM Credit LLC	Fraser Papers Limited	January 13, 2005 (expires January 13, 2010)	The following equipment with related software: IBM Equipment Type 3580 5733 9406 9910 9SSR, and substitutions, replacements, additions, and accessions thereto.

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
205000172 4160-58	ICX Corporation (assigned to ICX by Wells Fargo Bank Northwest N.A., as Owner Trustee, as Lessor	Fraser Papers Limited	March 10, 2005 (expires March 10, 2010)	All right, title and interest acquired by Lessee in (i) the Equipment as more fully described in the Operative Lease Agreement, dated September 17, 1982 between Lessee and Secured Party; (ii) all proceeds with respect to the Equipment or any part thereof; (iii) all insurance proceeds with respect to the Equipment or any part thereof.
208000190 0380-81	Ciba Specialty Chemicals Corp., n/k/a Ciba Corp.	Fraser Papers Limited	January 22, 2008 (expires January 22, 2013)	All products consigned to Fraser Papers Limited under that Consignment Agreement dated July 1, 2007 between Fraser Papers Limited and Ciba, including but not limited to property insurance proceeds arising out of the sale, damage, or loss of the products consigned.
208000191 408-44	Brookfield Asset Management, Inc.	Fraser Papers Limited	April 4, 2008 (expires April 4, 2013)	All personal property of every kind and nature, including all goods (including inventory, equipment, and accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to payment of money, insurance claims and proceeds, and all other general intangibles.
208001950 991-24	NMEIG Financial Services, Inc., as lessor	Fraser Papers Limited	December 23, 2008 (expires December 23, 2013)	All of the equipment now or hereafter leased by Lessor to Lessee; and all accessions, additions, replacements, and substitutions thereto and therefore; and all proceeds including insurance proceeds thereof.

Reg. No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
209000197 0898-13	Motion Industries, Inc., as consignor	Fraser Papers Limited	May 13, 2009 (expires May 13, 2014)	Maintenance, repair, operational assets, materials, parts, equipment, supplies, and other tangible personal property, held for resale, use or consumption in Debtor's (Consignee's) business and supplied by Secured Party (Consignor) under consignment or other agreement.
204000168 6409-20	CIT Business Credit Canada Inc., as Agent <i>(amended from CIT Business Credit Canada Inc. on April 30/08)</i>	Fraser Timber Limited	August 10, 2004 (expires August 10, 2009)	All present and after-acquired "accounts", "inventory", "documents of title" and "other collateral". Description is lengthy - please see registration. - On March 22, 2007, certain claims representing refunds of anti-dumping duties pursuant to agreements between the United States and Canada were deleted from collateral. See registration for more detail.
296000181 2273-92	Caterpillar Financial Services Corp.	Fraser Timber Limited	July 25, 2006 (expires July 25, 2010)	One Caterpillar 966GII Wheel Loader, serial number ANZ00395, and substitutions, replacements, additions and accessions thereto, now owned or hereafter acquired and proceeds thereof.
208001911 411-98	Brookfield Asset Management Inc.	Fraser Timber Limited	April 4, 2008 (exp. Apr. 4, 2013)	I All personal property of every kind and nature, including all goods (including inventory, equipment, and accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to payment of money, insurance claims and proceeds, and all other general intangibles.

Exhibit “J”

Fraser Papers Inc. and Subsidiaries
Combined 5 Week Cash Flow Forecast
 USD (in 000's)

Week Beginning	1	2	3	4	5	Total
	18-Jun	22-Jun	29-Jun	6-Jul	13-Jul	
Receipts						
Collection of Trade Accounts Receivable	1,561	2,767	9,474	10,045	9,987	33,814 Note 1
Collection of Other Accounts Receivable	0	0	0	930	0	930 Note 2
Total Receipts	1,561	2,767	9,474	10,045	9,987	34,744
Disbursements:						
Raw Material Costs	1,305	9,093	5,865	5,273	5,408	26,945 Note 3
Productions Overhead Costs	328	1,841	1,041	828	816	4,854 Note 4
Selling, General & Admin Costs	0	2,116	810	745	1,495	5,165 Note 5
Employee Costs	330	2,977	2,344	3,015	1,985	10,350 Note 6
Freighting, Debt Interest & Other Bank Charges	0	24	508	0	17	549 Note 7
DIP Interest & Fees	0	1,122	18	0	0	1,141 Note 8
Hedging Gains/Losses	0	(275)	(269)	(323)	(359)	(1,226) Note 9
Capital Expenditures	0	236	192	240	248	914 Note 10
Other	0	460	498	334	334	1,622 Note 11
Total Disbursements	1,963	17,594	11,008	10,111	9,643	50,320
Net Cash Flow	(402)	(14,827)	(1,534)	865	324	(15,576)
Estimated Opening Cash Balance	1,400	1,400	1,400	1,400	1,400	1,400
DIP Loan Advance/ (Repayment)	402	14,827	1,634	(865)	(324)	15,578 Note 12
Closing Cash Balance	1,400	1,400	1,400	1,400	1,400	1,400
DIP Cumulative Draw	(402)	(15,230)	(16,764)	(15,899)	(15,576)	(15,576)

This Cash Flow Forecast must be read in conjunction with the Notes and Assumptions attached hereto.

EXHIBIT "J"

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212.

Fraser Papers Inc. and Subsidiaries Unaudited Combined 5 Week Cash Flow for the Period Notes and Assumptions

- 1 Third Party Trade Receivables consist of receipts from the Paper and Pulp and Lumber operations. The timing of receipt collections are based on historical collection rates and have been adjusted for the Company's filing for court protection on June 18, 2009.
- 2 Collection of Other Accounts Receivable primarily includes the collection of a quarterly management fee paid by Katahdin Paper Company LLC ("Katahdin"), an affiliate of Brookfield, for the management of Katahdin's facilities.
- 3 Raw material costs represent materials required for production, primarily fibre and chemicals costs. The raw material costs are based on historical costs and expected required purchases throughout the 5 week period. Forecast payment for raw materials have been adjusted for reduced credit terms.
- 4 Productions Overhead Costs primarily represent supplies and consumables, repairs and maintenance, and property taxes. These costs are based on forecast production levels, historical costs incurred on a mill level and expected costs based on the forecast operations of each of the mills. The paper mills are expected to remain operational throughout the restructuring period. The other operations may be subject to shutdowns during part or all of the restructuring period.
- 5 Selling, General and Admin costs primarily represent shipping and freight, general and admin fees, insurance payments and legal and professional fees in respect of the CCAA process. Costs are based on historical expenses, with forecast increases for insurance payments. Restructuring professional fees of the Applicants' legal advisors, the Monitor and its legal counsel are based on advice from those advisors.
- 6 Employee costs represent salaries, wages, vacation pay, current service pension contributions and other post-employment benefits. Hourly payroll, salary costs and benefits are based on forecast headcount required at a mill level. Pension disbursements are in respect of current service costs only.
- 7 Interest charges are based on CIBC, CIT and Province of New Brunswick interest and fees.
- 8 DIP Interest and Fees are based on the BAM DIP Financing agreement and the CIT Financing Agreement.
- 9 Hedging Gains and Losses are based on contractual payments resulting from expiring hedging positions, assuming the actual foreign exchange rate is US\$1=CA\$0.90
- 10 Capital Expenditures primarily represent forecast maintenance expenditures at the Applicants' East Papers operation.
- 11 Other expenses primarily represent costs associated with closed landfill sites and regular general and administrative costs pertaining to each mill.
- 12 DIP Loan Advances represent advance funds received by the Applicants pursuant to the DIP Financing agreement and the CIT Financing Agreement.
- 13 The Consolidated 5 Week Cash Flow is denominated in USD. A foreign exchange rate of \$0.90 has been assumed throughout the 5 Week Cash Flow Forecast.

Exhibit “K”

EXHIBIT

"K"

213

June 17, 2009

DEBTOR-IN-POSSESSION COMMITMENT LETTER

PERSONAL AND CONFIDENTIAL

Fraser Papers Inc.

Attention: Paul E. Gagné

Gentlemen:

This debtor-in-possession commitment letter agreement (together with all exhibits and annexes hereto, the "DIP Commitment Letter") will confirm the understanding and agreement among Brookfield Asset Management Inc. ("BAM"), and Fraser Papers Inc. (the "Company"), in connection with a proposed secured super-priority debtor-in-possession revolving loan facility of US\$[...] (the "DIP Facility") to fund the continued operation of the Company's business as debtor under the Canadian Companies' Creditors Arrangement Act ("CCAA") and related proceedings under the U.S. Bankruptcy Code.

I. The Commitment.

You have requested that BAM and/or its affiliates and managed funds (collectively, the "Initial Lenders", and collectively with each Additional Lender (as defined below), the "Lenders") commit to provide the entire amount of the DIP Facility upon the terms and subject to the conditions set forth or referred to in this DIP Commitment Letter and in the Summary of Terms of DIP Facility attached hereto as Exhibit A (together with any annexes thereto, the "DIP Term Sheet"). Based on the foregoing, (i) BAM is pleased to confirm by this DIP Commitment Letter its commitment to you (the "BAM Commitment") to provide or cause one or more of its affiliates or managed funds to provide the full amount of the DIP Facility (the "Commitment").

It is agreed that the Lenders will have no duties other than those expressly set forth herein. You agree that no agents, co-agents, arrangers or book-runners will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the DIP Term Sheet) will be paid in connection with the DIP Facility unless you and we so agree.

II. Conditions.

The Commitment and agreements of the Lenders described herein are subject to (i) the absence of any event or occurrence which has resulted in or could reasonably be expected to result in, individually or in the aggregate, any material adverse change in the assets, liabilities, business, operations or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole (other than any events which customarily occur as a result of events leading up to and following the commencement of a proceeding under the CCAA (and including, without limitation, those reflected in the financial projections heretofore made available in writing to the Initial Lenders); (ii) the accuracy and completeness of all representations that you and your affiliates make to the Lenders and all Information (as defined herein) that you, your affiliates or representatives furnish to the Lenders; (iii) payment of all reasonable and documented fees and expenses; and (iv) the other conditions set forth herein or in the DIP Term Sheet.

III. Fees and Expenses.

In consideration of the execution and delivery of this DIP Commitment Letter by the Initial Lenders, you agree to pay the fees and expenses set forth herein and in the DIP Term Sheet as and when payable in accordance with the terms thereof.

IV. Indemnification.

The Company hereby agrees to indemnify and hold harmless the Administrative Agent (as defined in the DIP Term Sheet), the Initial Lenders, the other Lenders and each of their respective affiliates and all their respective officers, directors, partners, trustees, employees, shareholders, advisors, agents, representatives, attorneys and controlling persons and each of their respective heirs, successors and assigns (each, an "*Indemnified Person*") from and against any and all losses, claims, damages and liabilities to which any *Indemnified Person* may become subject arising out of or in connection with this DIP Commitment Letter and the DIP Facility, the use of the proceeds therefrom, any of the other transactions contemplated by this DIP Commitment Letter, any other transaction related thereto or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any *Indemnified Person* is a party thereto and whether or not the transactions contemplated hereby are consummated, and to reimburse each *Indemnified Person* promptly upon demand for all legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein); provided that no *Indemnified Person* will be entitled to indemnity hereunder in respect of any loss, claim, damage, liability or expense to the extent that it is found by a final, non-appealable judgment of a court of competent jurisdiction that such loss, claim, damage, liability or expense resulted directly from the gross negligence, actual fraud or willful misconduct of such *Indemnified Person*. If for any reason the foregoing indemnification is unavailable to an *Indemnified Person* or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such *Indemnified Person* as a result of such loss, claim, damage or liability in such proportion to reflect the economic interests of (i) the Company and its respective affiliates, stockholders or other equity holders on the one hand and (ii) such *Indemnified Person* on the other hand in the matters contemplated by this DIP Commitment Letter as well as the relative fault of (i) the Company and its respective affiliates, stockholders or other equity holders on the one hand and (ii) such *Indemnified Person* with respect to such loss, claim, damage or liability and any other relevant equitable considerations. In no event will any *Indemnified Person* be liable on any theory of liability for indirect, special or consequential damages, lost profits or punitive damages as a result of any failure to fund any of the DIP Facility contemplated hereby or otherwise in connection with the DIP Facility. No *Indemnified Person* will be liable for any damages arising from the use by unauthorized

persons of information, projections or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by unauthorized persons.

