

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: **MAY 3, 2010**

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 THUNDER BAY LAND REGISTRY OFFICE

Mis en cause

**VESTING ORDER IN RESPECT OF
THE FORT WILLIAM LAND SWAP (#513)**

[1] **CONSIDERING** Petitioners' Amended Motion for the Issuance of an Order Authorizing the Sale of Certain Assets of the Petitioners (Four Closed Mills)

(the "**Motion**") that concerns the Beupré, Dalhousie, Donnacona and Fort William Assets respectively;

[2] **CONSIDERING** the Reasons for Judgment and Vesting Order signed today by the Court in respect of the Beupré, Dalhousie, Donnacona and Fort William Assets;

[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;

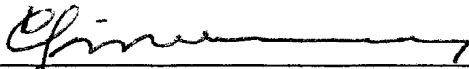
the vesting of the Abitibi Lands contemplated in this Vesting Order, as well as the execution of the Land Swap Agreement pursuant to this Vesting Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, 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.**


CLEMENT GASCON, J.S.C. J.S.C.

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Date of hearing: April 26, 2010

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