

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant to
the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36, as amended)

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT
OF:

ABITIBIBOWATER INC.,

And

ABITIBI-CONSOLIDATED INC.,

And

BOWATER CANADIAN HOLDINGS
INC.,

And

the other Petitioners listed herein

Petitioners

And

ERNST & YOUNG INC.,

Monitor

**MOTION FOR THE ISSUANCE OF A VESTING ORDER
(Quebec Timberland Assets)**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING
IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF
MONTRÉAL, THE PETITIONERS RESPECTFULLY SUBMIT THE FOLLOWING:

A. PREAMBLE

1. On April 17, 2009, this Honourable Court issued an order (as amended and restated, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of (i) Abitibi-Consolidated Inc. ("**ACI**") and subsidiaries thereof (collectively with ACI, the "**Abitibi Petitioners**")¹; (ii) Bowater Canadian Holdings Inc. and subsidiaries thereof (collectively, the "**Bowater Petitioners**")² and (iii) certain partnerships.³
2. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. and certain of their U.S. and Canadian subsidiaries filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code, in the United States Bankruptcy Court for the District of Delaware and on April 17, 2009, ABH and the certain Petitioners (collectively with ABH, the "**18.6 Petitioners**" and collectively with the Abitibi Petitioners and the Bowater Petitioners, the "**Petitioners**")⁴ obtained orders under s. 18.6 of the CCAA in respect of the Chapter 11 Proceedings.
3. On July 29, 2009, the Petitioners served and filed a Motion entitled "*Motion for the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners*" (the "**Timberland Motion**") as appears from the Court record;
4. On August 4, 2009, this Court heard and granted the Timberland Motion as appears from the Court record;
5. Paragraph 7 of the Judgment granting the Timberland Motion dated August 4, 2009,

¹ The Abitibi Petitioners are Abitibi-Consolidated Inc., Abitibi-Consolidated Company of Canada, 3224112 Nova Scotia Limited, Marketing Donohue Inc., Abitibi-Consolidated Canadian Office Products Holdings Inc., 3834328 Canada Inc., 6169678 Canada Incorporated., 4042140 Canada Inc., Donohue Recycling Inc., 1508756 Ontario Inc., 3217925 Nova Scotia Company, La Tuque Forest Products Inc., Abitibi-Consolidated Nova Scotia Incorporated, Saguenay Forest Products Inc., Terra Nova Explorations Ltd., The Jonquière Pulp Company, The International Bridge and Terminal Company, Scramble Mining Ltd. and 9150-3383 Québec Inc.

² The Bowater Petitioners are Bowater Canadian Holdings Incorporated., Bowater Canada Finance Corporation, Bowater Canadian Limited, 3231378 Nova Scotia Company, AbitibiBowater Canada Inc., Bowater Canada Treasury Corporation, Bowater Canadian Forest Products Inc., Bowater Shelburne Corporation, Bowater LaHave Corporation, St. Maurice River Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products (2001) Inc., Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc. and Bowater Couturier Inc.

³ The partnerships are Bowater Canada Finance Limited Partnership, Bowater Pulp and Paper Canada Holdings Limited Partnership and Abitibi-Consolidated Finance LP.

⁴ The 18.6 Petitioners are AbitibiBowater Inc., AbitibiBowater US Holding 1 Corp., Bowater Ventures Inc., Bowater Incorporated, Bowater Nuway Inc., Bowater Nuway Mid-States Inc., Catawba Property Holdings LLC, Bowater Finance Company Inc., Bowater South American Holdings Incorporated, Bowater America Inc., Lake Superior Forest Products Inc., Bowater Newsprint South LLC, Bowater Newsprint South Operations LLC, Bowater Finance II, LLC, Bowater Alabama LLC and Coosa Pines Golf Club Holdings LLC.

provides, *inter alia*, for the following (the "Approval Order"):

[7] ORDERS AND DECLARES that the leave be reserved to the Petitioners or the Purchasers to apply for a vesting order substantially in the form of the draft Vesting Order attached as Exhibit P-5 upon the Monitor filing with the Court a Certificate (the "Monitor's Certificate") substantially in the form of Exhibit P-4 certifying that the Agreement or Agreements as the case may be have been completed subject only to the obtaining of a Vesting Order;

A copy of the Vesting Order referred to in the Approval Order is attached as **Exhibit R-1**;

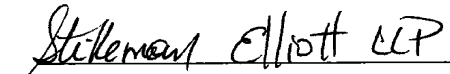
6. On August 31, 2009, the Monitor filed with this Court the Monitor's Certificate referred to in paragraph 7 of the Approval Order;
7. In light of the foregoing, the Petitioners hereby seek the issuance by this Court of the Vesting Order, Exhibit R-1;

WHEREFORE, MAY THIS COURT:

1. **GRANT** this Motion for the Issuance of a Vesting Order (the "Motion").
2. **EXEMPT**, if applicable, the Petitioners from having to serve this Motion and from any notice or delay of presentation.
3. **ENTER** into an order substantially in the form attached as Exhibit R-1 hereto (the "Vesting Order").
4. **GRANT** such other relief as this Court deems just and proper.
5. **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

THE WHOLE WITHOUT COSTS.

