

EXHIBIT “N”



Court File No. CV-09-8241-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) **WEDNESDAY, THE 24TH DAY**
)
JUSTICE PEPALL) **OF FEBRUARY, 2010**

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR
ARRANGEMENT WITH RESPECT TO FRASER PAPERS INC., FPS
CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER
LTD., FRASER PAPERS LIMITED and FRASER N.H. LLC

Applicants

ORDER

THIS MOTION made by the Applicants for the relief sought in the Notice of Motion herein dated February 20, 2010, was heard this day at 330 University Avenue, in the City of Toronto, Ontario.

ON READING the affidavit of J. Peter Gordon sworn February 20, 2010 (the "February Gordon Affidavit"), the Affidavit of J. Peter Gordon sworn December 3, 2009, the Eighth and Ninth Reports of PricewaterhouseCoopers Inc., in its capacity as court-appointed Monitor, the Supplementary Report to the Monitor's Ninth Report;

ON HEARING submissions of counsel for the Applicants, the Monitor, CIT Business Credit Canada Inc., Brookfield Asset Management Inc. ("BAM"), The Province of New Brunswick ("NB"), Communications, Energy and Paperworkers Union of Canada ("CEP"), the

SNP Committee Representing Unrepresented Employees and Former Employees (the "Committee") *including Madawaska + the water district of Madawaska, Superintendent of and certain other counsel in attendance; Financial Institutions, the USW; Services of others*

AND UPON BEING ADVISED that agreements in principle have been reached: (i) among the Applicants, CEP and NB (the "Global Agreement Term Sheet"); and (ii) between the Applicants and NB on behalf of Business New Brunswick with respect to certain outstanding letters of credit relating to the Applicants' cogeneration facility in Edmundston;

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is abridged so that this Motion is properly returnable today and the service of the Notice of Motion and the Motion Record be and is hereby validated in all respects;

Extension of Stay Period

2. **THIS COURT ORDERS** that the Stay Period as described in the Order of this Honourable Court dated June 18, 2009, as amended, be and is hereby extended to and including April 9, 2010.

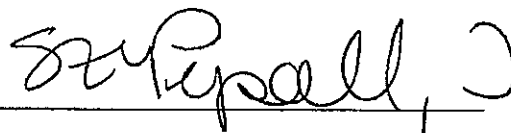
Approval of Global Agreement Term Sheet

3. **THIS COURT ORDERS** that the Global Agreement Term Sheet entered into by the Applicants, CEP and NB and annexed as Schedule "A" to this Order be, and it is hereby approved. *SNP* For greater certainty, approval of the Global Agreement Term Sheet shall not be taken as precluding the right of any person to subsequently raise issues with respect to the allocation or distribution of proceeds, or final approval of the APA (as defined herein). ✓

APA Transaction

- ✓ an extension of - *SV*
4. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to execute and deliver such amendments to the asset purchase agreement dated as of December 22, 2009 between the Applicants and BAM or its designate (the "APA") as may be necessary or desirable to reflect, among other things, the Termination Date (as such term is defined in section 15.2(c)(v) of the APA), an increase in the Expense Cap (as defined in the APA and as described in section 16.3 thereof) from \$1 million to \$1.5 million, or any other terms of the APA as may be agreed to by the Applicants and BAM, including as it relates to the provisions of the Global Agreement Term Sheet. ✓ *and the Monitor - SV*
5. **THIS COURT ORDERS** that the Applicants are hereby authorized to negotiate, execute and deliver all definitive documentation to permit the closing of the APA transaction, including as it relates to the Global Agreement Term Sheet.
6. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, the APA remains subject to final approval of this Honourable Court on a motion returnable prior to any closing of the sale transaction under the APA.
7. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to re-attend before this Honourable Court prior to March 31, 2010 to obtain final approval of the APA, a Vesting Order and related relief to permit the closing of the APA transaction on terms satisfactory to the parties.
8. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, all rights of CIT and BAM be, and are hereby reserved.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such Orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
10. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.



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

FEB 24 2010

PER / PAR: 

Joanne Nicoara
Registrar, Superior Court of Justice

TERM SHEET FOR GLOBAL AGREEMENT

Each of the undersigned parties agree to the following:

Sale of Specialty Papers Business

1. The specialty papers business of Fraser Papers Inc. ("FP") and its affiliates under the CCAA proceeding (collectively, the "Applicants") will be sold to a new company or companies pursuant to the Asset Purchase Agreement ("APA") approved by the court on December 10, 2009.
2. Neither Brookfield Asset Management Inc. ("BAM") nor its designate under the APA ("Newco") will have any liability for any obligations or liabilities whatsoever in connection with the registered pension plan in New Brunswick for hourly employees (the "NB Hourly Plan") or for any termination, severance or related amounts which any current or former employee of the Applicants could assert against the Applicants.
3. FP will request that Newco: (i) allow the CEP national union to nominate one of the two independent directors to Newco's board of directors; (ii) allow the other unsecured creditors of FP to nominate the second independent director to Newco's board of directors; and (iii) ensure that the independent directors of Newco are approved by the majority of the three non-independent directors and have the same rights and responsibilities as the three non-independent directors of Newco.
4. On closing of the APA, FP will deliver an irrevocable Direction to Newco to direct that the following fixed payments be made to the Outside Trust Fund [as defined in paragraph 18(c)] on the following dates in consideration for the closing of the APA:

(a)	October 1, 2011:	CDN\$437,500
(b)	March 31, 2012:	CDN\$437,500
(c)	October 1, 2012:	CDN\$437,500
(d)	March 31, 2013:	CDN\$437,500
(e)	October 1, 2013:	CDN\$437,500
(f)	March 31, 2014:	CDN\$437,500
(g)	October 1, 2014:	CDN\$437,500
(h)	March 31, 2015:	CDN\$437,500

- (i) October 1, 2015: CDN\$437,500
- (j) March 31, 2016: CDN\$437,500
- (k) October 1, 2016: CDN\$437,500
- (l) March 31, 2017: CDN\$437,500
- (m) October 1, 2017: CDN\$437,500
- (n) March 31, 2018: CDN\$437,500

Collective Agreements and Related Agreements

5. All existing collective agreements with the exception of Thurso will be amended through a signed Memorandum of Settlement with each union local to delete all references to the existing defined benefit pension plans.

6. The collective agreements between CEP and FP will be amended to reflect that FP agrees to discuss with CEP the possibility of replacing the defined contribution pension plan under the existing collective agreements in New Brunswick (the "DC Plan"), with a fixed contribution pension plan for future years of service. If FP and CEP reach such agreement, FP's obligation or liability in respect of such plan shall not exceed the contribution set out in the collective agreement for the DC Plan, and FP shall have no obligation in respect of any unfunded liability or deficit of any kind now or in future.

7. CEP and FP agree that bargaining unit members in New Brunswick who are in receipt of LTD benefits at the date of the sale to Newco will remain the responsibility of FP and their LTD benefits will be provided on the basis set out in the applicable collective agreement without considering the amendments to the LTD provision of the collective agreement that are part of the collective agreement amendments referred to above. LTD benefits will continue to be paid out of the health and welfare trust.

8. All CEP locals in New Brunswick will arrange for a ratification vote and provide a favourable recommendation to unionized employees by no later than March 10, 2010. The national office of the CEP will endorse the recommendation of the locals to support ratification of the new collective agreements in accordance with this term sheet.

Pension Plan and Claims

9. The parties share the goal of taking steps to minimize the impact of the restructuring of FP on pensioners and current and former employees. For this purpose, the parties agree to the following means of addressing the NB Plans.

10. FP will assign senior management to work diligently with the CEP and Davies Ward Phillips & Vineberg LLP, court-appointed representative counsel for the unrepresented employees and former employees ("Davies") to pursue coverage under the Ontario Pension Benefit Guarantee Fund ("PBGF") for salaried and unionized employees and former employees

who have earned service in Ontario (the "Ontario Members"), including of the former Thorold paper mill employees, in order to mitigate the impact of any pension deficiency on those members. If a commitment is received from the PBGF, the Ontario Members will be separated from the NB Hourly Plan and a wind up for the Ontario Members will be implemented.

11. FP will make any necessary application under the PBGF to seek such coverage.

12. FP will work diligently with the CEP and Davies to request the Province of Quebec to provide members of the defined benefit pension plans registered in the Province of Quebec (the "Quebec Plans") with the pension treatment contemplated by Section 230.0.0.1 to 230.0.11 of the Supplemental Pension Plans Act (the "SPPA") in Quebec so that members will have the option to transfer their assets out of the Quebec Plans to a vehicle administered by the Regie des rentes du Quebec (the "Regie") in accordance with the SPPA. FP and the CEP will also request the Province of Quebec to expand the availability and timeframe of this election beyond those members who are eligible for an immediate pension under the Quebec Plans upon termination of the plans.

13. FP will facilitate discussions between CEP and any purchaser of the Thurso facility.

14. The APA provides that Newco will establish a new defined contribution pension plan ("Newco DC Hourly Plan") for all future service of transferred unionized employees, which will contain the same defined contribution formula that currently exists under Appendix A of the existing NB Hourly Plan. No further credited service will accrue under the NB Hourly Plan following the closing of the APA, and there will no longer be any active members contributing to the NB Hourly Plan.

15. Newco will not have any liability (including any funding or pension benefit payment obligations) in respect of the existing NB Hourly Plan, and all liabilities will remain as unsecured obligations of FP with no recourse to Newco.

16. In accordance with paragraph 17(c), the NB Hourly Plan will receive, directly or indirectly, a *pro rata* share (based on the size of the NB Hourly Plan's claim relative to the aggregate claims of all unsecured creditors of the Applicants) of that portion of the consideration payable by Newco under the APA (49% equity in Newco and USD\$40 million promissory notes), which will be available to the Applicants' unsecured creditors in accordance with their respective priority. The *pro rata* share of the consideration held by the NB Hourly Plan is referred to herein as the "APA Consideration". The promissory notes comprising the APA Consideration shall have a term of eight (8) years, with all other promissory notes having a term of ten (10) years.

17. All parties request that the Province of New Brunswick (the "PNB") and the Superintendent of Pensions for New Brunswick (the "Superintendent") implement a structure and framework for addressing the existing deficit and claims under the NB Hourly Plan as follows:

- (a) FP and CEP will jointly seek regulatory relief for the NB Hourly Plan by way of a Special Regulation that would:

- 4 -

- (i) exempt the NB Hourly Plan from certain funding obligations otherwise applicable on pension plan wind up under the NB Pension Benefits Act;
 - (ii) if necessary, expire on the Final Wind Up Date (defined below), at which time the wind up of the NB Hourly Plan would be completed and a distribution of the available pension assets would occur;
 - (iii) provide for a strict *pro rata* distribution of assets subject to each member receiving at least their own contributions with interest;
 - (iv) not involve any guarantee or assurance by PNB with respect to the funded status of the NB Hourly Plan;
 - (v) confirm that service and age are crystallized at the Original Wind Up Date and that earnings are frozen as at November 1, 2009;
- (b) the Superintendent will order a wind up of the NB Hourly Plan effective prior to the closing of the APA and in conjunction with the Vesting Order to be obtained in the CCAA proceeding, at which time an administrator (the "Administrator") would be appointed over the NB Hourly Plan (the "Original Wind Up Date"). The Administrator will ensure that, other than with respect to adjustments to pensions, the administration of the NB Hourly Plan is continuous and there is no interruption of benefit payments to plan members. The transfer of the NB Hourly Plan will be in accordance with the relevant New Brunswick legislation. Until an Administrator is appointed for the NB Hourly Plan, FP will retain responsibility for administering the NB Hourly Plan;
- (c) the APA Consideration will be deposited into a trust fund which will be settled by FP for the sole benefit of the NB Hourly Plan and will be separate and distinct from each of the NB Hourly Plan's pension funds (collectively, the "Outside Trust Fund");
- (d) other than ongoing pensions which will continue or commence to be paid to retirees or surviving spouses from the NB Hourly Plan, or death benefits for active members, the purchase of annuities and distribution of pension assets from the NB Hourly Plan will not occur until:
- (i) the proceeds from the APA Consideration can be contributed to the NB Hourly Plan or the trustee of the Outside Trust Fund determines and advises the Superintendent that the APA Consideration will not be distributed to the NB Hourly Plan in another manner; and
 - (ii) the Administrator of the NB Hourly Plan makes a decision to purchase annuities and distribute the pension assets;
- but in no event will the final wind up of the NB Hourly Plan be later than April 1, 2018 (the "Final Wind Up Date");
- (e) subject to the oversight of the Superintendent, the Administrator will determine the percentage by which pension benefits are to be reduced, having regard to the potential

value of the APA Consideration, with the opportunity for further adjustments subject to the financial position of the NB Hourly Plan;

(f) with respect to the Outside Trust Funds, the administration, appointment of trustee(s) and role and responsibilities of the trustees will be determined by the parties, subject to Court approval, and will include:

- (i) a provision to ensure that CEP has exclusive control in relation to the Outside Trust Fund for the NB Hourly Fund;
- (ii) the methodology for valuing the APA Consideration held in the Outside Trust Fund on a regular basis;
- (iii) the timing of redemption of the APA Consideration;
- (iv) voting of shares in Newco;
- (v) obligation to pay proceeds from the realization of the APA Consideration;
- (vi) reporting to unions, retirees and members; and
- (vii) the ability to retain experts and purchase fiduciary liability insurance, the funding for which will be addressed in the definitive documents.

(g) none of the PNB, the Superintendent, the Administrator of the NB Hourly Plan, the Applicants, CEP, BAM, Newco, or any trustees of the Outside Trust Fund will be liable for any decrease in the current value of the NB Hourly Plan assets at any time and for any reason other than fraud or gross negligence, and the beneficiaries of the NB Hourly Plan shall have no claim against any of those parties at any time.

Other Proceedings, Releases, Further Assurances

18. The labour board and grievance proceedings commenced by the CEP in Ontario, New Brunswick and Quebec as described in the tolling agreement dated January 8, 2010 will be withdrawn and terminated. No similar proceedings will be brought at any time relating in any way to the Applicants, the NB Hourly Plan, the defined benefit pension plan for salaried members in New Brunswick or the two defined benefit pension plans registered in the Province of Quebec (collectively, the four registered pension plans being referred to herein as the "Pension Plans") or any facts existing as at this date (whether known or unknown), and the withdrawal of the existing proceedings will operate as a complete bar to any further similar applications or proceedings.

19. CEP agrees that no arbitrator or any other decision maker or regulatory body will have jurisdiction to entertain any grievance or application or proceeding filed by the CEP, the pensioners or the employees against Newco or any affiliate of Newco with respect to the NB Hourly Plan, save and except for a claim for collection of an amount due and not paid pursuant to paragraph 4 of this Term Sheet.

20. Each of: (i) the Applicants' directors and officers; and (ii) BAM and its directors and officers shall be released from all claims relating to all facts and circumstances in respect of the Applicants existing as at this date (whether known or unknown) and the completion of the APA.

21. PNB, the Superintendent and the Administrator(s) of the NB Hourly Plan shall be released from all claims in respect of the NB Hourly Plan existing as at this date (whether known or unknown) and the implementation of the wind up of the NB Hourly Plan and any actions contemplated by this Term Sheet.

22. The CEP will not take a position adverse to FP or Newco with respect to any action of the pension regulators in Quebec, New Brunswick or Ontario or the Canada Revenue Agency or any other regulator or administrative body that is taken against FP or Newco as a consequence of FP and Newco fulfilling their obligations under this Term Sheet.

23. Provided the APA closes by no later than March 31, 2010, FP agrees to reimburse actual expenses incurred by CEP (including legal and actuarial fees) in connection with the negotiation of this term sheet and definitive documentation up to the maximum amount of CDN\$50,000.

24. The parties will negotiate a definitive agreement to provide for the establishment of such other trust(s) or arrangements as may be appropriate for purposes of holding and distributing the balance of any consideration that may become payable by Newco under the APA to the Applicants' unsecured creditors.

25. The parties will execute a definitive global agreement and ancillary documents for the purpose of giving effect to the terms contained herein and to more fully reflect the agreement in principle embodied in this Term Sheet, but not for the purpose of introducing any other term or substantive matter not otherwise addressed herein.

26. If any dispute arises in connection with the negotiation, execution and delivery of a definitive global agreement that cannot be resolved by the parties with the assistance of the Monitor, the parties agree that such issue can only be determined by motion brought within the CCAA proceeding.

27. This term sheet may be executed in counterparts. Each part, when taken together shall constitute one and the same agreement.

Dated at Toronto this 24th day of February, 2010.

**FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,
FRASER TIMBER LIMITED., FRASER PAPERS LIMITED, FRASER N.H. LLC**

Per: Peter Gordon
(I have authority to bind these parties)

**THE MINISTER OF JUSTICE AND CONSUMER AFFAIRS
FOR THE PROVINCE OF NEW BRUNSWICK**

Per: Suzanne Bonnell-Burley, Q.C.
(I have authority to bind this party)

**THE SUPERINTENDENT OF PENSIONS FOR THE PROVINCE OF NEW
BRUNSWICK**

Per: Angela Mazerolle Stephens
(I have authority to bind this party)

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA

Per: Fred Wilson
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 29 (Cleaning Staff)**

Per: Doris Lavoie
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 29 (Office Workers)**

Per: Doris Lavoie
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 6N**

Per: Pierre Picard
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 4N**

Per: Raymond Martin
(I have authority to bind this party)

**LE SYNDICATE CANADIEN DES COMMUNICATIONS, DE L'ENERGIE ET DU
PAPIER, SECTION LOCAL 894 (Thurso)**

Per: Christian Pilon
(I have authority to bind this party)

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO FRASER PAPERS INC.,
FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED and FRASER N.H. LLC
(collectively, the "Applicants")

Court File No.: CV-09-8241-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton (LSUC# 24266B 1B)
Michael E. Barrack (LSUC# 21941W)
D.J. Miller (LSUC# 34393P)

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Applicants

EXHIBIT “O”

TERM SHEET FOR GLOBAL AGREEMENT

Each of the undersigned parties agree to the following:

Sale of Specialty Papers Business

1. The specialty papers business of Fraser Papers Inc. ("FP") and its affiliates under the CCAA proceeding (collectively, the "Applicants") will be sold to a new company or companies pursuant to the Asset Purchase Agreement ("APA") approved by the court on December 10, 2009.

2. Neither Brookfield Asset Management Inc. ("BAM") nor its designate under the APA ("Newco") will have any liability for any obligations or liabilities whatsoever in connection with the registered pension plan in New Brunswick for hourly employees (the "NB Hourly Plan"), the registered pension plan in Quebec for hourly employees (the "Quebec Hourly Plan") (the "NB Hourly Plan and the Quebec Hourly Plan being collectively, the "Plans") or for any termination, severance or related amounts which any current or former employee of the Applicants could assert against the Applicants.

3. FP will request that Newco: (i) allow the CEP national union to nominate one of the two independent directors to Newco's board of directors; (ii) allow the other unsecured creditors of FP to nominate the second independent director to Newco's board of directors; and (iii) ensure that the independent directors of Newco are approved by the majority of the three non-independent directors and have the same rights and responsibilities as the three non-independent directors of Newco.

4. On closing of the APA, FP will deliver an irrevocable Direction to Newco to direct that the following fixed payments be made to the Outside Trust Fund [as defined in paragraph 17(c)] on the following dates in consideration for the closing of the APA:

- | | | |
|-----|------------------|--------------|
| (a) | October 1, 2011: | CDN\$437,500 |
| (b) | March 31, 2012: | CDN\$437,500 |
| (c) | October 1, 2012: | CDN\$437,500 |
| (d) | March 31, 2013: | CDN\$437,500 |
| (e) | October 1, 2013: | CDN\$437,500 |
| (f) | March 31, 2014: | CDN\$437,500 |
| (g) | October 1, 2014: | CDN\$437,500 |

- (h) March 31, 2015: CDN\$437,500
- (i) October 1, 2015: CDN\$437,500
- (j) March 31, 2016: CDN\$437,500
- (k) October 1, 2016: CDN\$437,500
- (l) March 31, 2017: CDN\$437,500
- (m) October 1, 2017: CDN\$437,500
- (n) March 31, 2018: CDN\$437,500

Collective Agreements and Related Agreements

5. All existing collective agreements with the exception of Thurso will be amended through a signed Memorandum of Settlement with each union local to delete all references to the existing defined benefit pension plans.

