SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: **500-11-036133-094**

DATE: **September 1st, 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"

Petitioners

and

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

and

THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS

Mise-en-cause

and

ERNST & YOUNG INC.

Monitor

APPROVAL AND VESTING ORDER IN RESPECT OF THE SAGUENAY ASSETS (PARC DES PIONNIERS)
(# 678)

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[1] **CONSIDERING** Petitioners' *Amended Second Motion for the Issuance of Various Orders Authorizing the Sale of Non-Core Properties and for the Issuance of a Re-Amended Receivership Order in respect of 4513541 Canada Inc.* (the **"Motion"**);

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

[3] **CONSIDERING** the absence of contestation from any party, notably the absence of contestation from the Ministry of Environment of the Province of Québec, who has been duly served with the Motion, to the conclusions sought in this Order;

[4] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* (**"CCAA"**);

FOR THESE REASONS, THE COURT:

[1] **AUTHORIZES AND APPROVES** the execution of the deed of sale, a draft copy of which was filed as Exhibit R-18 to the Motion (the **"Deed of Sale"**), by and between Abitibi-Consolidated Company of Canada (**"ACCC"**), as vendor, and 4513541 Canada Inc. (the **"Purchaser"**), as purchaser, acting through Samson Belair/Deloitte & Touche Inc. (**"Deloitte"**) solely in its capacity as court-appointed receiver for and on behalf of the Purchaser and not on its own behalf, 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 Saguenay (collectively, the **"Proposed Transactions"**), with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor;

[2] **AUTHORIZES AND APPROVES** the execution of the Deed of Hypothec, a draft copy of which was filed as Exhibit R-21 to the Motion, by and between ACCC, as creditor, and Deloitte in its capacity as court-appointed receiver for and on behalf of the Purchaser, as debtor, and the completion of 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;

[3] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required 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 issuance of this Order and a Re-Amended Receivership Order dated September 1st, 2010 with respect to the Purchaser, and the payment by the Purchaser of the Purchase Price (as defined in the Deed of Sale), all right, title and interest in and to the assets described in the Deed of Sale and being hereinafter described (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 (collectively, the "**Purchased Assets Encumbrances**") including without limiting the generality of the foregoing: (i) any Purchased 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 Purchased Assets 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, excluding however: (i) the lease published on December 19, 2003 between ACCC, as lessor, and Les Amis du Boisé de la Pointe St-Gilles, as lessee, at the Land Register of the Land Registry Office for the Registration Division of Saguenay under number 10 977 419; (ii) the servitude published on December 19, 2003 in favour Les Amis du Boisé de la Pointe St-Gilles under number 10 977 417 at the Land Register of the Land Registry Office for the Registration Division of Saguenay; and (iii) hypothec published on June 30, 2003, at the Land Register of the Land Registry Office for the Registration Division of Saguenay under number 209078; (iv) the servitude published on October 31, 1995, at the Land Register of the Land Registry Office for the Registration Division of Saguenay under number 182825; (v) the servitude published on July 27, 1992, at the Land Register of the Land Registry Office for the Registration Division of Saguenay under number 169179; and (vi) the servitude published on July 7, 1991, at the Land Register of the Land Registry Office for the Registration Division of Saguenay under number 164090 (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Purchased Assets Encumbrances affecting or relating to the Purchased Assets, with the exception of the Permitted Encumbrances, 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, provided however, that nothing in this vesting order shall be interpreted as relieving the Purchaser from fulfilling any obligation the Purchaser may have under any applicable environmental laws or regulations as a result of becoming the owner of the Purchased Assets;

The Purchased Assets may be described as follows:

"A vacant emplacement located in the City of Baie-Comeau, Province of Quebec, and composed of lot THREE MILLION FOUR HUNDRED THREE THOUSAND ONE HUNDRED AND ELEVEN (3 403 111) of the Cadastre du Québec, Registration Division of Saguenay;

As the said immovable now subsists, with all its rights, members and appurtenances, without exception or reserve of any kind, and together with and subject to all servitudes continuous or discontinuous, apparent or unapparent, attached thereto."

[5] **ORDERS** the Land Registrar of the Land Registry Office for the Registry Division of Saguenay, upon 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 concerns lot THREE MILLION FOUR HUNDRED THREE THOUSAND ONE HUNDRED ELEVEN (3 403 111) of the Land Registry Office for the Registration Division of Saguenay, including, without limitation, the cancellation of the following registrations published at the said Land Registry, but excluding the Permitted Encumbrances:

- Hypothec published on April 1st, 2008 under number 15 079 804 at the said Land Registry Office for the Registration Division of Saguenay;
- Deed of Assignment published on January 22, 2010 with respect to the above-mentioned hypothec under number 16 883 363 at the said Land Registry Office for the Registration Division of Saguenay;
- Hypothec published on April 22, 2009 under number 16 100 728 at the said Land Registry Office for the Registration Division of Saguenay;
- Hypothec published April 27, 2009 under number 16 109 411 at the said Land Registry Office for the Registration Division of Saguenay followed by a notice of sale by judicial authority published on June 19, 2009 under number 16 286 872 at the said Land Registry Office for the Registration Division of Saguenay;
- Hypothec published on May 8, 2009 under number 16 146 346 at the said Land Registry Office for the Registration Division of Saguenay;
- Hypothec published on May 8, 2009 under number 16 146 347 at the said Land Registry Office for the Registration Division of Saguenay;
- Deed of Subrogation published on January 8, 2010 with respect to the above-mentioned hypothecs (published under numbers 16 146 346 and 16 146 347) under number 16 852 611 at the said Land Registry Office for the Registration Division of Saguenay;
- Hypothec published on December 9, 2009 under number 16 790 866 at the said Land Registry Office for the Registration Division of Saguenay;

[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 and assignment 10-0018318-0001, 09-0481801-0002, 09-0762559-0002, 09-0256803-0002 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 the Purchaser Note (as defined in the Motion, a draft copy of which was filed as Exhibit R-28 to the Motion) shall be remitted directly to Ernst & Young Inc., in its capacity as Monitor of the Petitioners, and **ORDERS** that any amounts owing under the Purchaser Note shall be paid directly to Ernst & Young Inc., in its

capacity as Monitor of the Petitioners until the issuance of directions by this Court with respect to the allocation of said payments;

[8] **ORDERS** that for the purposes of determining the nature and priority of Purchased Assets Encumbrances, any and all rights of ACCC under the Purchaser Note 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;

[9] **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; and

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

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

CLÉMENT GASCON, J.S.C. J.S.C.

Sean Dunphy, Joseph Reynaud and Guillaume Boudreau-Simard
Stikeman Elliott LLP
Attorneys for Petitioners

COPIE CONFORME
Greffier adjoint

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