V. Expiration of Commitment.

The Commitment will expire at 5:00 p.m., Toronto time, on June __, 2009 unless on or prior to such time you have executed and returned to the Initial Lenders a copy of this DIP Commitment Letter. If you do so execute and deliver to the Initial Lenders this DIP Commitment Letter, the Lenders agree to hold the Commitment available for you until 5:00 p.m., Toronto time, on [____], 2009. The Commitment hereunder will terminate on the later of the Closing Date (as defined in the DIP Term Sheet), and the execution of a definitive credit agreement, and you agree to rely exclusively on your rights and the Commitment set forth in such definitive credit agreement in respect of all loans and extensions of credit to be made on or after such date. In addition, the Commitment of each Initial Lender hereunder shall be ratably reduced to the extent of any purchase or commitment to purchase by an Additional Lender obtained pursuant to a joinder agreement satisfactory to the Initial Lenders (a "Joinder Agreement"), in respect of the DIP Facility as contemplated hereunder.

VI. Assignment and Syndication.

The parties hereto agree that each Lender shall have the right to assign its Commitment as provided for in the DIP Term Sheet.

Prior to the Closing Date, a transferee of an Initial Lender shall become a party to this DIP Commitment Letter (an "Additional Lender") by execution by such Additional Lender and the Initial Lenders of a Joinder Agreement.

VII. Information.

You hereby represent and covenant that (i) all information other than financial projections (the "Information") that has been or will be made available to the Lenders by you or any of your affiliates or representatives is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (ii) the financial projections (the "Projections") that have been or will be made available to the Lenders by you or any of your affiliates or representatives have been or will be prepared in good faith based upon reasonable assumptions. You understand that in arranging the DIP Facility and the Commitment the Lenders may use and rely on the Information and Projections without independent verification thereof and that you will promptly notify us of any changes in circumstances that could be expected to call into question the continued reasonableness of any assumption underlying the Projections. You agree that if at any time prior to the Closing Date any of the representations in the preceding sentences would be incorrect if the Information and Projections were being furnished, and if such representations were made, at such time, you will promptly supplement the Information and Projections so that such representations will be correct under those circumstances.

VIII. Survival.

The provisions of this DIP Commitment Letter relating to the payment of fees and expenses, indemnification and contribution and confidentiality and the provisions of Sections III, IV, VIII and IX hereof will survive the expiration or termination of the Commitment or this DIP Commitment Letter (including any extensions) and the execution and delivery of definitive financing documentation.

IX. Choice of Law; Jurisdiction; Waivers.

This DIP Commitment Letter will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. The Company hereby irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of any suit, action or proceeding arising out of or relating to the provisions of this DIP Commitment Letter and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in any such court. The parties hereto hereby waive any objection that they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in any such court, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto hereby waive, to the fullest extent permitted by applicable law, any right to trial by jury with respect to any action or proceeding arising out of or relating to this DIP Commitment Letter.

X. Withholding.

The payment and issuance of fees, costs, expenses, compensation and other amounts under Section III hereof ("Subject Payments") will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities or expenses related thereto) imposed or levied by or on behalf of any authority or agency having power to tax (hereinafter, the "Taxes"), unless the Company is required to withhold or deduct any amount for or on account of Taxes by law or by the interpretation or administration thereof. If the Company is required to withhold or deduct any amount for or on account of such Taxes in respect of the Subject Payments, the Company will remit such Taxes.

The Company will furnish each Lender, within 30 days after the date the payment of any Taxes described in the preceding paragraph is due pursuant to applicable law, evidence of such payment by the Company. The Company will indemnify and hold harmless each Indemnified Person and will, upon written request of such Indemnified Person, reimburse each Indemnified Person for Taxes, other than any Taxes now or hereafter imposed, levied, collected, withheld or assessed on an Indemnified Person under the laws of an applicable jurisdiction as a result of such Indemnified Person (i) carrying on a trade or business in such jurisdiction; (ii) being organized under the laws of such jurisdiction; (iii) being resident or deemed to be resident in such jurisdiction; or (iv) not dealing at arm's length (within the meaning of applicable tax law or regulation) with the Company at the time of payment, (collectively "Excluded Taxes"), for the amount of (x) any such Taxes, other than Excluded Taxes, so levied or imposed and paid by such Indemnified Person and (y) any Taxes so levied or imposed with respect to any reimbursement under the foregoing clause (x).

XI. Miscellaneous.

This DIP Commitment Letter may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Delivery of an executed signature page of this DIP Commitment Letter by facsimile or ".pdf" transmission will be effective as delivery of a manually executed counterpart hereof. This DIP Commitment Letter may not be amended or waived except by an instrument in writing signed by (i) Initial Lenders representing at least 50% of the aggregate Commitment held by all Initial Lenders, (ii) for so long as BAM together with its affiliates and managed funds hold no less than 20% of the Commitment, BAM, and (iii) you; provided that the consent of each Lender adversely affected thereby shall be required for (i) increases in the Commitment of such Lender, (ii) waivers, reductions or postponements of

scheduled payment of principal, interest or fees payable to such Lender, (iii) extensions of final maturity of the loans or Commitments of such Lender, (iv) modifications to this paragraph or the definition of "Required Lenders" in the DIP Term Sheet, or releases of all or substantially all of the value of the Guarantees or all or a material portion of the Collateral.

The Company may not assign any of its rights, or be relieved of any of its obligations hereunder, without the prior written consent of each of the Lenders (and any purported assignment without such consent will be null and void). In connection with any syndication of all or a portion of the Commitment, the rights and obligations of each Lender hereunder may be assigned, in whole or in part, in accordance with the terms set forth in this DIP Commitment Letter and the DIP Term Sheet or on the terms set forth in the definitive credit agreement and upon such assignment and assumption by the assignee of all obligations of such Lender in respect of the portion of the Commitment so assigned on the terms set forth in this DIP Commitment Letter or on the terms set forth in the definitive credit agreement, such Lender will be relieved and novated hereunder from its obligations with respect to such portion of the Commitment.

This DIP Commitment Letter and the attached exhibits and annexes set forth the entire understanding of the parties hereto as to the scope of the Commitment and the obligations of the Lenders hereunder. This DIP Commitment Letter supersedes all prior understandings and proposals, whether written or oral, between any of the Lenders and you relating to any debtor-in-possession financing or the transactions contemplated hereby.

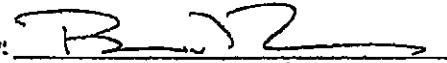
This DIP Commitment Letter has been and is made solely for the benefit of the parties signatory hereto and to a Joinder Agreement, and the Indemnified Persons, and nothing in this DIP Commitment Letter, expressed or implied, is intended to confer or does confer on any other person or entity any rights or remedies under or by reason of this DIP Commitment Letter or the agreements of the parties contained herein.

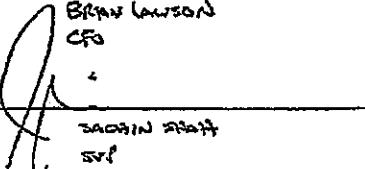
218.

If you are in agreement with the foregoing, kindly sign and return to us the enclosed copy of this DIP Commitment Letter.

Very truly yours,

BROOKFIELD ASSET MANAGEMENT INC.

By: 
Name: Brian Lanson
Title: CEO

By: 
Name: Sachin Bhambhani
Title: SVF

219.

Accepted and agreed to as of the
date first above written:

FRASER PAPERS INC.

By: J Peter Gordon

Name: J PETER GORDON
Title: CEO

By: David Morley

Name: DAVID MORLEY
Title: CFO

Fraser Papers Inc.

DIP Facility Term Sheet

All capitalized terms used herein but not defined herein shall have the meanings set forth in Exhibit A hereto.

Borrower: Fraser Papers Inc. (the "Borrower"), as a debtor-in-possession in proceedings (the "CCAA Proceedings") commenced in the Superior Court of Ontario (the "Cdn Court") under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA").

Guarantors: All of Borrower's existing and subsequently organized or acquired subsidiaries (collectively, the "Guarantors", and together with the Borrower, the "Credit Parties" or the "Debtors") will guarantee (the "Guarantees") all obligations of the Borrower under the DIP Facility (as defined below) on a joint and several basis.

The Borrower and the Guarantors will serve in such capacities as debtors-in-possession under Chapter 15 of the Bankruptcy Code in jointly administered cases ("US Proceedings", and together with the CCAA Proceeding, the "Proceedings") in the U.S. Court for the District of Delaware (the "US Court", and together with the Cdn Court, the "Courts"), and as debtor companies under the CCAA in the CCAA Proceedings in the Cdn Court.

Purpose/Use of Proceeds: The proceeds of any drawdown under the DIP Facility will be used (i) to pay transaction costs, fees and expenses which are incurred in connection with the DIP Facility, (ii) for working capital, and (iii) for other general corporate purposes (including the payment of process costs and, in the US Proceedings, adequate protection, but excluding the repayment of pre-petition indebtedness, except as allowed by the CCAA Order).

Administrative Agent and Collateral Agent: Brookfield Asset Management Inc. or an affiliate (in such capacity, the "Administrative Agent").

Lenders: Brookfield Asset Management Inc. ("Brookfield") and/or any of its affiliates and managed funds or other vehicles (collectively, the "Initial Lenders"), together with any other

lenders (provided that such other lenders are reasonably acceptable to Brookfield and, prior to an Event of Default, to the Borrower) (each, a "Lender" and, collectively, the "Lenders"), and provided that the only Lender, if any, in respect of the GNB Tranche shall be Her Majesty the Queen in Right of the Province of New Brunswick, as Represented by the Minister of Business New Brunswick ("GNB").

Amount:

Senior secured super-priority debtor-in-possession revolving loan financing (the "DIP Facility") in the following two tranches:

Primary Tranche: US\$15 million as may be subsequently increased as described in "Increase" below. Notwithstanding the foregoing, if either the US TRO Order or the US Preliminary Injunction Order shall limit the amount of Primary Tranche under the DIP Facility to a lesser amount than the Primary Commitment, the maximum amount available for drawdown under the Primary Tranche shall be such lesser amount until such limitation is removed by the US Court.

GNB Tranche: Up to US\$7 million, to be provided, if at all, exclusively by GNB (the "GNB Commitment").

Primary Commitment:

Brookfield is committed to providing, through the Initial Lenders, the full amount of the Primary Tranche as set out in "Amount" above (other than any Increase). A portion of the amount of the Primary Commitment may be syndicated by the Initial Lenders to one or more other lenders reasonably acceptable to the Borrower (provided that following an Event of Default consultation with the Borrower shall not be required).

Availability:

Draws on the DIP Facility under the Primary Tranche may be made on a revolving basis on or after the Closing Date and prior to (i) the Maturity Date, or (ii) any default or Event of Default, up to the amount of the Primary Commitment, and provided that if \$5 million or more in loans are outstanding under the Primary Tranche, the Borrower shall only be permitted to further draw under the Primary Tranche if it is not able to make any further draws under the CIT Facility.

Draws on the GNB Tranche shall be made on or after the date GNB joins the DIP Facility pursuant to documentation satisfactory to the Administrative Agent, shall be subject to such conditions and such availability as may be agreed between GNB and the Borrower (and reasonably satisfactory to the Required

Lenders other than GNB), and shall be used solely to finance the Debtors' Plaster Rock facility in New Brunswick.

Increase:

Following entry of the Recognition Order (as defined below) or such earlier date as the parties may mutually agree, on or before the Maturity Date, and provided no default or Event of Default is then continuing, the Borrower will have the right, but not the obligation, to request an increase to the Primary Commitment under the Primary Tranche to an aggregate principal amount not to exceed US\$5 million, *provided* that any such increase shall be subject to the satisfaction of conditions precedent to be agreed, and which shall include but not be limited to approval of the Courts, any required consents of other creditors, additional upfront/commitment fees, adjustments to pricing and financial covenants if required by the Required Lenders (as defined below), satisfactory completion of due diligence by the Administrative Agent and the Required Lenders, in their sole discretion, with the sufficiency of the Collateral to secure both the initial Primary Commitment and any such increase. Such increased Primary Commitment will be provided by existing Lenders or other persons who become Lenders in connection therewith; *provided* that no existing Lender will be obligated to provide any such increased portion of the DIP Facility without its approval at its sole discretion.

