IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
MASONITE CORPORATION, et al.,[1]	)	Case No. 09-_____ (___)
Debtors.	)	Joint Administration Requested

DECLARATION OF ANTHONY D. DILUCENTE, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER OF MASONITE CORPORATION, IN SUPPORT OF THE MASONITE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

I, Anthony D. DiLucente, hereby declare under penalty of perjury:

1. I am Executive Vice President and Chief Financial Officer of Masonite Corporation, a corporation organized under the laws of the State of Delaware and one of the above-captioned debtors and debtors in possession (collectively, the "Masonite Debtors"). In this capacity, I am familiar with the Masonite Debtors' day-to-day operations, businesses, financial affairs, and books and records.

2. On the date hereof (the "Petition Date"), Masonite Corporation and 15 of its affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Masonite Debtors continue to operate their businesses and

[1] The Masonite Debtors, together with the last four digits of each Masonite Debtor's federal tax identification number, are: Masonite Corporation (8020); Premdor Finance LLC (4966); Eger Properties (6847); WMW, Inc. (3326); Woodlands Millwork I, Ltd. (5989); Masonite Primeboard, Inc. (5752); Masonite Corporation Foreign Holdings Ltd. (0667); Masonite Holding Company Limited (3243); Florida Made Door Co. (7960); Cutting Edge Tooling, Inc. (8818); Pintu Acquisition Company, Inc. (7932); Masonite Air LLC (N/A); Door Installation Specialist Corporation (2354); Masonite Holding Corporation (N/A); Masonite International Inc. (N/A); and Masonite International Corporation (7314). The Masonite Debtors' principal executive offices are located in Mississauga, Ontario and Tampa, Florida and the service address for all Masonite Debtors is: One N. Dale Mabry Highway, Suite 950, Tampa, Florida 33609.

manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently herewith, the Masonite Debtors filed a motion seeking joint administration of these chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

3. Simultaneously with the commencement of the chapter 11 cases, three of the Masonite Debtors and four of their Canadian affiliates (collectively, the "CCAA Applicants")[2] have sought relief under the Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice (the "Canadian Court") in Toronto, Ontario, Canada.[3] Masonite Holding Corporation, Masonite International Inc., and Masonite International Corporation intend to seek Bankruptcy and Canadian Court approval of a customary cross-border protocol that will govern procedures for, among other things, Court-to-Court communications and obtaining approval (by joint hearing or otherwise) for matters requiring approval by both Courts.

4. I submit this declaration (this "First Day Declaration") to provide an overview of the Masonite Debtors and their non-debtor affiliates (collectively, "Masonite") and the chapter 11 cases and to support the Masonite Debtors' chapter 11 petitions and "first day" motions and applications (each, a "First Day Motion," and collectively, the "First Day Motions"). Except as otherwise indicated herein, all facts set forth in this First Day Declaration are based upon my personal knowledge of Masonite's operations and finances, information learned from my review of relevant documents, information supplied to me by other members of Masonite's management

[2] The CCAA Applicants include: Masonite Holding Corporation; Masonite International Inc.; Masonite International Corporation; Crown Door Corporation; Castlegate Entry Systems Inc.; 3061275 Nova Scotia Company; and Rochman Universal Doors Inc.

[3] See Companies' Creditors Arrangement Act, R.S., 1985, c. C-36 (the "CCAA").

and Masonite's advisors, or my opinion based on my experience, knowledge, and information concerning Masonite's operations and financial condition. I am authorized to submit this First Day Declaration on behalf of the Masonite Debtors, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

Preliminary Statement

5. In the midst of an historically steep decline in the United States and international housing and construction markets, and following the significant loss of a portion of business from one of its largest customers, Masonite embarked on a comprehensive operational restructuring to right-size its manufacturing capabilities and workforce. Starting in 2005, Masonite's restructuring efforts included a bottoms-up analysis of its entire enterprise, resulting in, among other things, the closure or consolidation of 23 manufacturing facilities to maximize efficiencies and eliminated unused capacity.

6. Despite the operational improvements that have been achieved over the last three years, Masonite recognizes that it will not be able to sustain its current debt service obligations over the long term. Thus, Masonite, with the assistance of its advisors, has spent the last eight months working with its secured bank lenders and unsecured bondholders to reach an agreement on the terms of an out-of-court or pre-arranged restructuring. After extensive, good-faith negotiations, Masonite was able to an reach agreement in principle with these groups regarding the terms of a consensual and comprehensive debt restructuring that contemplates a significant deleveraging of the Masonite Debtors' balance sheets and a full recovery for the allowed claims of the Masonite Debtors' general unsecured creditors. To implement the terms of their agreement with the secured bank lenders and unsecured bondholders, the Masonite Debtors have filed a pre-arranged chapter 11 plan (the "Plan") and accompanying disclosure statement (the "Disclosure Statement") contemporaneously herewith.

7. Accordingly, the Masonite Debtors commenced these chapter 11 cases to effectuate the consensual debt restructuring proposed under the pre-arranged Plan—the final step in Masonite's overall restructuring efforts—to enhance liquidity, reduce leverage, and improve long-term growth prospects and operating performance. Importantly, because they already have a deal negotiated with their primary creditor constituencies, the Masonite Debtors expect these chapter 11 cases to move swiftly, which will reduce, to the extent practicable, any adverse impacts of the bankruptcy filing on their businesses. Moreover, by deleveraging their capital structure through a pre-arranged bankruptcy, Masonite intends to emerge from chapter 11 better situated to weather the current economic storm and well-positioned to take advantage of any recovery in the housing and construction markets.

8. To familiarize the Court with the Masonite Debtors and the relief they will seek on the first day of these cases, this First Day Declaration is organized as follows: Part I describes Masonite's businesses, history, and organizational and capital structure. Part II describes the events leading to the commencement of the chapter 11 cases and Masonite's out-of-court restructuring efforts. Part III sets forth the relevant facts in support of each First Day Motion.

I. Masonite's Corporate History, Business Operations, and Organizational and Capital Structure.

A. Corporate History.

9. Masonite's history dates back to 1925 when William H. Mason founded Masonite Corporation. Masonite is one of the largest manufacturers of doors in the world, with a significant market share in both interior and entry door products. During 2006, 2007, and 2008, Masonite sold approximately 55, 54, and 36 million doors per year, respectively, to more than 3,500 customers in over 70 countries, including the United States, Canada, the United Kingdom,

Chile, Mexico, France, and other countries around the world. Masonite sells its extensive range of interior and entry doors under well-recognized brand names, including Masonite® and Premdor®.

10. Throughout its 85-year history, Masonite has focused on leading-edge innovation, manufacturing excellence, and superior customer service. Masonite is committed to delivering product and service innovations that will enhance beauty, functionality, and architectural design for its customers around the world. As a result, builders, remodelers, architects, and homeowners rely on Masonite products to create homes of distinction.

B. Masonite's Business Operations.

11. Masonite's principal executive offices are located in Mississauga, Ontario and Tampa, Florida. Masonite employs approximately 8,500 people worldwide, including approximately 4,450 people in the United States and Canada. Masonite is a vertically integrated producer, manufacturing key components of doors, including composite molded and veneer door facings, decorative and non-decorative insulated glass door inserts, door slabs, and other door components. Masonite believes that its high level of vertical integration provides it with competitive advantages over most other door manufacturers and enhances its ability to develop new and proprietary products.

12. Masonite owns or leases more than 65 manufacturing, warehouse, and office facilities in 18 countries. Masonite conducts the bulk of its operations in Canada and the United States through Masonite International Corporation and Masonite Corporation, respectively. With limited exceptions, Masonite conducts its operations in countries other than the United States and Canada through subsidiaries of Masonite International Corporation.

13. Masonite's sales are derived from the two primary sources of door demand: the construction of new homes and residential repair, renovation, and remodeling of existing homes.

Masonite sells its products through multiple distribution channels, including: (i) directly to large retail home center customers; (ii) "one-step" distributors that sell directly to homebuilders and contractors; and (iii) "two-step" wholesale distributors that resell to other dealers or distributors. For its North American and certain European retail home center customers, Masonite also provides value-added fabrication and logistical services, including pre-hanging interior and entry doors and delivering pre-hung doors directly to customers' stores.

14. In 2008, Masonite's worldwide sales revenue totaled $1.82 billion. Masonite's sales of interior and entry door products accounted for approximately 71% and 29% of 2008 sales revenue, respectively. In 2008, Masonite's United States and Canadian operations generated approximately $1.18 billion in revenue (65% of Masonite's total 2008 sales revenue) and Masonite's European and rest of world operations generated approximately $640 million in revenue (35% of Masonite's total 2008 sales revenue). Masonite's adjusted EBITDA ("Adjusted EBITDA") for 2008 was $162.4 million. As of December 31, 2008, the book value of Masonite's assets totaled approximately $1.6 billion and its liabilities totaled $2.7 billion.

Figure 1 – Masonite 2008 Sales Revenue by Geographic Region

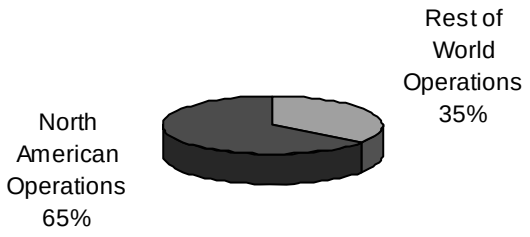
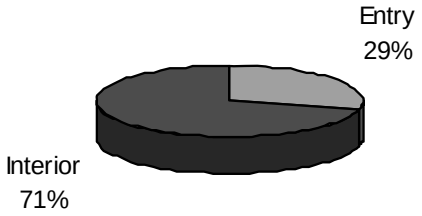


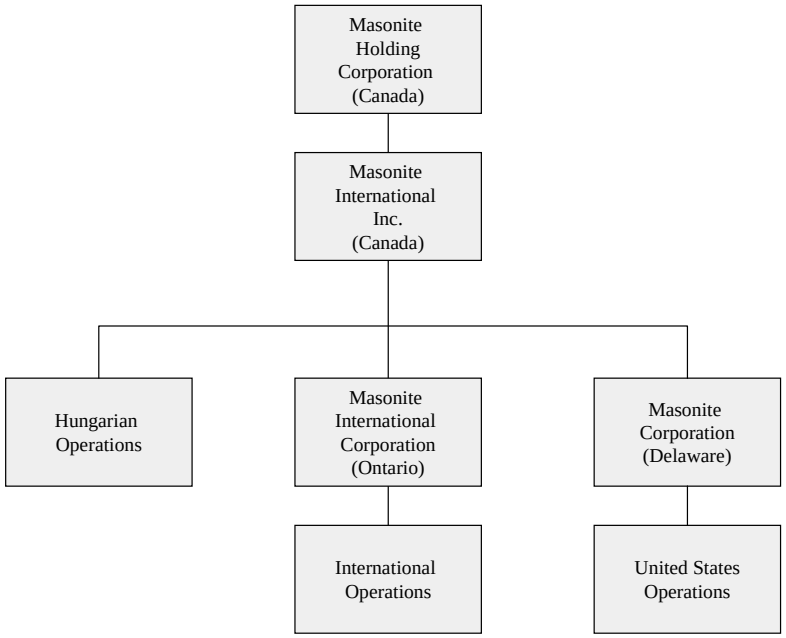
Figure 2 – Masonite 2008 Sales Revenue by Product Type



C. Masonite's Prepetition Organizational Structure.

15. The following chart generally depicts Masonite's prepetition organizational structure:

Figure 3 – Masonite Prepetition Organizational Structure

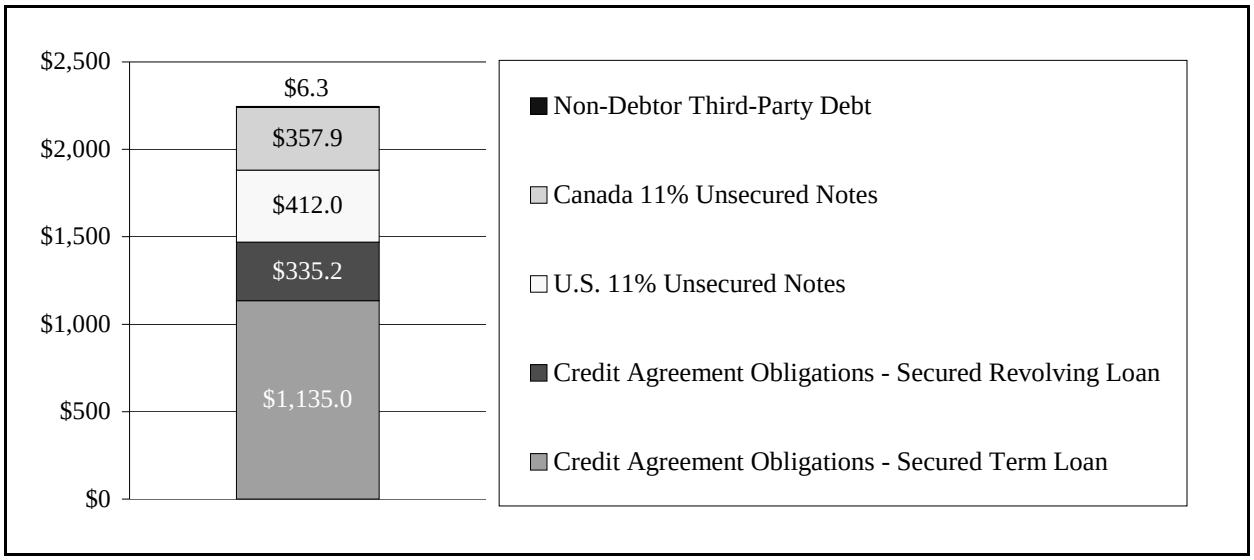


D. Masonite's Capital Structure.

16. As of the Petition Date, Masonite's total consolidated funded debt was approximately $2.2 billion, consisting of $1,470.2 million in secured bank debt, including open

but undrawn letters of credit, and $769.9 million in principal amount of unsecured subordinated notes.[4]

Figure 4 – Masonite Capital Structure (000,000's)



1. Credit Agreement.

17. Masonite Corporation, as the United States borrower, Masonite International Corporation, as the Canadian Borrower, and certain of their affiliates, as guarantors, The Bank of Nova Scotia, as administrative agent and Canadian administrative agent (the "Administrative Agent"), and the lenders party thereto (together with the Administrative Agent, the "Lenders") are parties to that certain Credit Agreement (the "Credit Agreement"), dated as of April 6, 2005. The Credit Agreement provides for a $350 million revolving credit facility (of which $335.2 million remains outstanding) and a $1.175 billion term loan (of which $1.135 billion remains outstanding) (collectively, the "Credit Agreement Obligations"). The Credit Agreement Obligations mature on April 6, 2013. Each of the Masonite Debtors and the CCAA Applicants

[4] Certain Masonite entities that are neither Masonite Debtors nor CCAA Applicants are parties to certain third-party funded debt agreements. The amount of such debt is approximately $6.3 million.

(other than Masonite Corporation, Masonite International Corporation, Masonite Corporation Foreign Holdings LTD, and Masonite Holding Corporation) guarantee the Credit Agreement Obligations. In addition, Premdor U.K. Holdings Limited, Premdor Crosby Limited, Bonlea Limited, Masonite Ireland, Masonite Europe, Masonite Europe Limited, Masonite Components, Masonite Mexico S.A. de C.V., and Masonite Chile Holdings S.A. (collectively, the "Non-Debtor Guarantors") guarantee the Credit Agreement Obligations.