Montréal, August 31, 2009


Stikeman Elliott LLP
Attorneys for the Petitioners

NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the *Motion of the Issuance of a Vesting Order* will be presented for adjudication before the Honourable Judge Clément Gascon of the Superior Court, sitting in practice in and for the District of Montreal, in a Room 16.12 of the Montreal Court House, 1 Notre-Dame St. East, on September 1st, 2009, at 9:00 AM in the forenoon, or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, August 31, 2009


STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

EXHIBIT P-5

EXHIBIT P-5
SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: August __, 2009

PRESENT: THE HONOURABLE MR. JUSTICE CLÉMENT GASCON, J.S.C.

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC.

And

ABITIBI-CONSOLIDATED INC.

And

BOWATER CANADIAN HOLDINGS INC.

And

The other Petitioners listed on Schedules "A", "B" and "C"

Petitioners

And

ERNST & YOUNG INC.

Monitor

[DRAFT] VESTING ORDER

[1] **CONSIDERING** *Petitioners' Motion for the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners* dated July 29, 2009.

[2] **CONSIDERING** this Court's approval, on August 4, 2009, of the contents of :

- (i) a certain *Purchase and Sale Agreement - Mauricie Timberlands Assets* in respect of timberland assets located in the Mauricie region (the "**Mauricie Assets**") by and among Abitibi-Consolidated Inc. ("**ACI**") and Abitibi-Consolidated Company of Canada ("**ACCC**"), as vendors, and Solifor Mauricie,

société en commandite ("**Solifor Mauricie**") as purchaser, as amended by letter agreement dated July 29, 2009 among the same parties (the "**Mauricie Agreement**");

- (ii) a certain *Purchase and Sale Agreement - Charlevoix Timberland Assets* in respect of timberland assets in the region of Charlevoix/Saguenay (the "**Charlevoix Assets**"), by and among, ACI and ACCC, as vendors, and Solifor Charlevoix-Saguenay, Société en Commandite ("**Solifor Charlevoix**") as purchaser, as amended by letter agreement dated July 29, 2009 among the same parties (the "**Charlevoix Agreement**"); and
- (iii) a certain *Purchase and Sale Agreement - Côte-Nord Timberland Assets* in respect of timberland assets located in the Côte-Nord region (the "**Côte-Nord Assets**"), by and between ACCC as vendor and 3908666 Canada Inc. ("**390866**") as purchaser, as amended by letter agreement dated July 29, 2009 among the same parties (the "**Côte-Nord Agreement**");

(Solifor Mauricie, Solifor Charlevoix and 390866 being collectively referred to as the "**Purchasers**" and the Mauricie Agreement, the Charlevoix Agreement and the Côte-Nord Agreement being collectively referred to as the "**Agreements**").

[3] **CONSIDERING** this Court's approval and authorization of the sale, to the Purchasers, of the Charlevoix Assets, the Côte-Nord Assets and the Mauricie Assets (collectively referred to as the "**Purchased Properties**" set forth in **Annex I** (Mauricie Assets), **Annex II** (Charlevoix Assets) and **Annex III** (Côte-Nord Assets)), pursuant to and in accordance with the terms and conditions set out in the Agreements.

[4] **CONSIDERING** the authorization granted to ACI and ACCC to execute any and all documents necessary in order to complete the sale of the Purchased Properties.

[5] **CONSIDERING** the representations of the parties.

[6] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**").

FOR THESE REASONS, THE COURT:

[1] **ORDERS and DECLARES** that the Purchased Properties are vested absolutely and exclusively in and with the Purchasers, free and clear of and from any and all rights, interests, prior claims, hypothecs, security interests (whether contractual, statutory or otherwise), liens, assignments, judgments, executions, writs of seizure and sale, options, adverse claims, levies, charges, liabilities (direct, indirect, absolute or contingent), or other claims or encumbrances, whether or not they have been attached or been, perfected, registered or filed and whether secured, unsecured or otherwise, including without limiting the generality of the foregoing: (i) any encumbrances, charges or hypothecs created by the order issued on April 17, 2009 by Justice Clément Gascon, J.S.C., as amended, and/or any other CCAA order; (ii) all charges, security interests or

claims evidenced by registrations pursuant to the *Civil Code of Québec* (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Properties be expunged and discharged as against the Purchased Properties as of such final execution, subject to the following paragraph hereof;

[2] **ORDERS** that the Encumbrances be transferred to and conveyed upon, and thus charge, the proceeds from the sale of the Purchased Properties, subject to all defects, attributes and considerations affecting and/or relating to the Encumbrances in existence prior to the said transfer;

[3] **ORDERS** that notwithstanding:

- (a) the proceedings under the CCAA;
- (b) any petitions for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any received order issued pursuant to any such petition or;
- (c) the provision of any federal or provincial statute;

the vesting of the Purchased Properties in the Purchasers, as well as the execution of the Agreements pursuant to the Order of this Court dated August 4, 2009, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it give rise to an oppression remedy; and

[4] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

[5] **THE WHOLE WITHOUT COSTS.**

CLÉMENT GASCON, J.S.C.