Maturity:

The earliest (the "Maturity Date") of: (i) the 3rd day following the date of the filing of the chapter 15 petitions in the US Proceedings (the "Petition Date") if the US TRO Order has not been issued, (ii) the 10th day following the Petition Date if the US Preliminary Injunction Order has not been issued, (ii) the 25th day following the Petition Date if the Recognition Order has not been issued, (iii) six months after the Closing Date if a plan of reorganization acceptable to the Required Lenders in their sole discretion has not been submitted to the Cdn Court, (iv) nine months after the Closing Date if an approval order in form and substance satisfactory to the Required Lenders approving a plan of reorganization acceptable to the Required Lenders in their sole discretion has not been entered by the Cdn Court, (v) 12 months following the Closing Date, (vi) the effective date of the plan of reorganization of the Debtors or the emergence of the Debtors from bankruptcy and/or insolvency proceeding, and (vii) the acceleration of the loans and termination of the commitments under the DIP Facility.

Closing Date:

The date on which all conditions precedent to drawdown on the DIP Facility have been satisfied or waived.

Amortization:	None.
Interest Rate:	<p>All principal amounts outstanding under the DIP Facility will bear interest, at the Borrower's option absent the occurrence or continuance of a default or Event of Default, as follows:</p> <ul style="list-style-type: none"> (i) at the Base Rate (which shall in no event be less than 3.00%) <u>plus</u> 1.75% <i>per annum</i>; or (ii) at the LIBO Rate (which shall in no event be less than 3.00%) <u>plus</u> 1.75% <i>per annum</i>. <p>As used herein, the terms "Base Rate" and "LIBO Rate" will have meanings customary and appropriate for debtor-in-possession financings and the basis for calculating accrued interest and the interest periods for loans bearing interest at the LIBO Rate will be customary and appropriate for debtor-in-possession financings. Upon the occurrence and during the continuance of an Event of Default (as defined below), the obligations under the DIP Facility will accrue interest at a rate equal to the rate on loans bearing interest at the rate determined by reference to clause (i) above <u>plus</u> an additional two percentage points (2.00%) <i>per annum</i> and will be payable on demand.</p>
Interest Payments:	<ul style="list-style-type: none"> (i) monthly in arrears for loans bearing interest with reference to the Base Rate, (ii) on the last day of selected interest periods (which will be one, two and three months) for loans bearing interest with reference to the LIBO Rate (and at the end of every month), and (iii) upon prepayment, in each case payable in arrears and computed on the basis of a 360-day year with respect to loans bearing the LIBO Rate and 365/366 day year with respect to loans bearing interest with reference to the Base Rate. Each interest rate which is calculated hereunder on any basis other than the actual number of days in a calendar year (the "deemed interest period") is, for the purposes of the <i>Interest Act</i> (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the number of days in the deemed interest period, then multiplying such result by the actual number of days in the calendar year (365 or 366).
Funding Protection:	Customary for debtor-in-possession financings, including breakage costs, gross-up for withholding, compensation for increased costs and compliance with capital adequacy and other regulatory restrictions.
Primary Commitment,	

Structuring
Fees and Expenses:

The Borrower shall pay fees (the "Primary Commitment Fees") to each Initial Lender making a Primary Commitment hereunder, as compensation for the making of such Initial Lender's Primary Commitment, in an amount equal to 1.00% of such Initial Lender's Primary Commitment under the Primary Tranche, earned and payable to such Initial Lender upon the execution and delivery by such Initial Lender and the Borrower of the commitment letter to which this term sheet is attached. The Primary Commitment Fees are non-refundable once paid.

The Borrower shall pay fees (the "Structuring Fees") to each Initial Lender making a Primary Commitment, as compensation for the making of such Primary Commitment, in an amount equal to 1.00% of such Initial Lender's Primary Commitment under the Primary Tranche, earned and payable to such Initial Lender on the Closing Date. The Structuring Fees are non-refundable once paid.

In addition, the Borrower shall pay fees (the "Closing Fees") to each Initial Lender making a Primary Commitment, as compensation for the making of such Primary Commitment, in an amount equal to 1.75% of such Initial Lender's Primary Commitment under the Primary Tranche, earned and payable to such Initial Lender on the Closing Date. The Closing Fees are non-refundable once paid.

The Borrower shall pay fees (the "Sponsor Upfront Fees") to each Initial Lender making a Primary Commitment, as compensation for making of such Primary Commitment, in an amount equal to 0.656% of such Initial Lender's Primary Commitment under the Primary Tranche, earned and payable to such Initial Lender upon the execution and delivery by such Initial Lender and the Borrower of the commitment letter to which this term sheet is attached. The Sponsor Upfront Fees are non-refundable once paid.

The Borrower shall pay standby fees (the "Standby Fees") to each Lender making a Primary Commitment on the unused portion of such Primary Commitment. The standby fee will be calculated daily at the rate of 1.00% per annum and will be payable quarterly in arrears on the first Business Day of the following quarter.

The Borrower shall pay all professional and advisory fees and expenses (including legal fees and expenses) of the Lenders related to the DIP Facility. To the extent such amounts are

unpaid, such amounts will be deemed to be a draw under the DIP Facility.

Exit Fees:

The Borrower shall pay fees (the "Exit Fees") to each Lender in an amount equal to 1.00% of its Primary Commitment under the Primary Tranche, earned on the Closing Date and payable to such Lender upon the earlier of (i) the Maturity Date and (ii) repayment in full of the Primary Tranche. The Exit Fees shall be non-refundable once paid.

Voluntary Prepayments:

The DIP Facility may be prepaid in whole or in part without premium or penalty except as provided under "Exit Fees" above; *provided* that loans bearing interest with reference to the LIBO Rate are prepayable only on the last day of the related interest period unless the Borrower pays any related breakage costs in accordance with the "Funding Protection" section above.

Mandatory Prepayments:

The following mandatory prepayments of the DIP Facility are required:

1. **Asset Sales:** Subject to exceptions to be agreed upon, and subject to the obligation to prepay the CIT Facility with the proceeds of sales of assets on which the CIT Facility lenders hold a prior-ranking lien; no later than the third business day following the date of receipt by any Debtor, prepayments in an amount equal to 100% of the cash proceeds (net of taxes payable in respect thereof, the repayment of any indebtedness secured by such assets and reasonable transaction-related expenses determined acceptable by the Required Lenders in their reasonable discretion) of the sale or other disposition of any property or assets of any Debtor (including their equity interests in any other Debtor), other than cash proceeds of (i) sales or other dispositions of inventory in the ordinary course of business and (ii) sales or other dispositions of equipment in the ordinary course of business to the extent such proceeds are used within the earlier of (i) the Maturity Date and (ii) 90 days following the date of receipt, to acquire replacement equipment.
2. **Insurance Proceeds:** No later than the third business day following the date of receipt by any Debtor, prepayments in an amount equal to 100% of the insurance and condemnation cash proceeds (net of reasonable transaction-related expenses determined acceptable by the Required Lenders in their reasonable discretion) received on account of any loss of or damage to any property or

assets of any Debtor (and subject to the obligation to prepay the CIT Facility with the proceeds of insurance in respect of property or assets on which the CIT Facility lenders hold a prior-ranking lien) to the extent such proceeds are not used or contractually committed to be used within the earlier of (i) the Maturity Date and (ii) 90 days following the date of receipt to repair, restore or replace the property or assets so lost or damaged.

3. Incurrence of Indebtedness: No later than the first business day following the date of receipt by any Debtor, and subject to the obligation to use such proceeds to prepay the CIT Facility, prepayments in an amount equal to 100% of the net cash proceeds received from the incurrence of indebtedness for borrowed money by any Debtor in excess of a threshold to be agreed, other than indebtedness under the CIT DIP Portion.

All mandatory prepayments will be applied, without penalty or premium (except for breakage costs, if any, and the Exit Fee, if applicable), to the prepayment of the DIP Facility and may not be reborrowed, unless otherwise agreed by the Required Lenders in their sole discretion.

Security and Claims:

The DIP Facility and each Guarantee will be secured by valid, enforceable and perfected super-priority security interests in (i) all assets, including without limitation, all personal, real and mixed property, of the Borrower and the Guarantors, (ii) 100% of the capital stock held by the Borrower and the Guarantors in each subsidiary, and (iii) all intercompany debt payable to the Borrower or the Guarantors (collectively, the "Collateral").

The DIP Facility and each Guarantee will have superpriority claims and will be secured by valid and enforceable super-priority security interests in all assets of the Borrower and the Guarantors, subject only to (i) the Existing CIT Portion, which shall rank senior to the DIP Facility in respect of the assets of the Borrower and Guarantors currently securing the Existing CIT Facility (the "Existing CIT Collateral"), (ii) the CIT DIP Portion, which shall rank senior to the DIP Facility in respect of all assets of the Borrower and the Guarantors (the "CIT DIP Collateral"), and provided further that notwithstanding the above, CIT DIP Collateral shall secure both the Existing CIT Portion and the CIT DIP Portion up to the amount of the CIT Maximum Amount, and (iii) the Carve-Out described below. Intercreditor arrangements (which may comprise either an order of the Courts or an agreement, so long as such arrangement is satisfactory to the Initial

Lenders in their sole discretion) shall be in effect between the DIP Facility secured parties and the CIT Facility secured parties providing for the lien subordination described in this paragraph (the "Intercreditor Arrangements").

The Administrative Agent's and Lenders' claims and security interests in the Collateral will be granted in the Cdn Order and the US Order and shall be subject to the Carve-Out. Other than pursuant to the Cdn Order and the US Order, the terms of (i) the CIT Facility and any agreements, instruments or documents issued pursuant thereto (including the documentation governing the Existing CIT Collateral and the CIT DIP Collateral), or (ii) the CIBC Facility and any agreements, instruments or documents issued pursuant thereto, shall not be amended without the prior written consent of the Required Lenders, acting reasonably in the case of the CIT Facility and in their sole discretion in the case of the CIBC Facility.

Permitted Payments:

The following payments will be permitted during bankruptcy: (i) payment of all current monthly accrued and unpaid interest at the non-default rate under the CIT Facility and the DIP Facility; (ii) current payment pursuant to the terms of the Cdn Order and the US Order (as applicable) of all reasonable legal fees and expenses incurred by the administrative agent under the CIT Facility and the DIP Facility; (iii) all claims subject to the Carve-Out; (iv) for the period from the Closing Date to the date that is six months following the Closing Date, the payment by the Debtors of retiree benefits in the ordinary course and consistent with past practice in an aggregate amount during such period of up to US\$1.8, (v) payment of any amount required to be paid by the Cdn Order or the US Order, (vi) current monthly cash payment of all accrued but unpaid interest at the non-default rate under the CIBC Facility, (vii) payment of any amount permitted, but not required, to be paid under the Cdn Order or the US Order, to the extent such payment is provided for in an approved Budget, as provided for herein, and provided no default or Event of Default is then continuing.

Carve-Out:

All payments and security in respect of claims subject to the CCAA Administrative Charge as such term is described in the Cdn Order.

Representations and Warranties:

Usual and customary for debtor-in-possession financings of this type (including certain customary and appropriate limitations and exceptions) with due regard to current market conditions, in each case relating to the Debtors and satisfactory to the Initial Lenders in their reasonable discretion.

Affirmative Covenants:

Usual and customary for debtor-in-possession financings of this type with due regard to current market conditions, in each case relating to the Debtors and satisfactory to the Initial Lenders in their reasonable discretion, including, without limitation, delivery of financial statements and other reports (including simultaneously providing copies of reports and other presentations relating to (i) any Proceeding, (ii) the Debtors, in each case when provided to any other Person); provision of notices of litigation, defaults and unmatured defaults and other information (including pleadings, motions, applications and other documents filed with the Courts or distributed to any stakeholder representative appointed in the Proceedings); maintenance of existence; payment of post-petition taxes and claims; maintenance of properties; maintenance of insurance; cooperation with syndication efforts; books and records; inspections subject to reasonable frequencies to be agreed upon; lender calls or meetings; material compliance with laws; environmental matters; additional collateral and guarantors; cash management acceptable to the Initial Lenders; and further assurances. In addition to the foregoing, the Borrower shall comply with all covenants set forth on Exhibit B attached hereto.