18. Masonite Corporation, as the United States borrower, certain Masonite subsidiaries, as subsidiary guarantors, and The Bank of Nova Scotia, as collateral agent for the Lenders (the "Security Agreement Collateral Agent") are parties to that certain U.S. Security Agreement (the "Security Agreement"), dated as of April 6, 2005. Under the Security Agreement, the Masonite Debtors, the CCAA Applicants, and the Non-Debtor Guarantors provided the Security Agreement Collateral Agent with a security interest in substantially all of their assets.

19. Stile U.S. Acquisition Corp. n/k/a Masonite Corporation, as the United States borrower, certain Masonite subsidiaries, as subsidiary pledgors, and The Bank of Nova Scotia, as collateral agent for the Lenders (the "Pledge Agreement Collateral Agent") are parties to that certain U.S. Pledge Agreement (the "Pledge Agreement"), dated as of April 6, 2005. Under the Pledge Agreement, Masonite Corporation and certain of its subsidiaries pledged their interests in certain of Masonite's subsidiaries to the Pledge Agreement Collateral Agent.

2. 11% Unsecured Notes Due 2015.

20. Masonite International Corporation, as issuer, Masonite International Inc., as parent, Masonite Corporation and the other guarantors party thereto, as guarantors, and The Bank of New York, as indenture trustee, are parties to that certain Exchange Note Indenture (the "Masonite International Corporation Indenture"), dated as of October 6, 2006. Under the

Masonite International Corporation Indenture, Masonite International Corporation issued a total of approximately $357.9 million in 11% Senior Subordinated Unsecured Notes due 2015 (the "Canada 11% Unsecured Notes").

21. Masonite Corporation, as issuer, Masonite International Inc., as parent, Masonite International Corporation and the other guarantors party thereto, as guarantors, and The Bank of New York, as indenture trustee, are parties to that certain Exchange Note Indenture (the "Masonite Corporation Indenture," and together with the Masonite International Corporation Indenture, the "Indentures"), dated as of October 6, 2006. Under the Masonite Corporation Indenture, Masonite Corporation issued a total of approximately $412 million in 11% Senior Subordinated Unsecured Notes due 2015 (the "U.S. 11% Unsecured Notes," and together with the Canada 11% Unsecured Notes, the "11% Unsecured Notes"). Each of the Masonite Debtors, the CCAA Applicants, and the Non-Debtor Guarantors (except Masonite Corporation Foreign Holdings LTD and Masonite Holding Company Limited) guarantee the 11% Unsecured Notes.

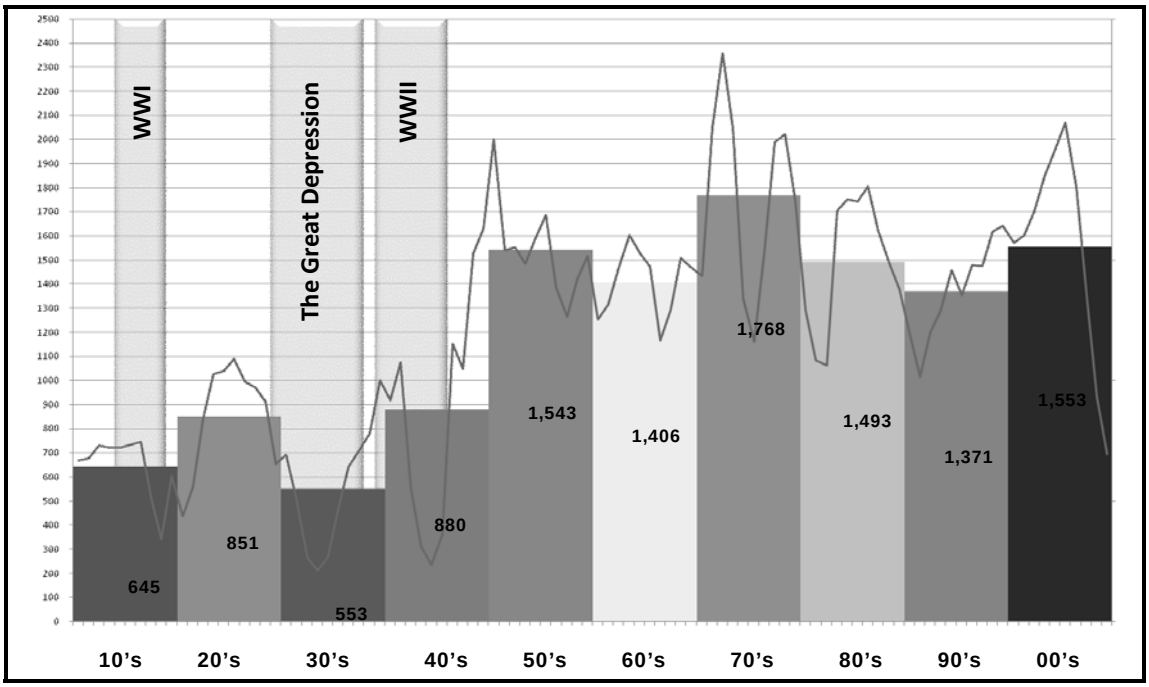
II. Events Leading to the Chapter 11 Cases.

22. As discussed above, Masonite has approximately $2.2 billion of indebtedness. Unfortunately, a series of unforeseen events placed significant strain on Masonite's ability to continue servicing its indebtedness and ultimately led to Masonite's filing of these chapter 11 cases. Those events include (A) the unprecedented downturn in the U.S and international housing and construction markets and the significant loss of a portion of business from one of Masonite's largest customers, (B) the resulting deterioration in Masonite's financial performance, (C) Masonite's default under the Credit Agreement and the Indentures, and (D) Masonite's unsuccessful attempts to implement an out-of-court restructuring.

A. The Downturn in United States and International Housing and Construction Markets and the Loss of Business.

23. Various macroeconomic factors, including general economic conditions, interest rates, levels of unemployment, consumer confidence, and the availability of credit influence the demand for doors. Historically, the new home construction sector has been cyclical. During 2006, however, a major housing downturn began in the United States. Indeed, "housing starts" (*i.e.*, the number of residential building construction projects that have begun during a particular time period) fell almost 13% from 2.07 million in 2005 to 1.8 million in 2006.[5] In addition, sales in connection with repair, renovation, and remodeling weakened in the United States in 2006 compared with 2005.

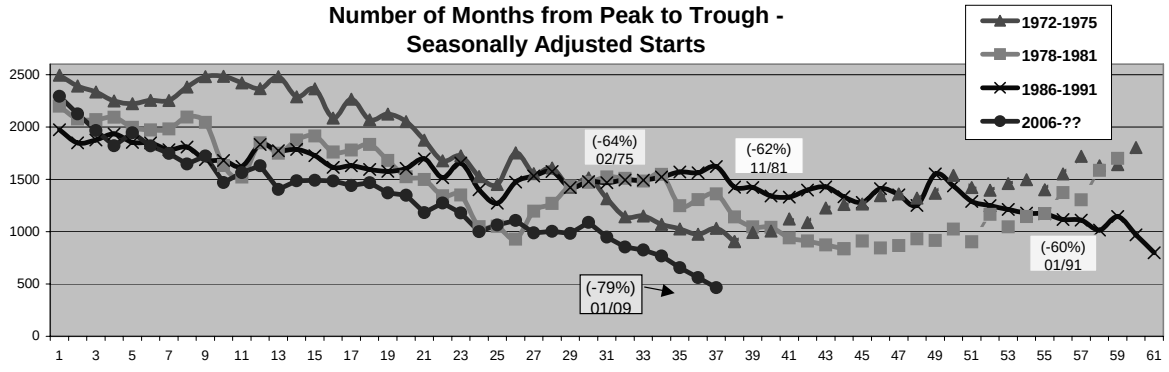
Figure 5 – U.S. Housing Start History (1910 – 2009F) (000's)



[5] "Housing starts" are considered a leading indicator in the United States housing market. The United States Census Bureau and the United States Department of Housing and Urban Development jointly publish a monthly report on housing starts entitled the *New Residential Construction Report*.

24. The housing market downturn in the United States intensified during 2007, with housing starts in 2007 falling almost 25% from the 2006 rate to 1.4 million, and continued during 2008, with housing starts in 2008 falling over 33% from the 2007 rate to approximately 904,000. Further declines are predicted for 2009. Moreover, while it is unclear whether the housing market will begin to recover in 2009 given the uncertainties in forecasting housing starts, it is safe to say that housing starts are unlikely to reach 2007 levels for several years.

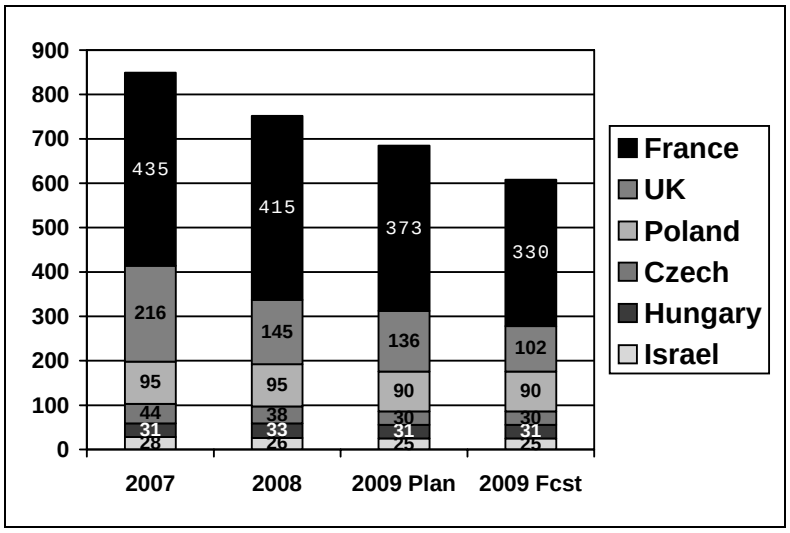
Figure 6 – 2009 Housing Starts Forecasts



Start Date	Floor Date	Total % Decline	Starts Vol at Trough	Total # of Months in Decline	Average Month Over Month rate of decline at the 37 month of cycle	% Decline from 1st to 37 Month	Hypothetical
Jan-72	Feb-75	-64%	904	38	-2.2%	-58.6%	65% Decline = 802K starts
Apr-78	Nov-81	-62%	837	44	-0.8%	-38.1%	
Jan-86	Jan-91	-60%	798	61	-0.4%	-17.8%	Jan 2009 **= 466K**
Jan-06	???			37 - To Date	-4.0%	-79.7%	

25. Recently, the housing market downturn has spread from the United States into the other markets in which Masonite does business, particularly in the United Kingdom, where housing starts in 2008 fell to the lowest levels since World War II, and are expected not to return to 2007 levels until 2012.

Figure 7 – International Housing Starts (2007 – 2009F) (000's)



26. The negative effect of the housing market downturn is compounded by recent turmoil in the general economy, mortgage market, and overall credit markets, which has caused increasing levels of unemployment, a severe decline in home prices, a dramatic tightening of consumer credit, and decreased consumer confidence.

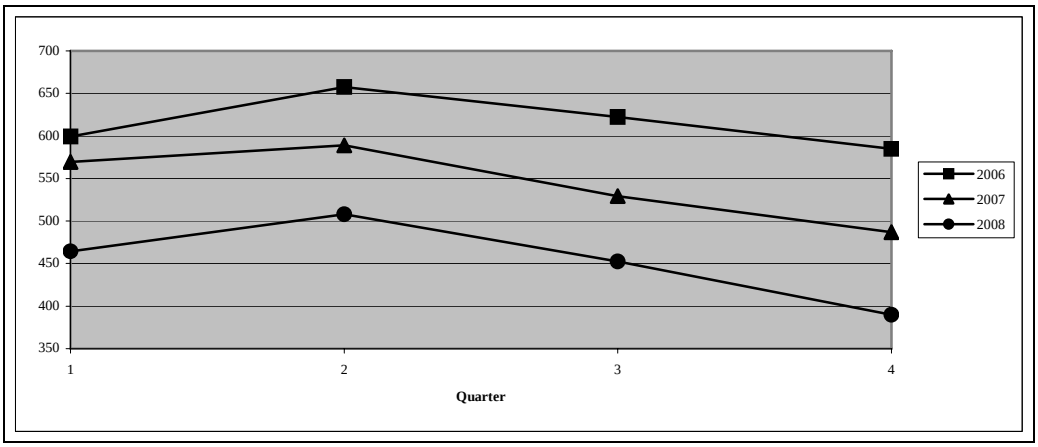
27. In addition to these adverse market conditions, Masonite's largest customer notified Masonite in the first quarter of 2007 that it intended to move substantially all of its business with Masonite in the northeastern United States to one of Masonite's competitors in 2007. Masonite's sales in the affected region accounted for approximately $250 to $300 million of Masonite's annual sales revenues, which represented approximately 11% of Masonite's then total sales revenues.

B. Masonite's Financial Performance Deteriorates.

28. The confluence of adverse market conditions and the significant loss of business discussed above negatively affected Masonite's financial position in 2008. Worldwide sales revenue declined to $1,816 million in 2008 from $2,174 million in 2007 – a drop of 16.5%.

Sales revenue within Masonite's North American segment decreased to $1,180 million in 2008 from $1,523 million in 2007 – a drop of 22.5%.

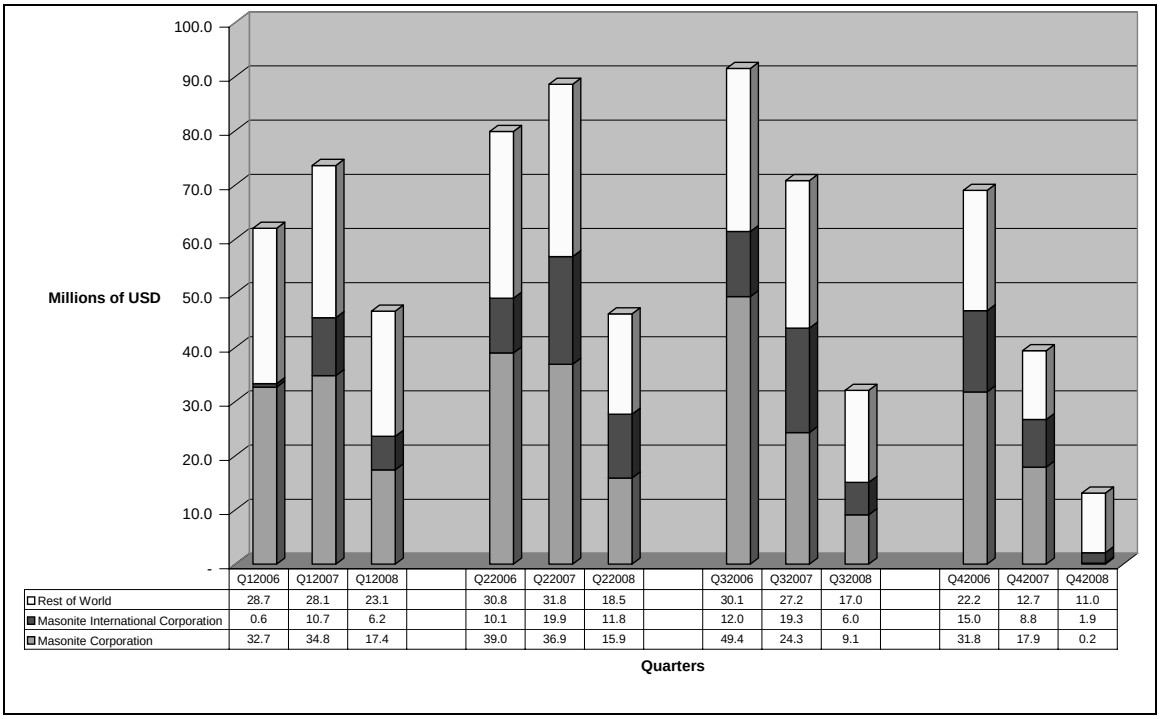
Figure 8 – Unaudited Year-to-Year Quarterly Sales Revenue (2006 – 2008) (000,000's)[6]



29. Moreover, as demonstrated in Figure 9 below, Masonite's worldwide Adjusted EBITDA (calculated pursuant to the Credit Agreement) also declined dramatically from 2006 through 2008 largely as a result of decreases in sales revenues in the United States, its largest market. Indeed, Masonite's worldwide Adjusted EBITDA decreased to $162.4 million in 2008 from $319 million in 2007 – a drop of almost 50% in a one-year period.

