

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: ●, 2010

PRESENT: THE HONOURABLE **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

THE LAND REGISTRAR FOR THE THUNDER BAY LAND REGISTRY OFFICE

Mis-en-cause

and

ERNST & YOUNG INC.

Monitor

**RECTIFIED VESTING ORDER IN RESPECT OF
THE FORT WILLIAM LAND SWAP**

[1] **CONSIDERING** *Petitioners' Motion for the Issuance of Vesting Orders in respect of the Beupré, Dalhousie, Donnacona and Fort William Assets (the "Motion")*;

- [2] **CONSIDERING** the representations of the parties;
- [3] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* ("CCAA");

FOR THESE REASONS, THE COURT:

- [1] **AUTHORIZES** Abitibi-Consolidated Inc. ("**ACI**") and Abitibi-Consolidated Company of Canada ("**ACCC**" and together with ACI, "**Abitibi**") to enter into an agreement for a land swap (the "**Land Swap Agreement**") by and between Abitibi, Fort William First Nation Development Corp. ("**FWFNDC**") and Fort William First Nation, copy of which was filed as Exhibit R-2(a) to the Motion, and into all the transactions contemplated therein including the granting of easements and entering into Notification Agreements as are required as conditions of land severances (the "**Land Swap Transactions**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor.
- [2] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by Abitibi to proceed with the Land Swap Transactions and that no shareholder or regulatory approval shall be required in connection therewith, save and except for the obtaining of a Consent and Certificate of Consent under the *Planning Act* (Ontario).
- [3] **ORDERS** and **DECLARES** that upon the filing with this Court's registry of a Monitor's certificate substantially in the form appended as **Schedule "D"** hereto, (the "**Land Swap Monitor's Certificate**"), all right, title and interest in and to the Abitibi Lands (as defined below), shall vest absolutely and exclusively in and with FWFNDC, free and clear of and from any and all claims, liabilities, obligations, 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), pledges, executions, rights of first refusal or other pre-emptive rights in favour of third parties, mortgages, hypothecs, trusts or deemed trusts (whether contractual, statutory or otherwise), restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Abitibi Lands Encumbrances**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order issued on April 17, 2009 by Justice Clément Gascon, J.S.C., as amended, and/or any other CCAA order; and (ii) all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Ontario *Personal Property Security Act* or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, notification agreements and generally described in **Schedule "E"** hereto (the "**Permitted Abitibi Lands Encumbrances**") ~~upon their registration on title. This Order shall not be registered on title to the Abitibi Lands until all of such generally described Permitted Abitibi Lands Encumbrances are registered on title, at which time the Petitioners shall be at liberty to obtain, without notice, an Order amending the within Order to incorporate the registration particulars of such Permitted Abitibi Lands Encumbrances in Schedule "E".~~
- [4] **ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Thunder Bay of an Application for Vesting Order in the form prescribed by the *Land*

Registration Reform Act (Ontario), (and including a law statement confirming the filing of the Land Swap Monitor's Certificate, as set out in section 3 above, has been made) the Land Registrar is hereby directed to enter FWFNDC as the owner of the subject real property identified in **Schedule "F"** hereto (the "**Abitibi Lands**") in fee simple, and is hereby directed to delete and expunge from title to the Abitibi Lands all of the Abitibi Lands Encumbrances, which for the sake of clarity do not include the Permitted Abitibi Lands Encumbrances listed on Schedule "E" hereto.

[5] **ORDERS** that notwithstanding:

- (i) the proceedings under the CCAA;
- (ii) any petitions for a receiving order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act ("**BIA**") and any order issued pursuant to any such petition; or
- (iii) the provisions of any federal or provincial legislation;

the vesting of the Abitibi Lands contemplated in this Vesting Order, as well as the execution of the Land Swap Agreement pursuant to this Vesting Order, 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, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it give rise to an oppression or any other remedy.

[6] **ORDERS AND DECLARES** that the Land Swap Transactions are exempt from the application of the *Bulk Sales Act* (Ontario).

[7] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order, including without limitation, the United States Bankruptcy Court for the District of Delaware, and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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

[9] **WITHOUT COSTS.**

CLÉMENT GASCON, J.S.C.