Negative Covenants:

Usual and customary for debtor-in-possession financings of this type (including certain customary and appropriate limitations and exceptions) with due regard to current market conditions, in each case relating to the Debtors and satisfactory to the Required Lenders in their reasonable discretion, including, without limitation, limitations on (i) incurrence and repayment of indebtedness, (ii) liens, (iii) negative pledges, (iv) restricted payments, (v) investments (including restrictions on intercompany investments/indebtedness to affiliates of the Debtors that are not also Debtors), (vi) equity issuances, (vii) dispositions (including dispositions of equity interests in subsidiaries), (viii) acquisitions, (ix) fundamental changes, (x) transactions with affiliates, (xi) engaging in new businesses, (xii) modifications to organizational documents and other material indebtedness, (xiii) sales and lease-backs, (xiv) permitted activities of Borrower, (xv) changes to fiscal year and material accounting changes, including deconsolidation, and (xvi) capital expenditures. The negative covenants shall not restrict (except prior to the issuance of the US Order) (a) the flow of funds between the Debtors and (b) transactions among the Debtors that are in the ordinary course of business, consistent with past practice and on an arms-length basis or which consist of the payment of selling, general and administrative costs and the allocation of customer orders, in each case in the ordinary course of business and in accordance with past practice, and (c) any other

transactions that are pre-approved by the Required Lenders in their sole discretion.

Financial Reporting: Financial reporting shall be provided for Borrower and all of its subsidiaries on a consolidated basis, and shall include: (i) annual audited financial statements, (ii) quarterly internally prepared financial statements, (iii) monthly internally prepared financial statements, (iv) a weekly updated Budget (as defined in Annex 1) satisfactory to the Required Lenders for the next succeeding 13-week period, as well as a reconciliation to prior Budgets, and (v) other reporting as reasonably requested by the Required Lenders.

Financial Covenants: Financial covenants shall include: (i) minimum consolidated EBITDA (calculated on an last-twelve-months basis), (ii) senior secured leverage ratio, (iii) fixed charge coverage ratio and (iv) maximum capital expenditures, in each case with levels to be mutually agreed upon. In addition, (i) the Required Lenders shall have the right to approve (in their sole discretion) the Budget at the commencement of the first week of each calendar month and in advance of each submission of the Budget to any Court, and (ii) any proposed variance to, or derogation from, from the Budget shall require prior written approval by the Required Lenders in their sole discretion.

Events of Default: Usual and customary for debtor-in-possession financings of this type with due regard to current market conditions, in each case relating to the Debtors and satisfactory to the Required Lenders in their reasonable discretion. Without limiting the foregoing, the Events of Default shall include (i) a customary change of control provision which shall include, among other things, specified management changes (subject to reasonably satisfactory replacements), (ii) any variance in excess of 15% from the most recently approved Budget, (iii) other than the US Proceedings, the commencement (whether voluntary or involuntary) of any proceedings or any case under any chapter of the Bankruptcy Code, or any insolvency proceedings under State or Federal laws, by or in respect of any of the Debtors, except with the prior written consent of the Required Lenders in their sole discretion, (iv) the entry of an order dismissing the Proceedings or the appointment of a receiver, interim receiver, trustee in bankruptcy or similar official or the making of a Canadian bankruptcy order against the Credit Parties, (v) any order of any of the Courts is made, varied, or vacated or otherwise entered the effect of which would be materially prejudicial to the interest of the Lenders, (vi) any payment in respect of retiree benefits is made beyond the time period, or in excess of the amount, provided for under "Permitted Payments" above, (vii) any non-compliance or breach of any term

or covenant in the DIP Facility, (viii) US TRO Order not having been issued within 3 days of the Petition Date, (ix) the US Preliminary Injunction Order not having been issued within 10 days of the Petition Date, or (x) the Recognition Order not having been issued within 25 days of the Petition Date.

Conditions Precedent to Initial Drawdown:

The several obligations of the Lenders to make, or cause one of their respective affiliates to make, the initial loans under the Primary Tranche will be subject to the closing conditions listed on Annex 1 attached hereto. In addition, the Administrative Agent and Initial Lenders shall have received a signed copy of (i) the Cdn Order and the US TRO Order, each in form and substance satisfactory to the Required Lenders in their sole discretion, and each authorizing and approving the CIT DIP Portion and the DIP Facility, the granting of the superpriority claims and senior secured liens referred to in the "Security" section above, which orders shall be in full force and effect at all times and shall not have been vacated, reversed or stayed without prior written consent of the Required Lenders in their sole discretion or modified or amended without the prior written consent of the Required Lenders in their sole discretion.

Conditions Precedent to Subsequent Drawdown:

The several obligations of the Lenders to continue to make loans available under the Primary Tranche shall be subject to (i) the Borrower being in compliance in all respects with the Cdn Order and the US Order; (ii) no default or Event of Default shall then be existing in respect of the DIP Facility or the CIT DIP Portion of the CIT Facility or would be caused by the making of such drawdown; (iii) the Maturity Date not having occurred; no material adverse change having occurred since the date of the issuance of the Cdn Order; and (v) all representations and warranties provided for in this term sheet and the commitment letter to which this term sheet is attached, or, if applicable, any replacement term sheet or definitive commitment letter, being true and correct in all material respects on the date of any such drawdown as if made on such date, except such representations and warranties specified to be made as of a specific date.

Assignments and Participations:

The Lenders may assign all or any part of their respective loans or commitments under the Primary Tranche to any of their affiliates or managed funds or other vehicles or one or more assignees which are acceptable to the Administrative Agent and, prior to an Event of Default, the Debtors, each such consent not to be unreasonably withheld or delayed. GNB shall not be permitted to assign its

loans or commitments under the GNB Tranche without the consent of the Required Lenders (not including GNB) Upon such assignment, such affiliate or assignee will be a Lender for all purposes under the DIP Facility; *provided* that assignments made to affiliates and managed funds or other vehicles of any Lender, or to other existing Lenders, will not be subject to the above described consent requirements. A US\$3,500 processing fee will be payable to the Administrative Agent by any assignee in connection with any such assignment (other than any assignments made to affiliates and managed funds or other vehicles of any Lender, or to other existing Lenders.) The Lenders also have the right to sell participations, subject to customary limitations on voting rights acceptable to the Required Lenders in their sole discretion, in their respective loans or commitments under the Primary Tranche.

Required Lenders:

Amendments and waivers under the DIP Facility require the approval of (A) for amendments and waivers affecting both the Primary Tranche and the GNB Tranche, (i) Lenders holding more than 50% of sum of the Primary Commitment and the GNB Commitment, and (ii) for so long as Brookfield, together with any of its affiliates and managed vehicles, hold not less than 20% of the Primary Commitments, Brookfield, (B) for amendments and waivers affecting only the Primary Tranche, (i) Lenders holding more than 50% of the Primary Commitment, and (ii) for so long as Brookfield, together with any of its affiliates and managed vehicles, hold not less than 20% of the Primary Commitments, Brookfield, and (C) for amendments and waivers affecting only the GNB Tranche, GNB and the Administrative Agent, (in each case, collectively, the "Required Lenders"), provided that in addition thereto, the consent of each affected Lender shall be required with respect to (i) increases in the Primary Commitment of such Lender, (ii) waivers, reductions or postponements of scheduled payment of principal, interest or fees payable to such Lender, (iii) extensions of final maturity of the loans or Primary Commitments of such Lender, (iv) modifications to this paragraph or the definition of "Required Lenders" herein, and (v) releases of all or substantially all of the value of the Guarantees or all or a material portion of the Collateral.

**Taxes, Expense
Reimbursement,
Indemnification and
Judgment Currency:**

Usual and customary for debtor-in-possession financings of this type with due regard to current market conditions, in each case satisfactory to the Required Lenders in their sole discretion.

**Governing Law and
Jurisdiction:**

The Debtors, the Lenders and other parties hereto submit to the exclusive jurisdiction and venue of (a) the Cdn Court and (b) to the extent applicable, the US Court (except to the extent the Administrative Agent requires submission to any other jurisdiction in connection with the enforcement of any judgment). In the event that the Courts do not have or do not exercise jurisdiction, the Debtors, the Lenders and other parties hereto submit to the exclusive jurisdiction and venue in any court of competent jurisdiction in the Province of Ontario. The Debtors, the Lenders and other parties hereto waive any right to trial by jury. Ontario law governs the DIP Facility.

Counsel to the Lenders: Torys LLP.

Annex 1

Conditions Precedent to Initial Funding

1. The Cdn Order shall have been entered and shall not have been reversed, modified, amended, stayed or vacated, in the case of any amendment or modification, without the prior written consent of the Initial Lenders (which consent shall be in the Initial Lenders' sole discretion).
2. The US TRO Order shall have been issued and shall not have been reversed, modified, amended, stayed or vacated, in the case of any amendment or modification, without the prior written consent of the Initial Lenders (which consent shall be in the Initial Lenders' sole discretion).
3. The Debtors shall be in compliance with both the Cdn Order and the US TRO Order.
4. Execution by the Borrower and the other Credit Parties of a definitive credit agreement or a detailed term sheet reflecting the terms and conditions set forth herein, as determined by the Initial Lenders, acceptable to the Initial Lenders in their sole discretion.
5. The Administrative Agent and Initial Lender shall have received evidence, pursuant to the Cdn Order and the US TRO Order or otherwise satisfactory to it, that Borrower and the other Credit Parties have created in favor of Administrative Agent, for the benefit of Lenders, valid, enforceable and perfected Liens on the Collateral in accordance with the "Security" section above.
6. All of the "first day orders" including the Cdn Order entered by the Cdn Court and the US TRO Order in the US Court at the time of the commencement of the Proceedings, related orders, and motions and other documents to be filed with and submitted to the Cdn Court and the US Court in connection with the DIP Facility shall be satisfactory in form and substance to the Initial Lenders in their sole discretion.
7. The Administrative Agent and Initial Lenders shall have received and approved a detailed weekly operations and cash flow bankruptcy budget for the 13-week period from the commencement of the Proceedings, prepared by the Credit Parties and in form and substance acceptable to the Required Lenders in their sole discretion (the "Budget").
8. No examiner with increased powers to operate the Debtors' material businesses or trustee, receiver, interim receiver or receiver and manager shall have been appointed with respect to any or all of the Debtors or their respective properties.
9. The Borrower and the CIT DIP Portion lenders shall have entered into a term sheet for the CIT DIP Portion satisfactory to the Initial Lenders in their sole discretion.
10. The Borrower and Brookfield shall have mutually agreed to terminate any further commitment of Brookfield to make any Future Purchases, as defined in, and pursuant to, the Paper Supply Agreement (as defined below), which agreement shall specify that the

Borrower shall continue to fulfill its obligations under the Paper Supply Agreement in respect of inventory purchased by Brookfield prior to the date of such agreement and any receivables owing to Brookfield in respect of inventory purchased thereunder.

Exhibit A

Definitions

“CCAA DIP Lenders’ Charge” shall mean the charge granted in favour of the Lenders by the Cdn Court under the Cdn Order in accordance with the terms and conditions of this DIP Facility Term Sheet.

“Cdn Order” shall mean the issued and entered order of the Cdn Court in the CCAA Proceeding containing customary provisions, *inter alia*, declaring that the Borrower and the Guarantors are proper debtor companies under the CCAA, providing all customary stays of proceedings against the debtor companies and their property, authorizing the debtor companies to reorganize, authorizing and approving the DIP Facility and the CIT DIP Portion and granting the CCAA DIP Lenders’ Charge and the CIT Lenders Charge, in such form as is satisfactory to the Lenders in their sole discretion (including, for greater certainty, confirmation that Brookfield, in respect of its claims and interest pursuant to the Amended and Restated Guarantee and Reimbursement Agreement dated as of September 22, 2008 made by the Debtors in favour of Brookfield and the liens in favour of Brookfield relating thereto, is an “unaffected creditor”), as such order may be amended, varied, modified or restated from time to time with the prior written consent of the Required Lenders in their sole discretion.

“CIBC Facility” means the revolving credit facility dated as of September 22, 2008 made among the Borrower, Canadian Imperial Bank of Commerce and the other parties thereto.

“CIT DIP Maximum” shall mean US\$25,000,000.

“CIT DIP Portion” shall mean a senior secured super-priority debtor-in-possession revolving loan financing provided by the lenders under the Existing CIT Facility of up to the CIT DIP Maximum (and subject to the Excess Availability, as defined in the Existing CIT Facility).

“CIT Facility” shall mean the Existing CIT Facility as amended by the Cdn Order and the US Order to provide for, among other things, the CIT Existing Portion and the CIT DIP Portion.

“CIT Lenders Charge” shall mean the charge granted in favour of the lenders in respect of the CIT DIP Portion by the Cdn Court under the Cdn Order in accordance the terms and conditions of the term sheet for the CIT DIP Portion.

