

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF SMURFIT-STONE
CONTAINER CANADA INC. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

**NOTICE OF MOTION
(Returnable December 1, 2009)**

The Applicants listed on Schedule "A" hereto will make a motion before a judge of the Ontario Superior Court of Justice on December 1, 2009 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. Orders:
 - (a) approving the sales transactions contemplated by:
 - (i) the offer to purchase and agreement between MBI Limited and General Realty Group or its nominee ("General Realty") made as of November 4, 2009 (the "Edmonton Agreement"); and

- (ii) the offer to purchase and agreement between MBI Limited and Andreas Apostolopoulos, in trust for a company to be formed or an existing corporation and without personal liability, made as of September 10, 2009 (the "Whitby Agreement"); and
 - (b) vesting the property subject to the Edmonton Agreement (the "Edmonton Property") and the property subject to the Whitby Agreement (the "Whitby Property") free and clear of all encumbrances, save for those specified in the Edmonton and Whitby Agreements; and
2. Such further and other relief as to this Honourable Court seems just.

THE GROUNDS FOR THE MOTION ARE:

1. Each of the Applicants is either a direct or indirect subsidiary of Smurfit-Stone Container Corporation, a Delaware corporation ("SSCC"). SSCC and certain of its direct and indirect subsidiaries, including the Applicants and the Partnerships listed on Schedule "B" hereto, filed for protection from their creditors under title 11 of chapter 11 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1532, in the United States Bankruptcy Court for the District of Delaware on January 26, 2009.
2. On January 26, 2009, SSC Canada, MBI Limited and the other Applicants and the Partnerships obtained protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and the initial order of the Ontario Superior Court of Justice (the "Court"), as subsequently amended and restated (the "Initial Order").

3. The Initial Order provides at paragraph 11(a) that the Applicants and Partnerships have the right to permanently or temporarily cease, downsize, or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$2 million in any one transaction, or \$25 million in the aggregate. As each of the Whitby and Edmonton Properties is proposed to be sold for consideration greater than \$2 million, Court approval is required.

Closure and Marketing

4. In an effort to limit future operating losses and to consolidate production and the customer base, the Whitby facility was closed in the fall of 2008 and the Edmonton facility was closed in September 2009.
5. The Applicants employed the brokerage firm Avison Young to conduct a marketing process aimed at generating multiple buyers for the two facilities. That process culminated in the Edmonton Agreement and the Whitby Agreement.
6. The Edmonton Agreement and the Whitby Agreement are commercially reasonable and are in the best interests of the Applicants and Partnerships and their stakeholders.

The Edmonton Sale

7. The Edmonton Property generated considerable interest, receiving two unconditional and two conditional offers.
8. MBI Limited accepted General Realty's unconditional offer (the "Accepted Offer"). Closing is to occur on the 40th day following full acceptance of the offer to purchase, being December 14, 2009.
9. The offer price of the Accepted Offer exceeded that of the other unconditional offer and the terms of the Accepted Offer, taken as a whole, were superior to the conditional offers. In particular, the price differential between the conditional offers and the Accepted Offer would be offset by the costs of carrying and maintaining the property during the longer closing period associated with the conditional offers and the increased closing risk.

The Whitby Sale

10. After ten months of active marketing, MBI Limited only received one conditional offer for the Whitby Property, which was accepted. Closing is to occur after 90 days of due diligence, with an additional ten days to close following completion of the due diligence process, being the end of December, 2009.

11. By achieving the desired purchase price and in the absence of alternate bidders, the Whitby Agreement represents the best available disposition of the Whitby Property.
12. Rule 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
13. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. Affidavit of Dean Jones, to be sworn;
2. The Ninth Report of the Monitor, to be filed; and
3. Such further and other materials as counsel may advise and this Honourable Court may permit.

November 25, 2009

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SCHEDULE "A"

Smurfit-Stone Container Canada Inc.

3083527 Nova Scotia Company

MBI Limited/Limitée

639647 British Columbia Ltd.

B.C. Shipper Supplies Ltd.

Specialty Containers Inc.

605681 N. B. Inc.

Francobec Company

Stone Container Finance Company of Canada II

SCHEDULE "B"

Smurfit-MBI

SLP Finance General Partnership

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Court File No: CV-09-7966-00CL

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Proceeding commenced at Toronto

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