6. The collective agreements between CEP and FP will be amended to reflect that FP agrees to discuss with CEP the possibility of replacing the defined contribution pension plan under the existing collective agreements in New Brunswick (the "DC Plan"), with a fixed contribution pension plan for future years of service. If FP and CEP reach such agreement, FP's obligation or liability in respect of such plan shall not exceed the contribution set out in the collective agreement for the DC Plan, and FP shall have no obligation in respect of any unfunded liability or deficit of any kind now or in future.

7. CEP and FP agree that bargaining unit members in New Brunswick who are in receipt of LTD benefits at the date of the sale to Newco will remain the responsibility of FP and their LTD benefits will be provided on the basis set out in the applicable collective agreement without considering the amendments to the LTD provision of the collective agreement that are part of the collective agreement amendments referred to above. LTD benefits will continue to be paid out of the health and welfare trust.

8. All CEP locals in New Brunswick will arrange for a ratification vote and provide a favourable recommendation to unionized employees by no later than March 10, 2010. The national office of the CEP will endorse the recommendation of the locals to support ratification of the new collective agreements in accordance with this term sheet.

Pension Plan and Claims

9. The parties share the goal of taking steps to minimize the impact of the restructuring of FP on pensioners and current and former employees. For this purpose, the parties agree to the following means of addressing the NB Plans.

10. FP will assign senior management to work diligently with the CEP and Davies Ward Phillips & Vineberg LLP, court-appointed representative counsel for the unrepresented

employees and former employees ("Davies") to pursue coverage under the Ontario Pension Benefit Guarantee Fund ("PBGF") for salaried and unionized employees and former employees who have earned service in Ontario (the "Ontario Members"), including of the former Thorold paper mill employees, in order to mitigate the impact of any pension deficiency on those members. If a commitment is received from the PBGF, the Ontario Members will be separated from the NB Hourly Plan and a wind up for the Ontario Members will be implemented.

11. FP will make any necessary application under the PBGF to seek such coverage.
12. FP will work diligently with the CEP and Davies to request the Province of Quebec to provide members of the defined benefit pension plans registered in the Province of Quebec (the "Quebec Plans") with the pension treatment contemplated by Section 230.0.0.1 to 230.0.11 of the Supplemental Pension Plans Act (the "SPPA") in Quebec so that members will have the option to transfer their assets out of the Quebec Plans to a vehicle administered by the Regie des rentes du Quebec (the "Regie") in accordance with the SPPA. FP and the CEP will also request the Province of Quebec to expand the availability and timeframe of this election beyond those members who are eligible for an immediate pension under the Quebec Plans upon termination of the plans.
13. FP will facilitate discussions between CEP and any purchaser of the Thurso facility.
14. The APA provides that Newco will establish a new defined contribution pension plan ("Newco DC Hourly Plan") for all future service of transferred unionized employees, which will contain the same defined contribution formula that currently exists under Appendix A of the existing NB Hourly Plan. No further credited service will accrue under the NB Hourly Plan following the closing of the APA, and there will no longer be any active members contributing to the NB Hourly Plan.
15. Newco will not have any liability (including any funding or pension benefit payment obligations) in respect of the existing NB Hourly Plan, and all liabilities will remain as unsecured obligations of FP with no recourse to Newco.
16. In accordance with paragraph 17(c), the NB Hourly Plan will receive, directly or indirectly, a *pro rata* share (based on the size of the NB Hourly Plan's claim relative to the aggregate claims of all unsecured creditors of the Applicants) of that portion of the consideration payable by Newco under the APA (49% equity in Newco and USD\$40 million promissory notes), which will be available to the Applicants' unsecured creditors in accordance with their respective priority. The *pro rata* share of the consideration held by the NB Hourly Plan is referred to herein as the "APA Consideration". The promissory notes comprising the APA Consideration shall have a term of eight (8) years, with all other promissory notes having a term of ten (10) years.
17. All parties request that the Province of New Brunswick (the "PNB") and the Superintendent of Pensions for New Brunswick (the "Superintendent") implement a structure and framework for addressing the existing deficit and claims under the NB Hourly Plan as follows:

(a) FP and CEP will jointly seek regulatory relief for the NB Hourly Plan by way of a Special Regulation that would:

- (i) exempt the NB Hourly Plan from certain funding obligations otherwise applicable on pension plan wind up under the NB Pension Benefits Act;
- (ii) if necessary, expire on the Final Wind Up Date (defined below), at which time the wind up of the NB Hourly Plan would be completed and a distribution of the available pension assets would occur;
- (iii) provide for a strict *pro rata* distribution of assets subject to each member receiving at least their own contributions with interest;
- (iv) not involve any guarantee or assurance by PNB with respect to the funded status of the NB Hourly Plan;
- (v) confirm that service and age are crystallized at the Original Wind Up Date and that earnings are frozen as at November 1, 2009;

(b) the Superintendent will order a wind up of the NB Hourly Plan effective prior to the closing of the APA and in conjunction with the Vesting Order to be obtained in the CCAA proceeding, at which time an administrator (the "Administrator") would be appointed over the NB Hourly Plan (the "Original Wind Up Date"). The Administrator will ensure that, other than with respect to adjustments to pensions, the administration of the NB Hourly Plan is continuous and there is no interruption of benefit payments to plan members. The transfer of the NB Hourly Plan will be in accordance with the relevant New Brunswick legislation. Until an Administrator is appointed for the NB Hourly Plan, FP will retain responsibility for administering the NB Hourly Plan;

(c) the APA Consideration will be deposited into a trust fund which will be settled by FP for the sole benefit of the NB Hourly Plan and will be separate and distinct from each of the NB Hourly Plan's pension funds (collectively, the "Outside Trust Fund");

(d) other than ongoing pensions which will continue or commence to be paid to retirees or surviving spouses from the NB Hourly Plan, or death benefits for active members, the purchase of annuities and distribution of pension assets from the NB Hourly Plan will not occur until:

- (i) the proceeds from the APA Consideration can be contributed to the NB Hourly Plan or the trustee of the Outside Trust Fund determines and advises the Superintendent that the APA Consideration will be distributed to the NB Hourly Plan in another manner; and
- (ii) the Administrator of the NB Hourly Plan makes a decision to purchase annuities and distribute the pension assets;

but in no event will the final wind up of the NB Hourly Plan be later than April 1, 2018 (the "Final Wind Up Date");

(e) subject to the oversight of the Superintendent, the Administrator will determine the percentage by which pension benefits are to be reduced, having regard to the potential value of the APA Consideration, with the opportunity for further adjustments subject to the financial position of the NB Hourly Plan;

(f) with respect to the Outside Trust Funds, the administration, appointment of trustee(s) and role and responsibilities of the trustees will be determined by the parties, subject to Court approval, and will include:

- (i) a provision to ensure that CEP has exclusive control in relation to the Outside Trust Fund for the NB Hourly Fund;
- (ii) the methodology for valuing the APA Consideration held in the Outside Trust Fund on a regular basis;
- (iii) the timing of redemption of the APA Consideration;
- (iv) voting of shares in Newco;
- (v) obligation to pay proceeds from the realization of the APA Consideration;
- (vi) reporting to unions, retirees and members; and
- (vii) the ability to retain experts and purchase fiduciary liability insurance, the funding for which will be addressed in the definitive documents.

(g) none of the PNB, the Superintendent, the Administrator of the NB Hourly Plan, the Applicants, CEP, BAM, Newco, or any trustees of the Outside Trust Fund will be liable for any decrease in the current value of the NB Hourly Plan assets at any time and for any reason other than fraud or gross negligence, and the beneficiaries of the NB Hourly Plan shall have no claim against any of those parties at any time.

Other Proceedings, Releases, Further Assurances

18. The labour board and grievance proceedings commenced by the CEP in Ontario, New Brunswick and Quebec as described in the tolling agreement dated January 8, 2010 will be withdrawn and terminated. No similar proceedings will be brought at any time relating in any way to the Applicants, the NB Hourly Plan, the defined benefit pension plan for salaried members in New Brunswick or the two defined benefit pension plans registered in the Province of Quebec (collectively, the four registered pension plans being referred to herein as the "Pension Plans") or any facts existing as at this date (whether known or unknown), and the withdrawal of the existing proceedings will operate as a complete bar to any further similar applications or proceedings.

19. CEP agrees that no arbitrator or any other decision maker or regulatory body will have jurisdiction to entertain any grievance or application or proceeding filed by the CEP, the pensioners or the employees against Newco or any affiliate of Newco with respect to the NB

Hourly Plan, save and except for a claim for collection of an amount due and not paid pursuant to paragraph 4 of this Term Sheet.

20. Each of: (i) the Applicants' directors and officers; and (ii) BAM and its directors and officers shall be released from all claims relating to all facts and circumstances in respect of the Applicants existing as at this date (whether known or unknown) and the completion of the APA.

21. PNB, the Superintendent and the Administrator(s) of the NB Hourly Plan shall be released from all claims in respect of the NB Hourly Plan existing as at this date (whether known or unknown) and the implementation of the wind up of the NB Hourly Plan and any actions contemplated by this Term Sheet.

22. The CEP will not take a position adverse to FP or Newco with respect to any action of the pension regulators in Quebec, New Brunswick or Ontario or the Canada Revenue Agency or any other regulator or administrative body that is taken against FP or Newco as a consequence of FP and Newco fulfilling their obligations under this Term Sheet.

23. Provided the APA closes by no later than April 9, 2010, FP agrees to reimburse actual expenses incurred by CEP (including legal and actuarial fees) in connection with the negotiation of this term sheet and definitive documentation up to the maximum amount of CDN\$50,000.

24. The parties will negotiate a definitive agreement to provide for the establishment of such other trust(s) or arrangements as may be appropriate for purposes of holding and distributing the balance of any consideration that may become payable by Newco under the APA to the Applicants' unsecured creditors.

25. The parties will execute a definitive global agreement and ancillary documents for the purpose of giving effect to the terms contained herein and to more fully reflect the agreement in principle embodied in this Term Sheet, but not for the purpose of introducing any other term or substantive matter not otherwise addressed herein.

26. If any dispute arises in connection with the negotiation, execution and delivery of a definitive global agreement that cannot be resolved by the parties with the assistance of the Monitor, the parties agree that such issue can only be determined by motion brought within the CCAA proceeding.

27. This term sheet may be executed in counterparts. Each part, when taken together shall constitute one and the same agreement.

Dated at Toronto this 24th day of February, 2010.

**FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,
FRASER TIMBER LIMITED., FRASER PAPERS LIMITED, FRASER N.H. LLC**

Per: Peter Gordon
(I have authority to bind these parties)

**THE MINISTER OF JUSTICE AND CONSUMER AFFAIRS
FOR THE PROVINCE OF NEW BRUNSWICK**

Per: Suzanne Bonnell-Burley, Q.C.
(I have authority to bind this party)

**THE SUPERINTENDENT OF PENSIONS FOR THE PROVINCE OF NEW
BRUNSWICK**

Per: Angela Mazerolle Stephens
(I have authority to bind this party)

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA

Per: Fred Wilson
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 29 (Cleaning Staff)**

Per: Doris Lavoie
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 29 (Mill Workers)**

Per: Doris Lavoie
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 29 (Office Workers)**

Per: Doris Lavoie
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 6N**

Per: Pierre Picard
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 4N**

Per: Raymond Martin
(I have authority to bind this party)

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA,
LOCAL 189 (Thurso)**

Per:
(I have authority to bind this party)

**LE SYNDICATE CANADIEN DES COMMUNICATIONS, DE L'ENERGIE ET DU
PAPIER, SECTION LOCAL 894 (Thurso)**

Per: Christian Pilon
(I have authority to bind this party)

EXHIBIT “P”

EXHIBIT "P"

TERM SHEET FOR GLOBAL AGREEMENT

This agreement is among Fraser Papers Inc. ("FP") and its affiliates under the CCAA proceeding (collectively, the "Applicants"), the Superintendent of Pensions for the Province of New Brunswick (the "Superintendent"), the Minister of Justice and Consumer Affairs for the Province of New Brunswick ("PNB"), and Davies Ward Phillips & Vineberg LLP ("Davies"), court-appointed representative counsel on behalf of the New Brunswick members of the Committee Representing all Unrepresented Canadian and U.S. Employees and Former Employees of the Applicants (the "Committee") as it relates to such employees and former employees in the Provinces of New Brunswick and Ontario.

Each of the undersigned parties agree to the following:

Sale of Specialty Papers Business

1. The specialty papers business of the Applicants will be sold to a new company or companies pursuant to the Asset Purchase Agreement approved by the court on December 10, 2009, as amended (the "APA").
2. Neither Brookfield Asset Management Inc. ("BAM") nor its designate under the APA ("Newco") will have any liability for any obligations or liabilities whatsoever in connection with the registered pension plan in New Brunswick for hourly employees (the "NB Hourly Plan"), the Pension Plan for New Brunswick Salaried Employees of Fraser Papers Inc. (the "NB Salaried Plan" and, collectively with the NB Hourly Plan, the "NB Plans") or for any termination, severance or related amounts which any current or former employee of the Applicants could assert against the Applicants.
3. FP will request that Newco: (i) allow the CEP national union to nominate one of the two independent directors to Newco's board of directors; (ii) allow the other unsecured creditors of FP to nominate the second independent director to Newco's board of directors; and (iii) ensure that the independent directors of Newco are approved by the majority of the three non-independent directors and have the same rights and responsibilities as the three non-independent directors of Newco.

Pension Plan and Claims

4. The parties share the goal of taking steps to minimize the impact of the restructuring of FP on pensioners and current and former employees. For this purpose, the parties agree to the following means of addressing the NB Plans.
5. FP will assign senior management to work diligently with the CEP and Davies to pursue coverage under the Ontario Pension Benefit Guarantee Fund ("PBGF") for salaried and unionized employees and former employees who have earned service in Ontario (the "Ontario

- 2 -

Members"), including of the former Thorold paper mill employees, in order to mitigate the impact of any pension deficiency on those members.

6. FP will make any necessary application under the PBGF to seek such coverage or the Superintendent will request the Administrator to do so."

7. The APA provides that Newco will establish a new defined contribution pension plan ("Newco DC Salaried Plan") for all future service of transferred non-unionized employees, which will contain defined contribution provisions that are substantially similar to the defined contribution provisions that currently exist under Appendix C of the existing NB Salaried Plan. No further credited service will accrue under the NB Salaried Plan following the closing of the APA, and there will no longer be any active members contributing to the NB Salaried Plan.

8. Newco will not have any liability (including any funding or pension benefit payment obligations) in respect of the existing NB Salaried Plan, and all liabilities will remain as unsecured obligations of FP with no recourse to Newco.

9. In accordance with paragraph 10(c), the NB Salaried Plan will receive, directly or indirectly, a *pro rata* share (based on the size of the NB Salaried Plan's claim relative to the aggregate claims of all unsecured creditors of the Applicants) of that portion of the consideration payable by Newco under the APA, which will be available to the Applicants' unsecured creditors in accordance with their respective entitlement, after satisfying any prior claims. The *pro rata* share of the consideration held by the NB Salaried Plan is referred to herein as the "APA Consideration". The promissory notes comprising the APA Consideration for those parties who are parties to this term sheet shall have a term of eight (8) years.

10. All parties request that PNB and the Superintendent implement a structure and framework for addressing the existing deficit and claims under the NB Salaried Plan as follows:

(a) FP and Davies will jointly seek regulatory relief for the NB Salaried Plan by way of a Special Regulation that would:

- (i) exempt the NB Salaried Plan from certain funding obligations otherwise applicable on pension plan wind up under the NB Pension Benefits Act;
- (ii) if necessary, expire on the Final Wind Up Date (defined below), at which time the wind up of the NB Salaried Plan would be completed and a distribution of the available pension assets would occur;
- (iii) provide for a strict *pro rata* distribution of assets subject to each member receiving at least their own contributions with interest;
- (iv) not involve any guarantee or assurance by PNB with respect to the funded status of the NB Salaried Plan;
- (v) confirm that service and age are crystallized at the Original Wind Up Date (defined below) and that earnings are frozen as at November 1, 2009; and

- 3 -

(vi) confirm that the Outside Trust, in which the NB Salaried Plan holds an interest, is not a pension fund.

(b) the Superintendent will order a wind up of the NB Salaried Plan effective prior to the closing of the APA and in conjunction with the Vesting Order to be obtained in the CCAA proceeding (the "Original Wind Up Date") and the Superintendent will appoint an administrator (the "Administrator") over the NB Salaried Plan prior to the Original Wind Up Date. The Administrator will ensure that, other than with respect to adjustments to pensions, the administration of the NB Salaried Plan is continuous and there is no interruption of benefit payments to plan members. The transfer of the NB Salaried Plan will be in accordance with the New Brunswick Pension Benefits Act. Until an Administrator is appointed for the NB Salaried Plan, FP will retain responsibility for administering the NB Salaried Plan;

(c) the APA Consideration will be deposited into a trust which will be settled by FP for the sole benefit of the NB Salaried Plan and will be separate and distinct from the NB Salaried Plan's pension funds (collectively, the "Outside Trust Fund");

(d) other than ongoing pensions which will continue or commence to be paid to retirees or surviving spouses from the NB Salaried Plan, or death benefits for active members, the purchase of annuities and distribution of pension assets from the NB Salaried Plan will not occur until:

(i) the proceeds from the APA Consideration can be contributed to the NB Salaried Plan or the trustee of the Outside Trust Fund determines and advises the Superintendent that the APA Consideration will be distributed to the NB Salaried Plan in another manner; and

(ii) the Administrator of the NB Salaried Plan makes a decision to purchase annuities and distribute the pension assets;

but in no event will the final wind up of the NB Salaried Plan be later than eight years from the Initial Wind Up Date (the "Final Wind Up Date");

(e) subject to the oversight of the Superintendent, the Administrator will determine the percentage by which pension benefits are to be reduced, having regard to the potential value of the APA Consideration, with the opportunity for further adjustments subject to the financial position of the NB Salaried Plan;

(f) with respect to the Outside Trust Fund, the administration, appointment of trustee(s) and role and responsibilities of the trustees will be determined by the parties, subject to Court approval, and will include:

(i) a provision to ensure that the Committee has exclusive control in relation to the Outside Trust Fund for the NB Salaried Plan;

(ii) the methodology for valuing the APA Consideration held in the Outside Trust Fund on a regular basis;

- 4 -

- (iii) the timing of redemption of the APA Consideration;
 - (iv) voting of shares in Newco;
 - (v) obligation to pay proceeds from the realization of the APA Consideration;
 - (vi) reporting to retirees and members; and
 - (vii) the ability to retain experts and purchase fiduciary liability insurance, the funding for which will be addressed in the definitive documents.
- (g) none of the PNB, the Superintendent, the Administrator of the NB Salaried Plan, the Applicants, CEP, BAM, Newco, or any trustees of the Outside Trust Fund will be liable for any decrease in the current value of the NB Salaried Plan assets at any time and for any reason other than fraud or gross negligence, and the beneficiaries of the NB Salaried Plan shall have no claim against any of those parties at any time.

