



Court File No. CV-09-8241-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE MR. ) THURSDAY, THE 12<sup>TH</sup> DAY  
)  
JUSTICE MORAWETZ ) OF AUGUST, 2010

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c.C-36 AS AMENDED

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR  
ARRANGEMENT WITH RESPECT TO FRASER PAPERS INC./PAPIERS  
FRASER INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC.,  
FRASER TIMBER LIMITED, FRASER PAPERS LIMITED and FRASER N.H.  
LLC (collectively, the Applicants")**

Applicants

**ORDER  
(Flambeau Settlement Agreement)**

**THIS MOTION** made by the Applicants for the relief sought in the Notice of Motion herein dated July 30, 2010, was heard this day on an unopposed basis in chambers at 9:30 a.m. at 330 University Avenue, in the City of Toronto, Ontario.

**ON READING** the affidavit of Glen McMillan sworn July 30, 2010 (the "McMillan Affidavit") and on hearing the submissions of counsel for the Applicants and counsel for the Monitor, no one appearing for any other person on the Service List in this proceeding, and no one appearing for any other party who could be affected by the within Order as reflected on the

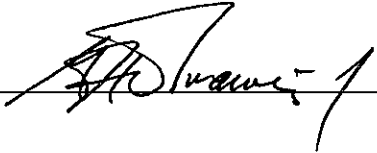
additional Service List filed, although all were duly served as appears from the affidavit of service of Annette Fournier sworn July 30, 2010, filed;

**AND UPON BEING ADVISED** that the relief sought is not opposed by the Applicants' DIP lenders Brookfield Asset Management Inc., in its capacity as administrative agent and collateral agent, and CIBC Asset Based Lending Inc., or by the Wisconsin Department of Natural Resources;

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record be and is hereby validated in all respects.
2. **THIS COURT ORDERS** that the settlement agreement among Fraser Papers Limited ("Fraser US"), Fraser Papers Inc. ("Fraser Papers"), Flambeau River Papers LLC ("Flambeau") and Park Falls Operator LLC ("Park Falls") (the "Settlement Agreement") is hereby approved, and Fraser US and Fraser Papers are hereby authorized to complete the closing of the transaction described in the Settlement Agreement and in that regard to execute and deliver all such documents as may be annexed to, contemplated or required pursuant to the terms of the Settlement Agreement.
3. **THIS COURT ORDERS AND DIRECTS** that, effective upon closing of the transaction described in the Settlement Agreement and the receipt by Fraser US of all consideration to be received thereunder, all security interests of Fraser US and any party claiming through Fraser US, in the Boiler (as defined in the Settlement Agreement) shall be immediately and irrevocably discharged.

4. **THIS COURT ORDERS AND DECLARES** that, effective upon closing of the transaction described in the Settlement Agreement, Fraser US, Fraser Papers and their respective present, former and future directors, officers, employees, agents, servants, consultants, predecessors, successors and assigns and all other persons or entities acting on their behalf or at their direction or control are hereby released from any and all claims, demands, charges, causes of action, or complaints for losses, damages, and liabilities of any kind whatsoever, including without limitation, legal costs incurred in connection with such claims, whether known, unknown, contingent or unliquidated, arising out of or relating to the Landfills from and after the Closing Date (as defined in the Settlement Agreement”).
  
5. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
  
6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and

the Monitor and their respective agents in carrying out the terms of this Order.



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ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

AUG 12 2010

PER / PAR: JSJ

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AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO FRASER PAPERS INC./PAPIERS FRASER INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED and FRASER N.H. LLC (collectively, the "Applicants")

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Proceedings commenced at **Toronto**

**ORDER**

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