“Existing CIT Facility” shall mean the Borrower’s existing revolving credit facility with CIT Business Credit Canada Inc. and others dated as of May 5, 2008 (as amended).

“Existing CIT Portion” shall mean the principal amount outstanding under the Existing CIT Facility as of the date the CCAA Proceedings are filed in the Cdn Court (being approximately \$55,000,000).

“Recognition Order” shall mean the order by the US Court recognizing the CCAA Proceedings as foreign main proceedings, recognizing the CCAA Order and granting (i) if the US TRO Order

or US Preliminary Injunction Order has limited the amount of the DIP Facility, authority to the Borrowers and Guarantors to borrow the remainder of the financing under the DIP Facility and superiority liens and claims securing such borrowings and (ii) relief under Chapter 15 of the US Bankruptcy Code, in form and substance satisfactory to the Required Lenders in their sole and absolute discretion, within 25 days of the Closing Date.

“Paper Supply Agreement” shall mean the Paper Supply Agreement dated as of January 29, 2009 between Brookfield and the Borrower.

“US Preliminary Injunction Order” shall mean the order in the US Court, in form and substance satisfactory to the Required Lenders in their sole and absolute discretion, granting (i) the continued authorization to borrow under the DIP Facility, and (ii) an extension of the stay.

“US TRO Order” shall mean the order in the US Court, in form and substance satisfactory to the Required Lenders in their sole and absolute discretion, granting emergency authority to the Borrowers and Guarantors to borrow under the DIP Facility and granting the Lenders superiority liens and claims securing such borrowings, and authorizing the stay of proceedings and actions against the Borrower and Guarantors.

“US Order” shall mean, (i) until the issuance of the US Preliminary Injunction Order, the US TRO Order, (ii) after issuance of the US Preliminary Injunction Order but prior to the Issuance of the Recognition Order, collectively, the US TRO Order and the US Preliminary Injunction Order, and (iii) after the issuance of the Recognition Order, collectively, the US TRO Order, the US Preliminary Injunction Order and the Recognition Order.

Exhibit B
Additional Covenants

1. On the same day the Cdn Order is entered, the Borrower shall make motions in the US Court for the US TRO Order, the US Preliminary Injunction Order and the Recognition Order.

2. The Debtors shall remain at all times in compliance with the Cdn Order and the US Order and each of the Cdn Order and the US Order shall not have been reversed, modified, amended, stayed or vacated without the prior written consent of the Required Lenders in their sole discretion.

3. Within 45 days following the Closing Date, the Credit Parties shall execute and deliver a definitive credit agreement and the Intercreditor Agreement (if not required by the Initial Lenders at closing). If requested by the Required Lenders, the Credit Parties shall as soon as practicable following such request (and in any event within 30 days following such request) execute and deliver Guarantees, security agreements, pledge agreements, real property mortgages (and related title insurance and surveys), opinions of counsel and other related definitive documentation, in all cases acceptable to the Lenders in their sole discretion.

4. Within 10 days following the Closing Date, the Administrative Agent shall receive a certificate from Borrower's insurance broker or other evidence satisfactory to it that all insurance required to be maintained is in full force and effect, together with endorsements naming Administrative Agent, for the benefit of Lenders, as additional insured and loss payee thereunder.

5. At any time during the term of the DIP Facility, upon the request of the Required Lenders the Debtor will appoint (and thereafter, upon the request of the Required Lenders, at any time and from time to time, replace) a Chief Restructuring Officer of Debtors selected by the Borrower and acceptable to the Required Lenders in their sole discretion. The cost of any such Restructuring Officer shall be borne solely by the Debtors.

6. The Credit Parties shall provide prompt written notice to the Initial Lender in reasonable detail prior to (i) any purchase offer that any Credit Party or a subsidiary may receive with respect to any material asset, (ii) any plan or proposal to sell or otherwise dispose of any material asset of the Credit Parties or their material subsidiaries, and (iii) any plan or proposal for the issuance of indebtedness by any Credit Party or any subsidiary thereof, and, in each case, at the request of the Initial Lender, additional details with respect to any such offer, plan or proposal, to the extent not prohibited by bona fide confidentiality requirements.

7. The Debtors may not make payments to the following without the prior written approval of the Required Lenders (including such approval by way of approval of any Budget):

(a) any payments, including without limitation, payments of benefits, termination pay or severance pay, to non-active employees except as specifically permitted herein in respect of retiree benefits;

(b) payments to any pension plan administrator for past service or special payments (but, for greater certainty, current service contributions for active employees are permitted); and

(c) payment of municipal taxes for arrears owing as of the date of entry of the Cdn Order.

8. The Borrower shall continue to fulfill its obligations under the Paper Supply Agreement in respect of inventory purchased by Brookfield prior to the date of entry of the Cdn Order and any receivables owing to Brookfield in respect of inventory purchased by Brookfield thereunder.

EXHIBIT "L

EXHIBIT "L" 239.

June 17, 2009

DEBTOR-IN-POSSESSION COMMITMENT LETTER

PERSONAL AND CONFIDENTIAL

Fraser Papers Inc.

Attention: Robert Allen

Gentlemen:

This debtor-in-possession commitment letter agreement (together with all exhibits and annexes hereto, the "DIP Commitment Letter") will confirm the understanding and agreement among CIT Business Credit Canada Inc. ("CIT"), and Fraser Papers Inc. (the "Company"), in connection with the amendment of the existing credit agreement between the Company and CIT (the "Existing Credit Agreement") to establish a proposed secured super-priority debtor-in-possession revolving loan facility (the "DIP Facility") to assist in funding the continued operation of the Company's business as debtor under the Canadian Companies' Creditors Arrangement Act ("CCA") and related proceedings under the U.S. Bankruptcy Code.

L The Commitment

You have requested that CIT (the "Initial Lender" and collectively with each Additional Lender (as defined below), the "Lenders") commit to provide the entire amount of the DIP Facility upon the terms and subject to the conditions set forth or referred to in this DIP Commitment Letter and in the Summary of Terms of DIP Facility attached hereto as Exhibit A (together with any annexes thereto, the "DIP Term Sheet"). Based on the foregoing, (i) CIT is pleased to confirm by this DIP Commitment Letter its commitment to you (the "CIT Commitment") to provide the full amount of the DIP Facility (the "Commitment").

It is agreed that the Lenders will have no duties other than those expressly set forth herein. You agree that no agents, co-agents, arrangers or book-runners will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the DIP Term Sheet) will be paid in connection with the DIP Facility unless you and we so agree.

II. Conditions.

The Commitment and agreements of the Lenders described herein are subject to (i) the absence of any event or occurrence which has resulted in or could reasonably be expected to result in, individually or in the aggregate, any material adverse change in the assets, liabilities, business, operations or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole (other than any events which customarily occur as a result of events leading up to and following the commencement of a proceeding under the CCAA (and including, without limitation, those reflected in the financial projections heretofore made available in writing to the Initial Lender)); (ii) the accuracy and completeness of all representations that you and your affiliates make to the Lenders and all Information (as defined herein) that you, your affiliates or representatives furnish to the Lenders; (iii) payment of all reasonable and documented fees and expenses; and (iv) the other conditions set forth herein or in the DIP Term Sheet.

III. Fees and Expenses.

In consideration of the execution and delivery of this DIP Commitment Letter by the Initial Lender, you agree to pay the fees and expenses set forth herein and in the DIP Term Sheet as and when payable in accordance with the terms thereof. You are authorized to debit such fees to the operating loan accounts maintained by you for the Company.

IV. Indemnification.

The Company hereby agrees to indemnify and hold harmless the Administrative Agent (as defined in the DIP Term Sheet), the Initial Lender, the other Lenders and each of their respective affiliates and all their respective officers, directors, partners, trustees, employees, shareholders, advisors, agents, representatives, attorneys and controlling persons and each of their respective heirs, successors and assigns (each, an "Indemnified Person") from and against any and all losses, claims, damages and liabilities to which any Indemnified Person may become subject arising out of or in connection with this DIP Commitment Letter and the DIP Facility, the use of the proceeds therefrom, any of the other transactions contemplated by this DIP Commitment Letter, any other transaction related thereto or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto and whether or not the transactions contemplated hereby are consummated, and to reimburse each Indemnified Person promptly upon demand for all legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in, or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein); provided that no Indemnified Person will be entitled to indemnity hereunder in respect of any loss, claim, damage, liability or expense to the extent that it is found by a final, non-appealable judgment of a court of competent jurisdiction that such loss, claim, damage, liability or expense resulted directly from the gross negligence, actual fraud, or willful misconduct of such Indemnified Person. If for any reason the foregoing indemnification is unavailable to an Indemnified Person or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion to reflect the economic interests of (i) the Company and its respective affiliates, stockholders or other equity holders on the one hand and (ii) such Indemnified Person on the other hand in the matters contemplated by this DIP Commitment Letter as well as the relative fault of (i) the Company and its respective affiliates, stockholders or other equity holders on the one hand and (ii) such Indemnified Person with respect to such loss, claim, damage or liability and any other relevant equitable considerations. In no event will any Indemnified Person be liable on any theory of liability for indirect, special or consequential damages, lost profits or punitive damages as a result of any failure to fund any of the DIP Facility contemplated hereby or otherwise in connection with the DIP.

Facility. No Indemnified Person will be liable for any damages arising from the use by unauthorized persons of information, projections or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by unauthorized persons. The Company's obligations under this indemnity are secured by the security heretofore granted by the Company to the Administrative Agent and/or CIT.

V. Expiration of Commitment.

The Commitment will expire at 5:00 p.m., Toronto time, on June 17, 2009 unless on or prior to such time you have executed and returned to the Initial Lender a copy of this DIP Commitment Letter. If you do so execute and deliver to the Initial Lender this DIP Commitment Letter, the Lenders agree to hold the Commitment available for you until 5:00 p.m., Toronto time, on June 29, 2009. The Commitment hereunder will terminate on the later of the Closing Date (as defined in the DIP Term Sheet), and the execution of a definitive credit agreement (or an amendment to the Existing Credit Agreement), and you agree to rely exclusively on your rights and the Commitment set forth in such definitive credit agreement (or amendment) in respect of all loans and extensions of credit to be made on or after such date. Until such definitive agreement or amendment is executed, any credit advanced to you will be deemed to be governed by the Existing Credit Agreement, as amended as contemplated by the Term Sheet.

VI. Assignment and Syndication.

The parties hereto agree that each Lender shall have the right to assign its Commitment as provided for in the DIP Term Sheet.

VII. Information.

You hereby represent and covenant that (i) all information other than financial projections (the "Information") that has been or will be made available to the Lenders by you or any of your affiliates or representatives is or will be, when furnished, complete and correct in all material respects and does not, or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (ii) the financial projections (the "Projections") that have been or will be made available to the Lenders by you or any of your affiliates or representatives have been or will be prepared in good faith based upon reasonable assumptions. You understand that in arranging the DIP Facility and the Commitment the Lenders may use and rely on the Information and Projections without independent verification thereof and that you will promptly notify us of any changes in circumstances that could be expected to call into question the continued reasonableness of any assumption underlying the Projections. You agree that if at any time prior to the Closing Date any of the representations in the preceding sentences would be incorrect if the Information and Projections were being furnished, and if such representations were made, at such time, you will promptly supplement the Information and Projections so that such representations will be correct under those circumstances.

VIII. Survival.

The provisions of this DIP Commitment Letter relating to the payment of fees and expenses, indemnification and contribution and confidentiality and the provisions of Sections III, IV, VII

and IX hereof will survive the expiration or termination of the Commitment or this DIP Commitment Letter (including any extensions) and the execution and delivery of definitive financing documentation.

IX. Choice of Law; Jurisdiction; Waivers.

This DIP Commitment Letter will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. The Company hereby irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of any suit, action or proceeding arising out of or relating to the provisions of this DIP Commitment Letter and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in any such court. The parties hereto hereby waive any objection that they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in any such court, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto hereby waive, to the fullest extent permitted by applicable law, any right to trial by jury with respect to any action or proceeding arising out of or relating to this DIP Commitment Letter.

X. Withholding.

The payment and issuance of fees, costs, expenses, compensation and other amounts under Section III hereof ("Subject Payments") will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities or expenses related thereto) imposed or levied by, or on behalf of, any authority, or agent, having power to tax (hereinafter, the "Taxes"), unless the Company is required to withhold or deduct any amount for or on account of Taxes by law or by the interpretation or administration thereof. If the Company is required to withhold or deduct any amount for or on account of such Taxes in respect of the Subject Payments, the Company will remit such Taxes.

