AMENDMENT NO. 17 TO THE ASSET SALE AGREEMENT

THIS AMENDMENT No. 17 TO THE ASSET SALE AGREEMENT (this "**Seventeenth Amendment**") is entered into as of August 31, 2012 by and among BD White Birch Investment LLC, a limited liability company organized under the Laws of Delaware (the "**Purchaser**"), White Birch Paper Company, a company organized under the Laws of Nova Scotia ("**White Birch**"), the subsidiaries of White Birch listed in Exhibit A hereto (together with White Birch, the "**Sellers**"). All capitalized terms not otherwise defined herein shall have such meanings as ascribed to them in the ASA (as defined below).

W I T N E S S E T H :

WHEREAS, the Purchaser and the Sellers have entered into that certain Asset Sale Agreement, dated as of August 10, 2010, as amended by the First Amendment thereto, dated as of August 23, 2010, the Second Amendment thereto, dated as of August 31, 2010, the Third Amendment thereto, dated as of September 22, 2010, the Fourth Amendment thereto, dated as of November 19, 2010, the Fifth Amendment thereto, dated as of December 28, 2010, the Sixth Amendment thereto, dated as of January 28, 2011, the Seventh Amendment thereto, dated as of March 25, 2011, the Eighth Amendment thereto, dated as of April 29, 2011, the Ninth Amendment thereto, dated as of May 26, 2011, the Tenth Amendment thereto, dated as of July 28, 2011, the Eleventh Amendment thereto, dated as of September 14, 2011, the Twelfth Amendment thereto, dated as of September 29, 2011, the Thirteenth Amendment thereto, dated as of October 14, 2011, the Fourteenth Amendment thereto, dated as of December 20, 2011, the Fifteenth Amendment thereto, dated as of February 28, 2012 and the Sixteenth Amendment, dated as of May 30, 2012 relating to the purchase and sale of the Assets (as amended, the "**ASA**"); and

WHEREAS, the Parties wish to amend the terms of the ASA, pursuant to Section 10.4 thereof, to the extent provided herein.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Amendments.

(a) Section 1.1 of the ASA is hereby amended by amending the definition of "**Other Trade Payables**" to replace the phrase "three (3) Business Days" with the phrase "one (1) Business Day."

(b) Section 1.1 of the ASA is hereby amended by amending and restating the definition of "**Reserve Payment Amount**" in its entirety to read as follows:

"**Reserve Payment Amount**" means the amount of any source deduction claim in favor of the Ministry of Revenue (Quebec) and/or the Canada Revenue Agency arising from the failure to deduct, withhold or remit amounts under Tax Law in an aggregate amount equal to Cdn$701,617; provided, however, that such amount shall be reduced to the extent that the Ministry of Revenue and/or the Canada Revenue Agency effects a further set-off to reduce the amount of the source deductions claims at issue before the Closing.

(c) Section 2.1.1(u) of the ASA is hereby amended and restated to read in its entirety as follows:

"[RESERVED]"

(d) Section 2.1.1(y) of the ASA is hereby amended by replacing the phrase "five (5) Business Days" with the phrase "one (1) Business Day."

(e) Section 2.1.1 is hereby amended by deleting the period at the end of Section 2.1.1(z) and replacing it with ";and" and by adding the following Section 2.1.1(aa) immediately following Section 2.1.1(z):

"(aa) the assets described in Section 2.1.9."

(f) The first sentence of the penultimate paragraph of Section 2.1.1 of the ASA is hereby amended by replacing the phrase "five (5) Business Days" with the phrase "one (1) Business Day."

(g) The last paragraph of Section 2.1.1 of the ASA is hereby amended by replacing the phrase "five (5) Business Days" with the phrase "one (1) Business Day."

(h) Article II of the ASA is hereby amended by adding the following Section 2.1.9 immediately after Section 2.1.8:

"2.1.9. Assets Held by White Birch Paper Holding Company.

Sellers have advised the Purchaser that certain assets, namely trademarks and contracts, are held by White Birch Paper Holding Company for and on behalf of the Sellers. At or prior to Closing, Sellers shall cause White Birch Paper Holding Company to assign such assets for $1.00 to Purchaser or to one or more Designated Purchasers, as directed by Purchaser in accordance with Section 2.4, but subject to the terms of this Agreement such as the right of Purchaser to exclude certain assets from being Assets pursuant to the penultimate paragraph of Section 2.1.1. Any assets transferred to Purchaser or a Designated Purchaser pursuant to this Section 2.1.9 shall be Assets for the purposes of this Agreement."

