

FIFTH AMENDMENT TO SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT

This Fifth Amendment to Senior Secured, Super-Priority Debtor-In-Possession Term Loan Credit Agreement (this "Agreement") is entered into as of June [27], 2011, by and among WHITE BIRCH PAPER HOLDING COMPANY, an unlimited liability company organized under the laws of Nova Scotia, WHITE BIRCH PAPER COMPANY, an unlimited liability company organized under the laws of Nova Scotia ("White Birch" or the "Company"), STADACONA L.P., a limited partnership organized under the laws of Quebec ("Stadacona"), F.F. SOUCY L.P., a limited partnership organized under the laws of Quebec ("Soucy 2"), PAPIER MASSON LTÉE, a corporation organized under the laws of Canada ("Papier Masson" and together with White Birch, Stadacona and Soucy 2, the "Canadian Borrowers") and BEAR ISLAND PAPER COMPANY, L.L.C., a limited liability company organized under the laws of Virginia (the "U.S. Borrower" or "Bear Island" and together with the Canadian Borrowers, collectively as the "Borrowers"), the other Loan Parties party hereto, the Lenders (as defined below) party hereto, BLACK DIAMOND COMMERCIAL FINANCE, L.L.C., as syndication agent (in such capacity and together with its successors, the "Syndication Agent") and CREDIT SUISSE AG, TORONTO BRANCH, as administrative agent (in such capacity and together with its successors, the "Administrative Agent").

WHEREAS, the Borrowers, the other Loan Parties, the Administrative Agent and the lenders party thereto from time to time (the "Lenders") have entered into that certain Senior Secured, Super-Priority Debtor-In-Possession Term Loan Credit Agreement, dated as of March 1, 2010 (as amended prior to the date hereof and as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrowers and the other Loan Parties have requested that the Administrative Agent and Majority Lenders agree to amend certain provisions of the Credit Agreement; and

WHEREAS, the Administrative Agent and the Majority Lenders have agreed to amend certain provisions of the Credit Agreement, in each case on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. AMENDMENTS

Section 1.1 Amendments. Immediately upon the occurrence of the Effective Date, (i) Section 5.19(b)(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows: "On or before August 31, 2011, the transactions contemplated in the Winning Bid made by the Winning Bidder shall have been consummated" and (ii) Section 7(l)(xxi) of the Credit Agreement is hereby amended and restated in its entirety as follows: "[reserved]".

Section 1.2 Reservation of Rights. Except as expressly set forth in this Agreement, nothing contained in this Agreement shall, or shall be deemed to, (i) constitute a waiver of any Default or Event of Default that may heretofore or hereafter occur or have occurred and be continuing, or (ii) modify, amend, alter or affect any provision of the Credit Agreement or any other Loan Document. Except as expressly provided herein, the execution and delivery of this Agreement shall not: (i) extend the terms of the Credit Agreement or the due date of any of the Obligations; (ii) give rise to any obligation on the part of Administrative Agent or any Lender to extend, modify, alter, amend or waive any term or condition of the Credit Agreement or the other Loan Documents or otherwise prejudice any rights or remedies which the Administrative Agent and Lenders now have or may have in the future; or (iii) give rise to any defenses, setoffs, reductions or counterclaims to Administrative Agent's or any Lenders' right to compel payment of the Obligations or to otherwise enforce, exercise and enjoy the benefits of their respective rights and remedies under the Credit Agreement and the other Loan Documents.

ARTICLE II. CONDITIONS OF EFFECTIVENESS

Section 2.1 Conditions of Effectiveness. This Agreement shall be effective as of the date first above written (the "Effective Date") once this Agreement shall have been executed and delivered by the Administrative Agent, the Syndication Agent, the Majority Lenders, the Borrowers and each other Loan Party.

ARTICLE III. MISCELLANEOUS

Section 3.1 Direction to Administrative Agent. In response to a request for instruction from the Administrative Agent, the Lenders party hereto hereby instruct the Administrative Agent pursuant to Section 8.4 of the Credit Agreement to execute and deliver this Agreement and to promptly and fully consummate the transactions contemplated by this Agreement.

Section 3.2 Full Force and Effect. Except as expressly provided by this Agreement, the Credit Agreement and other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and reaffirmed. Except as expressly set forth in this Agreement, no other terms and conditions of the Credit Agreement or any other Loan Document are hereby waived, amended, altered or otherwise modified. Except as expressly set forth in this Agreement, the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document. Upon the effectiveness of this Agreement, each reference in the Credit Agreement to "this Credit Agreement," "hereunder," "hereof," "herein" or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby.