Releases, Further Assurances

11. Each of: (i) the Applicants' directors and officers; and (ii) BAM and its directors and officers shall be released from all claims relating to all facts and circumstances in respect of the Applicants existing as at this date (whether known or unknown) and the completion of the APA. This release shall be conditional upon the closing of the APA transaction in accordance with the terms herein and the APA.
12. PNB, the Superintendent and the Administrator(s) of the NB Salaried Plan shall be released from all claims in respect of the NB Salaried Plan existing as at this date (whether known or unknown) and the implementation of the wind up of the NB Salaried Plan and any actions contemplated by this Term Sheet.
13. The Committee represented by Davies will not take a position adverse to FP or Newco with respect to any action of the pension regulators in Quebec, New Brunswick or Ontario or the Canada Revenue Agency or any other regulator or administrative body that is taken against FP or Newco as a consequence of FP and Newco fulfilling their obligations under this Term Sheet.
14. The Committee represented by Davies confirms, on behalf of those of its constituents who are former hourly employees of the New Brunswick Regional Council of Carpenters, Millwrights & Allied Workers, Local 2450 ("CMAW") and the NB Hourly Plan, the provisions of the Term Sheet annexed as Schedule "A" to the Order issued in this proceeding dated February 24, 2010 (the "Hourly Term Sheet") and agrees that the Hourly Term Sheet applies to its CMAW constituents in New Brunswick.
15. The parties will negotiate a definitive agreement to provide for the establishment of such other trust(s) or arrangements as may be appropriate for purposes of holding and distributing the balance of any consideration that may become payable by Newco under the APA to the Applicants' unsecured creditors.

- 5 -


16. The parties will execute a definitive global agreement and ancillary documents for the purpose of giving effect to the terms contained herein and to more fully reflect the agreement in principle embodied in this Term Sheet, but not for the purpose of introducing any other term or substantive matter not otherwise addressed herein.

17. If any dispute arises in connection with the negotiation, execution and delivery of a definitive global agreement that cannot be resolved by the parties with the assistance of the Monitor, the parties agree that such issue can only be determined by motion brought within the CCAA proceeding.

18. This term sheet may be executed in counterparts. Each part, when taken together shall constitute one and the same agreement.

Dated at Toronto this _____ day of March, 2010.

FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,
FRASER TIMBER LIMITED, FRASER PAPERS LIMITED, FRASER N.H. LLC


Per: Jeff Dutton

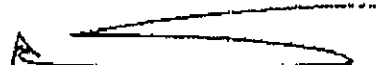
(I have authority to bind these parties)

THE MINISTER OF JUSTICE AND CONSUMER AFFAIRS
FOR THE PROVINCE OF NEW BRUNSWICK


Per: Suzanne Bonnell-Burley, Q.C.

(I have authority to bind this party)

THE SUPERINTENDENT OF PENSIONS FOR THE PROVINCE OF NEW
BRUNSWICK


Per: Angela Mazeroille Stephens

(I have authority to bind this party)

DAVIES WARD PHILLIPS & VINEBERG LLP, court-appointed representative counsel
on behalf of the New Brunswick members of the COMMITTEE REPRESENTING ALL
UNREPRESENTED CANADIAN AND U.S. EMPLOYEES AND FORMER
EMPLOYEES OF THE APPLICANTS, as it relates to such employees and former

employees in the Provinces of New Brunswick and Ontario


Per: Jay Swartz

(I have authority to bind this party)

EXHIBIT “Q”

**4th Session, 56th Legislature
New Brunswick
58-59 Elizabeth II, 2009-2010**

**4^e session, 56^e législature
Nouveau-Brunswick
58-59 Elizabeth II, 2009-2010**

BILL

PROJET DE LOI

51

51

An Act to Amend the Pension Benefits Act

**Loi modifiant la
Loi sur les prestations de pension**

Read first time: March 17, 2010

Première lecture : le 17 mars 2010

Read second time:

Deuxième lecture :

Committee:

Comité :

Read third time:

Troisième lecture :

HON. KELLY LAMROCK, Q.C.

L'HON. KELLY LAMROCK, c.r.

2010

BILL 51**PROJET DE LOI 51****An Act to Amend the Pension Benefits Act****Loi modifiant la
Loi sur les prestations de pension**

Her Majesty, by and with the advice and consent of the Legislative Assembly of New Brunswick, enacts as follows:

Sa Majesté, sur l'avis et avec le consentement de l'Assemblée législative du Nouveau-Brunswick, édicte :

1 *The Pension Benefits Act, chapter P-5.1 of the Acts of New Brunswick, 1987, is amended by adding after section 99.4 the following:*

1 *La Loi sur les prestations de pension, chapitre P-5.1 des Lois du Nouveau-Brunswick de 1987, est modifiée par l'adjonction de ce qui suit après l'article 99.4 :*

WIND-UP OF FRASER PAPERS' PENSION PLANS**LIQUIDATION DES RÉGIMES DE PENSION DE
PAPIERS FRASER**

99.5 In sections 99.94 to 99.99, "Regulation 91-195" means New Brunswick Regulation 91-195 under this Act.

99.5 Dans les articles 99.94 à 99.99, « Règlement 91-195 » s'entend du Règlement du Nouveau-Brunswick 91-195 pris en vertu de la présente loi.

99.6 Sections 99.7 to 99.992 apply to the following pension plans:

99.6 Les articles 99.7 à 99.992, s'appliquent aux régimes de pension suivants :

(a) the Pension Plan for New Brunswick Hourly Paid Employees of Fraser Papers Inc., registration number 0251264, as amended; and

a) Pension Plan for New Brunswick Hourly Paid Employees of Fraser Papers Inc., numéro d'enregistrement 0251264, et ses modifications;

(b) the Pension Plan for New Brunswick Salaried Employees of Fraser Papers Inc., registration number 0251256, as amended.

b) Pension Plan for New Brunswick Salaried Employees of Fraser Papers Inc., numéro d'enregistrement 0251256, et ses modifications.

99.7 For greater certainty, reference to the wind-up of either pension plan includes the wind-up in whole or in part of the pension plan.

99.7 Lorsqu'il est question de la liquidation de l'un ou l'autre des régimes de pension, il est entendu qu'il peut s'agir soit de sa liquidation totale, soit de sa liquidation partielle.

99.8 Despite section 12, the following amendments are not void:

(a) the amendment to the pension plan referred to in paragraph 99.6(a), received by the Superintendent on October 30, 2009, with an effective date of October 31, 2009; and

(b) the amendment to the pension plan referred to in paragraph 99.6(b), received by the Superintendent on October 30, 2009, with an effective date of October 31, 2009.

99.9 On and after the effective date of the wind-up of either pension plan, Fraser Papers Inc. is exempt from the application of subsection 51(4) with respect to the beneficiaries of the relevant pension plan.

99.91 On and after the effective date of the wind-up of either pension plan, Fraser Papers Inc. is exempt from the requirements of section 65 with respect to the relevant pension plan.

99.92(1) On the sale of all or part of the business of or the assets of Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Ltd., Fraser Papers Limited and Fraser N.H. LLC to Twin Rivers Paper Company Inc., Twin Rivers Paper Company Inc. shall be deemed not to be a successor employer under section 69.

99.92(2) On and after the effective date of the wind-up of either pension plan, sections 70 and 71 do not apply to the pension plan.

99.93(1) Within 6 months after the effective date of the wind-up of either pension plan, the administrator shall file with the Superintendent an interim wind-up report as at the effective date of the wind-up, prepared by an actuary and containing the information required by the Superintendent.

99.93(2) Beginning in the calendar year following the effective date of the wind-up and ending in the calendar year prior to the calendar year in which a wind-up report is filed, not later than October 1 each year, the administrator shall file an interim wind-up report as at April 1 of that year, prepared by an actuary and containing the information required by the Superintendent.

99.93(3) Beginning in the calendar year following the effective date of the wind-up and ending in the calendar year in which a wind-up report is filed, not later than Oc-

99.8 Par dérogation à l'article 12, les modifications qui suivent ne sont pas nulles :

a) celle apportée au régime de pension mentionné à l'alinéa 99.6a), reçue par le surintendant le 30 octobre 2009 et dont la date d'entrée en vigueur est le 31 octobre 2009;

b) celle apportée au régime de pension mentionné à l'alinéa 99.6b), reçue par le surintendant le 30 octobre 2009 et dont la date d'entrée en vigueur est le 31 octobre 2009.

99.9 À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, Papiers Fraser Inc. est exempté de l'application du paragraphe 51(4) en ce qui concerne les bénéficiaires du régime pertinent.

99.91 À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, Papiers Fraser Inc. est exempté des exigences de l'article 65 quant au fonds de pension pertinent.

99.92(1) Sur la vente totale ou partielle des affaires ou des éléments d'actif des affaires de Papiers Fraser Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Ltd., Fraser Papers Limited et Fraser N.H. LLC à Twin Rivers Paper Company Inc., Twin Rivers Paper Company Inc. est réputé ne pas être un employeur successif pour les fins de l'article 69.

99.92(2) À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, les articles 70 et 71 ne s'appliquent pas au régime.

99.93(1) Dans les six mois de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, l'administrateur dépose auprès du surintendant un rapport de liquidation intérimaire en date de la date réelle de la liquidation, préparé par un actuaire et renfermant les renseignements qu'exige le surintendant.

99.93(2) À partir de l'année civile qui suit la date réelle de la liquidation jusqu'à l'année civile qui précède celle du dépôt du rapport de liquidation, l'administrateur dépose au plus tard le 1^{er} octobre de chaque année, un rapport de liquidation intérimaire en date du 1^{er} avril de cette année-là, préparé par un actuaire et renfermant les renseignements qu'exige le surintendant.

99.93(3) À partir de l'année civile qui suit la date réelle de la liquidation jusqu'à l'année civile du dépôt du rapport de liquidation, l'administrateur envoie au plus tard le 1^{er}

tober 1 each year, the administrator shall give to the persons listed in subsection 60(2) a notice containing the information required by the Superintendent as at April 1 of that year.

99.94(1) Despite paragraph 49(2)(b) of Regulation 91-195, the administrator shall

(a) prepare a wind-up report that includes the information listed in subsection 62(1) calculated as at April 1, 2018, unless otherwise ordered by the Superintendent, and

(b) file the wind-up report no later than 6 months after the date for which the information in the wind-up report is calculated.

99.94(2) The administrator shall not give the statement required under subsection 64(1) to the persons listed in that subsection until the wind-up report has been approved by the Superintendent.

99.95(1) On and after the effective date of the wind-up of either pension plan, for the purpose of improving the plan's funded ratio, the administrator may

(a) receive money for the pension fund from any source, and

(b) invest up to 40% of the pension fund in equity shares.

99.95(2) A source from which money is received under paragraph (1)(a) shall not be considered a pension fund.

99.96(1) On and after the effective date of the wind-up of either pension plan, subsections 62(2) and (3) of this Act and subsection 49(7) of Regulation 91-195 do not apply to the pension plan.

99.96(2) On and after the effective date of the wind-up of either pension plan until the date of the distribution of the assets of the pension fund, only the following payments may be made out of the fund:

(a) pensions or other benefits for which payments had commenced before the effective date of the wind-up;

octobre de chaque année, aux personnes visées au paragraphe 60(2), un avis renfermant les renseignements en date du 1^{er} avril de cette année-là qu'exige le surintendant.

99.94(1) Par dérogation à l'alinéa 49(2)b) du Règlement 91-195 :

a) l'administrateur prépare un rapport de liquidation reflétant les éléments visés au paragraphe 62(1) calculés en date du 1^{er} avril 2018, sauf ordonnance contraire du surintendant;

b) l'administrateur dépose le rapport de liquidation au plus tard six mois après la date pour laquelle les éléments exigés dans le rapport sont calculés.

99.94(2) Il est entendu que l'administrateur ne donne la déclaration visée au paragraphe 64(1) aux personnes qui y sont visées qu'une fois le rapport de liquidation approuvé par le surintendant.

99.95(1) À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, en vue de bonifier son coefficient de capitalisation, il est permis à l'administrateur :

a) de recevoir, au profit du fonds de pension, des sommes de toute source;

b) de placer au plus 40 % de l'argent du fonds de pension dans des actions participatives.

99.95(2) La source d'où provient les sommes visées à l'alinéa (1)a) n'est pas considérée comme fonds de pension.

99.96(1) À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, les paragraphes 62(2) et (3) de la présente loi et le paragraphe 49(7) du Règlement 91-195 ne s'appliquent pas au régime.

99.96(2) À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension jusqu'à la date de la répartition des éléments d'actif du fonds de pension, seuls sont permis les paiements suivants :

a) les pensions ou les autres prestations dont le versement a commencé avant la date réelle de la liquidation;

(b) pensions or other benefits for which members become eligible after the effective date of the wind-up;

(c) refunds of member contributions with interest to members who terminate employment before the effective date of the wind-up and who are not entitled to a pension or deferred pension;

(d) payment of a pre-retirement death benefit;

(e) on the approval of the Superintendent, payment of the defined contribution benefits of the plan;

(f) on the approval of the Superintendent, the distribution of assets of the pension fund with respect to a member of former member or persons entitled to benefits or payments through a member or former member for whom the distribution has been requested by the pension regulator in a designated jurisdiction; and

(g) any other payment approved by the Superintendent.

99.96(3) The value of any projected payments into a pension fund and the investment earnings included in an interim wind-up report filed by the administrator under section 99.93 shall be taken into account when making payments under paragraphs (2)(a), (b), (c), (d) or (g) or when ordering the reduction of any of those payments under subsection 66(2).

99.97 On and after the effective date of the wind-up of either pension plan, the following provisions do not apply to the plan:

(a) subsection 66(1); and

(b) paragraph 19(4)(c), subsection 49(6) and section 50 of Regulation 91-195.

99.98(1) Subject to subsection 99.96(2), the assets in the fund of a pension plan shall not be distributed until the wind-up report is approved by the Superintendent.

99.98(2) On approval of the wind-up report, if insufficient funds are available to pay the pensions and benefits under a plan, the funds that are available shall be allocated in the following manner in order of priority:

b) les pensions ou les autres prestations auxquelles ont droit les participants après la date réelle de la liquidation;

c) les remboursements des cotisations des participants, y compris les intérêts, aux participants dont l'emploi cesse avant la date réelle de la liquidation et qui n'ont pas droit à une pension ou à une pension différée;

d) le versement de prestations de décès pré-retraite;

e) sur approbation du surintendant, le versement des prestations à cotisation déterminées du régime;

f) sur approbation du surintendant, la répartition des éléments d'actif du fonds de pensions à l'égard d'un participant, d'un ancien participant ou des personnes qui ont droit aux prestations ou paiements par l'intermédiaire du participant ou de l'ancien participant pour lequel la répartition a été demandée par le responsable chargé de la surveillance des pensions d'une autorité législative désignée;

g) tout autre versement qui est approuvé par le surintendant.

99.96(3) Il doit être tenu compte de la valeur de tous les versements à venir au fonds de pension et des revenus tirés de placements qui sont envisagés par les rapports intérimaires déposés par l'administrateur en application de l'article 99.93 lorsqu'il s'agit de faire les paiements visés par l'alinéa (2)a), b), c), d) ou g) ou lorsque le surintendant ordonne la réduction de ces paiements en vertu du paragraphe 66(2).

99.97 À partir de la date réelle de la liquidation de l'un ou l'autre des régimes de pension, les dispositions qui suivent ne s'appliquent pas au régime :

a) le paragraphe 66(1);

b) l'alinéa 19(4)c), le paragraphe 49(6) et l'article 50 du Règlement 91-195.

99.98(1) Sous réserve du paragraphe 99.96(2), il ne peut y avoir aucune répartition des éléments d'actif du fonds de pension du régime de pension tant que le surintendant n'a pas approuvé le rapport de liquidation.

99.98(2) Une fois le rapport de liquidation approuvé, s'il y a insuffisance de fonds pour payer les pensions et les prestations prévues au régime de pension, les fonds qui

sont disponibles sont répartis selon l'ordre de priorité indiqué, en la manière décrite ci-dessous :

(a) to all members and former members or persons entitled to benefits or payments through members or former members, for transfer of or purchase with an amount equal to any additional voluntary contributions made by the member or former member with interest accrued as of the effective date of the wind-up, after deducting any transfer value for those additional voluntary contributions previously transferred in respect of the member or former member;

(b) to all members and former members or persons entitled to benefits or payments through members or former members and who were not in receipt of a pension as of the effective date of the wind-up, for transfer of or purchase with an amount equal to the total of any contributions, other than contributions made under paragraph (a), made by the member or former member, with interest accrued as of the effective date of the wind-up, after deducting any transfer value for the contributions previously transferred in respect of the member or former member;

(c) to all members and former members or persons entitled to benefits or payments through members or former members and who were in receipt of a pension as of the effective date of the wind-up, for transfer of or purchase with an amount equal to the total of the pension and bridging benefits payable in respect of the period commencing the effective date of the wind-up to April 30, 2010, inclusive, after deducting any transfer value for the benefits or payments previously transferred in respect of the member or former member, and

(d) to all members and former members or persons entitled to benefits or payments through members or former members, for transfer of or purchase with an amount equal to the commuted value, determined in accordance with section 99.99, of the pension or deferred pension to which the person is entitled, multiplied by the allocation ratio calculated under section 99.991, less any amount payable under paragraph (b) and less any amount payable under paragraph (c) multiplied by the allocation ratio.

a) à tous les participants et anciens participants ou aux personnes qui ont droit aux prestations ou paiements par l'intermédiaire des participants ou des anciens participants, pour transfert ou pour achat, un montant égal à la somme des cotisations volontaires additionnelles effectuées par le participant ou l'ancien participant, y compris les intérêts courus à la date réelle de la liquidation, déduction faite de toute valeur de transfert préalablement transférée à l'égard de ce participant ou de cet ancien participant;

b) à tous les participants et anciens participants ou aux personnes qui ont droit aux prestations ou paiements par l'intermédiaire des participants ou des anciens participants et qui ne recevaient pas une pension à la date réelle de la liquidation, pour transfert ou pour achat, un montant égal à la somme des cotisations effectuées par le participant ou l'ancien participant — autres que les cotisations visées à l'alinéa a) — y compris les intérêts courus à la date réelle de la liquidation, déduction faite de toute valeur de transfert préalablement transférée quant à ces cotisations à l'égard de ce participant ou de cet ancien participant;

c) à tous les participants et anciens participants ou aux personnes qui ont droit aux prestations ou paiements par l'intermédiaire des participants ou des anciens participants et qui recevaient une pension à la date réelle de la liquidation, pour transfert ou pour achat, un montant égal à la somme de prestations de pension et de relais payables à partir de la date réelle de la liquidation jusqu'au 30 avril 2010, inclusivement, déduction faite de toute valeur de transfert préalablement transférée quant à ces prestations ou ces paiements à l'égard de ce participant ou de cet ancien participant;

d) à tous les participants et anciens participants ou aux personnes qui ont droit aux prestations ou paiements par l'intermédiaire des participants ou des anciens participants, pour transfert ou pour achat, un montant égal à la valeur de rachat — fixée en vertu de l'article 99.99 — de la pension et des prestations de relais ou de la pension différée à laquelle la personne a droit multiplié par le ratio de répartition fixé en vertu de l'article 99.991, déduction faite de tout montant payable en vertu de l'alinéa b) et déduction faite de tout montant payable en vertu de l'alinéa c) multiplié par le ratio de répartition.

99.98(3) If the calculation under paragraph (2)(d) results in a negative figure for a member, former member or persons entitled to benefits or payments through a member or former member, the amount payable under that paragraph shall be 0.

99.98(4) If there are insufficient funds to allocate fully, but sufficient funds to allocate partly the amounts provided for under paragraph (2)(a), (b), or (c), as the case may be, the amount to be allocated to each person shall be calculated by multiplying the full amount to which the person would have been entitled by the quotient obtained by dividing the amount of funds available to be allocated to the group under that paragraph by the amount of funds that would be required to allocate fully the amounts to the group under that paragraph.