[6] Based upon unaudited Q3 and Q4 2008 financials.

Figure 9 – Unaudited Quarter-by-Quarter Adjusted EBITDA
by Geographic Segment (Q1 2006 – Q4 2008) (000,000's)[7]



	Q12006	Q12007	Q12008		Q22006	Q22007	Q22008		Q32006	Q32007	Q32008		Q42006	Q42007	Q42008
Rest of World	28.7	28.1	23.1		30.8	31.8	18.5		30.1	27.2	17.0		22.2	12.7	11.0
Masonite International Corporation	0.6	10.7	6.2		10.1	19.9	11.8		12.0	19.3	6.0		15.0	8.8	1.9
Masonite Corporation	32.7	34.8	17.4		39.0	36.9	15.9		49.4	24.3	9.1		31.8	17.9	0.2

C. Masonite Defaults Under the Credit Agreement.

30. Ultimately, decreased demand and corresponding sales declines caused Masonite to trip two financial covenants under the Credit Agreement as of June 30, 2008. First, Masonite's debt to Adjusted EBITDA ratio of 8.5x exceeded the maximum permitted ratio of 7.00x under section 10.9 of the Credit Agreement. Second, Masonite's Adjusted EBITDA to interest expense ratio of 1.51x fell below the minimum permitted ratio of 1.65x under section 10.10 of the Credit Agreement.

31. As a result of these covenant defaults, the Lenders were entitled to seek immediate repayment of $1,475.7 million of the Credit Agreement Obligations. Moreover, if the Lenders sought repayment, the holders of the 11% Unsecured Notes may have been permitted to

[7] Based upon unaudited Q3 and Q4 2008 financials.

demand immediate repayment of the entire $769.9 million in 11% Unsecured Notes. Accordingly, Masonite engaged the Administrative Agent in discussions for a waiver of the financial covenant defaults and an amendment to the covenants in the Credit Agreement that would enable Masonite to meet the covenants going forward given the depressed state of the housing market.

D. Masonite's Out-of-Court Restructuring Initiatives.

1. Masonite's Operational Restructuring.

32. Starting in 2005, Masonite embarked on a comprehensive operational restructuring to right-size its manufacturing capabilities and work force. These efforts included a bottoms-up analysis of Masonite's entire enterprise and, ultimately, resulted in the implementation of a number of operational and strategic initiatives aimed toward maximizing supply chain and production efficiencies and eliminating unused capacities to increase cash flow and reduce costs. As part of this process, and as a result of Masonite's "Lean-Sigma" initiatives, Masonite has closed or consolidated 23 facilities worldwide—one facility in 2005, five facilities in 2006, eight facilities in 2007, and nine facilities in 2008—and has announced the closure of three additional facilities in 2009. These actions included closures or consolidations of facilities in Canada, the United States, the United Kingdom, and Costa Rica.

33. Masonite also has taken significant steps to right-size its workforce given the slowdown in the new construction and repair, remodeling, and renovation markets in North America, its largest market. In particular, Masonite undertook four company-wide salaried staff reduction in force actions: the first implemented in Q4 2006, the second implemented in Q4 2007, the third implemented in Q1 2008, and the most recent implemented in Q3 2008. These actions, coupled with the plant consolidations noted above, and ongoing flexing of staffing in response to demand, have resulted in Masonite reducing its total headcount from over 15,000 in

Q3 2006 to less than 8,500 in Q1 2009. A large portion of these reductions have been in the overhead, selling, and administrative functions where worldwide headcount has been reduced from approximately 3,800 to approximately 2,600. In North America, where the impact of the declining housing market has been experienced most significantly, headcount has declined from approximately 10,000 in Q3 2006 to under 5,000 in Q1 2009. Masonite will continue to vigorously manage costs and flex its workforce in response to changes in market demands.

2. The Lender Forbearance Agreement.

34. Throughout July and August 2008, Masonite continued negotiating with the Administrative Agent for a waiver of the financial covenant defaults and an amendment to the covenants in the Credit Agreement that would enable Masonite to meet the covenants going forward given the depressed state of the housing market. To provide the parties with additional time to continue negotiations and avert a chapter 11 filing, Masonite entered into a forbearance agreement with the Administrative Agent and the Lenders on September 16, 2008 (the "Lender Forbearance Agreement"). Under the terms of the Lender Forbearance Agreement, the Lenders agreed to forbear from exercising remedies related to the existing financial covenant defaults and, provisionally, non-compliance with financial covenants as of September 30, 2008, through November 13, 2008. In exchange for entering the Lender Forbearance Agreement, Masonite agreed to pay each Lender who executed the Lender Forbearance Agreement a pro rata share of a forbearance fee equal to 0.25% of the outstanding indebtedness under the Credit Agreement.

3. The Payment Blockage.

35. Also on September 16, 2008, the Administrative Agent provided notice pursuant to the terms of the Indentures of a payment blockage period with respect to the 11% Unsecured Notes. The blockage notice prohibited Masonite for a period of up to 179 days from making interest or principal payments on account of the 11% Unsecured Notes. Thereafter, in addition

to negotiating with the Administrative Agent and the Lenders, Masonite convened discussions regarding restructuring alternatives with an ad hoc committee of holders of the 11% Unsecured Notes (the "Informal Noteholders Committee").

36. Pursuant to the payment blockage notice, Masonite did not make the $42 million interest payment on the 11% Unsecured Notes that was due on October 15, 2008. Failure to make the October 15, 2008 interest payment within 30 days of the due date would constitute an event of default under the Indentures, permitting holders of at least 30% in principal amount of outstanding notes to declare the full amount of the notes due and payable. Nevertheless, Masonite continued to negotiate with the Lenders and the Informal Noteholder Committee in an effort to avoid a chapter 11 filing.

4. The Noteholder Forbearance Agreement.

37. In connection with the parties' ongoing negotiations with respect to potential out-of-court restructuring alternatives, on November 17, 2008, Masonite Corporation, as issuer of the U.S. 11% Unsecured Notes, Masonite International Corporation, as issuer of the Canada 11% Unsecured Notes, certain subsidiaries of Masonite, holders of a majority in principal amount of the 11% Unsecured Notes, and the Bank of New York, as indenture trustee under the Indentures, entered into a forbearance agreement (the "Noteholder Forbearance Agreement"), pursuant to which certain holders of the 11% Unsecured Notes agreed to, among other things, forbear, and direct the indenture trustee under the Indentures to forbear, from exercising the default-related rights and remedies available under the Indentures and/or applicable law with respect to Masonite's failure to make the October 15th interest payment, through December 31, 2008 (subject to certain conditions).

5. First Amendment to the Lender Forbearance Agreement and the Noteholder Forbearance Agreement.

38. Masonite and the Lenders were unable to conclude their negotiations prior to the expiration of the Lender Forbearance Agreement. Thus, on November 17, 2008, the Lenders agreed to extend the Lender Forbearance Agreement through December 19, 2008, so that the parties could continue negotiating and Masonite could develop a revised 2009 business plan in response to the rapidly deteriorating market conditions. The Lenders also agreed to extend the Lender Forbearance Agreement through January 15, 2009, provided that Masonite delivered a draft business plan to the Lenders on or before the December 19, 2008. In exchange for extending the Lender Forbearance Agreement, Masonite agreed to a 2% increase in the interest rate under the Credit Agreement, which increase is payable in the form of additional indebtedness.

39. Masonite also was actively engaged in parallel discussions with the Informal Noteholder Committee in an effort to agree on the terms of a restructuring of the 11% Unsecured Notes. In the interest of continuing these negotiations, the holders of more than 50% in principal amount of the 11% Unsecured Notes agreed on December 30, 2008, to extend the Noteholder Forbearance Agreement through January 31, 2009 (subject to certain conditions).

6. Second Amendment to the Lender Forbearance Agreement.

40. Throughout December 2008, Masonite continued to develop its business plan to reflect a more appropriate capital structure capable of supporting Masonite's long-term business objectives. In addition, in accordance with the terms of the amended Lender Forbearance Agreement, Masonite delivered a draft of its revised 2009 business plan to the Lenders (and the representatives of the Informal Noteholder Committee) on December 19, 2008. After the parties reviewed and discussed the plan, Masonite provided the Lenders (and the representatives of the

Informal Noteholder Committee) with a final 2009 business plan on January 15, 2009. To allow adequate time for the parties to review and discuss the final business plan and continue their efforts toward consensually restructuring Masonite's capital structure, the Lenders agreed on January 15, 2009, to further extend the Lender Forbearance Agreement through January 30, 2009 (subject to certain conditions).[8]

7. Third Amendment to the Lender Forbearance Agreement and the Second Amendment to the Noteholder Forbearance Agreement.

41. Masonite continued negotiating with both the Lenders and the Informal Noteholder Committee throughout January 2009 and into February 2009, in an effort to resolve its capital structure issues outside the bankruptcy forum. To this end, the holders of more than 50% in principal amount of the 11% Unsecured Notes agreed to further extend the Noteholder Forbearance Agreement through February 13, 2009, and Masonite and the Lenders agreed to further extend the Lender Forbearance Agreement through February 9, 2009.

E. The Masonite Debtors Commence These Chapter 11 Cases.

42. As noted above, over the course of the last eight months, Masonite has been engaged in extensive discussions with the Lenders and the Informal Noteholder Committee regarding the terms of a consensual out-of-court or pre-arranged restructuring. After good-faith, arm's-length negotiations, Masonite was able to reach an agreement with the Lenders and the Informal Noteholder Committee with respect to a consensual restructuring on the terms set forth

[8] The Administrative Agent, the Lenders, and the Informal Noteholder Committee also agreed to forbear from enforcing remedies under the Credit Agreement and the Indentures, respectively, against the Non-Debtor Guarantors.

in the Restructuring Term Sheet (the "Term Sheet"), and formalized by the Restructuring and Lock-Up Agreement (the "Restructuring and Lock-Up Agreement").[9]

43. As a result of the compromises reached and concessions made by all parties involved over the course of the negotiations, Masonite received an executed restructuring and lock-up agreement (the "Restructuring and Lock-Up Agreement") from approximately 75% of the Lenders and 83% of the holders of the 11% Unsecured Notes, which thus ensures that the Plan has sufficient support to satisfy the confirmation requirements under section 1129 of the Bankruptcy Code. Indeed, the Masonite Debtors were able to file these chapter 11 cases with the consensual, pre-arranged Plan in hand on the Petition Date to effectuate the restructuring agreement reached with the Lenders and the Informal Noteholder Committee and memorialized in the Plan.

44. Based on the Restructuring and Lock-Up Agreement, Masonite is prepared to seek confirmation of the Plan shortly after the filing of these chapter 11 cases. Indeed, because the Plan is based on a consensual deal with Masonite's key stakeholders and, significantly, contemplates a significant de-leveraging of the Masonite Debtors' balance sheets and a full recovery for the allowed claims of the Masonite Debtors' general unsecured creditors, confirmation of the Plan is expected to occur over a relatively short timeframe. Specifically, Masonite, the Lenders and the Informal Noteholder Committee have agreed that the Disclosure Statement must be approved within 40 days of the Petition Date, the Plan must be confirmed within 40 days of the date on which the Disclosure Statement is approved (subject to a 15-day

[9] A copies of the Restructuring and Lock-Up Agreement is attached hereto as **Exhibit A** (including the Term Sheet, which is annexed as Exhibit A thereto)and incorporated by reference as though fully set forth herein.

extension under certain circumstances), and the Plan must become effective within 25 days of the confirmation date (subject to a 15-day extension under certain circumstances).

III. Evidentiary Support for First Day Motions.

45. As discussed above, the Masonite Debtors have entered the chapter 11 process with the goal of stabilizing their operations and ensuring a smooth transition into chapter 11. To that end, concurrently with the filing of their chapter 11 petitions, the Masonite Debtors have filed a number of First Day Motions seeking relief that the Masonite Debtors believe is necessary to enable them to operate with minimal disruption and loss of productivity. The Masonite Debtors request that the relief requested in each of the First Day Motions be granted as critical elements in ensuring a smooth transition into, and stabilizing and facilitating the Masonite Debtors' operations during the pendency of, the chapter 11 cases. I have reviewed each of the First Day Motions discussed below and the facts set forth in each First Day Motion are true and correct to the best of my knowledge and belief with appropriate reliance on corporate officers and advisors.[10]

A. Motion of Masonite Corporation, et al. for Entry of an Order Directing Joint Administration of Their Chapter 11 Cases (the "Joint Administration Motion").

46. The Masonite Debtors request entry of an order directing joint administration of the chapter 11 cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b). Specifically, the Masonite Debtors request that the Court maintain one file and one docket for all of the chapter 11 cases under the case of Masonite Corporation and also request that an entry be

[10] All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the relevant First Day Motion.

made on the docket of each of the Masonite Debtors' chapter 11 cases, other than Masonite Corporation, to reflect the joint administration of the chapter 11 cases.

47. Given the integrated nature of the Masonite Debtors' operations, joint administration of the chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders that will arise in the chapter 11 cases will jointly affect each and every Masonite Debtor. The entry of an order directing joint administration of the chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections and will allow the U.S. Trustee and all parties in interest to monitor the chapter 11 cases with greater ease and efficiency.

48. I believe that the relief requested in the Joint Administration Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Joint Administration Motion should be approved.

B. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to (a) Continue Using Their Existing Cash Management System, Bank Accounts, and Business Forms; (b) Maintain Existing Investment Practices; and (c) Continue Performing Ordinary Course Intercompany Transactions (the "Cash Management Motion").

49. The Masonite Debtors request the authority to: (i) continue to use, with the same account numbers, all of the Bank Accounts in their Cash Management System; (ii) treat the Bank Accounts for all purposes as accounts of the Masonite Debtors as debtors in possession; (iii) open new debtor in possession accounts, if needed; (iv) use, in their present form, all correspondence and business forms (including, without limitation, letterhead, purchase orders, and invoices) and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to their status as debtors in possession; (v) maintain their

existing Investment Practices; and (vi) continue performing Intercompany Transactions in the ordinary course of business.

50. In addition, the Masonite Debtors further request that the Court authorize the Banks to: (i) continue to maintain, service, and administer the Bank Accounts and (ii) debit the Bank Accounts in the ordinary course of business on account of (a) checks drawn on the Bank Accounts that are presented for payment at the Banks or exchanged for cashier's checks prior to the Petition Date; (b) checks or other items deposited in the Bank Accounts prior to the Petition Date that have been dishonored or returned unpaid for any reason (including associated fees and costs), to the same extent the Masonite Debtors were responsible for such items prior to the Petition Date; and (c) undisputed, outstanding service charges owed to the Banks as of the Petition Date on account of the maintenance of the Masonite Debtors' Cash Management System, if any.