The Company will furnish each Lender, within 30 days after the date the payment of any Taxes described in the preceding paragraph is due pursuant to applicable law, evidence of such payment by the Company. The Company will indemnify and hold harmless each Indemnified Person and will, upon written request of such Indemnified Person, reimburse each Indemnified Person for Taxes, other than any Taxes now or hereafter imposed, levied, collected, withheld or assessed on an Indemnified Person under the laws of an applicable jurisdiction as a result of such Indemnified Person (i) carrying on a trade or business in such jurisdiction; (ii) being organized under the laws of such jurisdiction; (iii) being a resident or deemed to be resident in such jurisdiction; or (iv) not dealing at arm's length (within the meaning of applicable tax law or regulation) with the Company at the time of payment, (collectively "Excluded Taxes"), for the amount of (x) any such Taxes, other than Excluded Taxes, so levied or imposed and paid by such Indemnified Person and (y) any Taxes so levied or imposed with respect to any reimbursement under the foregoing clause (x).

XI. Miscellaneous.

This DIP Commitment Letter may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Delivery of an executed signature page of this DIP Commitment Letter by facsimile or ".pdf" transmission will be effective as delivery of a manually executed counterpart hereof. This DIP Commitment Letter may not be amended or waived except by an instrument in writing signed by CIT and you.

The Company may not assign any of its rights, or be relieved of any of its obligations hereunder, without the prior written consent of CIT.

This DIP Commitment Letter and the attached exhibits and annexes set forth the entire understanding of the parties hereto as to the scope of the Commitment and the obligations of the Lenders hereunder. This DIP Commitment Letter supersedes all prior understandings and proposals, whether written or oral, between any of the Lenders and you relating to any debtor-in-possession financing or the transactions contemplated hereby.

This DIP Commitment Letter has been and is made solely for the benefit of the parties signatory hereto, and the Indemnified Persons, and nothing in this DIP Commitment Letter, expressed or implied, is intended to confer or does confer on any other person or entity any rights or remedies under or by reason of this DIP Commitment Letter or the agreements of the parties contained herein.

244.

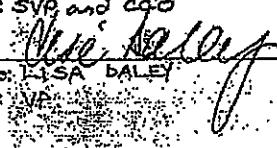
If you are in agreement with the foregoing, kindly sign and return to us the enclosed copy of this DIP Commitment Letter.

Very truly yours,

CIT BUSINESS CREDIT CANADA INC.

By: 
Name: DONALD ROGERS

Title: SVP and CFO

By: 
Name: LISA BAILEY

Title: VP

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Accepted and agreed to as of the
date first above written:

FRASER PAPERS INC.

By: 
Name: Carl Marilian
Title: CFO

By: _____
Name:
Title:

Fraser Papers Inc.

Amendment/DIP Facility Term Sheet

All capitalized terms used herein but not defined herein shall have the meanings set forth in the CIT Financing Agreement (as defined below) or in Exhibit A hereto.

**Existing Credit
Agreement:**

CIT Business Credit Canada Inc. ("CIT") currently extends credit to Fraser Papers Inc. (the "Borrower") under the amended and restated financing agreement dated as of May 2, 2008 between the Borrower and CIT (as amended from time to time, the "CIT Financing Agreement"). All of Borrower's subsidiaries (collectively, the "Guarantors", and together with the Borrower, the "Credit Parties" or the "Debtors") have guaranteed all obligations of the Borrower under the CIT Financing Agreement on a joint and several basis. The Debtors have granted security interests to CIT over all of its present and future inventory, accounts receivable and certain other assets and proceeds thereof (the "Existing CIT Collateral") to secure its obligations under the CIT Financing Agreement (or, in the case of the Guarantors, their guarantees thereof). The authorized principal amount of the credit facilities under the CIT Financing Agreement is U.S.\$115 million.

Proceedings:

The Borrower and the Guarantors propose to commence proceedings (the "CCAA Proceedings") in the Superior Court of Ontario (the "Cdn. Court") seeking a compromise and arrangement under the Companies' Creditors Arrangement Act (Canada) (the "CCAA") and under Chapter 15 of the Bankruptcy Code in jointly administered cases ("US Proceedings", and together with the CCAA Proceeding, the "Proceedings") in the U.S. Bankruptcy Court for the District of Delaware (the "US Court", and together with the Cdn. Court, the "Courts").

**Financing During
Proceedings:**

The Debtors will require financing during the Proceedings. This Term Sheet describes the manner in which the CIT Financing Agreement will be amended to provide certain of such financing.

Effective upon the commencement of the Proceedings, the principal amount of the credit facilities under the CIT Financing Agreement will be limited to U.S.\$80,000,000. The orders to be issued by the Courts in the Proceedings will provide that (i) the credit extended to the Borrower under the CIT Financing

Agreement as at the commencement of the Proceedings (being approximately \$55,000,000, the "Pre-Filing Amount") will continue to be secured by the Existing CIT Collateral, (ii) any credit extended to the Borrower under the CIT Financing Agreement after the commencement of the Proceedings (the "DIP Portion") will also be secured by the Existing CIT Collateral, and (iii) CIT will have a super-priority security interest and charge over all present and future real, personal and mixed property and assets of the Debtors (including fixed assets) (collectively, the "Collateral") to secure an amount up to U.S.\$25,000,000 (being the difference between U.S.\$80,000,000 and the Pre-Filing Amount) For greater certainty, the super-priority charge contemplated by paragraph (iii) above secures both the Pre-Filing Amount and the DIP Portion.

Purpose/Use of Proceeds:

The proceeds of any credit extended during the Proceedings will be used (i) to pay transaction costs, fees and expenses which are incurred in connection with the Proceedings, (ii) for working capital, and (iii) for other general corporate purposes (including the payment of process costs and, in the US Proceedings, for adequate protection, but excluding the payment of pre-filing indebtedness, except as allowed by the Cdn Order).

Availability:

Borrowings under the CIT Financing Agreement may be made on a revolving basis during the Proceedings up to an aggregate amount not exceeding \$80,000,000, provided that the aggregate amount of credit that may be obtained at any time (including, for greater certainty, the Pre-Filing Amount and the DIP Portion) shall not exceed an amount equal to Excess Availability.

Maturities:

The maturity date under the CIT Financing Agreement shall be amended to be the earliest (the "Maturity Date") of: (i) the 3rd day following the date of the filing of the chapter 15 petitions in the US Proceedings (the "Petition Date") if the US TRO Order has not been issued, (ii) the 10th day following the Petition Date if the US Preliminary Injunction Order has not been issued, (iii) the 25th day following the Petition Date if the Recognition Order has not been issued, (iv) six months after the Closing Date if a plan of reorganization acceptable to CIT has not been submitted to the Cdn. Bankruptcy Court, (v) nine months after the Closing Date if an approval order in form and substance satisfactory to CIT approving a plan of reorganization acceptable to CIT in its sole discretion has not been entered by the Cdn. Court, (vi) twelve months following the Closing Date, (vii) the effective date of the plan of reorganization of the Debtors or the emergence of the Debtors from bankruptcy and/or insolvency proceeding, and (viii) the acceleration of the

loans and termination of the commitments under the to the Borrower under the CIT Financing Agreement.

Closing Date: The date on which all conditions precedent to drawdown on the DIP Portion of the CIT Financing Arrangement have been satisfied or waived.

Interest Rate; No LIBOR: Before and after the Closing Date, the Pre-Filing Amount shall bear interest at the non-default rate amount specified in the CIT Financing Agreement, without amendment. From and after the Closing Date, all principal amounts outstanding under the DIP Portion of the CIT Financing Agreement will bear interest at the Base Rate (which shall in no event be less than 3.00%) plus 2.00% per annum. As used herein, the term "Base Rate" has the meaning given to the term "CIBC U.S. Base Rate" in the CIT Financing Agreement. Upon the occurrence and during the continuance of an event of default, the obligations under the DIP Facility will accrue interest at a rate set forth above plus an additional two percentage points (2.00%) per annum and will be payable on demand. No new LIBOR Loans and BA Borrowings shall be permitted from and after the Closing Date.

Interest Payments: For the Pre-Filing Amount, in accordance with the CIT Financing Agreement, without amendment, at the non-default rate. For the DIP Portion, monthly in arrears, and upon prepayment, payable in arrears and computed on the basis of a 365 day year.

Commitment, Standby Fees and Expenses: The Borrower shall pay fees (the "Commitment Fees") to CIT in an amount equal to 1.00% of the amount of the DIP Portion, earned and payable to CIT on the Closing Date. The Commitment Fees are non-refundable once paid.

The Unused Line Fees payable under the CIT Financing Agreement shall be increased to 1.00% per annum.

The Borrower shall pay all professional and advisory fees and expenses (including legal fees and expenses) of CIT related to the Proceedings and the CIT Financing Agreement. To the extent such amounts are unpaid, such amounts will be deemed to be a draw under the CIT Financing Agreement.

Exit Fees: The Borrower shall pay fees (the "Exit Fees") to CIT in an amount equal to 1.00% of the DIP Portion, earned on the Closing Date and payable to such Lender upon the earlier of (i) the Maturity Date and (ii) repayment in full of the amounts

owing under the CIT Financing Agreement. The Exit Fees shall be non-refundable once paid.

Mandatory Prepayments: As currently provided in the CIT Financing Agreement in respect of the Pre-Filing Amount. The following mandatory prepayments of the DIP Portion are required:

1. **Asset Sales:** Subject to exceptions to be agreed upon, no later than the third business day following the date of receipt by any Debtor, prepayments in an amount equal to 100% of the cash proceeds (net of taxes payable in respect thereof, the repayment of any indebtedness secured by such assets and reasonable transaction-related expenses determined acceptable by CIT in its reasonable discretion) of the sale or other disposition of any property or assets of any Debtor (including its equity interests in any other Debtor), other than cash proceeds of (i) sales or other dispositions of inventory in the ordinary course of business and (ii) sales or other dispositions of equipment in the ordinary course of business to the extent such proceeds are used within the earlier of (a) the Maturity Date and (b) 90 days following the date of receipt, to acquire replacement equipment.
2. **Insurance Proceeds:** No later than the third business day following the date of receipt by any Debtor, prepayments in an amount equal to 100% of the insurance and condemnation cash proceeds (net of reasonable transaction-related expenses determined acceptable by CIT in its reasonable discretion) received on account of any loss of or damage to any property or assets of any Debtor; provided that, in the case of any insurance or condemnation proceeds relating to fixed assets, only to the extent such proceeds are not used or contractually committed to be used within the earlier of (i) the Maturity Date and (ii) 90 days following the date of receipt to repair, restore or replace the property or assets so lost or damaged.
3. **Incurrence of Indebtedness:** No later than the first business day following the date of receipt by any Debtor, prepayments in an amount equal to 100% of the cash proceeds received from the incurrence of indebtedness for borrowed money by any Debtor, other than indebtedness under the Brookfield DIP Facility.

All mandatory prepayments will be applied, without penalty or premium (except for the Exit Fee, if applicable), to the prepayment of the DIP Portion and may not be re-borrowed, unless otherwise agreed by CIT in its sole discretion.

Brookfield DIP Facility: There will also be a senior secured super-priority debtor-in-possession revolving loan facility (the "Brookfield DIP Facility"). The Brookfield DIP Facility shall consist of two tranches: (i) a US\$20 million tranche (the "Primary Tranche") initially provided to the Borrower by Brookfield Asset Management Inc. or an affiliate thereof ("Brookfield"), who shall also serve as Administrative Agent, and (ii) an up to US\$7 million tranche to be provided (if at all) by Her Majesty the Queen in Right of the Province of New Brunswick, as represented by the Minister of Business New Brunswick. The Brookfield DIP Facility will be provided on terms and conditions satisfactory to CIT. If the principal amount outstanding under the Primary Tranche is equal to or greater than \$5 million, the Borrower will be permitted to make further borrowings under the Primary Tranche only if the Borrower is unable to borrow under the DIP Portion of the CIT Credit Facility. The terms of the Brookfield Facility and any agreements, instruments or documents issued pursuant thereto (including the documentation governing the Brookfield Collateral) shall not be amended without the prior written consent of CIT, acting reasonably. If the Brookfield DIP Facility includes any financial covenants (excluding budget approvals), the same financial covenants will be included in the CIT Financing Agreement.

Security and Claims: The Pre-Filing Amount and the DIP Portion will be secured as set forth under "Financing During Proceedings" above.