99.98(5) The amount available at the distribution date for the person entitled to a benefit shall be the amount determined in accordance with subsections (2), (3) and (4), reduced by the amount paid to the member or former member or persons entitled to benefits or payments through the member or former member, between the effective date of the wind-up and the distribution date, adjusted with interest based on the interest rate determined in accordance with paragraph 99.99(3)(c).

99.98(6) If the calculation under subsection (5) results in a negative figure for a person entitled to a benefit, the amount available at the distribution date for that person under that subsection shall be 0.

99.99(1) For the purpose of the wind-up of either pension plan, the commuted value of a benefit as of the effective date of the wind-up, in respect of a member or former member who requires a transfer under paragraph 36(1)(a), shall be determined as if the pension plan were fully funded on a wind-up basis and shall not be less than the amount referred to in paragraph 19(4)(b) of Regulation 91-195 determined as if the transfer occurred on the effective date of the wind-up, or a lesser amount approved by the Superintendent.

99.99(2) For the purpose of the wind-up of either pension plan, the commuted value of a benefit as of the effective date of the wind-up, in respect of a person who is receiving a pension at the wind-up date or in respect of a member or former member who requires a purchase under paragraph 36(1)(b), shall not be less than the sum of the

99.98(3) Si le résultat du calcul effectué en vertu de l'alinéa (2)d) à l'égard d'un participant ou d'un ancien participant ou des personnes qui ont droit aux prestations ou paiements par l'intermédiaire du participant ou de l'ancien participant est négatif, le montant payable en vertu de cet alinéa est 0.

99.98(4) Si les fonds sont insuffisants pour acquitter pleinement les obligations de versement prévues aux alinéas (2)a), b) ou c), selon le cas, mais suffisants pour les acquitter en partie, le montant attribué à chaque personne est fixé en multipliant le plein montant auquel elle aurait eu droit par le quotient obtenu en divisant le montant disponible pour l'ensemble des personnes visées par cet alinéa par le montant qui serait nécessaire pour pleinement acquitter l'obligation de versement à leur égard.

99.98(5) Le montant disponible à la date de répartition des éléments d'actifs pour la personne qui a droit à une prestation est égal au montant fixé en vertu des paragraphes (2), (3) et (4), déduction faite du montant payé au participant, à l'ancien participant ou aux personnes qui ont droit aux prestations ou paiements par l'intermédiaire du participant ou de l'ancien participant entre la date réelle de la liquidation et la date de la répartition des éléments d'actif, majoré des intérêts fixés en vertu de l'alinéa 99.99(3)c).

99.98(6) Si le résultat du calcul effectué en vertu du paragraphe (5) à l'égard d'une personne qui a droit à une prestation est négatif, le montant disponible pour cette personne en vertu de ce paragraphe à la date de la répartition des éléments d'actif est 0.

99.99(1) Aux fins de la liquidation de l'un ou l'autre des régimes de pension, la valeur de rachat d'une prestation à la date réelle de la liquidation, à l'égard d'un participant ou d'un ancien participant qui exige un transfert conformément à l'alinéa 36(1)a) est fixée comme si le régime de pension était entièrement capitalisé en fonction de la liquidation et ne peut être inférieure au montant déterminé à l'alinéa 19(4)b) du Règlement 91-195, cette détermination étant faite comme si le transfert avait eu lieu à la date réelle de la liquidation, sauf si le surintendant a approuvé un montant inférieur.

99.99(2) Aux fins de la liquidation de l'un ou l'autre des régimes de pension, la valeur de rachat d'une prestation à la date réelle de la liquidation, à l'égard d'une personne qui reçoit une pension à cette date ou à l'égard d'un participant ou d'un ancien participant qui exige un achat conformément à l'alinéa 36(1)b) est au moins égale à la

present value of payments made between the effective date of the wind-up and the distribution date, and the present value of the amount required to purchase the annuity referred to in paragraph 19(4)(b) of Regulation 91-195 as at the distribution date, or a lesser amount approved by the Superintendent.

99.99(3) The amounts referred to in subsection (2) shall be determined as follows:

- (a) as if the pension plan were fully funded on a wind-up basis;
- (b) taking into account the survival of the member, former member, or persons entitled to benefits through members or former members, from the effective date of the wind-up to the distribution date;
- (c) using the interest rate that would apply to an annuity purchase referred to in paragraph 19(4)(b) of Regulation 91-195 on the effective date of the wind-up to discount values from the distribution date to the effective date of the wind-up; and
- (d) any other adjustments approved by the Superintendent.

99.991 The allocation ratio referred to in paragraph 99.98(2)(d) is calculated as follows:

- (a) if there are sufficient funds to pay all amounts due under paragraphs 99.98(2)(a), (b), (c), and (d), the ratio is 1;
- (b) if there are insufficient funds to allocate fully, but sufficient funds to allocate partly the amounts provided for under paragraph 99.98(2)(d), the ratio is the percentage required to allocate the remaining funds; and
- (c) if there are no funds remaining after making the allocation due under paragraphs 99.98(2)(a), (b) and (c), the ratio is 0.

99.992 No action for damages or other proceeding shall be instituted against Her Majesty in right of the Province, the Minister, the Superintendent, or the administrator of either pension plan in relation to anything done or purported to be done in good faith, or in relation to anything omitted in good faith, while acting under the authority of

somme de la valeur actuelle des paiements effectués entre la date réelle de la liquidation et la date de la répartition des éléments d'actif et la valeur actuelle du montant requis pour acheter la rente mentionnée à l'alinéa 19(4)b) du Règlement 91-195 à la date de la répartition des éléments d'actif, sauf si le surintendant a approuvé un montant inférieur.

99.99(3) Les montants visés au paragraphe (2) sont fixés :

- a) comme si le régime de pension était entièrement capitalisé en fonction de la liquidation;
- b) en tenant compte du fait que sont vivants ou décédés le participant, l'ancien participant ou les personnes qui ont droit aux prestations ou paiements par l'intermédiaire du participant ou de l'ancien participant à la date réelle de la liquidation jusqu'à la date de la répartition des éléments d'actif;
- c) en se servant du taux d'intérêt applicable à l'achat d'une rente visée à l'alinéa 19(4)b) du Règlement 91-195 à la date réelle de la liquidation pour en actualiser la valeur entre la date de la répartition des éléments d'actif et la date réelle de la liquidation;
- d) en tenant compte de tout autre rajustement approuvé par le surintendant.

99.991 Le ratio de répartition mentionné à l'alinéa 99.98(2)d) est fixé :

- a) à 1, dans le cas où les fonds disponibles sont suffisants pour acquitter pleinement les obligations de versements prévues aux alinéas 99.98(2)a), b), c) et d);
- b) au pourcentage requis pour répartir les fonds disponibles, dans le cas où ils sont insuffisants pour acquitter pleinement les obligations de versement prévues à l'alinéa 99.98(2)d), mais suffisants pour les acquitter en partie;
- c) à 0, dans le cas où il n'y a plus de fonds disponibles une fois la répartition effectuée en vertu des alinéas 99.98(2)a), b) et c).

99.992 Sa Majesté du chef de la province, le Ministre, le surintendant et l'administrateur de l'un ou l'autre des régimes de pension bénéficient de l'immunité au titre des actes accomplis ou censés avoir été accomplis de bonne foi ou des actes omis de bonne foi dans l'exercice des fonctions que leur confère la présente loi ou les règlements

this Act or the regulations with respect to a decrease in the value of the assets in the pension fund of either pension plan.

en ce qui a trait à toute diminution de la valeur du fonds de pension de l'un ou l'autre des régimes de pension.

EXHIBIT “R”

NON-COMPETITION AGREEMENT

THIS AGREEMENT is made as of _____, 2010.

BETWEEN:

FRASER PAPERS INC., a corporation incorporated under the laws of Canada, **FRASER PAPERS LIMITED**, a corporation incorporated under the laws of the State of Maine, **FPS CANADA INC.**, a corporation incorporated under the laws of Canada, **FRASER PAPERS HOLDINGS INC.**, a corporation incorporated under the laws of the State of Delaware, **FRASER TIMBER LIMITED**, a corporation incorporated under the laws of the State of Maine and **FRASER N.H. LLC**, a limited liability company formed under the laws of the State of Delaware (collectively, the "**Vendors**")

- and -

TWIN RIVERS PAPER COMPANY INC., a corporation incorporated under the laws of the Province of Ontario (the "**Canadian Purchaser**") or its designate(s), and **TWIN RIVERS PAPER COMPANY LLC**, a limited liability company formed under the laws of the State of Delaware (the "**U.S. Purchaser**", together with the Canadian Purchaser, "**Newco**")

WHEREAS, pursuant to the terms of the Asset Purchase Agreement, Brookfield agreed to purchase from the Vendors assets pertaining to the Edmundston Mill, the Madawaska Mill, the Juniper Mill and the Plaster Rock Mill (as those terms are defined in the Asset Purchase Agreement) as more fully described in the Asset Purchase Agreement;

AND WHEREAS, Brookfield has designated the Canadian Purchaser as the purchaser of the assets pertaining to the Edmundson Mill, the Juniper Mill and the Plaster Rock Mill and the U.S. Purchaser as the purchaser of the assets pertaining to the Madawaska Mill;

AND WHEREAS, as a condition to the completion of the sale and purchase pursuant to the Asset Purchase Agreement, the Vendors agreed to execute and deliver this Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

Interpretation

1. Definitions: In this Agreement:

“Affiliate” means, with respect to any Person, any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and, for purposes of this definition, “control” means, from time to time (a) the right to exercise more than fifty percent (50%) of the votes exercisable for the election of the directors of a Person (or Persons performing similar functions); and (b) in the case of a limited partnership, control of each of such limited partnership’s general partners; and (c) in the case of a partnership other than a limited partnership, the right to exercise more than fifty percent (50%) of the votes exercisable at any meeting of partners of that partnership; and (d) in the case of any Person, the right to (1) exercise a majority of the voting rights in respect of that Person, (2) otherwise control that Person by virtue of provisions contained in its constitutional documents, or (3) manage all or substantially all of the assets of that Person pursuant to any contract or arrangement; and “Controlled” has a corresponding meaning;

“Agreement” means this Agreement, including its recitals, as amended from time to time.

“Asset Purchase Agreement ” means the Asset Purchase Agreement made as of December 22, 2009 between the Vendors and Brookfield or its designate(s), as amended from time to time.

“Brookfield” means Brookfield Asset Management Inc.

“Business” means the business acquired in connection with the Asset Purchase Agreement, of manufacturing, marketing and/or selling the following paper products or paper grade categories:

- (i) 38 lb and below, white uncoated freesheet printing and writing papers;
- (ii) 40 lb opaque papers used for pharmaceutical inserts;
- (iii) all “hybrid” publishing or converting grades, defined as 10% mechanical fiber content or more, with a basis weight of 42.5 lb and below and 93 brightness and below;
- (iv) 60 lb and below, grease and non-grease resistant, white uncoated and coated packaging papers sold into the packaging market; and
- (v) all white, 80 lb and below, thermal base and pre-coated papers sold into the thermal market

with all basis weights expressed in K units – (25 x 38) 3300 ream size.

“**Confidential Information**” has the meaning set out in Section 6.

“**Person**” means an individual, a partnership, a sole proprietorship, a company, a firm, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a group acting in concert, a Judicial Authority, a Governmental Authority or any other entity or association of any kind.

“**Restricted Names**” means the following grade names and/or grade family names: CUSTOM BRITE, CUSTOM PLUS, CUSTOM SUPREME, CUSTOM SNOWCOTE, PHARMOPAQUE, SNOWBRITE OPAQUE, GORHAM PHARM, MULTIPURPOSE OPAQUE, ACADIA, BLADEPAK, ALLAGASH, BRIDGE SUPREME, BRIDGE OPAQUE, FRONTIER SUPREME, FRONTIER OPAQUE, FRABRITE, HYBRID CONVERTING and ALLIANCE.

“**Subsidiary**” means, with respect to any specified Person, any other Person of which such specified Person is, at the time, directly or indirectly, (a) owns at least 50% of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally, (b) holds at least 50% of the partnership, limited liability company, joint venture or similar interests, or (c) is a general partner, managing member or joint venturer.

“**Term**” means the period of five (5) years immediately following the date of this Agreement.

2. Extended Meanings. In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

Non-Competition and Non-Solicitation

3. During the Term each of the Vendors will not, without the prior written consent of Newco, which consent may be withheld in Newco’s sole and absolute discretion, on its own behalf or on behalf of or in connection with any Person, directly or indirectly, either individually or in partnership, jointly or in conjunction with any person as owner, principal, agent, investor (other than a holding of shares listed on a stock exchange that does not exceed 5% of the shares so listed) or in any other manner or capacity whatsoever, within North America:
 - (a) carry on, engage in or be concerned with or interested in or be otherwise commercially involved in any endeavour, activity or any business or enterprise identical to, substantially similar to, competing with or related in any way whatsoever to the Business;
 - (b) use or permit the use of any and all Restricted Names;

- (c) solicit, endeavour to solicit or gain the business of, canvass or interfere with the relationship of Newco with any person that was a customer of any Vendor in relation to the Business prior to the date hereof; or
 - (d) canvass, solicit, endeavour to solicit or gain the business of, or interfere with the business of Courier Corporation, Appleton Papers Inc. and Da-Lite.
4. During the Term no party will induce any employee of another party to leave his or her employment or employ or attempt to employ or assist any person to employ any employee of another party, without the prior written consent of such other party.

Non-Interference.

5. Each Vendor shall not on its own behalf or on behalf of or in connection with any other Person, directly, or indirectly, in any capacity whatsoever including as an employer, employee, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, licensor, licensee, franchiser, franchisee, distributor, consultant, supplier or trustee or by and through any corporation, cooperative, partnership, trust, unincorporated association or otherwise, interfere or attempt to interfere with the Business or persuade or attempt to persuade any customer, prospective customer, employee or supplier of Newco or its Affiliates to discontinue or alter in an adverse manner such person's relationship with Newco or its Affiliates.

Confidentiality

6. (1) The Vendors acknowledge that any confidential information relating to the Business including information relating to business plans and ideas, trade secrets, invention, processes, methods, know-how, policies, materials, results of operations, financial, technical, commercial and statistical information, personnel data and customer, supplier and price lists and promotion, marketing, sale and distribution strategies (the "**Confidential Information**") which a Vendor has is valuable, important and essential for Newco and its Subsidiaries and, accordingly, each Vendor will not, and will not allow any of their respective representatives to, without the prior written consent of Newco, which consent maybe withheld in Newco's sole and absolute discretion, directly or indirectly, for any purpose, at any time, make public, disclose, divulge, reveal, furnish, transfer, sell, release or otherwise make available to any person any of the Confidential Information or otherwise use or allow any of the Confidential Information to be used for any purpose.
- (2) The obligations of the Vendors under Section 6(1) of this Agreement do not apply to Confidential Information:
- (a) which is made readily available or becomes available to the general public by Newco;

- (b) which is subsequently lawfully and in good faith obtained by a Vendor without breach of this Agreement from an independent third party not known by the Vendor, after reasonable enquiry, to be bound by any contractual or legal obligation of confidentiality to Newco;
- (c) which a Vendor and its Affiliates and their respective employees must use in connection with the performance of an agreement with Newco; and
- (d) in the event a Vendor is required to disclose pursuant to a valid order of a governmental authority or under applicable laws including the rules and regulations of any applicable stock exchange or securities commission (which for greater certainty includes disclosure required by any Affiliate of the recipient); provided, however, that the Vendor first has given notice to Newco of any request or demand made with respect to the disclosure of such Confidential Information and, where practicable and to the extent applicable, Newco has been given an opportunity to seek an appropriate protective order or other remedy and/or waive compliance with the terms of this Agreement and the Vendors will not oppose any action by Newco which seeks such a protective order or other remedy and if failing the obtaining of a protective order or other remedy, such disclosure is required of the Confidential Information, the Vendors will use their best efforts to ensure that disclosure will be afforded confidential treatment.

General

Reasonableness of Terms and Conditions.

7. The parties hereby acknowledge that:
- (a) the terms and conditions hereof are fair and reasonable as to their scope, duration, territory and the consequences of any breach thereof;
 - (b) the terms and conditions hereof are necessary to protect Newco and the value of the Business;
 - (c) the Business is carried on throughout North America and the Business is interested in and solicits or canvasses opportunities throughout North America; and
 - (d) the duration of the Term will be extended for a period which equals the time period during which any Vendor or its Affiliate is in breach of any of the provisions of this Agreement.

Reasonableness.

8. The Vendor expressly acknowledges that this Agreement is reasonable and valid in all respects and irrevocably waives (and irrevocably agrees not to raise) as a defence any

issue of reasonableness (including the reasonableness of the Territory or the duration and scope of this Agreement) in any proceeding to enforce any provision of this Agreement.

Validity and Enforceability

9. The invalidity or unenforceability of any provision or part of any provision of this Agreement will not affect the validity or enforceability of any other provision or the non-impugned part of a provision hereof, and any such invalid or unenforceable provision or part thereof will be deemed to be separate, severable and distinct. Should any provision or part of any provision herein contained be determined by a court having jurisdiction to be void, voidable or unenforceable due to the nature of the activities involved, the geographic territory involved or the Term the parties will negotiate in good faith to amend the provisions hereof concerning the activities or geographic territory in question or the Term it being understood that any provision hereof which is so amended will bind the parties and be fully enforceable.

Notification

10. The Vendor shall immediately notify the Purchaser of any violation, contravention or breach of this Agreement as soon as it becomes aware of any such event.

Benefit of the Agreement

11. This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

Assignment/Successors

12. Without the other party's written consent, this Agreement and the rights and obligations of the parties hereunder will not be assignable by either party, provided however that Newco may assign its rights and obligations hereunder to any Affiliate without consent. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto. The Vendors undertake and agree that they will not sell the assets known as the Gorham Mill (as such term is defined in the Asset Purchase Agreement), or any substantial portion thereof, unless the Purchaser has entered into a Non-Competition Agreement with Newco, on terms substantially similar hereto, with respect to goods produced at the Gorham Mill.

Entire Agreement

13. This Agreement may not be assigned by any Vendor without prior written consent of Newco, which consent may be withheld in Newco's sole and absolute discretion. Fraser N.H. LLC may not sell a substantial part of its assets to a third party, without the prior written consent of Newco, unless and until such third party agrees with Newco to assume the obligations of Fraser N.H. LLC under this Agreement except that the obligations under section 3 (a), 3 (c) and 3 (d) shall be assumed only in respect of sales and

operations with regard to the paper mill in Gorham, New Hampshire. Newco may assign its rights and obligations under this Agreement to a purchaser of the Business or an Affiliate without the Vendors' consent.

Non-Merger

14. Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the closing of the transaction contemplated under the Asset Purchase Agreement and, notwithstanding such closing, or any investigation made by or on behalf of any Party, shall continue in full force and effect. Such closing shall not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Amendments and Waivers

15. No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

Notices

16. Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

To the Vendors:

Attention:

Phone:

Fax:

Email:

To Newco:

Attention:

Phone:

Fax:

Email:

or to such other address, individual or electronic communication number as may be designated by notice given by any party to the others. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been

given on the day of actual delivery thereof and, if given by registered mail, on the fifth business day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

Governing Law

17. This Agreement will be governed by and construed in accordance with the laws of the State of Maine.

Attornment

18. For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the State of Maine and the courts of the State of Maine will have jurisdiction to entertain any action arising under this Agreement. The parties hereby attorn to the jurisdiction of the courts of the State of Maine.

Specific Performance and other Equitable Rights

19. Each of the parties recognizes, acknowledges and agrees that a breach by a party of any obligation in this Agreement will cause the other parties to sustain injury for which they would not have an adequate remedy at law for money damages. Therefore, each of the parties agrees that in the event of any such breach the non-defaulting party will be entitled to specific performance and provisional interlocutory and permanent injunctive relief and other equitable remedies in addition to any other remedy to which it may be entitled, at law or in equity, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive relief or other equitable remedies.