51. In the ordinary course of business, the Masonite Debtors utilize an integrated, centralized cash management system to collect, transfer, and disburse funds generated by their operations in the United States and maintain current and accurate accounting records of all daily cash transactions. If the Masonite Debtors were required to comply with the U.S. Trustee Guidelines, the burden of opening new accounts, revising cash management procedures, instructing customers to redirect payments, and the immediate ordering of new checks with a "Debtor in Possession" legend, would disrupt the Masonite Debtors' business at this critical time. The Masonite Debtors respectfully submit that parties in interest will not be harmed by their maintenance of the existing Cash Management System, including their Bank Accounts, because the Masonite Debtors have implemented appropriate mechanisms to ensure that

unauthorized payments will not be made on account of obligations incurred prior to the Petition Date.

52. The Masonite Debtors also adhere to certain Investment Practices, which the Masonite Debtors believe will provide the protection contemplated by section 345(b) of the Bankruptcy Code, while providing additional interest income. Therefore, the Masonite Debtors seek a waiver of strict compliance with the requirements of section 345(b) of the Bankruptcy Code.

53. In addition, in the ordinary course of business, the Masonite Debtors maintain a large and complex system of Intercompany Transactions for, among other reasons, facilitating intercompany sales, centralizing accounting and purchasing departments, and moving cash between entities. If the Intercompany Transactions are discontinued, a number of services provided by and to the Masonite Debtors would be disrupted and could impact the Masonite Debtors' ability to pay wages and benefits to their employees and make timely payments to vendors.

54. The relief requested in the Cash Management Motion is vital to ensuring the Masonite Debtors' seamless transition into bankruptcy. Authorizing the Masonite Debtors to maintain their Cash Management System will avoid many of the possible disruptions and distractions that could divert their attention from more critical matters during the initial days of the chapter 11 cases.

55. I believe that the relief requested in the Cash Management Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without

disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Cash Management Motion should be approved.

C. Motion of Masonite Corporation, et al. for Entry of Interim and Final Orders (a) Authorizing the Use of Cash Collateral, (b) Granting Adequate Protection to Prepetition Secured Parties, and (c) Scheduling a Final Hearing (the "Cash Collateral Motion").

56. The Masonite Debtors request entry of interim and final orders: (i) authorizing the Masonite Debtors to use cash collateral pursuant to sections 361 and 363 of the Bankruptcy Code; (ii) approving the form of adequate protection provided to the Lenders pursuant to sections 361(a) and 363(c) of the Bankruptcy Code; (iii) scheduling the final hearing on the Motion to consider entry of the Final Cash Collateral Order authorizing and granting the relief requested in the Motion; and (iv) granting related relief and such other and further relief as the Court deems just and proper.

57. The Masonite Debtors believe that the proposed adequate protection for the Lenders is necessary and appropriate to ensure that the Masonite Debtors can continue to use the Cash Collateral. Accordingly, the proposed adequate protection is fair and reasonable and sufficient to satisfy the requirements of sections 363(c)(2) and (e) of the Bankruptcy Code. Without use of the Cash Collateral, the Masonite Debtors will have little or no cash to pay trade creditors and, therefore, the Masonite Debtors' trade creditors may cease to provide goods and services to the Masonite Debtors on credit, and the Masonite Debtors will not be able to pay their payroll and other direct operating expenses or obtain goods and services needed to run their businesses and meet customer demands in a manner that will avoid immediate and irreparable harm to the Masonite Debtors' estates. The Masonite Debtors' ability to finance their operations and the availability to the Masonite Debtors of sufficient working capital and liquidity through the use of cash collateral is vital to the confidence of the Masonite Debtors' employees, major

suppliers, and to the preservation and maintenance of the going-concern values and other values of the Masonite Debtors' estates. Moreover, the Lenders have consented to the use of the Cash Collateral on the terms described in the Cash Collateral Motion.

58. I believe that the relief requested in the Cash Collateral Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Cash Collateral Motion should be approved.

D. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to Enter Into the Amended and Restated Receivables Purchase Agreement and Continue to Perform Thereunder (the "Receivables Purchase Motion").

59. The Masonite Debtors request the authority to assume the Receivables Purchase Agreement and related Supplier Agreement, enter into the Amended and Restated Receivables Purchase Agreement, and continue to sell the accounts receivables generated by certain of the Masonite Debtors and otherwise perform under the respective agreements.

60. Prior to the Petition Date, to manage cash flows and generate working capital, one or more of the Masonite Debtors participated in an early payment accounts receivables program. Specifically, from time to time in the ordinary course of business, Masonite sold the right, title, and interest in certain specified accounts receivables, the related collections, and the proceeds of each of the foregoing (collectively, the "Receivables") to TReFS Limited (the "Purchaser") pursuant to the Receivables Purchase Agreement. Sales of the Receivables under the Receivables Purchase Agreement are facilitated through an internet-based platform developed and managed by PrimeRevenue, Inc., and conducted pursuant to the terms and conditions set forth in the Supplier Agreement.

61. The sales of Receivables under the Receivables Purchase Agreement provide the Masonite Debtors with a critical source of liquidity and enhanced cash management by way of, among other things: (i) delivering "on-demand" access to cash from the Receivables, thereby allowing them to realize the cash equivalent of value of the Receivables in advance of the scheduled maturity date of the payment; (ii) increasing working capital efficiency through enhanced cash-flow visibility and forecasting; and (iii) reducing payment processing costs and customer disputes. Importantly, this additional liquidity is available to the Masonite Debtors at a time when traditional financing markets are essentially closed.

62. Sales of Receivables under the RPA may be discontinued for certain reasons enumerated therein, including, among other things (as would be the case here absent approval of this Motion), by notice at the election of the Purchaser. As such, prior to the Petition Date, Masonite approached the Purchaser to discuss the terms on which the Purchaser would agree to waive the termination event under the RPA relating to the commencement of these chapter 11 cases. Following good-faith, arm's-length negotiations, the parties were able to reach an agreement with respect to the postpetition sales of Receivables, the terms of which are set forth in the Amended and Restated Receivables Purchase Agreement (the "Amended RPA"). The Amended RPA amends and restates the prior agreement, but provides for the continued sales of Receivables on the same or substantially the same terms and conditions as those set forth therein, subject to, among other things, Court approval of the Receivables Purchase Motion.

63. I believe that the relief requested in the Receivables Purchase Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11

without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Receivables Purchase Motion should be approved.

E. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to Pay Prepetition (a) Wages, Salaries, and Other Compensation; (b) Reimbursable Employee Expenses; and (c) Employee Medical and Similar Benefits (the "Wages and Benefits Motion").

64. The Masonite Debtors request the authority, in their sole discretion, to pay prepetition claims, honor obligations, and to continue programs, in the ordinary course of business and consistent with past practices, relating to the Employee Obligations. In addition, the Masonite Debtors seek a waiver of the automatic stay under section 362 of the Bankruptcy Code as it applies to workers' compensation claims.

65. As of the Petition Date, the Masonite Debtors employ approximately 4,450 employees in the U.S. and Canada, of which approximately ten (10) are part-time Employees (*i.e.*, working less than 40 hours per week). Although the Masonite Debtors have paid their wage, salary, and other obligations in accordance with their ordinary compensation schedule prior to the Petition Date, as of the date hereof, certain prepetition Employees Obligations may nevertheless be due and owing.

66. The majority of the Masonite Debtors' Employees rely exclusively on their compensation, benefits, and reimbursement of expenses to satisfy their daily living expenses. Consequently, these Employees will be exposed to significant financial difficulties if the Masonite Debtors are not permitted to honor obligations for unpaid compensation, benefits, and reimbursable expenses. Moreover, if the Masonite Debtors are unable to satisfy such obligations, Employee morale and loyalty will be jeopardized at a time when Employee support is critical. In the absence of such payments, the Masonite Debtors believe their Employees may seek alternative employment opportunities, perhaps with the Masonite Debtors' competitors,

thereby hindering the Masonite Debtors' ability to meet their customer obligations, and likely diminish creditors' confidence in the Masonite Debtors. Moreover, the loss of valuable Employees and the recruiting efforts that would be required to replace such Employees would be a massive and costly distraction at a time when the Masonite Debtors should be focusing on stabilizing their operations.

67. In addition, the Masonite Debtors seek authorization, under section 362(d) of the Bankruptcy Code, to permit the Employees to proceed with their workers' compensation claims in the appropriate judicial or administrative forum. The Masonite Debtors believe that cause exists to modify the Automatic Stay because staying the workers' compensation claims could have a detrimental effect on the financial well-being and morale of the Employees and lead to the departure of certain Employees who are critical at this juncture.

68. I believe that the relief requested in the Wages and Benefits Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Wages and Benefits Motion should be approved.

F. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to Maintain and Administer Customer Programs and Honor Prepetition Obligations Related Thereto (the "Customer Programs Motion").

69. The Masonite Debtors request the authority to maintain and administer customer programs and honor prepetition obligations to customers related thereto in the ordinary course of business and in a manner consistent with past practice.

70. To maintain the loyalty and goodwill of their customers, in the ordinary course of business the Masonite Debtors implemented Customer Programs to encourage new purchases,

enhance customer satisfaction, sustain goodwill, and ensure that the Masonite Debtors remain competitive. The Masonite Debtors' ability to honor their Customer Program Obligations in the ordinary course of business is necessary to retain their customer base and reputation for quality. The Masonite Debtors believe that the relief requested herein will pay dividends with respect to the long-term reorganization of their business, both in terms of profitability and the engendering of goodwill, especially at this critical time following the filing of the chapter 11 cases.

71. I believe that the relief requested in the Customer Programs Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Customer Programs Motion should be approved.

G. Motion of Masonite Corporation, et al., for Entry of Interim and Final Orders (a) Authorizing, but not Directing, the Masonite Debtors to Pay Prepetition Claims of General Unsecured Creditors in the Ordinary Course of Business and (b) Authorizing and Directing Banks and Other Financial Institutions to Honor All Related Checks and Electronic Payment Requests (the "Accounts Payable Motion").

72. The Masonite Debtors request the entry of interim and final orders authorizing them to pay the Accounts Payable Claims in the ordinary course of business in an amount not to exceed $22 million on an interim basis and $44 million on a final basis.

73. In the ordinary course of business, the Masonite Debtors incur obligations to trade creditors and other unsecured creditors that provide, among other things, raw materials, equipment, consulting, logistics, shipping services, and various other goods and services that are necessary for the continued operation of their business.

74. I believe and have been advised that the maintenance of the Masonite Debtors' relationships with the holders of the Accounts Payable Claims is essential to maximizing the

value of the Masonite Debtors' estates. The Masonite Debtors' industry is in a significant downturn with the number of housing starts (*i.e.*, the number of residential building construction projects that have begun during a particular time period) having decreased to historically low levels. As a result of this deterioration of the international housing and construction industry, many suppliers and service providers have become reluctant to continue doing business with, or extending credit to, customers who operate in the industry. If the holders of the Accounts Payable Claims refuse to transact with the Masonite Debtors or limit credit or other trade terms—as such suppliers and service providers have done to other firms in the Masonite Debtors' industry—the operations and continued viability of the Masonite Debtors' business will be jeopardized.

75. Further, the Masonite Debtors have been able to negotiate and reach an agreement with the constituent groups that hold virtually all of the economic interests in the Masonite Debtors that contemplates continued payment of Accounts Payable Claim in the ordinary course of business. All Accounts Payable Claims are unimpaired under the proposed plan of reorganization. The relief requested in the Accounts Payable Motion merely expedites the treatment and distribution to the Unsecured Creditors that hold Accounts Payable Claims that would otherwise be made at a later date under the plan of reorganization.

76. I believe that the relief requested in the Accounts Payable Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Accounts Payable Motion should be approved.

H. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to Pay (a) in the Ordinary Course of Business, Claims for Goods Ordered Prepetition and Delivered Postpetition and (b) Prepetition Claims of Shippers, Warehousemen, and Materialman's Lien Claimants (the "Shippers and Claimants Motion").

77. The Masonite Debtors request the authority to pay, in the ordinary course of business, amounts due in respect of Outstanding Orders for goods ordered by the Masonite Debtors prior to the Petition Date and delivered after the Petition Date. In addition, the Masonite Debtors seek the authority to pay, in the ordinary course of business, and in their business judgment, prepetition Shipping Charges, Warehousing Charges, and Materialman's Lien Claims.

78. Prior to the Petition Date, and in the ordinary course of business, the Masonite Debtors ordered goods pursuant to the Outstanding Orders, which will be delivered to the Masonite Debtors after the Petition Date. Suppliers may refuse to ship or transport these goods (or recall such shipments) unless the Masonite Debtors issue substitute purchase orders postpetition or obtain an order of the Court (i) granting all undisputed obligations of the Masonite Debtors arising from the acceptance of goods subject to Outstanding Orders administrative expense priority under section 503(b) of the Bankruptcy Code and (ii) authorizing the Masonite Debtors to satisfy such obligations in the ordinary course of business.

79. I believe and am advised that the granting of the relief sought in the Shippers and Claimants Motion with respect to the Outstanding Orders will not provide the suppliers with any greater priority then they otherwise would have if the relief herein were not granted, and will not prejudice any other party in interest. Absent such relief, the Masonite Debtors will suffer disruption to the continuous and timely flow of raw materials, which could result in substantial delays in their operations and lead to dissatisfied customers and an erosion of customer confidence in the Masonite Debtors.

80. In addition, the Masonite Debtors rely extensively on the services of Shippers to assure the timely shipping and delivery of raw materials to the Masonite Debtors and finished goods to customers in the ordinary course of the Masonite Debtors' business. Occasionally, the Masonite Debtors must use Warehousemen for storage of raw materials until the Masonite Debtors use such materials in their manufacturing process. The Masonite Debtors also do business with a number of vendors who could potentially assert mechanic's liens and materialman's liens against the Masonite Debtors and their property for amounts the Masonite Debtors owe to those vendors. Paying the prepetition obligations owed to the Shippers, Warehousemen, and Materialman's Lien Claimants will benefit the Masonite Debtors' estates and their creditors by allowing the Masonite Debtors' business operations to continue without interruption.

81. I believe that the relief requested in the Shippers and Claimants Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Shippers and Claimants Motion should be approved.

I. Motion of Masonite Corporation, et al. for Entry of Interim and Final Orders Authorizing the Masonite Debtors to Pay Prepetition Claims of Vendors and Approving Procedures Related Thereto (the "Critical Trade Motion").

82. The Masonite Debtors request authority to pay prepetition claims of certain vendors and approving procedures related thereto. The Masonite Debtors rely in the ordinary course of business on numerous vendors to provide the diverse services and products that are necessary at all stages of the Masonite Debtors' production of doors, door components, and door entry systems. There is, however, a class of certain vendors that is "critical" to the Masonite

Debtors' business operations and that may choose not to continue providing goods and services to the Masonite Debtors during the chapter 11 cases. To identify the Critical Vendors, the Masonite Debtors and their advisors spent a significant amount of time reviewing their invoice data, accounts payable, and prepetition vendor lists and also consulting with the Masonite Debtors' facility and purchasing management.

83. Upon conclusion of this process, out of a total of approximately 6,000 vendors, the Masonite Debtors have identified roughly 30 vendors who are in fact "Critical Vendors." The refusal (or inability based on their own financial circumstances) of the Critical Vendors to work with the Masonite Debtors during the chapter 11 cases has the potential to impede the Masonite Debtors' successful reorganization. Indeed, a refusal by any one of the Critical Vendors to provide goods or services effectively could interrupt or shut down the Masonite Debtors' manufacturing process and jeopardize the Masonite Debtors' ability to fulfill commitments to their customers at a time when the loyalty and support of those customers is most important. The Masonite Debtors intend to pay Critical Vendors only to the extent such payments are necessary to preserve their businesses. The Masonite Debtors have determined, in the exercise of their sound business judgment, that payment of Critical Vendor Claims is essential to the Masonite Debtors' day-to-day operations and to ensure that the value of the businesses as a going concern is preserved through the pendency of the chapter 11 cases.