Section 3.3 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH SECTION 9.11 OF THE CREDIT AGREEMENT.

Section 3.4 WAIVER OF JURY TRIAL. EACH OF THE PARTIES TO THIS

AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 3.5 Integration. This Agreement (together with the other Loan Documents (each as amended, supplemented or otherwise modified from time to time)) sets forth in full the terms of agreement between the parties and is intended as the full, complete and exclusive contract governing the relationship between the parties with respect to the transactions contemplated herein, superseding all other discussions, promises, representations, warranties, agreements and understandings, whether written or oral, between the parties with respect thereto.

Section 3.6 No Amendment. No term of this Agreement may be waived, modified or amended except in a writing signed in accordance with Section 9.1 of the Credit Agreement.

Section 3.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of the parties hereto may execute this Agreement by signing any such counterpart. A facsimile or electronic mail transmission of this Agreement bearing a signature on behalf of a party hereto shall be legal and binding on such party.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

WHITE BIRCH PAPER COMPANY

By: 

Name:

Title:

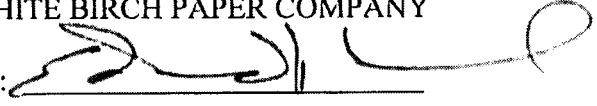
WHITE BIRCH PAPER HOLDING COMPANY

By: 

Name:

Title:

STADACONA L.P., by one of its general partners,
WHITE BIRCH PAPER COMPANY

By: 

Name:

Title:

F.F. SOUCY L.P., by one of its general partners,
WHITE BIRCH PAPER COMPANY

By: 

Name:

Title:

BEAR ISLAND PAPER COMPANY, L.L.C.

By: 

Name:

Title:

PAPIER MASSON LTÉE

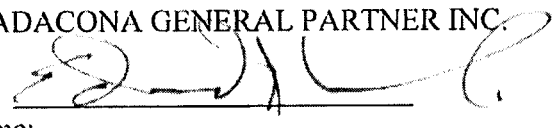
By: 

Name:

Title:

[Signature Page to Fifth Amendment to DIP Loan Agreement (White Birch)]

STADACONA GENERAL PARTNER INC.

By: 

Name:

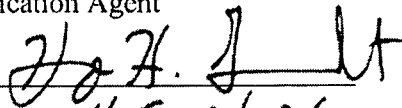
Title:

CREDIT SUISSE AG, TORONTO BRANCH,
as Administrative Agent

By: 
Name: **Alain Daoust**
Title: **Director**

By: 
Name: **Jane Brean**
Title: **Director**

BLACK DIAMOND COMMERCIAL FINANCE,
L.L.C.,
as Syndication Agent

By: 
Name: H Gravenhorst
Title: M. D.

By: _____
Name: _____
Title: _____

**BLACK DIAMOND CLO 2006-1 (CAYMAN) LTD.
By: Black Diamond CLO 2006-1 Adviser, L.L.C.
As Its Collateral Manager**

_____,
as a Lender

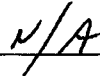
By: 

Name:

Stephen H. Deckoff

Title:

Managing Principal

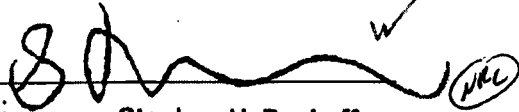
By: 

Name:

Title:

BDCM Opportunity Fund II, L.P.
By: BDCM Opportunity Fund II Adviser, L.L.C.
Its Investment Manager

_____,
as a Lender

By: 
Name: **Stephen H. Deckoff**
Title: **Managing Principal**

By: N/A
Name:
Title:

BLACK DIAMOND CLO 2005-2 Ltd.
By: Black Diamond CLO 2005-2 Adviser, L.L.C.,
As its Collateral Manager

as a Lender

By: _____

Name:

Stephen H. Deckoff

Title:

Managing Principal

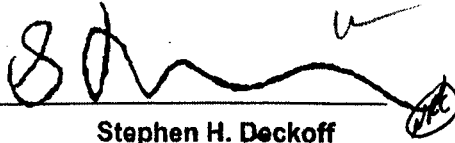
By: _____

Name:

Title:

BLACK DIAMOND CLO 2005-1 Ltd.
By: Black Diamond CLO 2005-1 Adviser, L.L.C.,
As its Collateral Manager

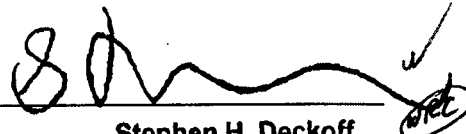
_____,
as a Lender

By: 
Name: **Stephen H. Deckoff**
Title: **Managing Principal**

By: N/A
Name:
Title:

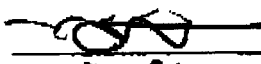
BDC Finance, L.L.C.
By: BDCM Fund Adviser, L.L.C.,
Its Investment Manager

_____,
as a Lender

By: 
Name: **Stephen H. Deckoff**
Title: **Managing Principal**

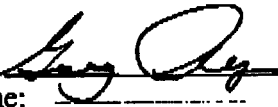
By: N/A
Name:
Title:

**Illinois Municipal Retirement Fund, By: Pyramis
Global Advisors Trust Company, as Investment
Manager Under Power of Attorney,
as a Lender**

By: 
Name: Jun Li
Title: Director

By: _____
Name: _____
Title: _____

**Fidelity Summer Street Trust: Fidelity Capital &
Income Fund,
as a Lender**

By: 
Name: _____
Title: Gary Ryan
Assistant Treasurer

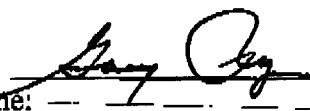
By: _____
Name: _____
Title: _____

**Fidelity Advisor Series II: Fidelity Advisor
Strategic Income Fund,
as a Lender**

By: 
Name: _____
Title: Gary Ryan
Assistant Treasurer

By: _____
Name: _____
Title: _____

**Fidelity School Street Trust: Fidelity Strategic
Income Fund,
as a Lender**

By: 
Name: _____
Title: Gary Ryan
Assistant Treasurer

By: _____
Name: _____
Title: _____

**Variable Insurance Products Fund V: Strategic
Income Portfolio,
as a Lender**

By: 
Name: _____
Title: Gary Ryan
Assistant Treasurer

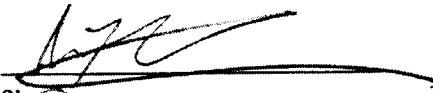
By: _____
Name: _____
Title: _____

CREDIT SUISSE LOAN FUNDING LLC, *MH*
as a Lender

By: *DD Bell*
Name: Douglas DiBella
Title: Authorized Signatory

By: *Ronald Gotz*
Name: Ronald Gotz
Title: Authorized Signatory

MACQUARIE BANK LIMITED,
as a Lender

By: 
Name: _____
Title: **Marc Thatcher**
Managing Director

By: 
Name: **Joel Outlaw**
Title: **Associate Director**
Legal Risk Management

Caspian Select Credit Master Fund, LTD

as a Lender

By: _____

Name:

Richard D. Holahan, Jr.

Title:

Authorized Signatory

By: _____

Name:

Title:

Mariner LDC

as a Lender

By: _____

Name: **Richard D. Holahan, Jr.**

Title: **Authorized Signatory**

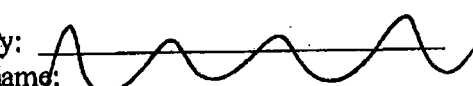
By: _____

Name: _____

Title: _____

Caspian Corporate Loan Fund, LLC
as a Lender

By: 
Name: **Richard D. Holahan, Jr.**
Title: **Authorized Signatory**

By: 
Name:
Title:

Caspian Alpha Long Credit Fund, L.P.

as a Lender

By: _____

Name: **Richard D. Holahan, Jr.**

Title: **Authorized Signatory**

By: _____

Name: _____

Title: _____

Caspian Capital Partners, L.P.

as a Lender

By: _____

Name: **Richard D. Holahan, Jr.**

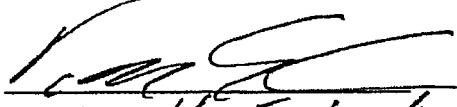
Title: **Authorized Signatory**

By: _____

Name: _____

Title: _____

MFP Partners, L.P.
as a Lender

By: 
Name: Timothy E. Ladin
Title: General Counsel

By: _____
Name: _____
Title: _____