Time of the Essence

20. Time shall be of the essence of this Agreement.

Counterparts

21. This Agreement may be executed in one or more counterparts, each of which will conclusively be deemed to be an original but all of which taken together will be deemed to constitute one and the same agreement. A facsimile transmission or other means of electronic communication including a PDF copy of the Agreement bearing a signature on behalf of a party will be legal and binding on such party.

[Remainder of the Page Intentionally Left Blank - Signature Page follows]

IN WITNESS WHEREOF the parties have duly executed this Agreement.

FRASER PAPERS INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FRASER PAPERS LIMITED

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FPS CANADA INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FRASER PAPERS HOLDINGS INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FRASER TIMBER LIMITED

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FRASER N.H. LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**TWIN RIVERS PAPER COMPANY
INC.**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**TWIN RIVERS PAPER COMPANY
LLC**

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT “S”

CUSTOM PRODUCTION AGREEMENT

THIS AGREEMENT is made as of _____, 2010

BETWEEN:

FRASER N.H. LLC, a limited liability company
formed under the laws of the State of Delaware
("Gorham")

- and -

TWIN RIVERS PAPER COMPANY LLC, a
limited liability company formed under the laws
of the State of Delaware (the "Supplier")

WHEREAS, pursuant to the terms of a Non-Competition Agreement, the parties agreed that Gorham will not produce, among other things, the Products without the prior written consent of the Supplier;

AND WHEREAS the Supplier may, from time to time, not have the capacity to produce all its requirements of the Products;

AND WHEREAS the Supplier wishes to engage Gorham to produce for and sell to the Supplier the Products;

NOW THEREFORE in consideration of the covenants and agreements herein contained, the parties agree as follows:

Interpretation

1. Definitions. In this Agreement:

"Affiliate" means, with respect to any Person, any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and, for purposes of this definition, "control" means, from time to time (a) the right to exercise more than fifty percent (50%) of the votes exercisable for the election of the directors of a Person (or Persons performing similar functions); and (b) in the case of a limited partnership, control of each of such limited partnership's general partners; and (c) in the case of a partnership other than a limited partnership, the right to exercise more than fifty percent (50%) of the votes exercisable at any meeting of partners of that partnership; and (d) in the case of any Person, the right to (1) exercise a majority of the voting rights in respect of that Person, (2) otherwise control that Person by virtue of provisions contained in its constitutional documents, or (3) manage all or substantially

all of the assets of that Person pursuant to any contract or arrangement; and “Controlled” has a corresponding meaning.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Business Day**” means any day of the year other than (a) any Saturday or Sunday, or (b) any other day on which the banks located in the State of Maine are required or authorized by Law to be closed for business.

“**Confidential Information**” has the meaning set out in Section 22.

“**Forecast**” has the meaning set out in Section 6.

“**Forecasted Grade Block**” means a block of tons in the Gorham machine schedule for which both the volume and pricing has been approved by Gorham and into which orders can be scheduled.

“**Force Majeure**” has the meaning set out in Section 23.

“**Labeling Standards**” means the labeling standards attached as Schedule A.

“**Losses**” means all damages, fines, losses, liabilities, costs and expenses arising from any action, suit, proceeding or other claim or demand.

“**Mill**” means the paper mill owned and operated by Gorham at 72 Cascade Flats, Gorham, New Hampshire.

“**Non-Competition Agreement**” means the non-competition agreement made as of April _____, 2010, between, among others, the parties hereto, as amended from time to time.

“**Notification**” has the meaning set out in Section 7.

“**Order**” has the meaning set out in Section 12.

“**Person**” means an individual, a partnership, limited partnership, a sole proprietorship, a company, a firm, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a group acting in concert, a judicial authority, a governmental authority or any other entity or association of any kind.

“**Products**” means the following paper products or paper grade categories:

- (i) 38 lb and below, white uncoated freesheet printing and writing papers;
- (ii) 40 lb opaque papers used for pharmaceutical inserts;

- (iii) all “hybrid” publishing or converting grades, defined as 10% mechanical fiber content or more, with a basis weight of 42.5 lb and below and 93 brightness and below;
- (iv) 60 lb and below, grease and non-grease resistant, white uncoated and coated packaging papers sold into the packaging market; and
- (v) all white, 80 lb and below, thermal base and pre-coated papers sold into the thermal market

with all basis weights expressed in K units – (25 x 38) 3300 ream size.

“**Purchase Order**” has the meaning set out in Section 10.

“**Quality and Claims Guidelines**” means the guidelines attached as Schedule B.

“**Specifications**” means the Supplier’s specifications for each of the Products attached as Schedule C.

“**Standard Trade Tolerances**” means the trade tolerances set out in Schedule D.

“**Term**” means the five (5) years immediately following the date of the Non-Competition Agreement.

2. Extended Meanings. In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

Custom Production Services

3. Gorham will produce and sell Products to the Supplier, and the Supplier will order Products from Gorham, upon and subject to the terms and conditions herein contained.
4. Gorham will produce the Products at the Mill in accordance with the applicable Specifications.
5. (1) Gorham will label all rolls of Products with labels and markings as specified in the Labeling Standards.

(2) Nothing in this Agreement will give or be deemed to give Gorham any right, title or interest in or to any trade mark, service mark, copyright or other intellectual property right held or used by the Supplier.

Forecasts and Notifications

6. On the date hereof, the Supplier will provide Gorham with a written forecast of the volume and pricing of its estimated requirements of Products from Gorham for the immediately following three months (each a "Forecast"). On the first Business Day of every month thereafter, the Supplier will provide Gorham with a revised written Forecast of the volume and pricing of its estimated requirements of Products from Gorham for the immediately following three months. For clarity, Forecasts will be for information purposes only and not a commitment by the Supplier to purchase any Products whatsoever.
7. Within five (5) Business Days of receiving a Forecast, Gorham will inform the Supplier in writing of the volume of Products included in the Forecast that Gorham will be able to supply (a "Notification"). A Notification will be for information purposes only and shall not be a commitment by Gorham to supply (or not supply) any of the Products whatsoever.
8. If at any time after a Notification is provided but before the next Forecast is received, Gorham, acting reasonably, determines that it will not be able to supply all amounts included in the most recent Notification, it will inform the Supplier in writing as soon as practicable and in any event within two (2) Business Days of such determination.
9. If at any time after a Notification is received but before the next Forecast is provided, the Supplier, acting reasonably, determines that it will no longer be purchasing all amounts included in the most recent Notification, it will inform Gorham as soon as practicable and in any event within two (2) Business Days of such determination.

Purchase Orders and Confirmed Orders

10. The Supplier will deliver to Gorham from time to time written purchase orders ("Purchase Orders") for Products to be supplied by Gorham. The Supplier will use reasonable efforts to place orders for Products that are consistent with the order volumes and pricing of Products provided in the Forecasts.
11. Gorham will determine whether or not it will accept a Purchase Order from the Supplier within two (2) Business Days of receiving the Purchase Order. Promptly thereafter, Gorham will deliver notice of its decision to the Supplier. Gorham will use reasonable efforts to accept all Purchase Orders that are consistent with the Forecasts. If a Purchase Order is not rejected within two (2) Business Days, it shall be deemed to have been rejected by Gorham.
12. Upon acceptance of a Purchase Order, Gorham will schedule the manufacture of the Products specified in that Purchase Order (now an "Order") into a Forecasted Grade

Block. An Order will represent a binding commitment to manufacture the [Products] set out therein by Gorham and a binding commitment to purchase the [Products] set out therein by the Supplier, subject to any changes which may be requested by the Supplier prior to the last date of change ("LDC"). The LDC for an Order scheduled into a Forecasted Grade Block is seven (7) days prior to the scheduled date of manufacture of the Order or such other time period as may be agreed between the Supplier and Gorham.

13. The Supplier will deliver Purchase Orders for all of its requirements of the Products to Gorham. Gorham may, acting reasonably, refuse to accept any such Purchase Order due to its inability to fulfill that Purchase Order. If Gorham refuses to accept a Purchase Order on the basis of pricing, the Supplier may order the Products from a third party on such terms as it deems necessary in its sole discretion, provided that the cost of such order may not exceed \$20 per ton above the pricing which was offered to Gorham.
14. Gorham is responsible for all overrun and underrun paper outside the Standard Trade Tolerances. However, the Supplier will use reasonable efforts to place Purchase Orders for such paper as first quality.

Inspections

15. Gorham will give the representatives of the Supplier reasonable access, upon reasonable notice during normal business hours, to the Mill for the purpose of monitoring Gorham's compliance with its requirements set forth in this Agreement.

Warranties

16. Each party hereby represents and warrants that it has full legal right and authority to enter into this Agreement and to perform its obligations hereunder. It is understood that the delivery of a Purchase Order by the Supplier constitutes its prior written consent for the production and sale to the Supplier of the specified Product by Gorham. Nothing in this Agreement constitutes or will be deemed to constitute a waiver of the obligations of Gorham under the Non-Competition Agreement except as expressly provided herein and in any Purchase Order delivered pursuant hereto.
17. Gorham represents and warrants that the Products will conform to the Specifications and be labeled as required in the Labeling Standards.
18. Gorham will be responsible for the cost associated with handling all quality claims relating to the Products in accordance with the Quality and Claims Guidelines.

Term and Termination

19. Subject to the provisions of Section 20, the term of this Agreement will commence on the date hereof and continue for a period of five (5) years and then for successive periods of six months thereafter until terminated by Gorham or the Supplier.
20. This Agreement may be terminated immediately by either party if the other party commits a breach of any provision of this Agreement and such breach continues for 30 days following a written request to cure that breach.
21. Notwithstanding the termination of this Agreement, the provisions of Sections 22, 24 and 25 will remain in force for the benefit of the parties.

Confidentiality

22. (1) Each party acknowledges that any confidential information relating to the business of the other party including, without limitation, information relating to business plans and ideas, trade secrets, invention, processes, methods, know-how, policies, materials, results of operations, financial, technical, commercial and statistical information, personnel data and customer, supplier and price lists and promotions, marketing, sale and distribution strategies (the "**Confidential Information**") is valuable, important and essential for the other party and, accordingly, the recipient of the Confidential Information will not, and will not allow any of its representatives to, without the prior written consent of the disclosing party, directly or indirectly, for any purpose, at any time, make public, disclose, divulge, reveal, furnish, transfer, sell, release or otherwise make available to any person any of the Confidential Information belonging to the other party or otherwise use or allow any of such Confidential Information to be used for any purpose.
- (2) The obligations of the recipient of Confidential Information under Section 22(1) of this Agreement do not apply to Confidential Information:
 - (a) which is made readily available or becomes available to the general public by the recipient;
 - (b) which is subsequently lawfully and in good faith obtained by the recipient without breach of this Agreement from an independent third party not known by the recipient, after reasonable enquiry, to be bound by any contractual or legal obligation of confidentiality to the disclosing party;
 - (c) which the recipient and its Affiliates and their respective employees must use in connection with the performance of an agreement with the disclosing party; and
 - (d) in the event the recipient is required to disclose Confidential Information pursuant to a valid order of a governmental authority or under applicable laws including the rules and regulations of any applicable stock exchange or securities

commission (which for greater certainty includes disclosure required by any Affiliate of the recipient); provided, however, that the recipient first has given notice to the disclosing party of any request or demand made with respect to the disclosure of such Confidential Information and, where practicable and to the extent applicable, the disclosing party has been given a timely opportunity to seek an appropriate protective order or other remedy and/or waive compliance with the terms of this Agreement and the recipient will cooperate with the disclosing party in seeking such a protective order or other remedy and not oppose any action by the disclosing party which seeks such a protective order or other remedy and if failing the obtaining of a protective order or other remedy, such disclosure is required of the Confidential Information, the recipient will its reasonable efforts (not involving the expenditure of money or the commencement of litigation) to ensure that disclosure will be afforded confidential treatment.

Limitations and Indemnification

23. Force Majeure: Neither party will bear any responsibility or liability for any losses arising out of any delay, inability to perform, or interruption of its performance of obligations under this Agreement due to events beyond its reasonable control (hereinafter referred to as "**Force Majeure**"), including act of God, act of governmental authority, act of the public enemy, or due to war, riot, flood, civil commotion, insurrection, labour difficulty, severe or adverse weather conditions, lack of or shortage of electrical power, malfunctions of equipment or software programs, or any other cause beyond the reasonable control of the party whose performance is affected by the Force Majeure event.
24. Gorham will indemnify and hold harmless the Supplier and its officers, directors, employees and agents from and against all Losses resulting directly from the acts or omissions of Gorham in connection with the provision of Products under this Agreement, except to the extent that such Losses result from the willful misconduct or gross negligence of the Supplier or any of its officers, directors, employees or agents. The Supplier will notify Gorham as soon as reasonably practicable of any claim or demand for which the Supplier will require such indemnification from Gorham. The Supplier will provide Gorham with reasonable information and reasonable assistance for Gorham to defend such claim or demand at Gorham's cost.
25. The Supplier will indemnify and hold harmless Gorham and its officers, directors, employees and agents from and against all Losses resulting from Gorham's compliance with the terms of this Agreement including Losses arising from breach of any intellectual property right of a third party, except to the extent that such Losses result from the willful misconduct or gross negligence of the Supplier or any of its officers, directors, employees or agents. Gorham will notify the Supplier as soon as reasonably practicable of any claim

or demand for which Gorham will require indemnification from the Supplier. Gorham will provide the Supplier with reasonable information and reasonable assistance for the Supplier to defend such claim or demand at the Supplier's cost.

Status of Parties

26. None of the provisions of this Agreement is intended to create nor will it be deemed or construed to create any relationship between Gorham and the Supplier other than that of independent entities contracting with each other under this Agreement solely for the purpose of effecting the provisions of this Agreement.

General

27. Entire Agreement: This Agreement and the Non-Competition Agreement constitutes the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations among the parties hereto with respect to the subject matter hereof.
28. Notices: All notices, requests, demands and other communications required or permitted to be given under this Agreement will be deemed to have been duly given if in writing sent via first-class, postage prepaid, registered or certified mail (return receipt requested), or by overnight delivery service or by electronic means of communication addressed as follows:

If to Gorham:

Phone:

Fax:

Email:

If to the Supplier:

Phone:

Fax:

Email:

or to such other address to which the communications are to be directed to it by giving notice to the other parties in the manner provided in this Section 28. Notice by mail will be deemed given and received on the third calendar day after posting. Notice by

overnight delivery service, electronic transmission or personal delivery will be deemed given on the date of actual delivery.

29. **Transfer and Assignment/Successors:** Without the other party's written consent, this Agreement and the rights and obligations of the parties hereunder will not be assignable by either party, provided however that the Supplier may assign its rights and obligations hereunder to any Affiliate without consent. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto.
30. **No Third Party Rights:** Except as specifically provided herein, the provisions of this Agreement are intended to bind the parties to each other and are not intended and do not create rights in any other person, and no person is intended to be or is a third party beneficiary of any of the provisions in this Agreement.
31. **Governing Law:** This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Maine.
32. **Attornment:** For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the State of Maine and the courts of the State of Maine will have jurisdiction to entertain any action arising under this Agreement. The parties hereto each attorn to the jurisdiction of the courts of the State of Maine.
33. **Amendments:** No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
34. **Counterparts:** This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
35. **Facsimiles:** Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.
36. **Time is of the essence:** Time is in all respects of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.
37. **Schedules:** The Schedules attached hereto are incorporated in and form part of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

FRASER N.H. LLC

By: _____

Name:

Title:

By: _____

Name:

Title:

TWIN RIVERS PAPER COMPANY LLC

By: _____

Name:

Title:

By: _____

Name:

Title:

[Signature Page to Custom Production Agreement]

SCHEDULE A
LABELING STANDARDS

SCHEDULE B
QUALITY AND CLAIMS GUIDELINES

SCHEDULE C
SPECIFICATIONS

SCHEDULE D
STANDARD TRADE TOLERANCES

EXHIBIT “T”

SALES AGENCY AGREEMENT

THIS AGREEMENT is made as of _____, 2010

BETWEEN:

FRASER TIMBER LIMITED, a corporation
incorporated under the laws of the State of Maine
("Fraser")

- and -

TWIN RIVERS PAPER COMPANY INC., a limited
liability company formed under the laws of the
State of Delaware ("Newco").

WHEREAS Fraser produces the Products at the Mills;

AND WHEREAS Newco produces lumber products at its mills in Plaster Rock and
Juniper, New Brunswick and has a sales force skilled in the sale of lumber products;

AND WHEREAS Fraser wishes to appoint Newco as a non-exclusive sales
representative for the sale of the Products;

NOW THEREFORE, in consideration of the covenants and agreements herein contained,
the parties agree as follows:

Interpretation

1. Definitions. In this Agreement:

"Affiliate" means, with respect to any Person, any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and, for purposes of this definition, "control" means, from time to time (a) the right to exercise more than fifty percent (50%) of the votes exercisable for the election of the directors of a Person (or Persons performing similar functions); and (b) in the case of a limited partnership, control of each of such limited partnership's general partners; and (c) in the case of a partnership other than a limited partnership, the right to exercise more than fifty percent (50%) of the votes exercisable at any meeting of partners of that partnership; and (d) in the case of any Person, the right to (1) exercise a majority of the voting rights in respect of that Person, (2) otherwise control that Person by virtue of provisions contained in its constitutional documents, or (3) manage all or substantially all of the assets of that Person pursuant to any contract or arrangement; and "Controlled" has a corresponding meaning.

“Agreement” means this agreement, including its recitals, as amended from time to time.

“Confidential Information” has the meaning set out in Section 16.

“Force Majeure” has the meaning set out in Section 17.

“Mills” means the mills owned by Fraser in Ashland and Masardis, Maine.

“Permitted Purpose” has the meaning set out in Section 16.

“Person” means an individual, a partnership, limited partnership, a sole proprietorship, a company, a firm, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a group acting in concert, a judicial authority, a governmental authority or any other entity or association of any kind.

“Products” means dimension and stud lumber products produced by Fraser at the Mills. For greater certainty, the term “Products” does not include any biomass (bark), woodchips, sawdust or shavings produced at the Mills.

“Purchase Orders” means purchase orders issued by customer’s of Fraser for the purchase of the Products.

“Territory” means North America.

2. Extended Meanings. In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

Appointment

3. Fraser hereby appoints Newco as its non-exclusive sales representative for the solicitation of Purchase Orders throughout the Territory, and Newco accepts this appointment, upon and subject to the terms and conditions herein contained.
4. Newco’s authority under this Agreement is to solicit Purchase Orders within the Territory. Except as expressly provided in this Agreement, Newco has no authority, and will not represent that it has authority, to make or enter into any agreement or to incur any indebtedness on behalf of Fraser. Until such time as a Purchase Order is accepted by Fraser, it shall have no binding effect.

General Responsibilities

5. At all times Newco will, as Fraser's non-exclusive sales representative:
 - (a) diligently solicit Purchase Orders in the Territory;
 - (b) maintain in the Territory adequately trained employees knowledgeable of the Products as is reasonably necessary to perform its obligations under this Agreement;
 - (c) participate, as is appropriate and in compliance with legal requirements, in promotion and marketing programs and trade shows, where such participation will promote the Products;
 - (d) provide Fraser with periodic reports of the activities of Newco in the Territory identifying, among other things, actual and prospective purchasers of the Products and any other information regarding market conditions and product performance as Fraser may reasonably request; and
 - (e) notify Fraser promptly of any actual or potential claim against Fraser.
6. At all times, Fraser will support marketing of the Products by:
 - (a) providing Newco with information daily regarding the type of Products available for sale on a current or future basis;
 - (b) keeping Newco informed of specification changes in the Products;
 - (c) fulfilling all delivery conditions on Purchase Orders presented by Newco and accepted by Fraser; and
 - (d) responding in a timely manner to any quality issue raised by Newco or a customer solicited through Newco.