84. The Masonite Debtors also have identified roughly 1,500 vendors holding prepetition claims that may be entitled to priority under section 503(b)(9) of the Bankruptcy Code. Section 503(b)(9) of the Bankruptcy Code provides that such claims are administrative claims against the applicable Masonite Debtor's estate. The Masonite Debtors must, therefore, pay Priority Vendor Claims in full to confirm a plan of reorganization. Instead

of paying Priority Vendor Claims after confirmation of a chapter 11 plan (at which time such payments may be too late to benefit the estates), the Masonite Debtors seek to pay Priority Vendor Claims during the pendency of the chapter 11 cases to the extent the Priority Vendors agree to supply throughout the chapter 11 cases and agree to provide the Masonite Debtors with Trade Terms. The Masonite Debtors believe that this relief is in the best interest of the Masonite Debtors' estates because favorable Trade Terms will prevent contraction of the Masonite Debtors' liquidity. In addition, authorizing the Masonite Debtors to pay Priority Vendor Claims pursuant to the terms set forth herein should eliminate the burden on this Court and the Masonite Debtors arising from numerous individual vendor motions requesting payment on account of their 503(b)(9) claims.

85. I believe that the relief requested in the Critical Trade Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Critical Trade Motion should be approved.

J. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to Pay Prepetition Obligations to Foreign Vendors (the "Foreign Vendor Motion").

86. The Masonite Debtors request authority to pay the prepetition claims owing to Foreign Vendors including claims on account of direct and indirect materials and services provided to the Masonite Debtors, as well as import or tax obligations. The Foreign Vendors supply goods, materials, and services without which, the Masonite Debtors' businesses either could not operate or would operate at significantly reduced profitability. The Foreign Vendors provide the diverse services and products that are necessary at all stages of the Masonite Debtors' production of doors, door components, and door entry systems.

87. Foreign Vendors, particularly those in developing countries, often have confused and guarded reactions to United States bankruptcy laws and process. Indeed, there is a significant risk that the nonpayment of even a single invoice could cause a Foreign Vendor to sever its business relationship with the Masonite Debtors altogether. But even short of that, nonpayment of prepetition claims may cause Foreign Vendors to adopt a wait-and-see attitude in transacting business with the Masonite Debtors, resulting in costly delays in the shipment of additional goods. If any of the Foreign Vendors refused to ship its product to the Masonite Debtors, the Masonite Debtors' manufacturing process would be disrupted and they would be unable to timely satisfy their customers' orders. Payment of the Foreign Vendors is essential to the continued, uninterrupted operation of the Masonite Debtors' businesses.

88. I believe that the relief requested in the Foreign Vendors Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Foreign Vendors Motion should be approved.

K. Motion of Masonite Corporation, et al. for an Order Authorizing the Masonite Debtors to (a) Continue Insurance Coverage Entered into Prepetition and (b) Maintain Postpetition Financing of Insurance Premiums (the "Insurance Motion").

89. The Masonite Debtors request the authority to (i) continue prepetition insurance policies and programs and (ii) maintain premium financing agreements for insurance coverage entered into prepetition. In the ordinary course of business, the Masonite Debtors maintain a number of insurance policies, self-insurance programs, and pay their allocable share under KKR Programs that benefit, among others, the Masonite Debtors. The Policies are essential to the preservation of the value of the Masonite Debtors' businesses, properties, and assets. In many

cases, insurance coverage such as that provided by the Policies is required by the diverse regulations, laws, and contracts that govern the Masonite Debtors' commercial activities.

90. In addition, in the ordinary course of the Masonite Debtors' businesses, the Masonite Debtors finance the premiums on certain policies pursuant to premium financing agreements with third-party lenders. Financed Policies benefit the Masonite Debtors by spreading out the cost of the Financed Policies over the applicable coverage period. If the Masonite Debtors are unable to continue making payments on the Financing Agreements, under the terms of the Financing Agreements, the premium financer may be permitted to terminate the applicable insurance policies. If the Masonite Debtors were required to obtain replacement insurance and to pay a lump sum premium for such insurance policy in advance, this payment likely would be greater than what the Masonite Debtors currently pay.

91. I believe that the relief requested in the Insurance Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Insurance Motion should be approved.

L. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Masonite Debtors to Pay Certain Prepetition Taxes and Fees (the "Taxes and Fees Motion").

92. The Masonite Debtors request authority to pay any Taxes and Fees that, in the ordinary course of business, accrued or arose before the Petition Date. In the ordinary course of business, the Masonite Debtors incur and/or collect certain Taxes and Fees and remit such Taxes and Fees to various Authorities. The Masonite Debtors must continue to pay the Taxes and Fees to continue operating in certain jurisdictions and to avoid costly distractions during the chapter 11 cases. Specifically, it is my understanding that the Masonite Debtors' failure to pay the Taxes

and Fees could affect adversely the Masonite Debtors' business operations because the Authorities could suspend the Masonite Debtors' operations, file liens, or seek to lift the automatic stay. In addition, certain Authorities may take precipitous action against the Masonite Debtors' directors and officers for unpaid Taxes, which undoubtedly would distract those key employees from their duties related to the Masonite Debtors' restructuring.

93. I believe that the relief requested in the Taxes and Fees Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Taxes and Fees Motion should be approved.

M. Motion of Masonite Corporation, et al. for Entry of Interim and Final Orders Determining Adequate Assurance of Payment for Future Utility Services (the "Utilities Motion").

94. The Masonite Debtors request the entry of interim and final orders: (i) determining that the Utility Providers have been provided with adequate assurance of payment within the meaning of section 366 of the Bankruptcy Code; (ii) approving the Masonite Debtors' proposed offer of adequate assurance and procedures governing the Utility Providers' requests for additional or different adequate assurance; (iii) prohibiting the Utility Providers from altering, refusing, or discontinuing services on account of prepetition amounts outstanding and on account of any perceived inadequacy of the Masonite Debtors' proposed adequate assurance pending entry of the Final Order; (iv) determining the Masonite Debtors are not required to provide any additional adequate assurance beyond what is proposed by the Utilities Motion, pending entry of the Final Order; and (v) setting a final hearing on the Masonite Debtors' proposed adequate assurance.

95. In the ordinary course of business, the Masonite Debtors incur expenses for gas, water, sewer, electric, telecommunications, and other similar utility services provided by approximately 200 utility providers. Uninterrupted utility services are essential to the Masonite Debtors' ongoing operations and, therefore, to the success of their reorganization. Indeed, any interruption of utility services, even for a brief period of time, would negatively affect the Masonite Debtors' operations, customer relationships, revenues, and profits, seriously jeopardizing the Masonite Debtors' reorganization efforts and, ultimately, value and creditor recoveries. It is, therefore, critical that utility services continue uninterrupted during the chapter 11 cases.

96. I believe and am advised that the proposed procedures are necessary in the chapter 11 cases, because if such procedures are not approved, the Masonite Debtors could be forced to address numerous requests by the Utility Providers in a disorganized manner during the critical first weeks of the chapter 11 cases. Moreover, a Utility Provider could blindside the Masonite Debtors by unilaterally deciding—on or after the 30th day following the Petition Date—that it is not adequately protected and discontinuing service or making an exorbitant demand for payment to continue service. Discontinuation of utility service could essentially shut down operations, and any significant disruption of operations could put the chapter 11 cases in jeopardy.

97. I believe that the relief requested in the Utilities Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Utilities Motion should be approved.

N. Motion of Masonite Corporation, et al. for Entry of an Order Implementing a Procedural Protocol for the Administration of the Cross-Border Insolvency Proceedings (the "Protocol Motion").

98. The Masonite Debtors seek entry of an order approving and implementing a protocol to, among other things, establish a clear framework of general principles which will govern the cross-border administration of these chapter 11 cases, and address certain key issues that may arise during the chapter 11 cases.

99. These chapter 11 cases together with the Canadian proceedings (collectively, the "Restructuring Proceedings"), involve the restructuring of 19 Masonite entities and affect the rights of thousands of creditors and other interested parties in the United States, Canada, and other jurisdictions. In light of the cross-border issues and claims that are likely to arise (and in some instances imminently) given the complex, transnational nature of the Restructuring Proceedings, the terms of the Protocol are designed to achieve four core goals.

100. First, the Protocol is designed to harmonize and coordinate activities in the Restructuring Proceedings before this Court and the Canadian Court, thereby promoting the orderly and efficient administration of the Restructuring Proceedings. Such coordination is essential and will, among other things, maximize the efficiency of the Restructuring Proceedings, reduce the costs associated therewith, and avoid duplication of effort.

101. Second, the Protocol is designed to honor the independence and integrity of the Courts and other courts and tribunals of the United States and Canada and promote international cooperation and respect for comity among the Courts, the Masonite Debtors, the CCAA Applicants, and other creditors and interested parties.

102. Third, the Protocol is designed to facilitate the fair, open, and efficient administration of the Restructuring Proceedings for the benefit of all credits and other interested parties of the Masonite Debtors' and the CCAA Applicants, wherever located.

103. Fourth, the Protocol is designed to establish guidelines for communication between this Court and the Canadian Court by providing for appropriate notice to all key constituencies of matters arising in both Restructuring Proceedings, an opportunity for all parties in interest to be heard in both Courts, maximum efficiency (*e.g.*, reducing costs and duplicative efforts) and an orderly administration of the proceedings, and the express preservation of all parties' substantive rights.

104. I believe that the relief requested in the Protocol Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the Protocol Motion should be approved.

O. Motion of Masonite Corporation, et al. for Entry of an Order Authorizing the Employment and Retention of Kurtzman Carson Consultants LLC as Notice and Claims Agent (the "KCC Retention Motion").

105. The Masonite Debtors request entry of an order pursuant to 28 U.S.C. § 156(c), section 503(b) of the Bankruptcy Code, and Local Bankruptcy Rule 2002-1(f) authorizing the employment and retention of KCC effective as of the Petition Date as the notice and claims agent in accordance with the terms and conditions set forth in the Services Agreement.

106. I believe that the relief requested in the KCC Retention Motion is in the best interests of the Masonite Debtors' estates, their creditors, and all other parties in interest, and will enable the Masonite Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Masonite Debtors, I respectfully submit that the KCC Retention Motion should be approved.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 16, 2009

Respectfully submitted,

Anthony D. DiLucente
Executive Vice President and
Chief Financial Officer

EXHIBIT A

Restructuring and Lock-Up Agreement

RESTRUCTURING AND LOCK-UP AGREEMENT

This RESTRUCTURING AND LOCK-UP AGREEMENT is made and entered into as of March 11, 2009 (this "*Agreement*") by and among (i) Masonite International Inc., Masonite International Corporation, Masonite Corporation, Premdor Finance LLC, Eger Properties, WMW, Inc., Woodlands Millwork I, Ltd., Masonite Primeboard, Inc., Florida Made Door Co., Cutting Edge Tooling, Inc., Pintu Acquisition Company, Inc., Masonite Air LLC, Door Installation Specialist Corporation, Masonite Mexico S.A. de C.V., Premdor U.K. Holdings Limited, Premdor Crosby Limited, Bonlea Limited, Masonite Chile Holdings S.A., Masonite Ireland, Masonite Europe, Masonite Europe Limited, Masonite Components, Crown Door Corporation, Castlegate Entry Systems Inc., 3061275 Nova Scotia Company, and Rochman Universal Doors Inc. (collectively, the "*Company*"); (ii) the undersigned lenders under the Credit Agreement (each, a "*Consenting Lender*"); and (iii) the undersigned holders or investment advisers or managers of discretionary accounts that hold the Senior Subordinated Notes (as defined below) (each, a "*Consenting Noteholder*") (each of the foregoing, a "*Party*," and collectively, the "*Parties*"). Each Consenting Lender and each Consenting Noteholder shall be referred to herein as the "*Plan Support Parties*."

RECITALS

WHEREAS, the Company and the Plan Support Parties are negotiating restructuring and recapitalization transactions (collectively, the "*Transactions*") with respect to the capital structure of the Company, including the Company's obligations under: (i) that certain Credit Agreement, dated as of April 6, 2005 (as amended, restated, supplemented, or otherwise modified from time to time, the "*Credit Agreement*"), by and among Masonite Corporation, as the U.S. borrower, Masonite International Corporation, as the Canadian borrower, and certain of their affiliates, as guarantors, The Bank of Nova Scotia, as administrative agent (the "*Administrative Agent*"), and certain financial institutions and lender parties thereto (together with all Obligations (as defined in the Credit Agreement), the "*Credit Agreement Obligations*"); (ii) the $412 million in 11% senior subordinated notes due April 6, 2015 (the "*U.S. Senior Subordinated Notes*") issued by Masonite Corporation pursuant to that certain Exchange Note Indenture, dated as of October 6, 2006 (as amended, restated, supplemented, or otherwise modified from time to time, the "*U.S. Indenture*"), by and among Masonite Corporation, as the issuer, and certain of its affiliates, as guarantors, and The Bank of New York, as trustee (in such capacity, the "*Trustee*"); and (iii) the $357.9 million in 11% senior subordinated notes due April 6, 2015 (the "*Canadian Senior Subordinated Notes*," and together with the U.S. Senior Subordinated Notes, the "*Senior Subordinated Notes*") issued by Masonite International Corporation pursuant to that certain Exchange Note Indenture, dated as of October 6, 2006 (as amended, restated, supplemented, or otherwise modified from time to time, the "*Canadian Indenture*," and together with the U.S. Indenture, the "*Indentures*"), by and among Masonite International Corporation, as issuer, and certain of its affiliates, as guarantors, and the Trustee, pursuant to the terms and conditions set forth in the Restructuring Term Sheet attached hereto as **Exhibit A** (the "*Term Sheet*") and in this Agreement;

WHEREAS, Masonite Holding Corporation, Masonite International Inc., Masonite International Corporation, Masonite Corporation, and certain of their affiliates (collectively, the "*U.S. Debtors*") intend to commence voluntary reorganization cases (the "*Chapter 11 Cases*")

under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "*Bankruptcy Code*"), in the United States Bankruptcy Court (the "*Bankruptcy Court*") to effect the Transactions through a prearranged chapter 11 plan of reorganization that implements and is otherwise materially consistent with the terms and conditions set forth in the Term Sheet and in this Agreement (the "*Plan of Reorganization*"); and

WHEREAS, Masonite Holding Corporation, Masonite International Inc., Masonite International Corporation, and certain of their affiliates (the "*CCAA Applicants*," and together with the U.S. Debtors, the "*Masonite Debtors*") intend to commence voluntary reorganization cases (the "*CCAA Proceedings*") under the Companies' Creditors Arrangement Act (the "*CCAA*") in the Ontario Superior Court of Justice (the "*Canadian Court*") in Toronto, Ontario, Canada to effect the Transactions through a plan of arrangement that implements and is otherwise materially consistent with the terms and conditions set forth in the Term Sheet and in this Agreement, which may include a plan of arrangement under the Canada Business Corporations Act (collectively, the "*Plan of Arrangement*," and together with the Plan of Reorganization, the "*Plans*");

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. ***Agreement Effective Date.*** This Agreement shall become effective and binding upon each of the Parties at 12:01 a.m. prevailing Eastern Time on the date on which: (a) the following conditions have been satisfied (i) the Company shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Administrative Agent and counsel to the Informal Noteholder Committee (as defined below), (ii) holders of at least two-thirds of the outstanding principal amount of the Credit Agreement Obligations shall have executed and delivered to the Company counterpart signature pages of this Agreement, and (iii) holders of at least two-thirds of the outstanding principal amount of the Senior Subordinated Notes shall have executed and delivered to the Company counterpart signature pages of this Agreement and (b) the Company has given notice to the Administrative Agent and the Informal Noteholder Committee (as defined below) in accordance with Section 8.11 hereof that the conditions in (a)(i) through (iii) have been satisfied and this Agreement is effective (the "*Agreement Effective Date*").

