



Court File No CV-09-8241-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM) WEDNESDAY, THE 28TH DAY
)
JUSTICE PEPALL) OF APRIL, 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 LIMITED, FRASER PAPERS LIMITED and FRASER N.H. LLC (collectively, the "Applicants")

ORDER

THIS MOTION, made by the Applicants for an Order amending the Amended and Restated Initial Order of this Court dated July 15, 2009 (the "Amended Initial Order") with respect to the CIT Credit Agreement, Amended CIT Term Sheet and CIT DIP Charge (each as defined therein), was heard this day in a chambers appointment at 9:30 a.m. at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Glen McMillan sworn April 26, 2010 (the "McMillan Affidavit"), filed, and on hearing the submissions of counsel for the Applicants and counsel for CIT Business Credit Canada Inc. ("CIT"), no other counsel appearing, and upon being advised that all parties on the regular Service List maintained in this proceeding received notice of the motion as appears from the Affidavit of Service of Annette Fournier sworn April 27, 2010 and no party opposes the relief sought;

✓ the Monitor, PricewaterhouseCoopers, Business New Brunswick and Brookfield Asset Management. ✓ 8VP

1. **THIS COURT ORDERS** that upon the closing of the transaction pursuant to the asset purchase agreement dated as of December 22, 2009 between the Applicants, as vendors, and Brookfield Asset Management Inc. or its designate(s), as purchaser, as such asset purchase

agreement has been and may be further amended from time to time, (the "Asset Purchase Agreement") and repayment in full of all amounts owing to CIT under or in respect of the Amended CIT Term Sheet and the CIT Credit Agreement, other than the letters of credit issued under the CIT Credit Agreement described in the attached Schedule "A" having an aggregate face amount of USD\$7,905,975 (the "CIT Letters of Credit"): (a) all references to "Amended CIT Term Sheet" and "CIT Credit Agreement" in the Amended Initial Order shall be deemed to refer to such documents as they may be amended, supplemented, restated or replaced from time to time, including by amendment dated as of April 28, 2010 a draft of which is annexed as Exhibit "E" to the McMillan Affidavit ("CIT Amendment No. 2") to, among other things, provide that the availability under the Amended CIT Term Sheet and the CIT Credit Agreement shall be limited to the CIT Letters of Credit; (b) all references in the Amended Initial Order, the Amended CIT Term Sheet and the DIP Term Sheet, as applicable, to the "CIT DIP Facility up to a principal amount of USD\$24,000,000" are hereby amended by replacing "USD\$24,000,000" therein with "USD\$8,000,000"; and (c) all references in the Amended Initial Order and the Amended CIT Term Sheet to the "CIT DIP Charge" in the maximum amount of USD\$24,000,000 are hereby amended by replacing "USD\$24,000,000" therein with "USD\$8,000,000 plus such interest, and fees and expenses as are payable to CIT pursuant to the terms of the CIT Credit Agreement and the other Loan Documents (as defined in the CIT Credit Agreement) and Amended CIT Term Sheet, in accordance with the terms thereof".

2. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to enter into CIT Amendment No. 2 and to perform all of their obligations thereunder from time to time, and, for greater certainty, the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to CIT under, in connection with and pursuant to the CIT Letters of Credit as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

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

APR 28 2010

PER / PAR: JSA

Joanne Nicoara
Registrar, Superior Court of Justice



SCHEDULE "A"

L/C #	Beneficiary	USD Amount
SBGT736755	Wisconsin DNR	\$ 200,000.00
SBGT736756	Wisconsin DNR	2,360,875.00
SBGT736752	Wisconsin DNR	161,600.00
SBGT739822	Old Republic	2,643,000.00
SBGT731476	Chartis	2,540,500.00
	Total:	<u>\$7,905,975.00</u>

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 LIMITED,
FRASER PAPERS LIMITED and FRASER N.H. LLC (collectively, the "Applicants")

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, Ontario
M5K 1K7

Robert I. Thornton (LSUC #24266B)
D.J. Miller (LSUC# 34393P)
Tel: 416-304-0559
Fax: 416-304-1313

Lawyers for the Applicants