

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: 500-11-036133-094

DATE: September 1, 2010

PRESENT: THE HONOURABLE 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"

Petitioners

and

ERNST & YOUNG INC.

Monitor

APPROVAL AND VESTING ORDER IN RESPECT OF THE CHAMPNEUF

ASSETS
(# 680)

- [1] **CONSIDERING** the Petitioners' *Motion for the Issuance of An Order Authorizing the Sale of Certain Assets of the Petitioners (Champneuf Assets)* dated August 23, 2010 (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] **GRANTS** the Motion;
- [2] **AUTHORIZES AND APPROVES** the execution of the Deed of Sale, a draft copy of which was filed as Exhibit R-1 to the Motion (the "**Deed of Sale**"), by and between Abitibi-Consolidated Company of Canada ("**ACCC**"), as vendor, and 6743242 Canada Inc. (the "**Purchaser**"), as purchaser, and the completion of all the transactions contemplated therein, including the registration of the Deed of Sale at the Land Registrar of the Land Registry Office for the Registration Division of Abitibi (collectively, the "**Proposed Transactions**"), with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor;
- [3] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by ACCC to proceed with the Proposed Transactions and that no shareholder or regulatory approval shall be required in connection therewith save and except for those contemplated in the Deed of Sale, if any;
- [4] **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 "**Monitor's Certificate**"), all right, title and interest in and to the assets described in the Deed of Sale (the "**Purchased Assets**"), shall vest absolutely and exclusively in and with the Purchaser, 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, other than encumbrances referred to in the Deed of Sale, if any, including without limiting the generality of the foregoing: (i) any 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 encumbrances evidenced by registration, publication or filing pursuant to the *Bank Act* (Canada), the *Civil Code of Québec* or any other applicable legislation providing for a security interest in personal, movable or immovable property with respect to the Purchased Assets (collectively, the "**Purchased Assets Encumbrances**"), and, for greater certainty, **ORDERS** that all of the Purchased Assets Encumbrances affecting or relating to the Purchased Assets be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date set out in the Deed of Sale;
- [5] **ORDERS** the Land Registrar of the Land Registry Office for the Registry Division of Abitibi, upon presentation of the Monitor's Certificate, in the form appended as Schedule D hereto and presentation of a certified copy of this Order and upon payment of the prescribed fees, to publish this Order and to proceed with the

cancellation of any and all Purchased Assets Encumbrances but only insofar as these concern the Purchased Assets located at Champneuf, in the Province of Quebec, and being hereinafter described (the "**Champneuf Property**"), including, without limitation, the cancellation of the following registrations published at the said Land Registry Office for the Registration Division of Abitibi:

- Hypothec published on May 8, 2009 under number 16 146 657 at the said Land Registry Office for the Registration Division of Abitibi;
- Hypothec published on May 8, 2009 under number 16 146 658 at the said Land Registry Office for the Registration Division of Abitibi;
- Deed of Subrogation with respect to the above-mentioned hypothecs, published on January 8, 2010 under number 16 852 011 at the said Land Registry Office for the Registration Division of Abitibi;
- Hypothec published on December 9, 2009 under number 16 791 198 at the said Land Registry Office for the Registration Division of Abitibi;

The Champneuf Property may be described as follows:

"Une partie du lot originaire DOUZE (Ptie 12), Rang DEUX (2) du Cadastre du Canton de Rochebaucourt, circonscription foncière d'Abitibi; laquelle parcelle est identifiée par les chiffres 610, 611, 612, 652, 653 et 655 sur un plan préparé par Jacques Sylvestre, arpenteur-géomètre. Ladite parcelle peut être plus particulièrement décrite comme suit :

Commençant au point 611, point d'intersection de la limite et du lot 12, Rang 2, dudit Cadastre, avec la limite Nord de l'emprise du chemin public qui longe la ligne séparative des Rangs 1 et 2 dudit Cadastre; de là, suivant la limite Nord de l'emprise dudit chemin public, en azimuth 270°00'00", une distance de cinquante-sept mètres et trois cent vingt millièmes (57,320 m.) jusqu'au point 652.

Du point 652, en azimuth 00°00'00", une distance de quatre-vingt-onze mètres et quatre cent quarante millièmes (91,440 m.) jusqu'au point 653.

Du point 653, en azimuth 270°00'00", une distance de deux cent quatre mètres et cent quatre-vingt-dix-huit millièmes (204,198 m.) jusqu'au point 655.

Du point 655, suivant la limite Ouest du lot 12, Rang 2, dudit Cadastre, en azimuth 0°00'00", une distance de mille cinq cent dix-neuf mètres et cinquante-six centièmes (1 519,56 m.) jusqu'au point 610, coin Nord-Ouest de ladite parcelle et du lot 12, Rang 2, dudit Cadastre.