Me _____
Me _____
Stikeman Elliott LLP
Attorneys for Petitioners

SCHEDULE "A"
ABITIBI PETITIONERS

1. ABITIBI-CONSOLIDATED INC.
2. ABITIBI-CONSOLIDATED COMPANY OF CANADA
3. 3224112 NOVA SCOTIA LIMITED
4. MARKETING DONOHUE INC.
5. ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS INC.
6. 3834328 CANADA INC.
7. 6169678 CANADA INC.
8. 4042140 CANADA INC.
9. DONOHUE RECYCLING INC.
10. 1508756 ONTARIO INC.
11. 3217925 NOVA SCOTIA COMPANY
12. LA TUQUE FOREST PRODUCTS INC.
13. ABITIBI-CONSOLIDATED NOVA SCOTIA INCORPORATED
14. SAGUENAY FOREST PRODUCTS INC.
15. TERRA NOVA EXPLORATIONS LTD.
16. THE JONQUIERE PULP COMPANY
17. THE INTERNATIONAL BRIDGE AND TERMINAL COMPANY,
18. SCRAMBLE MINING LTD.
19. 9150-3383 QUÉBEC INC.

SCHEDULE "B"
BOWATER PETITIONERS

1. BOWATER CANADIAN HOLDINGS INC.
2. BOWATER CANADA FINANCE CORPORATION
3. BOWATER CANADIAN LIMITED
4. 3231378 NOVA SCOTIA COMPANY
5. ABITIBIBOWATER CANADA INC.
6. BOWATER CANADA TREASURY CORPORATION
7. BOWATER CANADIAN FOREST PRODUCTS INC.
8. BOWATER SHELBURNE CORPORATION
9. BOWATER LAHAVE CORPORATION
10. ST-MAURICE RIVER DRIVE COMPANY LIMITED
11. BOWATER TREATED WOOD INC.
12. CANEXEL HARDBOARD INC.
13. 9068-9050 QUÉBEC INC.
14. ALLIANCE FOREST PRODUCTS (2001) INC.
15. BOWATER BELLEDUNE SAWMILL INC.
16. BOWATER MARITIMES INC.
17. BOWATER MITIS INC.
18. BOWATER GUÉRETTE INC.
19. BOWATER COUTURIER INC.

SCHEDULE "C"
18.6 CCAA PETITIONERS

1. ABITIBIBOWATER INC.
2. ABITIBIBOWATER US HOLDING 1 CORP.
3. BOWATER VENTURES INC.
4. BOWATER INCORPORATED
5. BOWATER NUWAY INC.
6. BOWATER NUWAY MID-STATES INC.
7. CATAWBA PROPERTY HOLDINGS LLC
8. BOWATER FINANCE COMPANY INC.
9. BOWATER SOUTH AMERICAN HOLDINGS INCORPORATED
10. BOWATER AMERICA INC.
11. LAKE SUPERIOR FOREST PRODUCTS INC.
12. BOWATER NEWSPRINT SOUTH LLC
13. BOWATER NEWSPRINT SOUTH OPERATIONS LLC
14. BOWATER FINANCE II, LLC
15. BOWATER ALABAMA LLC
16. COOSA PINES GOLF CLUB HOLDINGS LLC

ANNEX I

DESCRIPTION OF MAURICIE ASSETS

Land descriptions found at Schedule 1.1(ee) of the Mauricie Agreement (Exhibit P-1) to be inserted in final draft of Vesting Order.

ANNEX II

DESCRIPTION OF CHARLEVOIX ASSETS

Land descriptions found at Schedule 1.1(i) of the Charlevoix Agreement (Exhibit P-2) to be inserted in final draft of Vesting Order.

ANNEX III

DESCRIPTION OF CÔTE-NORD ASSETS

Land descriptions found at Schedule 1.1(n) of the Côte-Nord Agreement (Exhibit P-3) to be inserted in final draft of Vesting Order.

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act)

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement
of:

ABITIBIBOWATER INC. et al

Petitioners

- and -

ERNST & YOUNG INC.

Monitor

BS0350 n/dos.: 041053-1170

EXHIBIT P-5

ORIGINAL

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