Section 2. ***Term Sheet.*** The Term Sheet is expressly incorporated herein and is made part of this Agreement. The general terms and conditions of the Transactions are set forth in the Term Sheet; *provided, however*, that the Term Sheet is supplemented by the terms and conditions of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the Term Sheet, this Agreement shall govern.

Section 3. ***Commitments Regarding the Transactions.***

3.01. Agreement to Vote.

(a) As long as this Agreement has not been terminated in accordance with the terms hereof, each of the Plan Support Parties, agrees that it shall, subject to (i) the receipt by such Plan Support Party of a disclosure statement and other solicitation materials in respect of the Plans, which disclosure statement and solicitation materials reflect the agreement set forth in the Term Sheet and have been approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and the Canadian Court in the CCAA Proceedings and are in all material respects reasonably satisfactory to the Plan Support Parties (collectively, the "*Solicitation Materials*"), and (ii) the Plan Support Party being entitled under such Plans to vote to accept or reject the Plans:

(i) vote its claims against the Company to accept the Plans by delivering its duly executed and completed ballot accepting such Plans on a timely basis following the commencement of the solicitation and its actual receipt of the Solicitation Materials and ballot;

(ii) not change or withdraw (or cause to be changed or withdrawn) such vote; and

(iii) not, in any material respect, (A) object to, delay, impede, or take any other action to interfere with acceptance or implementation of the Plans or (B) propose, file, support, or vote for any restructuring, workout, plan of arrangement, or plan of reorganization for the Company other than the Plans and shall, in the case of the Consenting Lenders, direct the Administrative Agent not to take any action contemplated in (A) and (B) of this Section 3.01(a)(iii).

(b) For the avoidance of doubt, each Plan Support Party also agrees that, (i) unless this Agreement is terminated in accordance with the terms hereof, it will not take any action, and, in the case of the Consenting Lenders, it will direct the Administrative Agent not to take any action, that would in any material respect interfere with, delay, or postpone the confirmation or consummation of the Plans and implementation of the Transactions and (ii) upon the commencement by the Company of the Chapter 11 Cases, the automatic stay is invoked and each Plan Support Party agrees that it will not, and, in the case of the Consenting Lenders, it will direct the Administrative Agent not to exercise any right or remedy for the enforcement, collection, or recovery of any of the Credit Agreement Obligations or the Senior Subordinated Notes against the Company or any direct or indirect subsidiaries of Masonite International Inc. that are not Masonite Debtors; *provided, however*, that, except as otherwise set forth in this Agreement, the foregoing prohibition will not limit any Plan Support Parties' rights under any applicable indenture, credit agreement, other loan document, and/or applicable law to: (A) terminate or close out any swap agreement, repurchase agreement, or similar transaction with the Company to the extent the underlying agreement permits such termination or close-out or (B) to appear and participate as a party in interest in any matter to be adjudicated in any case under the Bankruptcy Code or CCAA concerning the Company, so long as such appearance and the positions advocated in connection therewith are not materially inconsistent with the Plans and do not hinder, delay, or prevent consummation of the Transactions.

3.02. Commitment of Company. The Company shall (a) support and complete the Transactions embodied in the Term Sheet, (b) do all things necessary and appropriate in furtherance of the Transactions embodied in the Term Sheet, including, without limitation (i) commencing the Chapter 11 Cases and the CCAA Proceedings on or before March 16, 2009 (the "*Outside Petition Date*," and the actual commencement date, the "*Petition Date*"), (ii) taking all steps necessary and desirable to obtain an order of the Bankruptcy Court, reasonably acceptable in all material respects to the Administrative Agent and counsel for the Informal Noteholder Committee, confirming the Plan of Reorganization and an order of the Canadian Court, reasonably acceptable in all material respects to the Administrative Agent and counsel for the Informal Noteholder Committee, approving the Plan of Arrangement within the timeframes contemplated by this Agreement, and (iii) taking all steps reasonably necessary and desirable to cause the effective date of the Plans to occur within the timeframes contemplated by this Agreement, (c) obtain any and all required regulatory and/or third-party approvals for the Transactions embodied in the Term Sheet, and (d) not take any action that is inconsistent with, or is intended or is likely to interfere with consummation of, the restructuring and the Transactions embodied in the Term Sheet. Regardless of whether the Transactions are consummated, the Company shall promptly pay in cash upon demand any and all reasonable accrued and unpaid out-of-pocket expenses incurred by the Administrative Agent and the informal committee of noteholders of Senior Subordinated Notes (the "*Informal Noteholder Committee*") (including, without limitation, all reasonable fees and out-of-pocket expenses of the legal counsel and financial advisors for the Administrative Agent and the Informal Noteholder Committee) in connection with the negotiation, documentation, and consummation of this Agreement, the Term Sheet, the Solicitation Materials, all other documents related to the Plans and the Transactions.

3.03. Transfer of Interests and Securities. Except as expressly provided herein, this Agreement shall not in any way restrict the right or ability of any Consenting Lender or Consenting Noteholder to sell, use, assign, transfer or otherwise dispose of ("*Transfer*") any of the Credit Agreement Obligations or Senior Subordinated Notes; *provided, however*, that for the period commencing as of the date such Consenting Lender or Consenting Noteholder, as applicable, executes this Agreement until termination of this Agreement pursuant to the terms hereof (such period, the "*Restricted Period*"), no Consenting Lender or Consenting Noteholder shall Transfer any Credit Agreement Obligations or Senior Subordinated Notes, and any purported Transfer of Credit Agreement Obligations or Senior Subordinated Notes shall be void and without effect, unless (a) the transferee is a Consenting Lender or a Consenting Noteholder or (b) if the transferee is not a Consenting Lender or a Consenting Noteholder prior to the Transfer, such transferee delivers to the Company, at or prior to the time of the proposed Transfer, an executed copy of **Exhibit B** attached hereto pursuant to which such Transferee shall assume all obligations of the Consenting Lender or Consenting Noteholder transferor hereunder in respect of the Credit Agreement Obligations or Senior Subordinated Notes being transferred (such transferee, if any, to also be a "*Consenting Lender*" or "*Consenting Noteholder*," as applicable, hereunder). This Agreement shall in no way be construed to preclude the Consenting Lenders or Consenting Noteholders from acquiring additional Credit Agreement Obligations or Senior Subordinated Notes; *provided, however*, that (a) any Consenting Lender or Consenting Noteholder that acquires additional Credit Agreement Obligations or Senior Subordinated Notes after executing this Agreement shall notify the Company, the Administrative Agent, and the Informal Noteholder Committee of such acquisition within five business days after the closing of such trade and (b) additional Credit Agreement Obligations and Senior Subordinated Notes shall

automatically and immediately upon acquisition by a Consenting Lender or Consenting Noteholder be deemed subject to all of the terms of this Agreement whether or not notice is given to the Company, the Administrative Agent, or the Informal Noteholder Committee of such acquisition. This Section 3.03 shall not impose any obligation on (a) the Company to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Lender or Consenting Noteholder to Transfer any Credit Agreement Obligations or Senior Subordinated Notes or (b) the Administrative Agent to monitor or enforce the provisions of this Section 3.03 as they relate to the Consenting Lenders. Subject to the obligations in any confidentiality agreement among the Company and a Plan Support Party, including pursuant to Section 8.12, the Company acknowledges and agrees that the undersigned Plan Support Parties do not owe any additional duty of confidentiality to the Company or to the any other party with respect to information provided by, or otherwise relating to, the Company.

3.04. Representation of Consenting Noteholders. Each of the Consenting Noteholders severally and not jointly represents and warrants that, as of the date such Consenting Noteholder executes and delivers this Agreement:

(a) it is the beneficial owner of the face amount of the Senior Subordinated Notes, or is the nominee, investment manager, or advisor for beneficial holders of the Senior Subordinated Notes, as reflected in such Consenting Noteholder's signature block to this Agreement, which amount the Company and each Consenting Noteholder understands and acknowledges is proprietary and confidential to such Consenting Noteholder;

(b) other than pursuant to this Agreement and applicable law, such Senior Subordinated Notes are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind, that would adversely affect in any way such Consenting Noteholder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed;

(c) (i) it is either (a) a qualified institutional buyer as defined in Rule 144A of the Securities Act of 1933, as amended (the "*Securities Act*"), or (b) an institutional accredited investor (as defined in Rule 501(a)(1), (2), (3), or (7) under the Securities Act (the "*Rules*")), (ii) any securities will have been acquired for investment and not with a view to distribution or resale; and

(d) it is not aware of any event that, due to any fiduciary or similar duty to any other person, would prevent it from taking any action required of it under this Agreement.

3.05. Representation of Consenting Lenders. Each of the Consenting Lenders severally and not jointly represents and warrants that, as of the date such Consenting Lender executes and delivers this Agreement:

(a) it is the beneficial owner of the face amount of the Credit Agreement Obligations, or is the nominee, investment manager, or advisor for beneficial holders of the Credit Agreement Obligations, as reflected in such Consenting Lender's signature block to this Agreement, which

amount the Company and each Consenting Lender understands and acknowledges is proprietary and confidential to such Consenting Lender;

(b) other than pursuant to this Agreement, such Credit Agreement Obligations are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind, that would adversely affect in any way such Consenting Lender's performance of its obligations contained in this Agreement at the time such obligations are required to be performed; and

(c) (i) it is either (a) a qualified institutional buyer as defined in Rule 144A of the Securities Act of 1933, as amended (the "*Securities Act*"), or (b) an institutional accredited investor (as defined in Rule 501(a)(1), (2), (3), or (7) under the Securities Act (the "*Rules*")), (ii) any securities acquired by the Consenting Lender in connection with the transactions described herein will not have been acquired with a view to distribution.

Section 4. ***Certain Additional Chapter 11 and CCAA Related Matters.*** The Company shall provide draft copies of all "first day" motions or applications and other documents the Company intends to file with the Bankruptcy Court and/or the Canadian Court to counsel for the Administrative Agent and counsel for the Informal Noteholder Committee at least three days prior to the date when the Company intends to file such document and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing with the Bankruptcy Court and/or the Canadian Court; *provided, however*, that any such proposed filing with the Canadian Court shall be in form and substance reasonably acceptable to the Administrative Agent and counsel for the Informal Noteholder Committee. The Company will use its reasonable best efforts to provide draft copies of all other pleadings the Company intends to file with the Bankruptcy Court and/or the Canadian Court to counsel for the Administrative Agent and counsel for the Informal Noteholder Committee at least three days prior to filing such pleading and shall consult in good faith with such counsel regarding the form and substance of any such proposed pleading.

Section 5. ***Mutual Representations, Warranties, and Covenants.*** Each of the Parties, severally and not jointly, represents, warrants, and covenants to each other Party, as of the date of this Agreement, as follows (each of which is a continuing representation, warranty, and covenant):

5.01. Enforceability. It is validly existing and in good standing under the laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditor's rights generally or by equitable principles relating to enforceability.

5.02. No Consent or Approval. Except as expressly provided in this Agreement, the Bankruptcy Code, the CCAA, or the Canada Business Corporations Act, as applicable, no consent or approval is required by any other person or entity in order for it to carry out the Transactions contemplated by, and perform the respective obligations under, this Agreement.

5.03. Power and Authority. Except as expressly provided in this Agreement, it has all requisite power and authority to enter into this Agreement and to carry out the Transactions contemplated by, and perform its respective obligations under, this Agreement.

5.04. Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

Section 6. *Termination Events.*

6.01. Consenting Lender and Consenting Noteholder Termination Events. This Agreement may be terminated by the delivery to the Company and, as applicable, the Administrative Agent or the Informal Noteholder Committee of a written notice in accordance with Section 8.11 hereof by Consenting Lenders holding no less than a majority in principal amount of the Credit Agreement Obligations held at such time by the Consenting Lenders or Consenting Noteholders holding no less than a majority in principal amount of the Senior Subordinated Notes held at such time by the Consenting Noteholders (unless otherwise provided in this Section 6.01), each in the exercise of its sole discretion, upon the occurrence and continuation of any of the following events (each a "*Consenting Lender/Noteholder Termination Event*"):

(a) failure of the Company and Masonite Holding Corporation to commence the Chapter 11 Cases and the CCAA Proceedings on or before the Outside Petition Date;

(b) failure of the Company and Masonite Holding Corporation to file a Plan of Reorganization and related disclosure statement with the Bankruptcy Court or a Plan of Arrangement with the Canadian Court within 10 days after the Petition Date, each of which shall be materially consistent with this Agreement and the Term Sheet and in form and substance reasonably acceptable to the Administrative Agent and counsel for the Informal Noteholder Committee;

(c) the Bankruptcy Court's and the Canadian Court's orders approving the Solicitation Materials and setting a hearing to confirm the Plans shall not have been entered by the Bankruptcy Court and the Canadian Court within 40 days after the filing of the Plans, or as soon thereafter as the Bankruptcy Court's and the Canadian Court's schedule permits;

(d) the Bankruptcy Court's and the Canadian Court's orders confirming the Plans (the "*Confirmation Order*"), which Plans, including all exhibits, appendices, plan supplement documents, and related documents, shall each be reasonably acceptable to the Administrative Agent and counsel for the Informal Noteholder Committee, shall not have been entered by the Bankruptcy Court and the Canadian Court within 40 days after the date that the Solicitation Materials are approved; *provided, however*, that so long as the Company is proceeding in good faith towards confirmation and/or consummation of the Plans, upon written notice from the Company to the Administrative Agent and the Informal Noteholder Committee in accordance with Section 8.11 hereof, there shall be a 15-day extension of such 40-day period;

(e) the effective date of the Plans shall not have occurred within 25 days after the date that the Plans are confirmed (the "*Outside Date*"); *provided, however*, that so long as the

Company is proceeding in good faith towards confirmation and/or consummation of the Plans, upon written notice from the Company to the Administrative Agent and the Informal Noteholder Committee in accordance with Section 8.11 hereof, there shall be a 15-day extension of such 25-day period;

(f) the breach in any material respect by the Company of any of the obligations, representations, warranties, or covenants of the Company set forth in this Agreement; *provided, however*, that the Administrative Agent or the Informal Noteholder Committee shall transmit a notice to the Company and the Administrative Agent or the Informal Noteholder Committee, as applicable, detailing any such breach, and the Company shall have five business days after receiving such notice to cure any breach;

(g) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Transactions in a way that cannot be reasonably remedied by the Company; *provided, however*, that the Company shall have five business days after receiving such notice to cure any breach;

(h) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or if the CCAA Proceedings are dismissed, terminated, stayed, modified, or converted to a proceeding under the (Canada) Bankruptcy and Insolvency Act or (Canada) Winding-Up and Restructuring Act, in each case unless such conversion, dismissal, termination, stay, or modification, as applicable, is made with the prior written consent of the Administrative Agent and counsel for the Informal Noteholder Committee;

(i) the appointment of a trustee, receiver, or examiner with expanded powers in one or more of the Chapter 11 Cases or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator, or administrator is appointed in the CCAA Proceedings or any other proceedings against the Company or Masonite Holding Corporation, in each case unless such appointment is made with the prior written consent of the Administrative Agent and counsel for the Informal Noteholder Committee;

(j) the amendment, modification, or filing of a pleading by the Company seeking to amend or modify the Plans, Solicitation Materials, or any documents related to the foregoing, including motions, notices, exhibits, appendices, and orders, in a manner not reasonably acceptable to the Administrative Agent and counsel for the Informal Noteholder Committee; or

(k) the Company or Masonite Holding Corporation files any motion or pleading with the Bankruptcy Court or the Canadian Court that is not consistent in any material respect with this Agreement or the Term Sheet and such motion or pleading has not been withdrawn prior to the earlier of (i) five business days of the Company receiving written notice in accordance with Section 8.11 hereof from either the Administrative Agent or the Informal Noteholder Committee that such motion or pleading is inconsistent with this Agreement or the Term Sheet and (ii) entry of an order of the Bankruptcy Court or the Canadian Court, as applicable, approving such motion.

