

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: **DECEMBER 10, 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"

Debtors

And

ERNST & YOUNG INC.

Monitor

And

**THE LAND REGISTRAR FOR THE LAND REGISTRY OFFICE FOR THE REGISTRATION
DIVISION OF SAGUENAY**

Mis en cause

VESTING ORDER IN RESPECT OF THE ELECTRICAL TRANSMISSION LINES (#383)

[1] **CONSIDERING** *Petitioners' Motion for the Issuance of a Vesting Order (Transmission Lines to Hydro-Québec Transénergie)* (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 Company of Canada ("**ACCC**") to enter into the agreement entitled *Entente de Principe Relative au Transfert de Certaines Lignes de Transport d'Électricité* (the "**Hydro Lines Agreement**") by and between ACCC, as transferor, and Hydro-Québec Transénergie ("**HQ-T**"), as transferee, filed as Exhibit R-1 to the Motion and into all the transactions contemplated therein 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 upon all conditions to closing having been satisfied or waived, all obligations of HQ-T that are required to be satisfied at or prior to closing under the Hydro Lines Agreement having been satisfied and the delivery of a written confirmation of same by the Monitor (the "**Monitor's Confirmation**"), all right, title and interest in and to the assets described in the Hydro Lines Agreement (the "**Transferred Assets**"), shall vest absolutely and exclusively in and with HQ-T, 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 "**Transferred Assets Encumbrances**"), including without limiting the generality of the foregoing: (i) any Transferred Assets Encumbrances 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 Transferred Assets Encumbrances evidenced by registration, publication or filing pursuant to the Civil Code of Québec, any other personal or movable property registry system, the Bank Act or any other applicable legislation and, for greater certainty, **ORDERS** that all of the Transferred Assets Encumbrances affecting or relating to the Transferred Assets be expunged and discharged as against the Transferred Assets, in each case effective as of the applicable time and date set out in the Asset Transfer Agreement;

[3] **DECLARES** that ACCC is authorized to grant real and perpetual servitudes referred to in the Hydro Lines Agreement over the 60 meters width land upon which the L1-L2 Hydro Lines (as defined in the Motion) are erected, the whole as shown on the plans attached to technical descriptions prepared by Raynald Babin, Quebec Land Surveyor, on November 26, 2009 and December 8, 2009 under his minute numbers 5799 and 5804, copies of which were filed as Exhibit R-4 to the Motion, with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor;

[4] **ORDERS** the Land Registrar of the Land Registry Office for the Registry Division of Saguenay, upon payment of the prescribed fees and the filing of a true copy of this Order and the Monitor's Confirmation to proceed with the partial cancellation of any and all Encumbrances, including, without limitation, the following registrations published at the said Land Registry:

- 15 079 804;
- 16 100 728;
- 16 109 411;
- 16 146 346;
- 16 146 347; and
- 16 286 872;

only however to the extent that said Encumbrances encumber immovables forming part of the Transferred Assets, including without limitation, the following immovables:

DESCRIPTION

Lines L1-L2

All of ACCC's rights, titles and interests in an electrical transmission line network for which no land file has been opened at the Land Registry Office for the Registry Division of Saguenay which crosses and extends over the Cadastre of Quebec and the Cadastre of the Township of Manicouagan, both of the Registration Division of Saguenay, and more specifically the following lots:

DEUX MILLIONS NEUF CENT TROIS MILLE HUIT CENT QUATRE-VINGTS (2 903 880) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT TROIS MILLE HUIT CENT QUATRE-VINGT-UN (2 903 881) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT SIX MILLE SIX CENT QUARANTE-SIX (2 906 646) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT SIX MILLE SEPT CENT CINQUANTE-HUIT (2 906 758) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT SIX MILLE HUIT CENT TRENTÉ-CINQ (2 906 835) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT SIX MILLE HUIT CENT SOIXANTE-DEUX (2 906 862) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT SIX MILLE NEUF CENT TRENTE-TROIS (2 906 933) du cadastre du Québec, circonscription foncière de Saguenay;