Du point 610, suivant la limite Nord du lot 12, Rang 2, dudit Cadastre, en azimuth 90°00'00", une distance de deux cent soixante-et-un mètres et cinq cent dix-huit millièmes (261,518 m.) jusqu'au point 612, coin Nord-Est de ladite parcelle et du lot 12, Rang 2, dudit Cadastre.

Du point 612, suivant la limite Est du lot 12, Rang 2, dudit Cadastre, en azimuth 180°00'00", une distance de mille six cent onze mètres (1 611,00 m.) jusqu'au point 611, point de départ et coin Sud-Est de ladite parcelle.

Ainsi décrite, ladite partie du lot 12, Rang 2, dudit Cadastre est bornée successivement vers le Nord par le Rang 3 dudit Cadastre, vers l'Est par le lot 13, Rang 2, dudit Cadastre, vers le Sud par un chemin public étant une autre partie du lot 12, Rang 2, dudit Cadastre, vers l'Ouest par une autre partie du lot 12, Rang 2, dudit Cadastre, vers le Sud par une autre partie du lot 12, Rang 2, dudit Cadastre, vers l'ouest par le lot 11, Rang 2, dudit Cadastre, et contient en superficie quarante hectares et vingt-six centièmes (40,26 ha);

Une partie du lot originaire QUATORZE (Ptie 14), Rang DEUX (2), du Cadastre du Canton de Rochebaucourt, circonscription foncière d'Abitibi, de figure irrégulière bornée au Nord par la ligne séparative des Rangs 2 et 3 dudit Cadastre et mesurant le long de cette limite deux cent soixante et un mètres et soixante-quatorze centièmes (261,74 m.), à l'Est par une partie du lot 15, Rang 2, dudit Cadastre et mesurant le long de cette limite mille trois cent cinquante et un mètres et quatre-vingt-douze centièmes (1 351,92 m.), au Sud par une autre partie du lot 14, Rang 2, dudit Cadastre et mesurant approximativement le long de cette limite soixante-dix-sept mètres (77,00 m.), à l'Est par la Rivière Tourville, au Sud par le chemin des Rangs 1 et 2 dudit Cadastre et mesurant le long de cette limite environ cent soixante mètres (160,00 m.), à l'Ouest par le lot 13, Rang 2, dudit Cadastre et mesurant le long de cette limite mille six cent vingt-six mètres et trente centièmes (1 626,30 m.) et contenant en superficie quarante hectares et trois dixièmes (40,3 ha.)";

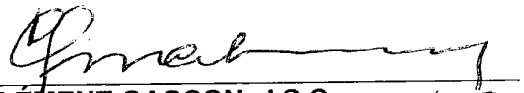
- [6] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Vesting Order to reduce the scope of the hypothecs published under numbers: 08-0163791-0002 and assignment 09-0385404-0001, 08-0163796-0002, 09-0256803-0016 followed by subrogation and assignment 10-0018318-0001, 09-0481801-0002, 09-0762559-0002, 09-0763162-0001, 09-0256803-0002 followed by subrogation and assignment 10-0018318-0001, 09-0481801-0001 and 08-0695718-0002 in connection with the Purchased Assets and to cancel, release and discharge all of the Purchased Assets Encumbrances in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of any and all encumbrances created by those hypothecs;
- [7] **ORDERS** that for the purposes of determining the nature and priority of Purchased Assets Encumbrances, any and all rights of ACCC under the Purchase Price (as defined in the Deed of Sale) shall stand in the place and stead of the Purchased Assets, and all Purchased Assets Encumbrances shall attach to such rights with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale;
- [8] **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* (Canada) ("**BIA**") and any order issued pursuant to any such petition; or
- (iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets, contemplated in this Order, as well as the execution of the Deed of Sale pursuant to this 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;

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

THE WHOLE WITHOUT COSTS.


CLÉMENT GASCON, J.S.C. J.S.C.

Stikeman Elliott LLP
Attorneys for Petitioners

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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"

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

COPIE CONFORME

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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 the 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 "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by Abitibi-Consolidated Company of Canada ("**ACCC**") of a Deed of Sale (the "**Deed of Sale**") dated ●, 2010 by and between ACCC, as vendor, and 6743242 Canada Inc. (the "**Purchaser**"), as purchaser and into all the transactions contemplated therein (the "**Sale 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 ACCC AND THE PURCHASER AS TO THE FOLLOWING:

- (a) the Deed of Sale has been executed and delivered;
- (b) the purchase price (as defined in the Deed of Sale) and all applicable taxes have been paid by the Purchaser;
- (c) all Purchaser's Obligations (as defined in the Deed of Sale) have been satisfied or waived by the parties thereto; and
- (d) all other conditions under the Deed of Sale have been satisfied or waived by the

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.

parties thereto.

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

Ernst & Young Inc. in its capacity as the monitor for the restructuration 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: _____