Notwithstanding any provision in this Agreement to the contrary, upon the written consent of Consenting Lenders holding a majority in principal amount of the Credit Agreement Obligations held at such time by the Consenting Lenders and Consenting Noteholders holding a majority in principal amount of the Senior Subordinated Notes held at such time by the Consenting Noteholders, the dates set forth in this Section 6.01 may be extended prior to or upon each such date and such later dates agreed to in lieu thereof and shall be of the same force and effect as the dates provided herein; provided, however, that the Outside Date may not be extended beyond September 15, 2009, without the written consent of each Party. If this Agreement is terminated by the Consenting Lenders or the Consenting Noteholders pursuant to this Section 6.01, this Agreement shall be automatically and simultaneously terminated as to any other Party that is a signatory to this Agreement. No Party shall terminate this Agreement if such Party is in breach of any provision hereof.

6.02. Company Termination Events. The Company may terminate this Agreement as to all Parties upon five business days' prior written notice, delivered in accordance with Section 8.11 hereof, upon the occurrence of any of the following events (each, a "*Company Termination Event*"): (a) the breach by any of the Plan Support Parties of any of the representations, warranties, or covenants of such Plan Support Parties set forth in this Agreement that would have a material adverse impact on the Company, or the consummation of the Transactions, that remains uncured for a period of three business days after the receipt by the Plan Support Parties of notice of such breach; (b) the board of directors of the Company reasonably determines based upon the advice of counsel that proceeding with the Transactions would be inconsistent with the exercise of its fiduciary duties, or (c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Transactions.

6.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual agreement among (a) the Company, (b) Consenting Lenders holding a majority in principal amount of the Credit Agreement Obligations held at such time by the Consenting Lenders, and (c) Consenting Noteholders holding a majority in principal amount of the Senior Subordinated Notes held at such time by the Consenting Noteholders.

6.04. Effect of Termination. Upon termination of this Agreement under Section 6.01, 6.02, or 6.03, this Agreement shall be of no further force and effect and each Party hereto shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement. Upon the occurrence of any termination of this Agreement, any and all consents tendered by the Plan Support Parties prior to such termination shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Transactions and this Agreement or otherwise.

6.05. Termination Upon Effective Date of Plan. This Agreement shall terminate automatically without any further required action or notice on the date that the Plans become effective (immediately following the effectiveness of the Plans).

Section 7. ***Effectiveness; Amendments.*** This Agreement, including the Term Sheet, may not be modified, amended, or supplemented (except as expressly provided herein or therein) except in writing signed by the Company, the Consenting Lenders, and the Consenting Noteholders.

Section 8. ***Miscellaneous.***

8.01. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the Transactions, as applicable.

8.02. Complete Agreement. This Agreement is the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between the Parties with respect thereto. No claim of waiver, modification, consent, or acquiescence with respect to any provision of this Agreement shall be made against any Party, except on the basis of a written instrument executed by or on behalf of such Party.

8.03. Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 3.03 hereof. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.04. Headings. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in either the United States District Court for the Southern District of New York or any New York State court sitting in New York City (the "*Chosen Courts*"), and solely in connection with claims arising under this Agreement (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto; *provided, however*, that if the Company commences the Chapter 11 Cases, then the Bankruptcy Court shall be the sole Chosen Court. Each party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

8.06. Execution of Agreement. This Agreement may be executed and delivered (by facsimile, electronic mail, or otherwise) in any number of counterparts, each of which, when

executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

8.07. Interpretation. This Agreement is the product of negotiations between the Company, the Administrative Agent, the Informal Noteholder Committee, the Consenting Lenders, and the Consenting Noteholders, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

8.08. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators, and representatives, other than a trustee or similar representative appointed in a bankruptcy case.

8.09. Creditors' Committee. Notwithstanding anything herein to the contrary, if any Consenting Noteholder is appointed to and serves on an official committee of creditors in the Chapter 11 Cases, the terms of this Agreement shall not be construed so as to limit such Consenting Noteholder's exercise (in its sole discretion) of its fiduciary duties to any person arising from its service on such committee, and any such exercise (in the sole discretion of such Consenting Noteholder) of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided, however*, that nothing in this Agreement shall be construed as requiring any Consenting Noteholder to serve on any official committee in any such Chapter 11 Case.

8.10. Relationship Among Parties. It is understood and agreed that no Plan Support Party has any fiduciary duty or other duty of trust or confidence in any form with any other Plan Support Party, and, except as provided in this Agreement, there are no commitments among or between them. In this regard, it is understood and agreed that any Consenting Noteholder may trade in the Senior Subordinated Notes or other debt or equity securities of the Company without the consent of the Company or any other Plan Support Party, subject to applicable securities laws and the terms of this Agreement; *provided, however*, that no Plan Support Party shall have any responsibility for any such trading by any other entity by virtue of this Agreement. No prior history, pattern, or practice of sharing confidences among or between the Plan Support Parties shall in any way affect or negate this understanding and agreement.

8.11. Notices. All notices hereunder shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

(a) if to the Company, to:

Masonite Corporation
One N. Dale Mabry Highway
Suite 950
Tampa, Florida 33609
Attention: General Counsel
E-mail address: mmclark@masonite.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
Citigroup Center
153 East 53rd Street
New York, New York 10022-4611
Attention: Jonathan S. Henes, Esq. and Christopher J. Marcus, Esq.
E-mail addresses: jhenes@kirkland.com and cmarcus@kirkland.com

(b) if to the Administrative Agent, to:

The Bank of Nova Scotia
GWS Loan Operations
720 King Street West, 2nd Floor
Toronto, Ontario
M5V 2T3
Attention: John Hall, Senior Director
Facsimile: (212) 225-5708

with copies (which shall not constitute notice) to:

Wachtell Lipton Rosen & Katz
51 W. 52nd Street
New York, New York 10019
Attention: Richard G. Mason, Esq. and Gregory E. Pessin, Esq.
E-mail addresses: rgmason@wlrk.com and gepessin@wlrk.com

(c) if to a Consenting Lender or a transferee thereof, to the addresses or telecopier numbers set forth below following the Consenting Lender's signature (or as directed by any transferee thereof), as the case may be

with copies (which shall not constitute notice) to:

Wachtell Lipton Rosen & Katz
51 W. 52nd Street
New York, New York 10019
Attention: Richard G. Mason, Esq. and Gregory E. Pessin, Esq.
E-mail addresses: rgmason@wlrk.com and gepessin@wlrk.com

(d) if to a Consenting Noteholder or a transferee thereof, to the addresses or telecopier numbers set forth below following the Consenting Noteholder's signature (or as directed by any transferee thereof), as the case may be

with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Alan W. Kornberg, Esq. and Andrew N. Rosenberg, Esq.
E-mail addresses: akornberg@paulweiss.com and arosenberg@paulweiss.com

(e) if to the Informal Noteholder Committee, to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Alan W. Kornberg, Esq. and Andrew N. Rosenberg, Esq.
E-mail addresses: akornberg@paulweiss.com and arosenberg@paulweiss.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission.

8.12. Access. The Company will afford the Plan Support Parties and their respective attorneys, consultants, accountants, and other authorized representatives reasonable access, upon reasonable notice during normal business hours, to all properties, books, contracts, commitments, records, management personnel, lenders, and advisors of the Company; *provided, however,* that the Company's obligation hereunder shall be conditioned upon such Plan Support Party being party to an executed confidentiality agreement approved by and with the Company. The Company acknowledges and agrees that the Administrative Agent, the private-side lenders under the Credit Agreement, and certain members of the Informal Noteholder Committee have complied with the requirements of this Section 8.12 by virtue of their existing confidentiality arrangements with the Company.

8.13. Waiver. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Consenting

Lender or Consenting Noteholder or the ability of each of the Consenting Lenders or each of the Consenting Noteholders to protect and preserve its rights, remedies, and interests, including, without limitation, its claims against the Company. If the Transactions are not consummated, or if this Agreement is terminated for any reason (other than Section 6.05 hereof), the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

8.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

8.15. Several, Not Joint, Obligations. The agreements, representations, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

8.16. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

8.17. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

8.18. Pending Transfers. Notwithstanding anything to the contrary provided herein, if a Consenting Lender has assigned all or a portion of the Credit Agreement Obligations that it beneficially owns as of the date hereof but such assignment has not settled as of the date hereof (such Credit Agreement Obligations, "Pending Transfer Credit Agreement Obligations"), then such Consenting Lender shall be permitted to exclude from the amount of Credit Agreement Obligations listed on its signature page an amount of Pending Transfer Credit Agreement Obligations equal to the Pending Transfer Credit Agreement Obligations assigned to any transferee that has instructed such Consenting Lender not to execute this Agreement (such excluded Credit Agreement Obligations, the "Excluded Credit Agreement Obligations"). Such Consenting Lender shall not be bound by the terms hereof with respect to any Excluded Credit Agreement Obligations.

Section 9. ***Disclosure.*** The Company shall publicly disclose (a) the existence of this Agreement and the material terms of the Term Sheet in a filing with the Bankruptcy Court on the Petition Date and the Canadian Court upon the commencement of the CCAA Proceedings and (b) any material amendment to this Agreement and the Term Sheet in a filing with the Bankruptcy Court and the Canadian Court following the effective date of such amendment, each in form and substance reasonably acceptable to the Administrative Agent and the Informal Noteholder Committee. To the extent reasonably practicable, the Company will submit to

counsel for the Administrative Agent and counsel for the Informal Noteholder Committee all press releases and public filings relating to this Agreement, the Term Sheet, or the transactions contemplated hereby and thereby and any amendments thereof. To the extent that the Company fails to make such initial disclosure within five business days following the Agreement Effective Date or the effective date of any amendment hereto, the Administrative Agent, each of the Consenting Lenders, and each of the Consenting Noteholders shall each have the right, but not the obligation, to disclose such terms publicly. The Company shall not (a) use the name of any Plan Support Party in any press release without such Plan Support Party's prior written consent or (b) disclose to any person other than legal and financial advisors to the Company and the Administrative Agent the principal amount or percentage of any Notes or any other securities of the Company or any of their respective subsidiaries held by any Consenting Noteholder; *provided, however*, that the Company shall be permitted to disclose at any time the aggregate principal amount of and aggregate percentage of Senior Subordinated Notes held by Consenting Noteholders or by persons who have otherwise agreed to participate in the Solicitation as a group.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

[signature pages follow]

Signature Page to the Restructuring and Lock-Up Agreement

MASONITE INTERNATIONAL INC.
MASONITE INTERNATIONAL CORPORATION
MASONITE CORPORATION

By: _____
Name: Frederick J. Lynch
Title: President and Chief Executive Officer

PREMDOR FINANCE LLC
EGER PROPERTIES
WMW, INC.
WOODLANDS MILLWORK I, LTD.
MASONITE PRIMEBOARD, INC.
FLORIDA MADE DOOR CO.
CUTTING EDGE TOOLING, INC.
PINTU ACQUISITION COMPANY, INC.
MASONITE AIR LLC
DOOR INSTALLATION SPECIALIST CORPORATION
MASONITE MEXICO S.A. DE C.V.
PREMDOR U.K. HOLDINGS LIMITED
PREMDOR CROSBY LIMITED
BONLEA LIMITED
MASONITE CHILE HOLDINGS S.A.
MASONITE IRELAND
MASONITE EUROPE
MASONITE EUROPE LIMITED
MASONITE COMPONENTS
CROWN DOOR CORPORATION
CASTLEGATE ENTRY SYSTEMS INC.
3061275 NOVA SCOTIA COMPANY
ROCHMAN UNIVERSAL DOORS INC.

By: _____
Name: Rose M. Murphy
Title: Authorized Signatory

Signature Page to the Restructuring and Lock-Up Agreement

[NOTEHOLDER/LENDER]

Name:
Title:

Address:

Attention:
Telephone:
Facsimile:

Aggregate principal amount of U.S. Senior Subordinated Notes beneficially owned or managed on behalf of accounts that hold or beneficially own such U.S. Senior Subordinated Notes:

Aggregate principal amount of Canadian Senior Subordinated Notes beneficially owned or managed on behalf of accounts that hold or beneficially own such Canadian Senior Subordinated Notes:

Aggregate principal amount of Credit Agreement Obligations beneficially owned or managed on behalf of accounts that hold or beneficially own such Credit Agreement Obligations:

EXHIBIT A
TERM SHEET

EXHIBIT B
PROVISION FOR TRANSFER AGREEMENT

The undersigned ("*Transferee*") hereby acknowledges that it has read and understands the Restructuring and Lock-Up Agreement, dated as of March 11, 2009 (the "*Agreement*"), by and among Masonite Corporation and its affiliates and subsidiaries bound thereto, and certain lenders and noteholders, including the transferor to the Transferee of any Credit Agreement Obligations[1] or Senior Subordinated Notes (the "*Transferor*"), and agrees to be bound by the terms and conditions thereof to the extent Transferor was thereby bound, and shall be deemed a "*Consenting Lender*" or "*Consenting Noteholder*," as applicable) under the terms of the Agreement.

The Transferee specifically agrees (i) to be bound by the terms and conditions of the Indentures or Credit Agreement, as applicable, and the Agreement, and (ii) to be bound by the vote of the Transferor if cast prior to the effectiveness of the transfer of the loans or notes, as applicable.

Date Executed: _____, 2009

_____
Print name of Transferee

_____
Name:
Title:

Address: _____

_____

_____

Attention: _____
Telephone: _____
Facsimile: _____

Aggregate principal amount of U.S. Senior Subordinated Notes beneficially owned or managed on behalf of accounts that hold or beneficially own such U.S. Senior Subordinated Notes:

Aggregate principal amount of Canadian Senior Subordinated Notes beneficially owned or managed on behalf of accounts that hold or beneficially own such Canadian Senior Subordinated Notes:

Aggregate principal amount of Credit Agreement Obligations beneficially owned or managed on behalf of accounts that hold or beneficially own such Credit Agreement Obligations:

---

[1] Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT 1

Masonite International Inc. Restructuring Term Sheet

Masonite International Inc. Restructuring Term Sheet
March 12, 2009

The following summary outlines the indicative economic terms of a proposed consensual restructuring transaction with respect to Masonite Holding Corporation, Masonite International Inc. and their subsidiaries ("Masonite" or the "Company") pursuant to pre-arranged plans of reorganization and plans of arrangement, respectively, (together, the "Plan") filed and consummated in connection with Chapter 11 and Companies' Creditors Arrangement Act cases of Masonite Holding Corporation and certain of its subsidiaries. Until all parties execute definitive documentation, there shall not exist any binding obligation on the part of any party to consummate the transaction described herein. This term sheet does not constitute a contractual commitment of any party but merely represents proposed terms for a restructuring transaction. This term sheet is not intended to be a comprehensive list of all relevant terms and conditions of the potential transaction described herein. It shall not constitute an offer to sell, buy or exchange into, nor the solicitation of an offer to sell, buy or exchange into, any of the securities or instruments referred to herein. Furthermore, nothing herein constitutes a commitment to exchange any debt, lend funds to the Company, vote debt in a certain way, or negotiate, agree to or otherwise engage in the transactions described herein.