Purchase Orders

7. Newco will solicit Purchase Orders solely on the basis of Fraser's standard terms and conditions of sale, including list prices and allowable pricing ranges acceptable to Newco. Newco will present only Purchase Orders that fit the available and forecasted Products and approved pricing ranges, as provided to Newco by Fraser from time to time.
8. Within one business day (or such amount of time as Newco and Fraser may agree) after Newco has obtained a signed Purchase Order from a prospective customer, Newco will deliver the Purchase Order to Fraser for review and approval. Newco will include any

additional information regarding the prospective customer or the Purchase Order that Fraser reasonably may request.

9. Fraser will determine whether or not it will accept a Purchase Order within one (1) business day of receiving the Purchase Order and any requested additional information from Newco. Promptly thereafter Fraser will deliver notice of its decision to Newco. If Fraser does not reject a Purchase Order within such time, it shall have been deemed to have rejected such Purchase Order.
10. Fraser will carry out all Purchase Orders accepted by Fraser.

Fee and Expenses

11. For its services as sales representative under this Agreement, Fraser will pay Newco the following amounts:
 - (a) a fee of US\$5,000 per month; and
 - (b) all out-of-pocket expenses incurred by Newco in connection with the solicitation of Purchase Orders.
12. Newco will invoice Fraser on or before the 15th day of each month for the fee and out-of-pocket expenses set out in Section 11 incurred by Newco during the immediately preceding month. Fraser will pay the invoiced amount within 14 days by cheque or wire transfer in immediately available funds to an account designated by Newco from time to time.
13. Newco will maintain appropriate books of account and records with respect to matters related to its services as sales representative under this Agreement. Newco will give the auditors of Fraser reasonable access, upon reasonable notice during normal business hours, and subject to the Confidentiality provisions hereof, to those books of account and records.

Term and Termination

14. Subject to the provisions of Section 15, the term of this Agreement will commence on the date of this Agreement and continue for a period of six months and thereafter on a month-to-month basis until terminated by Fraser or Newco giving the other 30 days prior written notice of termination.
15. (1) This Agreement may be terminated by written notice having immediate effect if Fraser and Newco are no longer Affiliates or a substantial part of the assets of either Fraser or Newco are sold to a third party.

(2) Notwithstanding the termination of this Agreement, the provisions of Section 11 (in respect of the period preceding termination) and 16 will remain in force for the benefit of the parties.

Confidentiality

16. During the term of this Agreement and thereafter, the parties will maintain in confidence and not disclose the other party's Confidential Information (as defined below), using the same degree of care, but no less than reasonable care, as they use to protect their own confidential information of like nature. For the purposes of this Agreement, **"Confidential Information"** means information concerning a party and its business and affairs that is furnished to another party in connection with the performance of this Agreement.
17. The recipient may disclose Confidential Information only:
 - (a) to the extent that it is made readily available or becomes available to the general public by the recipient;
 - (b) which is subsequently lawfully and in good faith obtained by the recipient without breach of this Agreement from an independent third party not known by the recipient, after reasonable enquiry, to be bound by any contractual or legal obligation of confidentiality to the disclosing party;
 - (c) to its Affiliates and their respective employees or contractors who have a need to know such information for the Permitted Purpose; or
 - (d) to the extent the recipient can demonstrate that such disclosure is required pursuant to a valid order of a governmental authority or under applicable laws including the rules and regulations of any applicable stock exchange or securities commission (which for greater certainty includes disclosure required by any Affiliate of the recipient); provided, however that the recipient first has given notice to the disclosing party of any request or demand made with respect to the disclosure of such Confidential Information and, where practicable and to the extent applicable, the recipient has been given an opportunity to seek an appropriate protective order or other remedy and/or waive compliance with the terms of this Agreement and the recipient will not oppose any action by the disclosing party to seek such a protective order or other remedy and if failing the obtaining of a protective order or other remedy, such disclosure is required of the Confidential Information, the recipient will its reasonable efforts (not involving the expenditure of money or the commencement of litigation) to ensure that disclosure will be afforded confidential treatment.

Limitations and Indemnification

18. Force Majeure: Neither party will bear any responsibility or liability for any losses arising out of any delay, inability to perform, or interruption of its performance of obligations under this Agreement due to events beyond its reasonable control (hereinafter referred to as "**Force Majeure**"), including act of God, act of governmental authority, act of the public enemy, or due to war, riot, flood, civil commotion, insurrection, labour difficulty, severe or adverse weather conditions, lack of or shortage of electrical power, malfunctions of equipment or software programs, or any other cause beyond the reasonable control of the party whose performance is affected by the Force Majeure event.
19. LIMITATION OF LIABILITY. IN NO EVENT WILL EITHER PARTY BE LIABLE HEREUNDER TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE, INCLUDING LOST BUSINESS REVENUE, LOSS OF PROFITS, LOSS OF DATA, FAILURE TO REALIZE EXPECTED PROFITS OR SAVINGS, CLAIMED, INCURRED OR SUFFERED BY THE OTHER PARTY (EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS) RESULTING FROM OR ARISING IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT OR ANY OBLIGATION HEREUNDER, HOWSOEVER CAUSED. THE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS IN THIS AGREEMENT WILL APPLY IRRESPECTIVE OF THE NATURE OF THE CAUSE OF ACTION, DEMAND OR CLAIM INCLUDING BREACH OF CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY AND WILL SURVIVE A FUNDAMENTAL BREACH OR THE FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT.

Status of Parties

20. None of the provisions of this Agreement is intended to create nor will it be deemed or construed to create any relationship between Fraser and Newco other than that of independent entities contracting with each other under this Agreement solely for the purpose of effecting the provisions of this Agreement.

Warranties

21. Each party hereby represents and warrants that it has full legal right and authority to enter into this Agreement and to perform its obligations hereunder.

General

22. Entire Agreement: This Agreement constitutes the entire understanding and agreement of the parties hereto and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations among the parties hereto.

23. Notices. All notices, requests, demands and other communications required or permitted to be given under this Agreement will be deemed to have been duly given if in writing sent via first-class, postage prepaid, registered or certified mail (return receipt requested), or by overnight delivery service or by electronic means of communication addressed as follows:

To Fraser:

Attention:

Phone:

Fax:

Email:

To Newco:

Attention:

Phone:

Fax:

Email:

or to such other address to which the communications are to be directed to it by giving notice to the other party in the manner provided in this Section 22. Notice by mail will be deemed given and received on the third calendar day after posting. Notice by overnight delivery service, electronic transmission or personal delivery will be deemed given on the date of actual delivery.

24. Transfer and Assignment/Successors: Without the other party's written consent, this Agreement and the rights and obligations of the parties hereunder will not be assignable by either party, provided however that Newco may assign its rights and obligations hereunder to any Affiliate without consent. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto.
25. No Third Party Rights: Except as specifically provided herein, the provisions of this Agreement are intended to bind the parties to each other and are not intended and do not create rights in any other person and no person is intended to be or is a third party beneficiary of any of the provisions in this Agreement.
26. Non-Solicitation: Neither party will induce any current employee of the other party to leave his or her employment or employ or attempt to employ or assist any person to employ any employee of the other party, without the prior written consent of the other party; provided however, that the foregoing will not prevent either party from hiring any

such person: (i) who contacts such party on his or her own initiative without any direct or indirect solicitation or encouragement from such party (it being understood that a bona fide public advertisement for employment placed by such party and not specifically targeted at the employees of the other party shall not constitute direct or indirect solicitation or encouragement), or (ii) who has been terminated by the other party.

27. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Maine.
28. Attornment. For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the State of Maine and the courts of the State of Maine will have jurisdiction to entertain any action arising under this Agreement. The parties hereby attorn to the jurisdiction of the courts of the State of Maine.
29. Amendments: No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
30. Counterparts. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.
31. Time is of the essence: Time is in all respects of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.

[Signature page to follow]

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

FRASER TIMBER LIMITED

By: _____

Name:

Title:

By: _____

Name:

Title:

TWIN RIVERS PAPER COMPANY INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

EXHIBIT “U”

FPI/NEWCO

TRANSITIONAL SERVICES AGREEMENT

THIS AGREEMENT is made as of _____, 2010

BETWEEN:

FRASER PAPERS INC., a corporation
incorporated under the laws of Canada (the
"Customer")

- and -

TWIN RIVERS PAPER COMPANY INC., a
corporation incorporated under the laws of the
Province of Ontario (the "Supplier").

WHEREAS, pursuant to the terms of an Asset Purchase Agreement made as of December 22, 2009 (the "Asset Purchase Agreement"), Brookfield Asset Management Inc. (which assigned its rights and obligations thereunder to the Supplier) agreed to purchase from FPI and certain of its subsidiaries assets pertaining to the Edmundston Mill, the Madawaska Mill, the Juniper Mill and the Plaster Rock Mill (as those terms are defined in the Asset Purchase Agreement), including systems and personnel used to provide services to operations maintained by the Customer;

AND WHEREAS, Brookfield Asset Management Inc. has designated the Supplier as the purchaser of the Canadian Purchased Assets (as that term is defined in the Asset Purchase Agreement);

AND WHEREAS, as a condition to the completion of the sale and purchase pursuant to the Asset Purchase Agreement, the Supplier agreed to execute and deliver this Agreement to provide transitional services to the Customer;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

Interpretation

1. Definitions. In this Agreement:

"Affiliate" means, with respect to any Person, any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and, for purposes of this definition, "control" means, from time to time (a) the right to exercise more than fifty percent

(50%) of the votes exercisable for the election of the directors of a Person (or Persons performing similar functions); and (b) in the case of a limited partnership, control of each of such limited partnership's general partners; and (c) in the case of a partnership other than a limited partnership, the right to exercise more than fifty percent (50%) of the votes exercisable at any meeting of partners of that partnership; and (d) in the case of any Person, the right to (1) exercise a majority of the voting rights in respect of that Person, (2) otherwise control that Person by virtue of provisions contained in its constitutional documents, or (3) manage all or substantially all of the assets of that Person pursuant to any contract or arrangement; and "Controlled" has a corresponding meaning.

"Agreement" means this agreement, including its recitals and schedules, as amended from time to time.

"Asset Purchase Agreement" means the Asset Purchase Agreement made as of December 22, 2009 between Fraser Papers Inc. and certain of its subsidiaries and Brookfield Asset Management Inc. or its designate(s), as amended from time to time.

"Confidential Information" has the meaning set out in Section 11.

"Fee" has the meaning set out in Section 4(a).

"Force Majeure" has the meaning set out in Section 13.

"Losses" means all damages, fines, losses, liabilities, costs and expenses arising from any action, suit or proceeding or any other claim or demand.

"Out-of-Pocket Costs" has the meaning set out in Section 4(b).

"Permitted Purpose" has the meaning set out in section 11.

"Person" means an individual, a partnership, limited partnership, a sole proprietorship, a company, a firm, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a group acting in concert, a judicial authority, a governmental authority or any other entity or association of any kind.

"Products" means all the products that the Customer can produce without breaching the terms of the Non-Competition Agreement made as of _____, 2010 between the parties and others.

"Service Coordinators" has the meaning set out in Section 3.

"Services" means the Services set forth in Schedule A.

Services

2. The Supplier will supply, or cause to be supplied, to the Customer and the Customer will receive from the Supplier the services set forth on the Schedule hereto (collectively, the “**Services**”), upon and subject to the terms and conditions herein.
3. The Supplier and the Customer will each nominate a representative to act as the contact person with respect to the provision of the Services (the “**Service Coordinators**”). The initial Service Coordinators will be _____ for the Supplier and _____ for the Customer. Unless the parties otherwise agree, all communications relating to this Agreement and the Services will be directed to the Service Coordinators in accordance with Section 19.

Payment

4. For each Service, the Customer will pay to the Supplier an amount equal to the sum of:
 - (a) the direct cost to the Supplier of providing the Service plus 5%, with the direct cost to be calculated on the basis of the employee hours worked to provide the Service multiplied by the employee loaded cost per hour (the “**Fee**”); and
 - (b) all out-of-pocket expenses incurred by the Supplier in connection with the provision of the Service including taxes (other than income taxes payable by the Supplier) payable in connection with the Service and all expenses, fees and other costs paid by the Supplier to third parties in connection with the Service (the “**Out-of-Pocket Costs**”).
5. The Supplier will invoice the Customer on or before the 15th day of each month for the Fees and Out-of-Pocket Costs payable for the Services provided during the immediately preceding month. The Customer will pay the invoiced amount within fourteen (14) days by cheque or wire transfer in immediately available funds to an account designated by the Supplier from time to time.

Quality of Services

6.
 - (1) The Supplier will perform the Services in a manner consistent with the past ordinary course of the previous provision of such services to Customer by Fraser Papers Inc., including using the same level and scope of resources.
 - (2) The Customer will make available to the Supplier on a timely basis all information and materials reasonably requested by the Supplier to provide the Services hereunder.
7. In order to facilitate as quickly as possible the Customer’s substitution of its own services, the Supplier will give the Customer reasonable access, upon reasonable notice

during normal business hours, to the personnel of the Supplier responsible for providing the Services.

8. The Supplier will maintain appropriate books of account and records with respect to matters related to the provision of the Services. The Supplier will give the auditors of the Customer reasonable access, upon reasonable notice during normal business hours, and subject to Confidentiality provisions hereof, to those books of account and records.

Term and Termination

9. Subject to the provisions of Section 9, the term of this Agreement will commence on the Closing Date (as that term is defined in the Asset Purchase Agreement) and continue for a period of six months and thereafter until terminated by the Supplier or the Customer giving to the other sixty (60) [or ninety (90)] days prior written notice of termination.
10. This Agreement or the provision of any Service hereunder may be terminated by written notice as follows:
 - (a) the Customer may terminate the provision of any Service upon 15 days prior written notice to the Supplier;
 - (b) the Supplier or the Customer may terminate this Agreement if the other commits a breach of any provision of this Agreement and such breach continues for 30 days following a request to cure that breach; or
 - (c) the Supplier or the Customer may terminate this Agreement by written notice having immediate effect if the Supplier and the Customer are no longer under common control. Affiliates or a substantial part of the assets of either the Supplier or the Customer are sold to a third party.

Notwithstanding the termination of this Agreement, the provisions of Sections 3 (in respect of the period preceding termination), 10 and 15 will remain in force for the benefit of the parties.

Confidentiality

11. During the term of this Agreement and thereafter, the parties will maintain in confidence and not disclose the other party's Confidential Information (as defined below), using the same degree of care, but no less than reasonable care, as they use to protect their own confidential information of like nature. For the purposes of this Agreement, "**Confidential Information**" means information concerning a party or its Affiliates (as that term is defined in the Asset Purchase Agreement) and their respective business and affairs that is furnished to the other party in connection with the performance of this

Agreement. The recipient may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the “**Permitted Purpose**”).

12. The recipient may disclose Confidential Information only:
- (a) to the extent that it is made readily available or becomes available to the general public by the recipient;
 - (b) which is subsequently lawfully and in good faith obtained by the recipient without breach of this Agreement from an independent third party not known by the recipient, after reasonable enquiry, to be bound by any contractual or legal obligation of confidentiality to the disclosing party;
 - (c) to its Affiliates and their respective employees or contractors who have a need to know such information for the Permitted Purpose; or
 - (d) to the extent the recipient can demonstrate that such disclosure is required pursuant to a valid order of a governmental authority or under applicable laws including the rules and regulations of any applicable stock exchange or securities commission (which for greater certainty includes disclosure required by any Affiliate of the recipient); provided, however, that the recipient first has given notice to the disclosing party of any request or demand made with respect to the disclosure of such Confidential Information and, where practicable and to the extent applicable, the recipient has been given an opportunity to seek an appropriate protective order or other remedy and/or waive compliance with the terms of this Agreement and the recipient will not oppose any action by the disclosing party to seek such a protective order or other remedy and if failing the obtaining of a protective order or other remedy, such disclosure is required of the Confidential Information, the recipient will its reasonable efforts (not involving the expenditure of money or the commencement of litigation) to ensure that disclosure will be afforded confidential treatment.
13. The recipient shall obtain Nondisclosure Agreements for the benefit of the disclosing party from recipient’s employees or contractors with whom Confidential Information has been shared.

Limitations and Indemnification

14. **Force Majeure:** Neither party will bear any responsibility or liability for any losses arising out of any delay, inability to perform, or interruption of its performance of obligations under this Agreement due to events beyond its reasonable control (hereinafter referred to as “**Force Majeure**”), including act of God, act of governmental authority, act of the public enemy, or due to war, riot, flood, civil commotion, insurrection, labour

difficulty, severe or adverse weather conditions, lack of or shortage of electrical power, malfunctions of equipment or software programs, or any other cause beyond the reasonable control of the party whose performance is affected by the Force Majeure event.

15. THE EXPRESS WARRANTIES CONTAINED IN SECTIONS 5(1) AND 17 HEREOF AND THE COVENANTS EXPRESSLY MADE IN THIS AGREEMENT ARE THE ONLY WARRANTIES AND COVENANTS MADE BY THE SUPPLIER AND THE SUPPLIER EXPRESSLY **DISCLAIMS AND EXCLUDES** ANY AND ALL OTHER REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, INCLUDING REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF **MERCHANTABILITY**, MERCHANTABLE OR SATISFACTORY QUALITY, PERFORMANCE, RESULTS, TITLE AND **FITNESS FOR A PARTICULAR PURPOSE**, AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW FROM A COURSE OF DEALING OR USAGE OF TRADE. THE SUPPLIER DOES NOT WARRANT:
 - (a) THE PERFORMANCE, AVAILABILITY, SECURITY, UNINTERRUPTED USE OF OR OPERATION OF THE SERVICES OR ANY FEATURE THEREOF;
 - (b) THAT THE SERVICES WILL MEET THE CUSTOMER'S REQUIREMENTS;
 - (c) THAT THE PROVISION OF THE SERVICES WILL BE ERROR-FREE; OR
 - (d) THAT ANY OR ALL ERRORS CAN BE CORRECTED.
16. For breach or default by the Supplier of any provision of this Agreement, the Supplier's entire liability, regardless of the form of action, whether based on contract or tort, including negligence, and including the furnishing, the failure to furnish or the quality of any Service, will in no event exceed in the aggregate the amount of Fees, Out of Pocket Costs, if any, paid by the Customer to the Supplier as compensation for the Service that is the subject of the claim in the one-month period immediately preceding the date the Customer notifies the Supplier of such claim.
17. **LIMITATION OF LIABILITY:** IN NO EVENT WILL THE SUPPLIER OR ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, EMPLOYEES, DIRECTORS, OFFICERS OR SUPPLIERS BE LIABLE HEREUNDER TO THE CUSTOMER OR ANY OTHER PERSON FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE, INCLUDING LOST BUSINESS REVENUE, LOSS OF PROFITS, LOSS OF DATA, FAILURE TO REALIZE EXPECTED PROFITS OR SAVINGS, CLAIMED, INCURRED OR SUFFERED BY THE CUSTOMER OR ANY OTHER PERSON (EVEN IF THE SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS) RESULTING FROM OR ARISING IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, ANY SCHEDULE HERETO OR ANY OBLIGATION HEREUNDER OR THEREUNDER

(INCLUDING THE SERVICES), HOWSOEVER CAUSED. THE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS IN THIS AGREEMENT WILL APPLY IRRESPECTIVE OF THE NATURE OF THE CAUSE OF ACTION, DEMAND OR CLAIM INCLUDING BREACH OF CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY AND WILL SURVIVE A FUNDAMENTAL BREACH OR THE FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT.