The Brookfield DIP Facility will have super-priority claims other than in respect of the CIT Financing Agreement. CIT's right to receive payment of the credit extended to the Borrower under the CIT Financing Agreement shall rank senior to the Brookfield DIP Facility, as to the Pre-Filing Amount, solely in respect of the Existing CIT Collateral, and as to the DIP Portion, in respect of all Collateral.

Intercreditor arrangements (which may comprise either an order of the Courts or an agreement, so long as such arrangement is satisfactory to CIT) shall be in effect between Brookfield and CIT providing for the arrangements described in this paragraph (the "Intercreditor Arrangements").

CIT's claims and security interests in the Collateral will be granted in the Cdn Order and shall be subject to the Carve-Out. CIT's claims and security interest in the Existing CIT Collateral will be confirmed in the Cdn Order, but will not be subject to the Carve-Out.

Accounts Receivable

Collections:

Notwithstanding the Proceedings, accounts receivable collections after the Closing Date will continue to be applied against outstanding loans under the CIT Financing Agreement.

Permitted Payments:

In addition to the arrangement set forth under "Accounts Receivable Collections" above, the following payments will be permitted during bankruptcy: (i) payment of all current monthly accrued but unpaid interest at the non-default rate under the CIT Financing Agreement and the Brookfield DIP Facility; (ii) payment of all reasonable legal fees and expenses of the administrative agents under the CIT Facility and the Brookfield DIP Facility; (iii) all claims subject to the Carve-Out; (iv) for the period from the Closing Date to six months following the Closing Date, the payment by the Debtors incorporated or formed in the U.S. of retiree benefits in the ordinary course and consistent with past practice in an aggregate amount during such period of up to US\$1,800,000; payment of any amounts required to be paid in accordance with the Cdn Order or the US Order; (vi) current monthly cash payment of all accrued but unpaid interest at the non-default rate under the CIBC Facility; (vii) payment of any amount permitted, but not required, to be paid under the Cdn or US Order provided it is allowed pursuant to the terms of the CIT Facility Agreement and Brookfield DIP Facility and provided no default or Event of Default is then continuing.

Carve-Out:

All payments and security in respect of claims subject to the CCAA Administrative Charge as such term is described in the Cdn Order.

Representations and Warranties:

As currently provided in the CIT Facility Agreement and such other usual and customary for debtor-in-possession financings of this type (including certain customary and appropriate limitations and exceptions) with due regard to current market conditions, in each case relating to the Debtors and satisfactory to CIT in its reasonable discretion.

Affirmative Covenants:

As currently provided in the CIT Facility Agreement and such other usual and customary for debtor-in-possession financings of this type with due regard to current market conditions, in each case

relating to the Debtors and satisfactory to CIT in its reasonable discretion, including, without limitation, delivery of financial statements and other reports (including simultaneously providing copies of reports and other presentations relating to (i) any Proceeding, (ii) the Debtors, in each case when provided to any other Person); provision of notices of litigation, defaults and unmatured defaults and other information (including pleadings, motions, applications and other documents filed with the Bankruptcy Courts or distributed to any official committee appointed in the Proceedings); payment of post-filing taxes and claims; books and records; delivery of monthly borrowing base reports and weekly receivables and collections reports; delivery of weekly 13-week cash flow projections; delivery of weekly priority payable statements; delivery of weekly cumulative cash flow comparisons and variance analyses; copies of all reports issued by the Monitor in the Proceedings; inspections subject to reasonable frequencies to be agreed upon; lender calls or meetings. In addition to the foregoing, the Borrower shall comply with all covenants set forth on Exhibit B attached hereto.

Negative Covenants:

As currently provided in the CIT Facility Agreement and such other usual and customary for debtor-in-possession financings of this type (including certain customary and appropriate limitations and exceptions) with due regard to current market conditions, in each case relating to the Debtors and satisfactory to CIT in its reasonable discretion, including no filing of any plan of arrangement which has not been provided to CIT in advance; no granting of any further liens; no payment of any obligation which is stayed by the orders issued by the Bankruptcy Courts; no filing of any plan which does not contemplate payment in full of all obligations under the CIT Financing Agreement; no KERP; limitations on borrowings; limitations on disbursements. The negative covenants shall not restrict (a) the flow of funds between the Debtors and (b) transactions among the Debtors that are in the ordinary course of business, consistent with past practice and on an arms-length basis or which consist of the payment of selling, general and administrative costs and the allocation of customer orders, in each case in the ordinary course of business and in accordance with past practice, and (c) any other transactions that are pre-approved by CIT in its sole discretion.

Financial Reporting:

As currently provided in the CIT Facility agreement, plus a weekly updated Budget (as defined in Annex 1) in a form of budget satisfactory to CIT (but for greater certainty not subject to approval of CIT as to its content from week to week) for the next succeeding 13-week period, as well as a reconciliation to prior Budgets, and other reporting as reasonably requested by CIT.

Exhibit “M”

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EXHIBIT "M"

SALE OF PAPER INVENTORY TO BROOKFIELD ASSET MANAGEMENT AND PAPER SUPPLY AGREEMENT

TERM SHEET

(all figures are in U.S. Dollars)

Purchaser:	Brookfield Paper LLC or another designated affiliate of Brookfield Asset Management Inc. ("Brookfield").
Seller:	Fraser Papers Limited ("Fraser").
Purchased Assets:	Finished goods inventory of Fraser as more fully described in Appendix A to this term sheet ("Existing Inventories").
	All future finished goods inventories manufactured by Fraser (each a "Product" and, collectively, the "Products") of the type described in Appendix A shipped to those locations (each a "Location" and, collectively, the Locations") described in Appendix A with the ultimate destination to those customers (each a "Customer" and, collectively, the "Customers") described in Appendix A or such other finished goods inventories manufactured by Fraser as Brookfield and Fraser may agree from time to time ("Future Purchases"). All Future Purchases shall be tracked, at all times, as inventory of Brookfield.
Consideration - Existing Inventories:	Cash of \$11,744,872.34 to purchase Existing Inventories, payable in cash on closing.
Consideration - Future Purchases:	Consideration for Future Purchases shall be equal to the gross selling price agreed to with the Customers at the time the order is accepted minus early payment discounts offered to the Customer (the "Price") minus an allowance for warehouse costs and freight costs from Brookfield's warehouse to the Customer (the "Freight Allowance") minus a commission owing to Brookfield of 3.5% of the Net Price (the "Commission"). The Commission represents a merchant fee payable to Brookfield consistent with Fraser's commercial practices with other paper merchants. The Price minus the Freight Allowance shall be referred to as the "Net Price".
Freight:	All freight and Brookfield warehousing to be arranged by Fraser. All freight from the Mills to Brookfield's warehouse to be paid by Fraser.
	All Brookfield warehousing costs and freight from the Brookfield warehouse to the customer to be paid by Brookfield.
	All freight recoveries from the Customers in excess of Brookfield warehousing costs will be on account of Fraser.
Title:	All goods are shipped FOB mill (Madawaska or Gorham (each a "Mill") as the case may be) with title transferring to Brookfield at the time of shipping from the Mill.
Payment terms:	All payments for Future Purchases are due 2 business days from the date of shipment from the Mill.

**SALE OF PAPER INVENTORY TO BROOKFIELD ASSET MANAGEMENT AND
PAPER SUPPLY AGREEMENT**

TERM SHEET

(all figures are in U.S. Dollars)

Services provided by Fraser: Fraser agrees to provide the following services ("Fraser Services") related to the Existing Inventories and all Future Purchases:

- Sales and sales support services;
- Transportation services;
- Technical support for all Customer concerns, complaints and quality issues;
- Cash application and activities;
- Invoicing and collection activities (to be settled daily); and
- Customer service.

Quality Claims: Fraser shall manage and retain responsibility for all quality claims by the Customers, except to the extent such claim is as a direct result of the direct actions of Brookfield.

Other Terms: Except as described herein, Brookfield agrees to be bound by Fraser's standard terms and conditions ("Standard Terms") as attached as Appendix B.

Term: 6 months, ending July 31, 2009.

Termination: The commitment to make Future Purchases can be terminated by Brookfield on 30 days written notice.

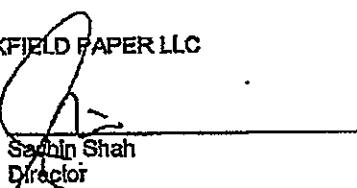
All Existing Inventories plus unpaid Future Purchases made prior to termination shall remain the property of Brookfield as of the end of the Term or at the date of termination, as the case may be.

Other Provisions: Subject to Board approvals.

DATED as of January 29, 2009.

BROOKFIELD PAPER LLC

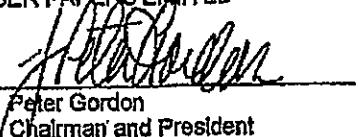
By:


Sashin Shah
Director

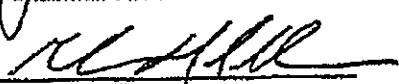
Accepted and agreed as of January 29, 2009.

FRASER PAPERS LIMITED

By:


Peter Gordon
Chairman and President

By:


Glen McMillan
Secretary

**SALE OF PAPER INVENTORY TO BROOKFIELD ASSET MANAGEMENT AND
PAPER SUPPLY AGREEMENT**

TERM SHEET

(all figures are in U.S. Dollars)

APPENDIX A

Customer	Grade	Location	Tons	Value
Technicote Inc.	SCRelease	Pomona, CA, Dayton, OH and Chicago, IL	1,597	\$ 1,670,235
Technicote Inc.	Thermal Transfer	Pomona, CA, Dayton, OH and Chicago, IL	58	69,624
Graphic Paper Inc.	FP Opaque	Dayton, NJ, Chicago, IL and Mansfield, MA	526	610,441
Graphic Paper Inc.	Frontier Opaque	Dayton, NJ, Chicago, IL and Mansfield, MA	1,476	1,510,380
Green Bay Packaging Inc.	SCRelease	Bangor, ME and Fond du lac, WI	546	608,932
Kanzaki Specialty Paper Inc	Thermal Precoat	Bangor, ME	2,244	2,396,637
Menasha Corporation	Bladepak	Fond du lac, WI	530	862,594
RBC Ministries	Fraprint 68	Kalamazoo, MI	368	341,962
Burrows Paper Corporation	Bladepak	Cincinnati, OH	310	492,925
Unisource	Litho Label	Fond du lac, WI	366	341,785
Xpedx	Frontier Opaque	Dayton, NJ, Chicago, IL, Kalamazoo, MI and Langhorne, PA	998	1,143,644
Exopack LLC	Bladepak	Pomona, CA, Des Moines, IA, Dayton, OH and Spartanburg, SC	1,512	2,264,042
TOTAL			10,531	\$12,313,201

Sale of Paper Inventory to Brookfield Asset Management and Paper Supply Agreement

Term Sheet
(All figures are in U.S. Dollars)

APPENDIX B

FEASER PAPERS LIMITED PRODUCT SALES GENERAL TERMS AND CONDITIONS (Rev. 10/31/08)

1. GENERAL TERMS AND CONDITIONS INCORPORATED IN THE AGREEMENT. The general terms and conditions set forth herein (the "General Conditions") together with the separate document setting forth among other things the agreement date, reference number, product, quantity, quantity, parties, term, price, delivery location, period, measurement and payment terms (the "Special Provisions") shall constitute the agreement between the parties (the "Agreement"). In the event of any inconsistency between the Special Provisions and the General Conditions, the Special Provisions will prevail.