(i) Section 2.3.2(e) of the ASA is hereby amended and restated to read in its entirety as follows:

"[RESERVED]"

(j) The last sentence of the first paragraph of Section 2.4 of the ASA is hereby deleted in its entirety and replaced with the following:

"Notwithstanding anything in this Agreement to the contrary, (i) Purchaser shall have the right to acquire the membership interests in SP Newsprint Holdings LLC and the right to acquire any of Sellers' rights in any Contract associated with the acquisition of such interests (including, without limitation the Amended and Restated Operating Agreement of SP Newsprint Holdings LLC between Paul Berg, Peter M. Brant, RF SP LLC, SP Newsprint Holdings Inc. and White Birch Paper Company dated March 31, 2008) and the obligation to assume the associated Assumed

Liabilities of the foregoing at Purchaser's option exercisable at Purchaser's sole discretion (the "**SP Option**") at any time after Closing until the closing of the CCCA Cases, (ii) such membership interests and such Contracts shall not be acquired by Purchaser or any Designated Purchaser at Closing nor shall any Assumed Liabilities associated therewith be assumed by Purchaser or any Designated Purchaser at the Closing and shall be treated as Excluded Assets and Excluded Liabilities until the SP Option is exercised and (iii) the right to acquire such membership interests and such Contracts will be assigned, if the SP Option is exercised, by Purchaser after Closing to a Wholly-Owned Subsidiary as specified in writing by Purchaser to Sellers and Purchaser will have no obligations with respect to SP Newsprint Holdings LLC. Upon receipt of notice of exercise of the SP Option, Sellers and Purchaser's designee shall execute and deliver such documents and other papers and take such further actions as may reasonably be required to give effect to the consummation of the SP Option."

(k) The last paragraph of <u>Section 2.4</u> of the ASA is hereby amended by deleting the words "fifth (5th)."

(l) <u>Section 3.5</u> of the ASA is hereby amended by replacing the phrase "ten (10) days" with the phrase "one (1) Business Day."

(m) <u>Section 7.1.2(f)</u> of the ASA is hereby amended by replacing the phrase "five (5) days" with the phrase "three (3) days."

(n) <u>Section 9.1(b)(iii)</u> of the ASA is hereby amended by deleting the phrase "August 31, 2012" and replacing it with the phrase "September 30, 2012."

2. <u>Full Force and Effect</u>. The ASA shall not be amended or otherwise modified by this Seventeenth Amendment except as set forth in Section 1 of this Seventeenth Amendment. Except as amended by this Seventeenth Amendment, the ASA shall continue to be and shall remain in full force and effect in accordance with its terms, and the parties hereto hereby ratify and confirm the ASA in all respects, as amended hereby. All references to the "Agreement," "herein," "hereof," "hereunder" or words of similar import in the ASA shall be deemed to include the ASA as amended by this Seventeenth Amendment.

3. <u>Miscellaneous</u>. The provisions of Article X (Miscellaneous) of the ASA shall apply to this Seventeenth Amendment as if such provisions were set out herein in full and as if each reference therein to "this Agreement" included a reference to this Seventeenth Amendment.

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

WHITE BIRCH PAPER COMPANY

By:__________________________________

Name:

Title:

STADACONA GENERAL PARTNER INC.

By:__________________________________

Name:

Title:

STADACONA L.P., by White Birch Paper Company, a General Partner

By:__________________________________

Name:

Title:

F.F. SOUCY GENERAL PARTNER INC.

By:__________________________________

Name:

Title:

F.F. SOUCY, INC. & PARTNERS, LIMITED PARTNERSHIP, by White Birch Paper Company, a General Partner

By:__________________________________

Name:

Title:

F.F. SOUCY L.P., by White Birch Paper Company, a General Partner

By:______________________________
Name:
Title:

ARRIMAGE DE GROS CACOUNA INC.

By:______________________________
Name:
Title:

PAPIER MASSON LTÉE

By:______________________________
Name:
Title:

BEAR ISLAND PAPER COMPANY, L.L.C.

By:______________________________
Name:
Title:

BD WHITE BIRCH INVESTMENT LLC

By:______________________________
Name:
Title:

F.F. SOUCY L.P., by White Birch Paper Company, a General Partner

By:____________________________
Name:
Title:

ARRIMAGE DE GROS CACOUNA INC.

By:____________________________
Name:
Title:

PAPIER MASSON LTÉE

By:____________________________
Name:
Title:

BEAR ISLAND PAPER COMPANY, L.L.C.

By:____________________________
Name:
Title:

BD WHITE BIRCH INVESTMENT LLC

By: Leslie A Meier
Name: Leslie A. Meier
Title: President and Secretary

Exhibit A
White Birch Subsidiaries

- Stadacona General Partner Inc.
- Stadacona L.P.
- F.F. Soucy General Partner Inc.
- F.F. Soucy, Inc. & Partners, Limited Partnership
- F.F. Soucy L.P.
- Arrimage de Gros Cacouna Inc.
- Papier Masson Ltée.
- Bear Island Paper Company, L.L.C.