DEUX MILLIONS NEUF CENT SIX MILLE NEUF CENT QUARANTE (2 906 940) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS DEUX CENT NEUF MILLE DEUX CENT QUARANTE-NEUF (3 209 249) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS DEUX CENT DIX MILLE CENT SOIXANTE-TREIZE (3 210 173) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS DEUX CENT DIX MILLE CENT SOIXANTE-QUATORZE (3 210 174) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS DEUX CENT DIX MILLE TROIS CENT NEUF (3 210 309) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS DEUX CENT DOUZE MILLE SEPT CENT SOIXANTE-DIX-NEUF (3 212 779) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT TROIS MILLE CENT QUINZE (3 403 115) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT TROIS MILLE DEUX CENT DIX-NEUF (3 403 219) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT QUARANTE-SIX MILLE SEPT CENT DIX (3 446 710) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT QUARANTE-SIX MILLE SEPT CENT ONZE (3 446 711) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT QUARANTE-SIX MILLE SEPT CENT DOUZE (3 446 712) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT QUARANTE-SIX MILLE SEPT CENT TREIZE (3 446 713) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS QUATRE CENT QUARANTE-SIX MILLE SEPT CENT QUATORZE (3 446 714) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS CINQ CENT TRENTE-SIX MILLE DEUX CENT SOIXANTE-SEPT (3 536 267) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS CINQ CENT QUATRE-VINGT-TROIS MILLE SOIXANTE (3 583 060) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS SIX CENT TROIS MILLE NEUF CENT SOIXANTE (3 603 960) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS SIX CENT TROIS MILLE NEUF CENT QUATRE-VINGT-DIX-SEPT (3 603 997) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS SIX CENT VINGT-ET-UN MILLE TROIS CENT SOIXANTE-DIX-SEPT (3 621 377) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS SIX CENT QUATRE-VINGT-TROIS MILLE SEPT CENT CINQUANTE-HUIT (3 683 758) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS SEPT CENT QUARANTE-SIX MILLE CENT TRENTE-DEUX (3 746 132) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS HUIT CENT CINQUANTE-NEUF MILLE HUIT CENT TRENTE-SEPT (3 859 837) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS NEUF CENT VINGT-SIX MILLE DEUX CENT TROIS (3 926 203) du cadastre du Québec, circonscription foncière de Saguenay;

TROIS MILLIONS NEUF CENT VINGT-SIX MILLE DEUX CENT CINQ (3 926 205) du cadastre du Québec, circonscription foncière de Saguenay;

Le Bloc D du Cadastre du Canton de Manicouagan, circonscription foncière de Saguenay.

Un territoire sans désignation cadastrale, circonscription foncière de Saguenay (Rivière Manicouagan).

Une partie triangulaire située en territoire non cadastré dans la circonscription foncière de Saguenay, bornée au Nord-Ouest par le lot 2 906 940, au Sud-Est par les lots 3 446 714 et 3 403 115 et au Sud-Ouest par le lot 3 583 060, tous du cadastre du Québec, circonscription foncière de Saguenay.

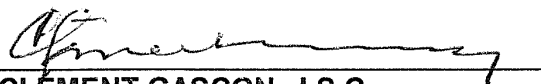
[5] **ORDERS** that notwithstanding:

- 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 Transferred Assets, contemplated in this Vesting Order, as well as the execution of the Hydro Lines Agreement, 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; and

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

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


CLÉMENT GASCON, J.S.C. J.S.C.

Me Guy P. Martel and Me Joseph Reynaud
STIKEMAN, ELLIOTT
Attorneys for the Debtors

Me Avram Fishman
FLANZ FISHMAN MELAND PAQUIN
Attorneys for the Monitor

Me Rachelle F. Moncur
THORNTON GROUT FINNIGAN
Attorneys for the Monitor

Date of hearing: December 10, 2009

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