2. PRICE CHARGES; PAYMENT TERMS AND TAXES. Fraser will provide to Buyer written notice prior to any price increases or decreases. Payment by wire transfer shall be made to Seller's account so that immediately available funds are received not later than the due date specified on the invoice or, if no due date is specified, thirty (30) days after the date of the invoice. Any payments not made by wire transfer shall be made by Buyer seven (7) days earlier than the due date specified if the preceding sentence. Payment shall be made to the bank account specified by Seller in immediately available funds in U.S. Dollars unless expressly stated otherwise. Payments due on Saturdays or U.S. Bank holidays (other than Mondays) shall be made on the preceding business days due on Sundays or Monday bank holidays shall be made on the following business day. Any payment made beyond the due date specified on the invoice may be charged a late payment fee, as otherwise and not in part and not in part of liquidated damages, at the rate of 1.5% per month prorated for partial months, but not to exceed the maximum rate allowed by law. If the Special Provisions expressly provide for a discount for payment on or prior to the due date for payment, such discount shall only be extended to Buyer if Fraser has received immediately available funds in Fraser's account on or prior to the date specified for such early payment. Unless expressly set forth in the Special Provisions, no discount is provided for early payment. Buyer shall pay all applicable federal, state and local taxes, duties, imposts, assessments, fees, tariffs or other governmental charges (collectively "Taxes") that directly or indirectly, now or hereinafter, may be levied or assessed or otherwise applied to or imposed on any government or instrumentalality or subdivision thereof, on the sale, purchase, use, transportation, delivery, inspection or handling of the product (whether paper or any other product) to be sold by Fraser under the Agreement and specified in the Special Provisions (the "Product"), other than Taxes imposed on the performance of the relevant Fraser entity. In the event that Fraser is required by law to pay any of said Taxes, Buyer shall reimburse Fraser for all such payments. Any new tax, license, inspection or other fee (other than income tax) levied after the date of the Agreement by any government authority upon the transactions provided for in the Agreement shall be borne by Buyer, whether paid directly to the government authority or reimbursed to Fraser.

3. FINANCIAL RESPONSIBILITY. If Buyer fails to pay Fraser all amounts owed when due, or if Fraser, at any time and for any reason, should deem the credit or financial responsibility of Buyer to be impaired, unsatisfactory or unacceptable, Fraser, at its option, may require Buyer to pay cash prior to any future deliveries of Product, or may require Buyer to post an irrevocable letter of credit or other security reasonably required by Fraser and may suspend all further deliveries of Product until such security is received. If (a) any requested security is not received within the time reasonably specified by Fraser, or (b) Buyer fails to provide Fraser such other adequate assurance of future performance reasonably requested by Fraser, or (c) any past due indebtedness is not paid in full within five (5) days of written default notice to Buyer, then Fraser shall have the right to (1) immediately terminate the Agreement; (2) offset and recoup any amounts owing thereunder against any payments or collections due to Buyer under any agreement between the parties, and (3) exercise any other remedies at law under the Agreement, applicable law or equity.

4. TITLE AND RISK OF LOSS. Title and risk of loss shall pass to Buyer when Product is loaded for transport to Buyer or with respect to consigned inventory not yet loaded, on the sixteenth (6th) day after Product is placed in a warehouse of Buyer. The Buyer must purchase and pay for all inventory or, if inventory is lost, damaged, destroyed or otherwise damaged, Buyer must pay for replacement or repair, or if inventory is damaged, Buyer must pay for repair or replacement of such damaged inventory. The Buyer must pay for all transportation, handling, storage, insurance, labor, materials or energy, war, acts of God, governmental regulation, or other causes beyond the reasonable control of a party, including, but not limited to, those of a similar character affecting a supplier providing materials to Fraser or a transporter shipping goods for Fraser (such an "Event of Force Majeure"). Fraser is unable to deliver the quantity or quality of Product specified in the Agreement or otherwise, Buyer is unable to receive the quantity of Product contracted for on Fraser or Buyer is presented with the performance of any of its obligations under the Agreement if the Product deliverable hereunder during the period of any such Event of Force Majeure shall be affected from the Agreement and the party affected by the Event of Force Majeure shall be excused from its performance, provided that it is beyond the control of such Event of Force Majeure, provided that if by reason of any Event of Force Majeure affecting Fraser, the dates to which any customer are entitled, Fraser, at its option, may terminate all its customers for the grades of product, its deliveries of such grades during the period of the continuation of the Event of Force Majeure, and in the event of such proration, the quantity of Product not delivered by reason of such proration shall be eliminated from the Agreement. Upon cancellation of the Event of Force Majeure, performance hereof shall be resumed, but such failure or delay shall not operate to extend the term of the Agreement nor obligate either party to make up differences or shortages, as the case may be. Neither party hereto shall be required to settle either's differences with workers or government claims by proceeding to any demands when, in the discretion of the party whose performance is affected by an Event of Force Majeure, it would be impractical to do so to such demands.

5. FORCE MAJEURE. If, by reason of fire, flood, strike, accident, transportation difficulties or interruption, or other causes beyond the reasonable control of a party, including, but not limited to, those of a similar character affecting a supplier providing materials to Fraser or a transporter shipping goods for Fraser (such an "Event of Force Majeure"), Fraser is unable to receive the quantity of Product contracted for on Fraser or Buyer is presented with the performance of any of its obligations under the Agreement if the Product deliverable hereunder during the period of any such Event of Force Majeure shall be affected from the Agreement and the party affected by the Event of Force Majeure shall be excused from its performance, provided that it is beyond the control of such Event of Force Majeure, provided that if by reason of any Event of Force Majeure affecting Fraser, the dates to which any customer are entitled, Fraser, at its option, may terminate all its customers for the grades of product, its deliveries of such grades during the period of the continuation of the Event of Force Majeure, and in the event of such proration, the quantity of Product not delivered by reason of such proration shall be eliminated from the Agreement. Upon cancellation of the Event of Force Majeure, performance hereof shall be resumed, but such failure or delay shall not operate to extend the term of the Agreement nor obligate either party to make up differences or shortages, as the case may be. Neither party hereto shall be required to settle either's differences with workers or government claims by proceeding to any demands when, in the discretion of the party whose performance is affected by an Event of Force Majeure, it would be impractical to do so to such demands.

6. TERMINATION. The Agreement may be terminated, immediately by either party (i) if this other party becomes insolvent, is dissolved or liquidated, makes a general assignment for the benefit of its creditors, files or has filed against it a petition in bankruptcy, or has a receiver appointed for a substantial part of its assets or (ii) upon personal dishonesty, wilful misconduct, wilful violation of any law, rule or regulation of the other party. If either party materially breaches any provision of the Agreement and such breach continues for more than thirty (30) days after the immediate party has received written notice of the breach from the non-breaching party, the non-breaching party shall have the right to terminate the Agreement on five (5) days notice to the other party. Fraser shall have the right to terminate the Agreement immediately upon Buyer's receipt from Fraser of notice of termination from Fraser to the effect that any paper machine, paper mill or other Fraser facility used to produce the Product has been or will be shutdown (temporarily or permanently) for any length of time exceeding thirty (30) days or that such paper mill or other Fraser facility will be acquired by any entity that is not affiliated with Fraser. The termination of the Agreement shall not affect a party's right to recover any amounts due under the Agreement.

7. WEIGHT AND VARIATIONS IN CALIPER. Paper will be billed at the actual gross weight of rolls, including paper, wrapper and non-reclaimable cores, unless Fraser and Buyer have agreed in writing that Paper will be billed on an area basis. Variations in caliper (PPR) will be considered acceptable, as defined by industry standards.

8. CLAIMS. Buyer shall make every effort to accept any delivery of Product and mitigate any damage to Product delivered. Any claim concerning the quantity or quality of Product delivered shall be

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immediately waived unless made by written notice deferred prominently upon discovery of such defect, but in no event later than the earlier of (i) fifteen (15) days after the first date of original shipment, (ii) shall ready Fraser or any portion of the Product and (iii) twelve (12) months after the date of original shipment. Buyer shall notify Fraser of any defect in a Product for which Fraser is expressly liable under the terms of the Agreement and for which Buyer claims entitlement to credit against the purchase price. Such Product shall be segregated and held for inspection by Fraser. No claims shall be allowed after Product has been used or converted on, in the case of paper, such paper is cut, ruled, printed or otherwise processed except as approved by Fraser. Buyer shall not be entitled to set off against payments any amount owing or alleged to be owing from Fraser to Buyer, including for adjustments, services or claims under the Agreement without the express written consent of Fraser.

9. WARRANTY; DISCLAIMER OF WARRANTIES; SPECIFICATIONS. Fraser warrants that Product will conform to the specifications as agreed to by Fraser and Buyer in the Agreement, within tolerances as permitted by the customs of the trade, and warrants that the Product, EXCEPT AS EXPRESSLY HEREBE SET FORTH, FRASER MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND (INCLUDING ANY ARISING FROM COURSE OF DEALING, OR USAGE OR CUSTOMS OF TRADE) WITH RESPECT TO THE PRODUCT, AND DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. Specifications and changes thereto shall only be part of the Agreement when in writing in the special provisions or brought at written amendment executed by the parties in accordance with the second sentence of section 16.

10. DAMAGES. Buyer's exclusive remedy for any and all losses or damages resulting from the sales of Product under the Agreement, including, but not limited to, any allegations of breach of warranty, breach of contract, negligence or strict liability, shall be limited to either the return of the purchase price or the replacement of the particular Product for which a claim is made and proved, at Fraser's option. Notwithstanding any provision of the Agreement to the contrary, neither party shall be liable to the other for cost of cover, special, indirect, incidental, exemplary, punitive or consequential damages (including, but not limited to, loss profits). If Buyer continues production after Buyer becomes aware of a possible defect, Buyer shall be responsible for use of the Product (including finished paper) and any related costs unless Buyer has provided Fraser with written notice of the alleged defect and Fraser, in its sole discretion, has determined the terms, if any, under which Buyer may continue production using the Product.

11. RETURN OF DAMAGED PRODUCT. Fraser shall have sole discretion to determine whether Buyer returns defective Product to Fraser or otherwise disposes of the Product. Buyer shall not return to Fraser any defective Product to Fraser or dispose of it without specific written instructions from a Fraser representative. Fraser will be responsible for the costs of return by the mode of transportation designated by Fraser or the reasonable disposal costs, as the case may be. If the Product is a total loss, the loss and any adjustment ordered by Fraser shall be reflected by the salvage value of the Product.

12. EXTENDED PAYMENT TIME. Fraser, in its sole discretion, may determine that a defect in Product results in a Buyer inability to pay on gross and requires extra press time and may decide to compensate Buyer for additional press time. Such additional press time shall be paid at straight ready rates pre-approved by Fraser.

13. CONFIDENTIALITY. Except to the extent required by applicable law or regulation, Buyer shall not disclose the terms and conditions of the Agreement or any proprietary, non-public or confidential information obtained from Fraser (collectively, the "Confidential Information") to any person, firm or corporation other than to its own employees and advisors on a need-to-know basis, and then the disclosure shall be of only so much information as is required to carry out the purpose of the Agreement. Buyer shall be responsible for any breaches of confidentiality by the persons to whom it has disclosed any Confidential Information.

14. ASSIGNMENT. Neither party may assign the Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld provided, however either party may assign the Agreement to an entity that owns or acquires or has common ownership of substantially all of the stock or assets of such party or as a pledge or security interest to any financial

institution, bank, trust company, association or other business or governmental entity. Any assignment without the required prior written consent shall be null and void. A party making any assignment shall promptly notify the other party of such assignment, regardless of whether consent is required, and no assignment or pledge of any Agreement right, interest or obligation shall be binding upon a party until after such party has received notice of assignment, and each party shall remain fully liable for all obligations incurred prior to such notice.

15. MISCELLANEOUS. If any provision of the Agreement is held invalid or unenforceable, the provision shall be deemed modified only to the extent necessary to render it valid or enforceable from the Agreement, as the case may be, and the Agreement shall be enforced and construed as if the provision had been included in the Agreement as modified (as if it had not been included, as the case may be). The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from the Agreement and in lieu of such illegal, invalid, or unenforceable provision, the parties shall negotiate promptly and in good faith a provision which shall become part of the Agreement through an amendment, a legal, valid and enforceable provision as similar in form to such illegal, invalid or unenforceable provision as may be possible. Nothing in this Agreement shall create, or be deemed to create, a partnership, joint venture or similar relationship between the parties. The Agreement shall not constitute a basis for third party beneficiary claims or any other claims of any person other than the parties thereto.

16. ENTIRETY OF AGREEMENT; MODIFICATION AND WAIVER. The Agreement shall constitute the entire understanding of the parties relating to the sale of Product and shall supersede all prior written or oral proposals, negotiations, and representations of the parties regarding such sale. No amendment, modification, waiver or alteration of the Agreement shall be binding unless effected either by a written instrument signed by the parties. Waiver by either party of performance of any agreement, rights or obligations or of any default by the other party shall not operate as a waiver of any other right, obligation or default of as a statute of limitations or a waiver of any defense.

17. GOVERNING LAW; DISPUTES. The Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without reference to the choice of law rules of such state. Both parties hereby waive any and unconditionally consent to submit to the exclusive jurisdiction of the courts of such State and of the United States of America, located in such State for any action, suit, or proceeding arising out of or relating to the Agreement and hereby irrevocably and unconditionally waives the right to a trial by jury in any such matter.

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