SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.: 500-11-036133-094

DATE: **DECEMBER 11, 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 IN SCHEDULES "A", "B" and "C"
Petitioners
And
ERNST & YOUNG INC.
Monitor

JUDGMENT
ON A MOTION FOR PERMISSION
TO SELL CERTAIN ASSETS (ST-RAYMOND) (#352)

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[1] **CONSIDERING** the *Motion for Permission to Sell Certain Assets (St-Raymond)* (the "**Motion**") dated November 27, 2009;

[2] **CONSIDERING** the representations of the parties;

[3] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act*;

WHEREFORE, THE COURT:

[1] **ALLOWS** the Motion;

[2] **AUTHORIZES** Abitibi-Consolidated Company of Canada ("**ACCC**"), as vendor, to enter into with 9213-3933 Québec inc., as purchaser, the transactions contemplated in the agreement for the sale of assets (the "**Agreement for the Sale of Assets**") and the specific deed of sale for the immovable (the "**Deed of Sale for the Immoveable**") respectively filed under seal as Exhibits R-1 and R-2 in support of the Motion;

[3] **AUTHORIZES** Abitibi-Consolidated Inc. ("**ACI**"), as vendor, to enter into with Gestion Dion & Frère Inc., as purchaser, the transactions contemplated in the agreement for the sale of land (the "**Agreement for the Sale of Land**") and the specific deed of sale for the lots (the "**Deed of Sale for the Lots**") respectively filed under seal as Exhibits R-3 and R-4 in support of the Motion;

[4] **ORDERS** Exhibits R-1 to R-4 to remain confidential and to be kept under seal in the court record until the close of the transactions covered by the Agreement for the Sale of Assets, the Deed of Sale for the Immoveable, the Agreement for the Sale of Land and the Deed of Sale for the Lots (collectively, the "**Agreements**");

[5] **DECLARES** that the order to be rendered constitutes the only authorization required by the Petitioners in order to enter into the transactions contemplated in the Agreements;

[6] **AUTHORIZES** the Petitioners to do any thing, sign any documents and take all steps necessary and useful to give effect to the provisions, transactions and undertakings contemplated in the Agreements;

[7] **DECLARES** that the Agreements will effect the transfer of all right, title and interest of ACCC and ACI in the Assets covered by the said Agreements and that such sales shall have the effect of a sale by judicial authority in accordance with the *Civil Code of Québec* and the Quebec *Code of Civil Procedure*.

[8] **DECLARES** that, further to the execution of the Agreements, 9213-3933 Québec inc. and Gestion Dion & Frère inc. shall receive good and valid title to the assets subject to the Agreements, free and clear of any priority, charge, obligation, hypothec, security or right, whether published or not, of any nature whatsoever;

[9] **ORDERS** the registrar in charge of the land registry for the registration division of Portneuf to strike the registration of the hypothecs published in the land registry for the registration division of Portneuf under numbers 16 145 416 and 16 145 417, but only with respect to the immoveable known and designated as lot number THREE MILLION ONE HUNDRED TWENTY THOUSAND ONE HUNDRED FORTY-SIX (3 120 146) of the cadastre of Quebec, registration division of Portneuf (the "**Immoveable**"), upon presentation of a certified true copy of this judgment and the written confirmation of Ernst & Young Inc., as Monitor, that the documents evidencing the Transaction have been signed, that the purchase price has been paid and that the whole effects the striking of the said charges;

[10] **ORDERS** the registrar of the register of personal and movable real rights of the Province of Quebec (the "**RDPRM**") to reduce the basis of the hypothecs registered under numbers 09-0481801-0002, 09-0256803-0016 and 08-0163796-0002 in order to cause the movable property sold and described in the Agreement for the Sale of Assets, i.e. all the movable property found on or in the Immoveable, including without limitation the equipment, rolling stock, machinery, tools and furnishings, to no longer be encumbered by such hypothecs, upon presentation of a certified true copy of this judgment and written confirmation by Ernst & Young Inc., as Monitor, that the documents evidencing the Transaction have been signed, that the sale price has been paid and that the whole effects reduction of the said encumbrances;

[11] **DECLARES** that, in the event the Petitioners are placed in bankruptcy or make an assignment of their property, the trustee in bankruptcy will be bound by the terms of the Agreements and any transaction, undertaking or document related thereto and that such transaction, undertaking or document may not be considered a preference or a reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. (1985), c. B-3 or under article 1631 of the *Civil Code of Québec* or any other applicable law;

[12] **ORDERS** that any repayment of the sums owed under the ACI DIP Facility, where applicable, out of the net sale price generated by the transaction contemplated in the Agreements will give rise to the subrogation mechanism set out in paragraph 61.10 of the Initial Order in favour of the Senior Secured Noteholders, up to the amount of the ACI DIP Facility thereby repaid, the terms capitalized in this paragraph having the meaning ascribed to them in the English version of the Initial Order, as amended;

[13] **ORDERS**, in the event the net proceeds of sale of the assets referred to in the Agreements payable to ACI and/or ACCC (the "**Proceeds of Sale**") are not used in accordance with paragraph 12 of this Order, that the Proceeds of Sale be remitted to Ernst & Young Inc. as Monitor and kept by it;

[14] **ORDERS** that the Proceeds of Sale held and kept by Ernst & Young Inc. in accordance with the foregoing paragraph be charged with a hypothec in favour of US Bank, National Association (successor of Wells Fargo Bank, National Association), as Indenture Trustee and Collateral Trustee (the "**Trustee**") for the benefit of the holders of 13.75% senior notes due on April 1, 2011 having the same rank and priority as the hypothecs held by the Trustee.

[15] **WITHOUT COSTS**.

(signed)
CLÉMENT GASCON, J.S.C.

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

Mtre. Avram Fishman
FISHMAN FLANZ MELAND PAQUIN
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BORDEN, LADNER, GERVAIS
Attorneys for the Ad hoc Committee of the Senior Secured Noteholders and the U.S. Bank National Association, Indenture Trustee for the Senior Secured Noteholders

Hearing date: December 11, 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.
20. ABITIBI-CONSOLIDATED (U.K.) 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