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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.
20. ABITIBI-CONSOLIDATED (U.K.) 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

SCHEDULE "D"
LAND SWAP MONITOR'S CERTIFICATE

CANADA

**PROVINCE OF QUEBEC
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

CERTIFICATE OF THE MONITOR

RECITALS:

WHEREAS on April 17, 2009, the Superior Court of Quebec (the "**Court**") issued an order (as subsequently 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, the "**Abitibi Petitioners**"),¹ (ii) Bowater Canadian Holdings Inc. and subsidiaries and affiliates thereof (collectively, the "**Bowater Petitioners**")² and (iii) certain partnerships³. Any undefined capitalized expression used herein has the meaning set forth in the Initial Order and in Land Swap Vesting Order (as defined below);

WHEREAS pursuant to the terms of the Initial Order, Ernst & Young Inc. (the "**Monitor**") was named monitor of, *inter alia*, the Abitibi Petitioners; and

WHEREAS on ●, 2010, the Court issued an Order (the "**Rectified Land Swap Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by ACI and Abitibi-Consolidated Inc. ("**ACCC**" and together with ACI, "**Abitibi**") of an agreement for a land swap (the "**Land Swap Agreement**") by and between Abitibi, Fort William First Nation Development Corp. ("**FWFNDC**") and Fort William First Nation, and the completion of all the transactions contemplated therein (the "**Land Swap Transactions**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor.

THE MONITOR CERTIFIES THAT IT HAS BEEN ADVISED BY ABITIBI AND FWFNDC AS TO THE FOLLOWING:

- (a) the Land Swap Agreement has been executed and delivered;
- (b) the portion of the "purchase price" (as said term is understood in the Land Swap Agreement) payable at closing and all applicable taxes have been paid;
- (c) all conditions to closing under the Land Swap Agreement have been satisfied or waived by the parties thereto.

This Certificate was delivered by the Monitor at ____ [TIME] on _____ [DATE].

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., 9150-3383 Québec Inc. and Abitibi-Consolidated (U.K.) 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.

Ernst & Young Inc. in its capacity as the monitor for the restructuring proceedings under the CCAA undertaken by AbitibiBowater Inc., Abitibi-Consolidated Inc., Bowater Canadian Holdings Inc. and the other Petitioners listed herein, and not in its personal capacity.

Name: _____

Title: _____

SCHEDULE "E"
PERMITTED ABITIBI LANDS ENCUMBRANCES

1. **Notification Agreement** ~~in favour of the City of Thunder Bay~~ **registered as Instrument No. TY100973** over Part of PIN 62261-0314, Pt Fort William Indian Reserve No. 52 (Grand Trunk Pacific) 1600 acres; Pt Water Lt in front of Indian Reserve No. 52 (Grand Trunk Pacific Railway Company) Pt 1, 2, 3, 55R-10429, ~~Thunder Bay,~~ **being Pt 1, 2, 3, 4, 5, 6, 7, 8, 9 55R-~~13027~~13027, Thunder Bay.**
2. ~~Waterline easement~~ **General Purpose Easement registered as Instrument No. TY100087** in favour of the City of Thunder Bay registered ~~on Pt.~~ **over Part of** PIN 62261-0314, Pt Fort William Indian Reserve No. 52 (Grand Trunk Pacific) 1600 acres; Pt Water Lt in front of Indian Reserve No. 52 (Grand Trunk Pacific Railway Company) Pt 1, 2, 3, 55R-10429, ~~Thunder Bay,~~ **being Pt 4, 5, 6-6, 10 55R-~~13027~~13027, Thunder Bay.**
3. **Transmission Line easement** **Easement registered as Instrument no. TY100088** in favour of Hydro One Networks Inc. ~~on Pt.~~ **over Part of** PIN 62261-0314, Pt Fort William Indian Reserve No. 52 (Grand Trunk Pacific) 1600 acres; Pt Water Lt in front of Indian Reserve No. 52 (Grand Trunk Pacific Railway Company) Pt 1, 2, 3, 55R-10429, ~~Thunder Bay,~~ **being Pt 2, 3, 5, 6, 8, 9 55R-~~13027~~13027, Thunder Bay.**

SCHEDULE "F"

ABITIBI LANDS

Legal description:

Part of PIN 62261-0314, Pt Fort William Indian Reserve No. 52 (Grand Trunk Pacific) 1600 acres; Pt Water Lt in front of Indian Reserve No. 52 (Grand Trunk Pacific Railway Company) Pt 1, 2, 3, 55R-10429, ~~Thunder Bay,~~ being Pt 1, 2, 3, 4, 5, 6, 7, 8, 9 55R-~~13027~~13027, Thunder Bay.

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