Transaction Summary:

The Company's existing senior secured obligations (the "Senior Secured Obligations"), including any obligations (including termination payments) related to the termination of outstanding interest rate swaps that constitute obligations under the existing credit facility, will be converted on a pro rata basis, subject to the election of each existing holder of Senior Secured Obligations (each, a "Senior Secured Lender"), into (i) a new first-priority senior secured term loan (the "New Term Loan"), (ii) a new second-priority senior secured PIK loan (the "New PIK Loan"), and/or (iii) 97.5% of the common equity of the reorganized Masonite, subject to dilution under certain conditions described herein. Holders of the Company's existing senior subordinated notes (such holders, the "Senior Subordinated Noteholders") will be allocated 2.5% of the common equity in the reorganized Masonite plus warrants for 17.5% of the common stock of the reorganized Company, subject to dilution under certain conditions described herein.. Prior to the filing of the Chapter 11 cases, the Company shall solicit lockup agreements from all Senior Secured Lenders and all Senior Subordinated Noteholders pursuant to which such persons agree to vote in favor of the Plan.

Treatment of Senior Secured Obligations:

Treatment:	All claims in respect of the Senior Secured Obligations shall be canceled, and each Senior Secured Lender shall receive at each such lender's option:
	(a) new Senior Secured Term Loan obligations (the "New Term Loan Option") in a face amount up to such Senior Secured Lender's pro rata share of $200,000,000 based on the amount of Senior Secured Obligations that such Senior Secured Lender elects to apply to the New Term Loan Option. The aggregate principal amount of the New Term Loan shall be reduced by the pro rata share of each Senior Secured Lender that does not elect the New Term Loan Option ($200,000,000 less the amount of New Term Loans actually issued, the "Excess Amount");

(b) New PIK Loans in an amount up to $100,000,000 plus the Excess Amount (such amount, the "Maximum New PIK Loan Amount", and such option, the "New PIK Loan Option"). To the extent that a Senior Secured Lender elects to exercise its New PIK Loan Option, such lender shall receive $1 in amount of New PIK Loans for each $2 of equity it would have received at Plan Equity Value ("Plan Equity Value" shall equal the enterprise value as set forth in the Company's approved Disclosure Statement ("Plan Value") less the aggregate principal amount of the Senior Secured Term Loan and the New PIK Loan actually issued). The aggregate principal amount of New PIK Loans shall be reduced to the extent that Senior Secured Lenders elect the New PIK Loan Option in an amount less than the Maximum New PIK Loan Amount. In the event that Senior Secured Lenders exercise the New PIK Loan Option for an amount of New PIK Loans that is in excess of the Maximum New PIK Loan Amount, the amount of New PIK Loans issued to each Senior Secured Lender exercising the New PIK Loan Option shall be reduced ratably so that the aggregate amount of New PIK Loans issued does not exceed the Maximum New PIK Loan Amount; and/or

(c) such Senior Secured Lender's pro rata share (as adjusted as a result of such lender's election of the New Term Loan Option and/or New PIK Loan Option) of 97.5% of the common equity of reorganized Masonite subject to dilution for warrants issued to the Senior Subordinated Noteholders and management equity and/or options.

Each Senior Secured Lender shall be entitled to the New Term Loan Option in a face amount equal to such Senior Secured Lender's pro rata share of up to $200,000,000 based on the amount of Senior Secured Obligations that such Senior Secured Lender elects to apply to the New Term Loan Option and its pro rata share of 97.5% of the equity of the reorganized Company. To the extent a Senior Secured Lender elects not to exercise its New Term Loan Option for its full pro rata share of New Term Loans (its "Pro Rata New Term Loan Amount"), such Senior Secured Lender shall receive an additional amount of equity of the reorganized Company in an amount (at Plan Equity Value) equal to the difference between its Pro Rata New Term Loan Amount and the actual amount of New Term Loans, if any, it elects to receive. To the extent that a Senior Secured Lender elects to exercise its New PIK Loan Option, the amount of equity in the reorganized Company that such Senior Secured Lender receives shall be reduced by $2 for every $1 of New PIK Loans it receives. In no event will the holders of Senior Subordinated Notes receive more than 2.5% of equity value of reorganized Masonite (subject to dilution for warrants issued to the holders of the Senior Subordinated Notes, management equity and/or options) on account of their claims in respect of

Senior Subordinated Notes. To the extent that any Senior Secured Lenders elect not to receive their full Pro Rata New Term Loan Amount, the equity received by such Senior Secured Lenders shall be reduced, on a pro rata basis among such lenders, by 2.5% of the increase in the reorganized Company's equity value attributable to such elections.

The mechanics of the exchange shall be as illustrated on Annex A hereto.

All letters of credit outstanding under the Company's existing credit facility shall be replaced or cash collateralized upon the Company's exit from bankruptcy.

New Senior Secured Term Loan:

Collateral: First-priority lien on the Collateral.

Maturity: December 31, 2013.

Interest Rate: Cash interest shall be payable quarterly at LIBOR plus 700 basis points (with a LIBOR floor of 3.00%) or Prime Rate plus 600 basis points (with a Prime Rate floor of 5.00%).

Amortization: Quarterly repayment schedule of 0.25% of principal amount.

Covenants and Defaults: No affirmative or negative covenants other than covenants requiring payment of principal and interest under the loans and limiting the Company's ability to (a) incur liens that are pari passu with or senior to the liens securing the New Term Loan (with customary carveouts and baskets, and a basket for first-priority liens on accounts receivable and inventory to secure up to $150 million of obligations in respect of receivables securitizations (the liens in respect of which shall be solely on accounts receivable) or revolving credit facilities and an additional $25 million of obligations in respect of letter of credit facilities or debt to cash collateralize letters of credit); new liens shall be subject to an intercreditor agreement on terms set forth in the New Term Loan or on other customary terms reasonable acceptable to the agent under the New Term Loan; and (b) engage in consolidations, mergers or sales of all or substantially all of its assets. Customary events of default.

New PIK Loan:

Collateral: Second-priority lien on the Collateral.

Maturity: December 31, 2015.

Interest Rate: 8.00%.

Covenants and Defaults: No affirmative or negative covenants other than

covenants requiring payment of principal and interest under the loan and limiting the Company's ability to engage in certain consolidations, mergers or sales of all or substantially all of its assets. Customary events of default.

Senior Subordinated Notes:

Treatment:

All claims of the Senior Subordinated Noteholders shall be canceled, and holders of such notes shall receive their pro rata share of:

(a) 2.5% of the common stock of the reorganized Company, subject to dilution for management equity and/or options and the warrants described below;

(b) warrants to acquire up to 10.0% of the common stock of the reorganized Company, subject to dilution for management equity and/or options, struck at an implied equity value that would give a 100% recovery to the existing Senior Secured Lenders (after giving effect to any discount realized by virtue of exercise of the New PIK Loan Option) and with an expiry date of 5 years from the date that the Company exits from bankruptcy; and

(c) warrants to acquire up to 7.5% of the common stock of the reorganized Company, subject to dilution for management equity and/or options, struck at an implied equity value that would give a 100% recovery to the existing Senior Secured Lenders (after giving effect to any discount realized by virtue of exercise of the New PIK Loan Option) and with an expiry date of 7 years from the date that the Company exits from bankruptcy.

Management:

Management Incentive Plan:

Reserve of up to ten percent (10.0%) of the common stock of the reorganized Masonite for the implementation of a management incentive plan to be implemented by the new Board of Directors of the reorganized Masonite, with some portion of the common stock of the reorganized Masonite in restricted stock units, stock options, and/or stock appreciation rights allocated to management by the new Board of Directors of the reorganized Masonite within 30 days of the effective date of the Plan.

Miscellaneous:

Trade Claims:

Paid in full in the ordinary course of business.

Releases:

The Plan will contain language substantially to the effect of the following:

"Masonite Shareholders" means (a) KKR Millennium Fund (Overseas), LP, (b) KKR Partners (International), LP, and (c) Alpinvest Partners CS Investments 2005 C.V., (d) Alpinvest Partners Later Stage Co-Investments Custodian IIA B.V., (e) Capstone Equity Investors LLC, (f) Lexington Capital Holdings, S.a.r.l., and (g) Sculptor Investments, S.a.r.l.

"Released Party" means each of: (a) the Administrative Agent under the Company's existing credit facility; (b) each Senior Secured Lender that votes in favor of the Plan, in its capacity as such; (c) each member of the ad hoc committee of Subordinated Noteholders that votes in favor of the Plan, in each case in its capacity as such, provided the holders of the Subordinated Notes vote in favor of the Plan; (d) the indenture trustees in respect of the Subordinated Notes, in their capacities as such, provided the holders of the Subordinated Notes vote in favor of the Plan; (e) the Masonite Shareholders in their capacity as such; (f) with respect to each of the foregoing entities in clauses (a) through (e), such person's current and former affiliates, subsidiaries, officers, directors, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such; and (g) the Masonite debtors' and the reorganized Masonite debtors' current and former officers, directors, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such, and only if serving in such capacity.

Releases by the Masonite Debtors. Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Masonite debtors and the implementation of the restructuring contemplated by the Plan, on and after the effective date of the Plan, the Released Parties are deemed released and discharged by the Masonite debtors, the reorganized Masonite debtors, and the estates from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, asserted on behalf of the Masonite debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Masonite debtors, the reorganized Masonite debtors, the estates, or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any claim or equity interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Masonite debtors, the Chapter 11 cases or the CCAA proceedings, the purchase, sale, or rescission of the purchase or sale of any Security of the Masonite debtors or the reorganized

Masonite debtors, the subject matter of, or the transactions or events giving rise to, any claim or equity interest that is treated in the Plan, the business or contractual arrangements between any debtor and any Released Party, the restructuring of claims and equity interests prior to or in the Chapter 11 Cases or the CCAA proceedings, the negotiation, formulation, or preparation of the Plan and related disclosure statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the confirmation date of the Plan, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence.

Releases by Holders of Claims and Equity Interests. As of the effective date of the Plan, each holder of a claim or an equity interest (including, for the avoidance of doubt, all Masonite Shareholders) shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged the Masonite debtors, the reorganized Masonite debtors, and the Released Parties from any and all claims, equity interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, asserted on behalf of a debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Masonite debtors, the Masonite debtors' restructuring, the Chapter 11 cases, the CCAA proceedings the purchase, sale, or rescission of the purchase or sale of any Security of the Masonite debtors or the reorganized Masonite debtors, the subject matter of, or the transactions or events giving rise to, any claim or equity interest that is treated in the Plan, the business or contractual arrangements between any Masonite debtor and any Released Party, the restructuring of claims and equity interests prior to or in the Chapter 11 cases or the CCAA proceedings, the negotiation, formulation, or preparation of the Plan, the related disclosure statement, the related plan supplement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the confirmation date of the Plan, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-effective date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the plan supplement) executed to implement the Plan.

Corporate Governance: To be determined by the Senior Secured Lenders in consultation with

management of the Company.

Registration Rights: Standard and customary registration rights for Senior Secured Lenders, if any, who will own more than 10% of the equity of reorganized Masonite.

Adequate Protection: Subject to the execution and delivery by Senior Secured Lenders holding at least two-thirds of the aggregate principal amount of Senior Secured Obligations of a binding plan support agreement that provides for the implementation of a restructuring on the terms and conditions set forth in this term sheet, as "adequate protection" against diminution in the value of the Senior Secured Lenders' collateral during the Company's chapter 11 case(s), the Senior Secured Lenders shall receive on or beginning on the date of entry of the interim order authorizing the Company to continue using cash collateral: (i) payment in cash on a monthly basis of all cash-pay interest accruing on such indebtedness at the non-default contract rate (with the Senior Secured Lenders reserving all rights with respect to the default rate of interest), (ii) payment in cash on a current basis of any unpaid reasonable fees and expenses of counsel and advisors, (iii) superpriority administrative expense claims with respect to the foregoing amounts, and (iv) replacement liens in the Chapter 11 cases.

Each of the forms of adequate protection in (i) through (iv) above shall be subject to a standard carve-out for: (i) the payment of accrued and unpaid professional fees and disbursements incurred by the Company and any statutory committees appointed in the Company's chapter 11 case(s) in an aggregate amount not to exceed all accrued and unpaid professional fees and disbursements, plus $5 million; (ii) the payment of fees pursuant to 28 U.S.C. § 1930; (iii) in the event of a conversion of the Company's chapter 11 case(s) to a case(s) under chapter 7 of the Bankruptcy Code, the payment of fees and expenses incurred by a trustee and any professional retained by such trustee. (iv) the administration charge in the Canadian CCAA proceedings (which amounts shall be reasonably acceptable to the administrative agent for the Senior Secured Obligations) and (v) the directors and officers charge in the Canadian CCAA proceedings (which amounts shall be reasonably acceptable to the administrative agent for the Senior Secured Obligations).

Cash Management: Customary cash management order in the Chapter 11 cases and the CCAA proceedings with customary protections for providers of cash management to the Debtors.

Structure: The restructuring transaction described herein shall be implemented through a tax-efficient structure to be agreed.

Masonite International Inc. Restructuring Term Sheet
March 12, 2009

Claim Allocation Mechanics: Plan Value of $600m – Illustrative

($ in millions)

Below is an illustrative example of the exchange mechanics based on the following key illustrative assumptions

- Plan value $600m
- Senior Secured obligations of $1,482m
- Maximum New Term Loan of $200m
- 97.5% of primary equity allocated to Senior Secured Lenders; 2.5% allocated to Senior Subordinated Noteholders
- Analysis assumes two thirds of Senior Secured Lenders elect all equity and one third elect pro rata share of New Term Loan and pro rata share of equity

STEP 1: PRO RATA DISTRIBUTION

	Initial Claim		Portion of Claim Allocated to Each Instrument: New Term Loan	New PIK Loan	Equity
Holders Electing All Equity	$988	66.7%	$133	-	$855
Holders Electing pro rata New Term Loan and pro rata Equity	494	33.3%	67	-	427
	$1,482		$200	-	$1,282

	Value Allocated at $600m Plan Value: New Term Loan	New PIK Loan	Equity Value	Equity Ownership %
Holders Electing All Equity	$133	-	$260	65.0%
Holders Electing pro rata New Term Loan and pro rata Equity	67	-	130	32.5%
Senior Subordinated Noteholders	-	-	10	2.5%
	$200	-	$400	100.0%

STEP 2: EXCHANGE OF PRO RATA SENIOR SECURED DEBT INTO EQUITY

	Portion of Claim Allocated to Each Instrument: New Term Loan	New PIK Loan	Equity
Holders Electing All Equity	$133	-	$260
Holders Electing pro rata New Term Loan and pro rata Equity	67	-	130
Senior Subordinated Noteholders	-	-	10
	$200	-	$400

	Value Allocated at $600m Plan Value: New Term Loan	New PIK Loan	Equity: Converted from New Term Loan	Equity: Original Pro Rata Equity	Equity: Total Equity	Equity Ownership %
Holders Electing All Equity	-	-	$130[a]	$260	$390	73.1%
Holders Electing pro rata New Term Loan and pro rata Equity	$67	-	-	130	130	24.4%
Senior Subordinated Noteholders	-	-	3[a]	10	13	2.5%
	$67	-	$133	$400	$533	100.0%

Holders who elect New Term Loan and New PIK Loan Option @ 2:1	
New Term Loan	$67
New PIK Loan	65
Total recovery	$132
Claim Value	494
Recovery %	*27%*

$600m Illustrative Plan Value

(a) Reducing total debt creates more residual equity value available for distribution. In this example, to maintain Senior Subordinated Noteholder's ownership at 2.5%, the equity value allocated to them must increase by $3m. The increase in value is taken from lenders exchanging their Senior Secured Debt for equity (in this example $133m of debt claims exchanges into $130m of equity value).