18. The Customer will indemnify, and hold harmless, the Supplier and its Affiliates and their respective officers, directors, employees and agents from and against all damages, fines, losses, liabilities, costs and expenses arising from any action, suit, or proceeding or other claim or demand for any personal injuries, death, or for damage to tangible property to any person (collectively, "**Losses**") resulting from the Supplier's or any of its Affiliates' acts or omissions in connection with the provision of Services to the Customer under this Agreement, except to the extent that such Losses result from the wilful misconduct or gross negligence of the Supplier or any of its Affiliates or the Supplier's or any of its Affiliates' officers, agents, employees or subcontractors of the Supplier (or any of its Affiliates). The Supplier will notify the Customer as soon as reasonably practical of any such claim, demand or cause of action for which the Supplier will require such indemnification from the Customer. The Supplier will provide the Customer with reasonable information and assistance for the Customer to defend such claim or demand.

Status of Parties

19. None of the provisions of this Agreement is intended to create nor will it be deemed or construed to create any relationship between the Supplier and the Customer other than that of separate entities contracting with each other under this Agreement solely for the purpose of effecting the provisions of this Agreement. Neither the Supplier nor the Customer will be construed to be the employer of the other. The Customer acknowledges that the Supplier or its Affiliates may provide services similar to the Services to other persons.

Warranties

20. The Supplier hereby represents and warrants that it has full legal right and authority to provide or to cause the provision of the Services to be provided hereunder and that it has and will use its reasonable commercial efforts to continue to have the necessary skills, facilities and resources to fulfill its obligations hereunder.

General

21. Entire Agreement: This Agreement constitutes the entire understanding and agreement of the parties hereto and supersedes all prior written or oral and all contemporaneous oral

agreements, understandings and negotiations among the parties hereto, except for the Asset Purchase Agreement insofar as it is applicable with respect to the parties hereto.

22. Notices: All notices, requests, demands and other communications required or permitted to be given under this Agreement will be deemed to have been duly given if in writing sent via first-class, postage prepaid, registered or certified mail (return receipt requested), or by overnight delivery service or by electronic means of communication addressed as follows:

If to the Customer:

Phone:

Fax:

Email:

If to the Supplier:

Phone:

Fax:

Email:

or to such other address to which the communications are to be directed to it by giving notice to the other party in the manner provided in this Section 19. Notice by mail will be deemed given and received on the third calendar day after posting. Notice by overnight delivery service, electronic transmission or personal delivery will be deemed given on the date of actual delivery.

23. Transfer and Assignment: Successors: Without the other party's written consent, this Agreement and the rights and obligations of a party hereunder will not be assignable by either party, provided however that the Supplier may assign its rights and obligations hereunder to any Affiliate without consent. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto.
24. No Third Party Rights: Except as specifically provided herein, the provisions of this Agreement are intended to bind the parties to each other and are not intended and do not create rights in any other person, and no person is intended to be or is a third party beneficiary of any of the provisions in this Agreement.
25. Interpretation: The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement. In this

Agreement, words importing the singular number include the plural and vice-versa, words importing any gender include all genders and "including" means "including without limiting the generality of the foregoing".

26. Governing Law: This Agreement will be governed by and construed and enforced in accordance with the laws of Ontario and the laws of Canada applicable therein.
27. Attornment: For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The parties hereto each attorn to the jurisdiction of the courts of the Province of Ontario.
28. Amendments: No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived
29. Counterparts: This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
30. Facsimiles: Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.
31. Time is of the essence: Time is in all respects of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.
32. Schedule: The Schedule attached hereto is incorporated in and forms part of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

FRASER PAPERS INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

TWIN RIVERS PAPER COMPANY INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE OF SERVICES

1. Accounts payable processing
2. Payroll processing
3. General ledger accounting
4. Benefit administration services
5. Khalix financial consolidation system
6. General information technology support

EXHIBIT “V”

GORHAM/NEWCO

TRANSITIONAL SERVICES AGREEMENT

THIS AGREEMENT is made as of _____, 2010

BETWEEN:

FRASER N.H. LLC, a limited liability company
formed under the laws of the State of Delaware
(the "**Customer**")

- and -

TWIN RIVERS PAPER COMPANY LLC, a
limited liability company formed under the laws
of the State of Delaware (the "**Supplier**").

WHEREAS, pursuant to the terms of the Asset Purchase Agreement, Brookfield Asset Management Inc. (or its designee) agreed to purchase from Fraser Papers Inc. and certain of its subsidiaries (including the Customer) assets pertaining to the Edmundston Mill, the Madawaska Mill, the Juniper Mill and the Plaster Rock Mill (as those terms are defined in the Asset Purchase Agreement), including systems and personnel used to provide services to operations maintained by the Customer;

AND WHEREAS, Brookfield Asset Management Inc. has designated the Supplier as the purchaser of the US Purchased Assets (as that term is defined in the Asset Purchase Agreement);

AND WHEREAS, as a condition to the completion of the sale and purchase pursuant to the Asset Purchase Agreement, the Supplier agreed to execute and deliver this Agreement to provide transitional services to the Customer;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

Interpretation

1. Definitions. In this Agreement:

"**Administrative Services**" means the Services set forth in Schedule A.

"**Affiliate**" means, with respect to any Person, any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and, for purposes of this definition, "control" means, from time to time (a) the right to exercise more than fifty percent

(50%) of the votes exercisable for the election of the directors of a Person (or Persons performing similar functions); and (b) in the case of a limited partnership, control of each of such limited partnership's general partners; and (c) in the case of a partnership other than a limited partnership, the right to exercise more than fifty percent (50%) of the votes exercisable at any meeting of partners of that partnership; and (d) in the case of any Person, the right to (1) exercise a majority of the voting rights in respect of that Person, (2) otherwise control that Person by virtue of provisions contained in its constitutional documents, or (3) manage all or substantially all of the assets of that Person pursuant to any contract or arrangement; and "Controlled" has a corresponding meaning.

"Agreement" means this agreement, including its recitals and schedules, as amended from time to time.

"Asset Purchase Agreement" means the Asset Purchase Agreement made as of December 22, 2009 between Fraser Papers Inc. and certain of its subsidiaries and Brookfield Asset Management Inc. or its designate(s), as amended from time to time.

"Confidential Information" has the meaning set out in Section 13.

"Fee" has the meaning set out in Section 5(a).

"Force Majeure" has the meaning set out in Section 14.

"Losses" means all damages, fines, losses, liabilities, costs and expenses arising from any action, suit or proceeding or any other claim or demand.

"Operational Services" means the Services set forth in Schedule B.

"Out-of-Pocket Costs" has the meaning set out in Section 5(b).

"Permitted Purpose" has the meaning set out in section 13.

"Person" means an individual, a partnership, limited partnership, a sole proprietorship, a company, a firm, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a group acting in concert, a judicial authority, a governmental authority or any other entity or association of any kind.

"Products" means all the products that the Customer can produce without breaching the terms of the Non-Competition Agreement made as of ►, 2010 between the parties and others.

"Sales Services" means the services set forth in Schedule C.

"Service Coordinators" has the meaning set out in Section 4.

“Services” means, collectively, the Administrative Services, the Operational Services and the Sales Services.

2. Extended Meanings. In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

Services

3. The Supplier will supply, or cause to be supplied, the Services to the Customer and the Customer will receive the Services from the Supplier, upon and subject to the terms and conditions herein.
4. The Supplier and the Customer will each nominate a representative to act as the contact person with respect to the provision of the Services (the **“Service Coordinators”**). The initial Service Coordinators will be ► for the Supplier and ► for the Customer. Unless the parties otherwise agree, all communications relating to this Agreement and the Services will be directed to the Service Coordinators in accordance with Section 23.

Payment

5. For each Service provided during the term of this Agreement, the recipient Customer will pay to the Supplier an amount equal to the sum of:
 - (a) the direct cost to the Supplier (based on the cost (to Fraser Papers Inc. or the Supplier, as appropriate) to provide such services in the immediately preceding year) of providing the Service plus 5%, with the direct cost to be calculated on the basis of the employee hours worked to provide the Service multiplied by the employee loaded cost per hour (the **“Fee”**); and
 - (b) all out-of-pocket expenses incurred by the Supplier in connection with the provision of the Services including taxes (other than income taxes payable by the Supplier) payable in connection with the Services and all expenses, fees and other costs paid by the Supplier to third parties in connection with the Services (the **“Out-of-Pocket Costs”**).

Changes to the fee structure can be made at any time with joint agreement by the Customer and Supplier.

6. The Supplier will invoice the Customer on or before the 15th day of each month for the Fees and Out-of-Pocket Costs payable for the Services provided during the immediately preceding month. The Customer will pay the invoiced amount within fifteen (15) calendars days of the date of the invoice by cheque or wire transfer in immediately available funds to an account designated by the Supplier from time to time.

Quality of Services

7. The Supplier will perform the Services in a manner consistent with the past ordinary course of the previous provision of such services to Customer by Fraser Papers Inc., including using the same level and scope of resources. Without limiting the generality of the foregoing:
 - (a) in connection with the supply of the Operational Services, the Supplier will:
 - (i) maintain the systems referred to in Schedule B at or above the current level of uptime with a target of 99.5% on a quarterly basis;
 - (ii) communicate all potential changes in functionality to the Customer at least 90 days prior to implementation;
 - (iii) communicate all planned outage requirements and develop a plan with the Customer for timing; and
 - (iv) maintain a full data backup process; and
 - (b) in connection with the supply of the Sales Services, the Supplier will:
 - (i) solicit purchase orders for the Products from prospective customers identified by the Customer and deliver the purchase orders to the Customer for a determination as to acceptance on a timely basis. The Supplier has no authority to enter into any agreement or to incur any indebtedness on behalf of the Customer without prior approval from the Customer;
 - (ii) develop, in consultation with the Customer, production schedules, and sales and operations planning for the Customer's paper machines;
 - (iii) process all accepted purchase orders for the Products through accounting and reporting systems;
 - (iv) schedule transportation, warehousing and invoicing for all accepted purchase orders for Products;

- (v) provide technical field service representation for the Customer including, in consultation with the Customer, resolution of quality complaints, product qualification trial coverage and competitive performance benchmarking; and
 - (vi) transfer on a timely basis all money collected on behalf of the Customer to an account specified by the Customer from time to time.
 - (vii) provide unprinted and printed samples to the end customers for all the Products
8. The Customer will, on a timely basis, determine whether to accept purchase orders for Products delivered by the Supplier and otherwise make available to the Supplier all information and materials reasonably requested by the Supplier to provide the Services hereunder.
9. In order to facilitate as quickly as possible the Customer's substitution of its own Services, the Supplier will give the Customer reasonable access, upon reasonable notice during normal business hours, to the personnel of the Supplier responsible for providing the Services.
10. The Supplier will maintain appropriate books of account and records with respect to matters related to the provision of the Services. The Supplier will give the auditors of the Customer reasonable access, upon reasonable notice during normal business hours, and subject to Confidentiality provisions hereof, to those books of account and records.

Term and Termination

11. Subject to the provisions of Section 12, the term of this Agreement will commence on the Closing Date (as that term is defined in the Asset Purchase Agreement) and continue for a period of six months and thereafter until terminated by the Supplier or the Customer giving to the other sixty (60) [or ninety (90)] days prior written notice of termination.
12. This Agreement or the provision of any Service hereunder may be terminated by written notice as follows:
- (a) the Customer may terminate the provision of any Service upon 15 days prior written notice to the Supplier;
 - (b) the Supplier or the Customer may terminate this Agreement if the other commits a breach of any provision of this Agreement and such breach continues for 30 days following a request to cure that breach; or

- (c) the Supplier or the Customer may terminate this Agreement by written notice having immediate effect if the Supplier and the Customer are no longer under common control. Affiliates or a substantial part of the assets of either the Supplier or the Customer are sold to a third party.

Notwithstanding the termination of this Agreement, the provisions of Sections 5 (in respect of the period preceding termination), 13 and 18 will remain in force for the benefit of the parties.

Confidentiality

- 13. During the term of this Agreement and thereafter, the parties will maintain in confidence and not disclose the other party's Confidential Information (as defined below), using the same degree of care, but no less than reasonable care, as they use to protect their own confidential information of like nature. For the purposes of this Agreement, "**Confidential Information**" means information concerning a party or its Affiliates and their respective business and affairs that is furnished to the other party in connection with the performance of this Agreement. The recipient may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the "**Permitted Purpose**").
- 14. The recipient may disclose Confidential Information only:
 - (a) to the extent that it is made readily available or becomes available to the general public by the recipient;
 - (b) which is subsequently lawfully and in good faith obtained by the recipient without breach of this Agreement from an independent third party not known by the recipient, after reasonable enquiry, to be bound by any contractual or legal obligation of confidentiality to the disclosing party;
 - (c) to its Affiliates and their respective employees or contractors who have a need to know such information for the Permitted Purpose; or
 - (d) to the extent the recipient can demonstrate that such disclosure is required pursuant to a valid order of a governmental authority or under applicable laws including the rules and regulations of any applicable stock exchange or securities commission (which for greater certainty includes disclosure required by any Affiliate of the recipient); provided, however, that the recipient first has given notice to the disclosing party of any request or demand made with respect to the disclosure of such Confidential Information and, where practicable and to the extent applicable, the recipient has been given an opportunity to seek an appropriate protective order or other remedy and/or waive compliance with the

terms of this Agreement and the recipient will not oppose any action by the disclosing party to seek such a protective order or other remedy and if failing the obtaining of a protective order or other remedy, such disclosure is required of the Confidential Information, the recipient will its reasonable efforts (not involving the expenditure of money or the commencement of litigation) to ensure that disclosure will be afforded confidential treatment.

15. The recipient shall obtain Nondisclosure Agreements for the benefit of the disclosing party from recipient's employees or contractors with whom Confidential Information has been shared.

Limitations and Indemnification

16. Force Majeure: Neither party will bear any responsibility or liability for any losses arising out of any delay, inability to perform, or interruption of its performance of obligations under this Agreement due to events beyond its reasonable control (hereinafter referred to as "**Force Majeure**"), including act of God, act of governmental authority, act of the public enemy, or due to war, riot, flood, civil commotion, insurrection, labour difficulty, severe or adverse weather conditions, lack of or shortage of electrical power, malfunctions of equipment or software programs, or any other cause beyond the reasonable control of the party whose performance is affected by the Force Majeure event.
17. THE EXPRESS WARRANTIES CONTAINED IN SECTIONS 7 AND 20 HEREOF AND THE COVENANTS EXPRESSLY MADE IN THIS AGREEMENT ARE THE ONLY WARRANTIES AND COVENANTS MADE BY THE SUPPLIER AND THE SUPPLIER EXPRESSLY **DISCLAIMS AND EXCLUDES** ANY AND ALL OTHER REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, INCLUDING REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF **MERCHANTABILITY**, MERCHANTABLE OR SATISFACTORY QUALITY, PERFORMANCE, RESULTS, TITLE AND **FITNESS FOR A PARTICULAR PURPOSE**, AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW FROM A COURSE OF DEALING OR USAGE OF TRADE. THE SUPPLIER DOES NOT WARRANT:
 - (a) THE PERFORMANCE, AVAILABILITY, SECURITY, UNINTERRUPTED USE OF OR OPERATION OF THE SERVICES OR ANY FEATURE THEREOF;
 - (b) THAT THE SERVICES WILL MEET THE CUSTOMER'S REQUIREMENTS;
 - (c) THAT THE PROVISION OF THE SERVICES WILL BE ERROR-FREE; OR
 - (d) THAT ANY OR ALL ERRORS CAN BE CORRECTED.

18. For breach or default by the Supplier of any provision of this Agreement, the Supplier's entire liability, regardless of the form of action, whether based on contract or tort, including negligence, and including the furnishing, the failure to furnish or the quality of any Service, will in no event exceed in the aggregate the amount of fees, costs and amounts, if any, paid by the Customer to the Supplier as compensation for the Service that is the subject of the claim in the one-month period immediately preceding the date the Customer notifies the Supplier of such claim.
19. LIMITATION OF LIABILITY: IN NO EVENT WILL THE SUPPLIER OR ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, EMPLOYEES, DIRECTORS, OFFICERS OR SUPPLIERS BE LIABLE HEREUNDER TO THE CUSTOMER OR ANY OTHER PERSON FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE, INCLUDING LOST BUSINESS REVENUE, LOSS OF PROFITS, LOSS OF DATA, FAILURE TO REALIZE EXPECTED PROFITS OR SAVINGS, CLAIMED, INCURRED OR SUFFERED BY THE CUSTOMER OR ANY OTHER PERSON (EVEN IF THE SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS) RESULTING FROM OR ARISING IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, ANY SCHEDULE HERETO OR ANY OBLIGATION HEREUNDER OR THEREUNDER (INCLUDING THE SERVICES), HOWSOEVER CAUSED. THE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS IN THIS AGREEMENT WILL APPLY IRRESPECTIVE OF THE NATURE OF THE CAUSE OF ACTION, DEMAND OR CLAIM INCLUDING BREACH OF CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY AND WILL SURVIVE A FUNDAMENTAL BREACH OR BREACHES OR THE FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT.
20. The Customer will indemnify, and hold harmless, the Supplier and its Affiliates and their respective officers, directors, employees and agents from and against all damages, fines, losses, liabilities, costs and expenses arising from any action, suit or proceeding or other claim or demand for any personal injuries, death, or for damage to tangible property to any person (collectively, "Losses") resulting from the Supplier's or any of its Affiliates' acts or omissions in connection with the provision of Services to that Customer under this Agreement, except to the extent that such Losses result from the willful misconduct or gross negligence of the Supplier (or any of its Affiliates) or the officers, agents, employees or subcontractors of the Supplier (or any of its Affiliates). The Supplier will notify the Customer as soon as reasonably practical of any such claim, demand or cause of action for which the Supplier will require such indemnification from the Customer. The Supplier will provide the Customer with reasonable information and assistance for the Customer to defend such claim or demand.

Status of Parties

21. None of the provisions of this Agreement is intended to create nor will it be deemed or construed to create any relationship between the Supplier and the Customer other than

that of separate entities contracting with each other under this Agreement solely for the purpose of effecting the provisions of this Agreement. Neither the Supplier nor the Customer will be construed to be the employer of the other. The Customer acknowledges that the Supplier or its Affiliates may provide services similar to the Services to other persons.

Warranties

22. The Supplier hereby represents and warrants that it has full legal right and authority to provide or to cause the provision of the Services to be provided hereunder and that it has and will use its reasonable commercial efforts to continue to have the necessary skills, facilities and resources to fulfill its obligations hereunder.

General

23. Entire Agreement: This Agreement constitutes the entire understanding and agreement of the parties hereto and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations among the parties hereto, except for the Asset Purchase Agreement insofar as it is applicable with respect to the parties hereto.
24. Notices: All notices, requests, demands and other communications required or permitted to be given under this Agreement will be deemed to have been duly given if in writing sent via first-class, postage prepaid, registered or certified mail (return receipt requested), or by overnight delivery service or by electronic means of communication addressed as follows:

If to the Customer:

Phone:

Fax:

Email:

If to the Supplier:

Phone:

Fax:

Email:

or to such other address to which the communications are to be directed to it by giving notice to the other party in the manner provided in this Section 22. Notice by mail will be deemed given and received on the third calendar day after posting. Notice by overnight delivery service, electronic transmission or personal delivery will be deemed given on the date of actual delivery.

