


BEFORE THE ALABAMA DEPARTMENT OF REVENUE

In re:

WACHOVIA BANK, NATIONAL
ASSOCIATION,

Petitioner.

A Proceeding Authorized
by Section 40-22-2(8),
Code of Alabama (1975)



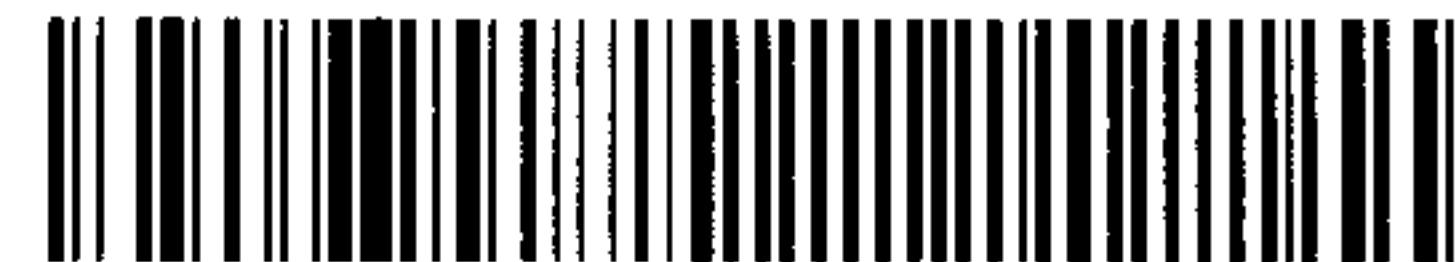
20080516000200120 1/2 \$14.00
Shelby Cnty Judge of Probate,AL
05/16/2008 10:05:26AM FILED/CERT

MORTGAGE TAX ORDER

Comes Petitioner, Wachovia Bank, a national banking association, (the “**Petitioner**”), in its Petition for Ascertainment of Mortgage Tax and asks the Department of Revenue to fix and determine the amount of mortgage recording privilege tax due pursuant to Section 40-22-2(8), *Code of Alabama* (1975), as amended (the “**Code**”), for the privilege of recording (a) that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “**Fee Mortgage**”), to be executed by Bowater Alabama, LLC, an Alabama limited liability company (the “**Mortgagor**”) and (b) that certain Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “**Leasehold Mortgage**” and, together with the Fee Mortgage, the “**Mortgages**”). The Mortgages secure indebtedness and obligations under (i) that certain Credit Agreement by and among Bowater Incorporated, a Delaware corporation, as borrower, Wachovia Bank, National Association, as administrative agent, and certain lenders from time to time party thereto and (ii) that certain Credit Agreement by and among Bowater Canadian Forest Products Inc., a Canadian corporation, as borrower, Bowater Incorporated, a Delaware corporation, as guarantor, the Bank of Nova Scotia, as administrative agent, and certain lenders from time to time party thereto (collectively, the “**Obligations**”). In addition to the collateral described in the Mortgages located within the State of Alabama, the Obligations are secured by mortgages, deeds of trust and/or other security instruments (collectively, the “**Security Documents**”) on additional real property, fixtures and personal property located outside the State of Alabama.

Upon consideration of the Petition and evidence offered in support thereof, the Alabama Department of Revenue finds and determines as follows:

1. That the total maximum amount of principal indebtedness of the Obligations secured by the Mortgages and other Security Documents is \$580,000,000.00.
2. That the value of the collateral covered by the Mortgages and located within the State of Alabama is \$429,000,000.00, and that the total value of all of the real property, personal property and fixtures conveyed to secure the Obligations and covered by the Mortgages and the other Security Documents (and located within and outside the State of Alabama) is \$965,000,000.00.
3. The value of the collateral located within Shelby County is \$18,018,000.00, or 4.2% of the total value of all collateral covered by the Mortgages. The value of the collateral located within Talladega County is \$410,982,000.00, or 95.8% of the total value of all collateral covered by the Mortgages.



20080516000200120 2/2 \$14.00
Shelby Cnty Judge of Probate, AL
05/16/2008 10:05:26AM FILED/CERT

4. That the maximum amount of principal indebtedness of the Obligations to be secured by the Mortgages which is allocable to the State of Alabama and upon which mortgage privilege recording tax is due is \$257,868,000.00, being based on 44.46% of the total value of all real property, personal property and fixtures securing such Obligations.
5. While the Mortgage(s) are recorded in both the Office of the Judge of Probate of Shelby and Talladega Counties, the Alabama mortgage filing privilege tax in the amount of \$386,802.00 is due to be paid upon recordation of the Mortgages in the Office of the Judge of Probate of Talladega County, Alabama.

IT IS ORDERED, THEREFORE, as follows:

1. That the amount of principal indebtedness under the Mortgages allocable to Alabama and upon which mortgage recording privilege tax will be due under §40-22-2, *Code of Alabama* (1975), as amended, is \$257,868,000.00.
2. That the Judge of Probate of Talladega County, Alabama shall collect mortgage recording privilege tax in the amount of \$386,802.00, plus any filing fees which may be due upon recordation of the Mortgages and, pursuant to §40-22-2(7) *Code of Alabama* (1975), after deducting the Probate Judge's five percent (5%) commission, shall make distribution of the tax to the State of Alabama and to Shelby County in accordance with its percentage of Alabama collateral as set forth in paragraph three (3) above.
3. That no bond shall be required to be posted and no annual report shall be required to be filed pursuant to §40-22-2(2) *Code of Alabama* (1975), as amended, and no additional mortgage recording privilege tax shall be payable unless and until the aggregate principal indebtedness of the Obligations secured by the Mortgages shall exceed \$580,000,000.00.

DONE this 14th day of May, 2008.

ALABAMA DEPARTMENT OF REVENUE

By: Cynthia Underwood
Assistant Commissioner of Revenue

ATTEST:

[Signature]
As Secretary

[Signature]
Legal Division: K. Elizabeth Jehle

Recording Fee
TOTAL

19.00
19.00