25. **Transfer and Assignment/Successors:** Without the other party's written consent, this Agreement and the rights and obligations of the parties hereunder will not be assignable by either party, provided however that the Supplier may assign its rights and obligations hereunder to any Affiliate without consent. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto.
26. **No Third Party Rights:** Except as specifically provided herein, the provisions of this Agreement are intended to bind the parties to each other and are not intended and do not create rights in any other person, and no person is intended to be or is a third party beneficiary of any of the provisions in this Agreement.
27. **Non-Solicitation:** Neither party will induce any employee of the other party to leave his or her employment or employ or attempt to employ or assist any person to employ any employee of the other party, without the prior written consent of the other party.
28. **Interpretation:** The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement. In this Agreement, words importing the singular number include the plural and vice-versa, words importing any gender include all genders and "including" means "including without limitation the generality of the foregoing".
29. **Governing Law:** This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Maine.
30. **Attornment:** For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the State of Maine and the courts of the State of Maine will have jurisdiction to entertain any action arising under this Agreement. The parties hereto each attorn to the jurisdiction of the courts of the State of Maine.
31. **Amendments:** No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
32. **Counterparts:** This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
33. **Facsimiles:** Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

34. Time is of the essence: Time is in all respects of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.
35. Schedules: The Schedules attached hereto are incorporated in and form part of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

FRASER N.H. LLC

By: _____

Name:

Title:

By: _____

Name:

Title:

TWIN RIVERS PAPER COMPANY LLC

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE A
ADMINISTRATIVE SERVICES

1. Accounts payable processing
2. Payable processing
3. General ledger accounting
4. Benefit administration services
5. Khalix financial consolidation system
6. General information technology support associated with the systems

SCHEDULE B
OPERATIONAL SERVICES

1. Order entry system/customer service/production planning
2. Inventory tracking
3. MAPS – Mill activity and profit system
4. Warehousing, transportation and freight systems
5. Invoicing
6. Accounts receivable
7. Time and attendance
8. Sales forecasting systems
9. Claims systems
10. Certificate of analysis system
11. Roll tracking/manufacturing execution systems
12. Khalix financial consolidation system
13. General information technology support

SCHEDULE C

SALES SERVICES

1. Customer service including order entry and scheduling
2. Transportation Services including invoicing
3. Credit Services
4. Technical field services

EXHIBIT “W”

NEWCO/FTL

TRANSITIONAL SERVICES AGREEMENT

This Agreement is made as of _____, 2010

Between:

TWIN RIVERS PAPER COMPANY LLC, a limited liability company formed under the laws of the State of Delaware (the "**Customer**")

- and -

FRASER TIMBER LIMITED a corporation incorporated under the laws of the State of Maine (the "**Supplier**").

WHEREAS, pursuant to the terms of an Asset Purchase Agreement made as of December 22, 2009 (the "**Asset Purchase Agreement**"), Brookfield Asset Management Inc. (which assigned its rights and obligations thereunder to the Customer) agreed to purchase from Fraser Papers Inc. and certain of its subsidiaries (including the Supplier) assets pertaining to the Edmundston Mill, the Madawaska Mill, the Juniper Mill and the Plaster Rock Mill (as those terms are defined in the Asset Purchase Agreement), but not the systems and personnel of the Supplier used to provide services to the Juniper Mill and the Plaster Rock Mill;

AND WHEREAS, Brookfield Asset Management Inc. has designated the Supplier as the purchaser of the US Purchased Assets (as that term is defined in the Asset Purchase Agreement);

AND WHEREAS, as a condition to the completion of the sale and purchase pursuant to the Asset Purchase Agreement, the Supplier agreed to execute and deliver this Agreement to provide transitional services to the Customer;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

Interpretation

1. Definitions. In this Agreement:

"**Affiliate**" means, with respect to any Person, any other Person which controls, is controlled by or is under common control with, directly or indirectly, such Person, and, for purposes of this definition, "control" means, from time to time (a) the right to exercise more than fifty percent (50%) of the votes exercisable for the election of the directors of a Person (or Persons performing similar functions); and (b) in the case of a limited partnership, control of each of such

limited partnership's general partners; and (c) in the case of a partnership other than a limited partnership, the right to exercise more than fifty percent (50%) of the votes exercisable at any meeting of partners of that partnership; and (d) in the case of any Person, the right to (1) exercise a majority of the voting rights in respect of that Person, (2) otherwise control that Person by virtue of provisions contained in its constitutional documents, or (3) manage all or substantially all of the assets of that Person pursuant to any contract or arrangement; and "Controlled" has a corresponding meaning.

"Agreement" means this agreement, including its recitals and schedules, as amended from time to time.

"Asset Purchase Agreement" means the Asset Purchase Agreement made as of December 22, 2009 between Fraser Papers Inc. and certain of its subsidiaries and Brookfield Asset Management Inc. or its designate(s), as amended from time to time.

"Confidential Information" has the meaning set out in Section 12.

"Fee" has the meaning set out in Section 4(a).

"Force Majeure" has the meaning set out in Section 14.

"Losses" means all damages, fines, losses, liabilities, costs and expenses arising from any action, suit or proceeding or any other claim or demand.

"Out-of-Pocket Costs" has the meaning set out in Section 4(b).

"Permitted Purpose" has the meaning set out in section 12.

"Person" means an individual, a partnership, limited partnership, a sole proprietorship, a company, a firm, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a group acting in concert, a judicial authority, a governmental authority or any other entity or association of any kind.

"Products" means all the products that the Customer can produce without breaching the terms of the Non-Competition Agreement made as of _____, 2010 between the parties and others.

"Service Coordinators" has the meaning set out in Section 3.

"Services" means the Services set forth in Schedule A.

Services

2. The Supplier will supply, or cause to be supplied, to the Customer and the Customer will receive from the Supplier the services set forth on the Schedule hereto (collectively, the “**Services**”), upon and subject to the terms and conditions herein.
3. The Supplier and the Customer will each nominate a representative to act as the contact person with respect to the provision of the Services (the “**Service Coordinators**”). The initial Service Coordinators will be _____ for the Supplier and _____ for the Customer. Unless the parties otherwise agree, all communications relating to this Agreement and the Services will be directed to the Service Coordinators in accordance with Section 20.

Payment

4. For each Service provided during the term of this Agreement, the Customer will pay to the Supplier an amount equal to the sum of:
 - (a) the direct cost to the Supplier of providing the Service plus 5%, with the direct cost to be calculated on the basis of the employee hours worked to provide the Service multiplied by the employee loaded cost per hour (the “**Fee**”); and
 - (b) all out-of-pocket expenses incurred by the Supplier in connection with the provision of the Services including taxes (other than income taxes payable by the Supplier) payable in connection with the Services and all expenses, fees and other costs paid by the Supplier to third parties in connection with the Services (the “**Out-of-Pocket Costs**”).
5. The Supplier will invoice the Customer on or before the 15th day of each month for the Fees and Out-of-Pocket Costs payable for the Services provided during the immediately preceding month. The Customer will pay the invoiced amount within fourteen (14) days by cheque or wire transfer in immediately available funds to an account designated by the Supplier from time to time.

Quality of Services

6. The Supplier will perform the Services in a manner consistent with the past ordinary course of the previous provision of such services to Customer by Fraser Papers Inc., including using the same level and scope of resources. Without limiting the generality of the foregoing, the Supplier will:
 - (a) maintain the systems necessary to provide the Services at or above the current level of uptime with a target of 99.5% on a quarterly basis;
 - (b) communicate all potential significant changes in functionality to the Customer at least 90 days prior to implementation;

- (c) communicate all planned outage requirements and develop a plan with the Customer for timing; and
 - (d) maintain a full data backup process.
- 7. The Customer will make available to the Supplier on a timely basis all information and materials reasonably requested by the Supplier to provide the Services hereunder.
 - 8. In order to facilitate as quickly as possible the Customer's substitution of its own Services, the Supplier will give the Customer reasonable access, upon reasonable notice during normal business hours, to the personnel of the Supplier responsible for providing the Services. The Supplier will provide to the Customer a copy of all documentation for the system applications for the Services.
 - 9. The Supplier will maintain appropriate books of account and records with respect to matters related to the provision of the Services. The Supplier will give the auditors of the Customer reasonable access, upon reasonable notice during normal business hours, and subject to the Confidentiality provisions hereof, to those books of account and records.

Term and Termination

- 10. Subject to the provisions of Section 10, the term of this Agreement will commence on the Closing Date (as that term is defined in the Asset Purchase Agreement) and continue for a period of six months and thereafter until terminated by the Supplier or the Customer giving to the other sixty (60) **[or ninety (90)]** days prior written notice of termination.
- 11. This Agreement or the provision of any Service hereunder may be terminated by written notice as follows:
 - (a) the Customer may terminate the provision of any Service upon 15 days prior written notice to the Supplier;
 - (b) the Supplier or the Customer may terminate this Agreement if the other commits a breach of any provision of this Agreement and such breach continues for 30 days following a request to cure that breach; or
 - (c) the Supplier or the Customer may terminate this Agreement by written notice having immediate effect if the Supplier and the Customer are no longer under common control. Affiliates or a substantial part of the assets of either the Supplier or the Customer are sold to a third party.

Notwithstanding the termination of this Agreement, the provisions of Sections 3 (in respect of the period preceding termination), 11 and 16 will remain in force for the benefit of the parties.

Confidentiality

12. During the term of this Agreement and thereafter, the parties will maintain in confidence and not disclose the other party's Confidential Information (as defined below), using the same degree of care, but no less than reasonable care, as they use to protect their own confidential information of like nature. For the purposes of this Agreement, "**Confidential Information**" means information concerning a party or its Affiliates (as that term is defined in the Asset Purchase Agreement) and their respective business and affairs that is furnished to the other party in connection with the performance of this Agreement. The recipient may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the "**Permitted Purpose**").
13. The recipient may disclose Confidential Information only:
 - (a) to the extent that it is made readily available or becomes available to the general public by the recipient;
 - (b) which is subsequently lawfully and in good faith obtained by the recipient without breach of this Agreement from an independent third party not known by the recipient, after reasonable enquiry, to be bound by any contractual or legal obligation of confidentiality to the disclosing party;
 - (c) to its Affiliates and their respective employees or contractors who have a need to know such information for the Permitted Purpose; or
 - (d) to the extent the recipient can demonstrate that such disclosure is required pursuant to a valid order of a governmental authority or under applicable laws including the rules and regulations of any applicable stock exchange or securities commission (which for greater certainty includes disclosure required by any Affiliate of the recipient); provided, however, that the recipient first has given notice to the disclosing party of any request or demand made with respect to the disclosure of such Confidential Information and, where practicable and to the extent applicable, the recipient has been given an opportunity to seek an appropriate protective order or other remedy and/or waive compliance with the terms of this Agreement and the recipient will not oppose any action by the disclosing party to seek such a protective order or other remedy and if failing the obtaining of a protective order or other remedy, such disclosure is required of the Confidential Information, the recipient will its reasonable efforts (not involving the expenditure of money or the commencement of litigation) to ensure that disclosure will be afforded confidential treatment.

14. The recipient shall obtain Nondisclosure Agreements for the benefit of the disclosing party from recipient's employees or contractors with whom Confidential Information has been shared.

Limitations and Indemnification

15. Force Majeure: Neither party will bear any responsibility or liability for any losses arising out of any delay, inability to perform, or interruption of its performance of obligations under this Agreement due to events beyond its reasonable control (hereinafter referred to as "**Force Majeure**"), including act of God, act of governmental authority, act of the public enemy, or due to war, riot, flood, civil commotion, insurrection, labour difficulty, severe or adverse weather conditions, lack of or shortage of electrical power, malfunctions of equipment or software programs, or any other cause beyond the reasonable control of the party whose performance is affected by the Force Majeure event.
16. THE EXPRESS WARRANTIES CONTAINED IN SECTIONS 5 AND 18 HEREOF AND THE COVENANTS EXPRESSLY MADE IN THIS AGREEMENT ARE THE ONLY WARRANTIES AND COVENANTS MADE BY THE SUPPLIER AND THE SUPPLIER EXPRESSLY **DISCLAIMS AND EXCLUDES** ANY AND ALL OTHER REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, INCLUDING REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS OF **MERCHANTABILITY**, MERCHANTABLE OR SATISFACTORY QUALITY, PERFORMANCE, RESULTS, TITLE AND **FITNESS FOR A PARTICULAR PURPOSE**, AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW FROM A COURSE OF DEALING OR USAGE OF TRADE. THE SUPPLIER DOES NOT WARRANT:
 - (a) THE PERFORMANCE, AVAILABILITY, SECURITY, UNINTERRUPTED USE OF OR OPERATION OF THE SERVICES OR ANY FEATURE THEREOF;
 - (b) THAT THE SERVICES WILL MEET THE CUSTOMER'S REQUIREMENTS;
 - (c) THAT THE PROVISION OF THE SERVICES WILL BE ERROR-FREE; OR
 - (d) THAT ANY OR ALL ERRORS CAN BE CORRECTED.
17. For breach or default by the Supplier of any provision of this Agreement, the Supplier's entire liability, regardless of the form of action, whether based on contract or tort, including negligence, and including the furnishing, the failure to furnish or the quality of any Service, will in no event exceed in the aggregate the amount of fees, costs and amounts, if any, paid by the Customer to the Supplier as compensation for the Service that is the subject of the claim in the one-month period immediately preceding the date the Customer notifies the Supplier of such claim.

18. Limitation of Liability: In no event will the Supplier or its Affiliates and their respective agents, employees, directors, officers or suppliers be liable hereunder to the Customer or any other person for any special, incidental, punitive, indirect or consequential loss or damage, including lost business revenue, loss of profits, loss of data, failure to realize expected profits or savings, claimed, incurred or suffered by the Customer or any other person (even if the Supplier has been advised of the possibility of such loss) resulting from or arising in connection with the performance or non-performance of this agreement, any schedule hereto or any obligation hereunder or thereunder (including the Services), howsoever caused. The limitations, exclusions and disclaimers in this Agreement will apply irrespective of the nature of the cause of action, demand or claim including breach of contract, negligence, tort, strict liability or any other legal theory and will survive a fundamental breach or the failure of the essential purpose of this agreement.
19. The Customer will indemnify, and hold harmless, the Supplier and its Affiliates and their respective officers, directors, employees and agents from and against all damages, fines, losses, liabilities, costs and expenses arising from any action, suit, or proceeding or other claim or demand for any personal injuries, death, or for damage to tangible property to any person (collectively, "Losses") resulting from the Supplier's or any of its Affiliates' acts or omissions in connection with the provision of Services to the Customer under this Agreement, except to the extent that such Losses result from the wilful misconduct or gross negligence of the Supplier or any of its Affiliates or the Supplier's or any of its Affiliates' officers, agents, employees or subcontractors. The Supplier will notify the Customer as soon as reasonably practical of any such claim, demand or cause of action for which the Supplier will require such indemnification from the Customer. The Supplier will provide the Customer with reasonable information and assistance for the Customer to defend such claim or demand.

Status of Parties

20. None of the provisions of this Agreement is intended to create nor will it be deemed or construed to create any relationship between the Supplier and the Customer other than that of separate entities contracting with each other under this Agreement solely for the purpose of effecting the provisions of this Agreement. Neither the Supplier nor the Customer will be construed to be the employer of the other.

Warranties

21. The Supplier hereby represents and warrants that it has full legal right and authority to provide or to cause the provision of the Services to be provided hereunder and that it has and will use its reasonable commercial efforts to continue to have the necessary skills, facilities and resources to fulfill its obligations hereunder.

General

22. Entire Agreement: This Agreement constitutes the entire understanding and agreement of the parties hereto and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations among the parties hereto, except for the Asset Purchase Agreement insofar as it is applicable with respect to the parties hereto.

23. Notices: All notices, requests, demands and other communications required or permitted to be given under this Agreement will be deemed to have been duly given if in writing sent via first-class, postage prepaid, registered or certified mail (return receipt requested), or by overnight delivery service or by electronic means of communication addressed as follows:

If to the Customer:

Phone:

Fax:

Email:

If to the Supplier:

Phone:

Fax:

Email:

or to such other address to which the communications are to be directed to it by giving notice to the other party in the manner provided in this Section 20. Notice by mail will be deemed given and received on the third calendar day after posting. Notice by overnight delivery service, electronic transmission or personal delivery will be deemed given on the date of actual delivery.

24. Transfer and Assignment: Successors: Without the other party's written consent, this Agreement and the rights and obligations of the parties hereunder will not be assignable by either party, provided however that the Customer may assign its rights and obligations hereunder to any Affiliate without consent. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of both of the parties hereto.

25. Non-Solicitation: Neither party will induce any employee of the other party to leave his or her employment or employ or attempt to employ or assist any person to employ any employee of the other party, without the prior written consent of the other party.

26. No Third Party Rights: Except as specifically provided herein, the provisions of this Agreement are intended to bind the parties to each other and are not intended and do not create rights in any other person, and no person is intended to be or is a third party beneficiary of any of the provisions in this Agreement.
27. Interpretation: The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement. In this Agreement, words importing the singular number include the plural and vice-versa, words importing any gender include all genders and "including" means "including without limitation the generality of the foregoing".
28. Governing Law: This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Maine.
29. Attornment: For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the State of Maine and the courts of the State of Maine will have jurisdiction to entertain any action arising under this Agreement. The parties hereto each attorn to the jurisdiction of the courts of the State of Maine.
30. Amendments: No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
31. Counterparts: This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
32. Facsimiles: Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.
33. Time is of the essence: Time is in all respects of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.
34. Schedule: The Schedule attached hereto is incorporated in and forms part of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

TWIN RIVERS PAPER COMPANY LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

FRASER TIMBER LIMITED

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SCHEDULE OF SERVICES

1. Order entry system/production planning
2. Transportation and freight systems
3. Inventory tracking
4. By-product systems
5. Invoicing
6. Accounts receivable
7. General ledger accounting and financial statements
8. Fixed Asset Accounting
9. Programming
10. Technical and IS support as agreed.

EXHIBIT “X”

PROVINCE OF NEW BRUNSWICK

COUNTY OF VICTORIA

IN THE MATTER OF the *Mechanics' Lien Act*, being
Chapter M-6, Revised Statutes of New Brunswick, 1973,

PID 65203549

CERTIFICATE OF DISCHARGE

FORM 7

(*Mechanics' Lien Act*, R.S.N.B. 1973, c. M-6, s. 20(3))

OCEAN STEEL & CONSTRUCTION LTD., having its offices at 400 Chesley Drive, Saint John, New Brunswick, E2K 5L6, acknowledges to have received from FRASER PAPERS INC. PAPIERS FRASER INC., the sum of \$40,009.85 in full discharge of a mechanics' lien that the said Ocean Steel & Construction Ltd. might have on land more fully described as P.L.D. 65203549 which mechanics' lien was dated July 13, 2009 and filed in the Victoria County Land Titles Office on July 17, 2009 as number 27450965.

DATED at Saint John, New Brunswick, this 31 day of July, 2009.

OCEAN STEEL & CONSTRUCTION LTD.

Per: 

Donald J. Higgins, General Counsel

PROVINCE OF NEW BRUNSWICK

COUNTY OF VICTORIA


IN THE MATTER OF the Mechanics' Lien Act, being
Chapter M-6, Revised Statutes of New Brunswick,
1973,

AFFIDAVIT OF CORPORATE EXECUTION

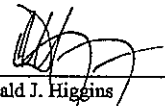
I, DONALD J. HIGGINS, of Rothesay in the County of Kings, and Province of New Brunswick, MAKE OATH AND SAY AS FOLLOWS:

1. That I am General Counsel to Ocean Steel & Construction Ltd., the within Lien Claimant, (the "Corporation"), and have personal knowledge of the matters herein deposed to and have authority to make this affidavit on behalf of the Corporation.
2. That the General Counsel has by the directors been authorized to execute the foregoing Certificate of Discharge in the name and on behalf of the Corporation.
3. That the signature "Donald J. Higgins" is the signature of me, the within deponent, and is in my proper handwriting.
4. That the seal affixed to the Certificate of Discharge is the corporate seal of the Corporation and was so affixed by order of the directors of the Corporation for the purposes of execution of the Certificate of Discharge.

SWORN TO BEFORE ME at the City)
of Saint John, in the County of Saint John)
and Province of New Brunswick, this 21st)
day of July, 2009.)



Commissioner of Oaths



) Donald J. Higgins)

Vivian Chalsson
Commissioner of Oaths
My commission ends
December 31st, 2013