

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re: : Chapter 15
: :
CATALYST PAPER CORP., et al., : Case No. 12-10221 (PJW)
: :
Debtors.¹ : Jointly Administered
: :
: **Obj. Due: 2/7/12 at 12:00 p.m. (Eastern)**
: **Hrg. Date: 2/8/12 at 1:30 p.m. (Eastern)**
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**NOTICE OF HEARING ON MOTION FOR PROVISIONAL RELIEF ENFORCING
CANADIAN COURT ORDER IN CONNECTION WITH DEBTOR IN POSSESSION
FINANCING PURSUANT TO 11 U.S.C. §§ 105(A), 1519 AND 1521**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") filed today the attached **Motion For Provisional Relief Enforcing Canadian Court Order in Connection With Debtor In Possession Financing Pursuant to 11 U.S.C. §§ 105(a), 1519 and 1521** (the "Motion").

PLEASE TAKE FURTHER NOTICE that the Motion and all supporting documents, including the Third Declaration of Brian Baarda, can be found at the following website: www.pwc.com/car-catalystpaper.

¹ The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048); (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvii) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (0606890 B.C. Ltd., Catalyst Paper Corporation, Catalyst Paper Energy Holdings Inc., Catalyst Paper General Partnership, Catalyst Pulp and Paper Sales Inc., Catalyst Pulp Operations Ltd., Catalyst Pulp Sales Inc., Elk Falls Pulp and Paper Ltd., and Pacifica Poplars Ltd., collectively, the "Canadian Debtors") (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the "U.S. Debtors"). The Debtors' executive headquarters' addresses are 2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion or the relief requested therein must be made in writing, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, Wilmington, Delaware 19801, and served so as to be received by the following parties no later than **February 7, 2012 at 12:00 p.m. (Eastern)**: (A) counsel for CPC as foreign representative: Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071, Attn: Van C. Durrer, II, Esq.; (B) counsel for the Debtors: Blake, Cassels & Graydon LLP, 595 Burrard Street, P.O. Box 49314, Suite 2600, Three Bentall Centre, Vancouver, BC V7X 1L3, Canada, Attn: William C. Kaplan, Esq.; (C) counsel for certain 2016 Noteholders: Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036-6745, Attn: Stephen Kuhn, Esq., Meredith Lahaie, Esq., and Michael Stamer, Esq.; (D) counsel for certain 2014 Noteholders: Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, ON M5H 2S7, Canada, Attn: Robert Chadwick, Esq., and Melaney Wagner, Esq.; (E) JPMorgan Chase, as DIP Facility agent: (i) McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, ON M5J 2T3, Canada, Attn: R.D. Jeffrey Rogers, Esq., and Wael Rostom, Esq., (ii) Bryan Cave LLP, One Metropolitan Square, 211 North Broadway, Suite 3600, St. Louis, MO 63102, Attn: Gregory Willard, Esq., and Heather Boelens Rucker, Esq.; (G) counsel for PwC: Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver, BC V6C 0A3, Canada, Attn: John Grieve, Esq., and Kibben Jackson, Esq.; (H) PricewaterhouseCoopers, 250 Howe Street, Suite 700, Vancouver, British Columbia V6C 3S7; and (I) the Office of the United States Trustee, 844 North King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: David Buchbinder, Esq.

PLEASE TAKE FURTHER NOTICE that a hearing on the Motion will be held on **February 8, 2012 at 1:30 p.m. (Eastern)** before the Honorable Peter J. Walsh, United States Bankruptcy Judge for the District of Delaware, in the United States Bankruptcy Court for the District of Delaware, 6th Floor, Courtroom 2, 824 North Market Street, Wilmington, Delaware 19801 ("Hearing"). Only objections made in writing and timely filed and received will be considered by the Court at the Hearing.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED AND RECEIVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, THE RELIEF REQUESTED IN THE MOTION MAY BE GRANTED WITHOUT FURTHER NOTICE OR A HEARING.

Dated: Los Angeles, California
February 3, 2012

/s/ Van C. Durrer, II
Van C. Durrer, II (I.D. No. 3827)
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
300 South Grand Avenue
Los Angeles, California 90071
(213) 687-5000

Counsel for Catalyst Paper Corporation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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	:	Chapter 15
In re:	:	
	:	Case No. 12-10221 (PJW)
CATALYST PAPER CORP., <u>et al.</u> ,	:	
	:	Jointly Administered
Debtors. ¹	:	
	:	Hearing Date: February 8, 2012 (1:30 pm EST)
	:	Obj Deadline: February 7, 2012 (12:00 pm EST)
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**MOTION FOR PROVISIONAL RELIEF ENFORCING CANADIAN COURT ORDER IN
CONNECTION WITH DEBTOR IN POSSESSION FINANCING PURSUANT TO
11 U.S.C. §§ 105(A), 1519 AND 1521**

Catalyst Paper Corporation (“CPC”), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the “Debtors” and, together with their non-debtor affiliates, the “Company”) in a proceeding (the “CCAA Proceeding”) under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”), *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and *Business Corporations Act*, S.B.C. 2002, c.57, before the Supreme Court of British Columbia (the “Canadian Court”), hereby moves (the “Motion”) this Court, pursuant to sections 105(a), 1519 and 1521 of title 11 of the United States Code (the “Bankruptcy Code”) for entry of an order, substantially in the form annexed hereto as Exhibit A (the “DIP Enforcement Order”), enforcing and giving effect in the United States to orders of the

¹ The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048); (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvi) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the “U.S. Debtors”). The Debtors’ executive headquarters’ addresses are 2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

Canadian Court, including, but not limited to, the Canadian Court's Amended and Restated Initial Order dated February 3, 2012 (the "Amended Initial CCAA Order," and together with other orders of the Canadian Court, collectively, the "CCAA Order") (i) authorizing the Debtors to obtain and borrow and reborrow (and obtain the issuance of letters of credit and other financial accommodations) under a revolving credit facility (the "DIP Facility") to be made available by the administrative agent, JPMorgan Chase Bank, N.A., Toronto Branch ("JPMorgan" or the "DIP Agent") as the DIP Agent and as lender and letter of credit issuer and the other lenders (together with the DIP Agent, collectively, the "DIP Lenders") from time to time party to the credit agreement, dated February 3, 2012 (the "DIP Credit Agreement") and security agreements, dated February 3, 2012 (the "DIP Security Agreement")², substantially in the form attached to the Third Declaration of Brian Baarda filed contemporaneously herewith (the "Third Baarda Declaration"), (ii) granting the DIP Lenders a lien and court ordered charge (the "DIP Lenders' Charge") on the DIP Collateral (defined below) as security for the DIP Facility and (iii) granting related relief; and upon the Second Declaration of Brian Baarda [Docket No. 39] (the "Second Baarda Declaration") and the Amended Motion for Provisional Relief and Final Recognition of a Foreign Proceeding Pursuant to 11 U.S.C. §§ 105(A), 1517, 1519, 1520, and 1521 [Docket No. 38] (the "Amended Recognition Motion") filed with the Court on January 31, 2012. In addition, CPC relies on the Third Baarda Declaration. In further support of the relief requested herein, CPC respectfully represents as follows:

BACKGROUND

A. General Background

1. On January 17, 2012 (the "Petition Date"), the Debtors filed and served notice of their motion for protection (the "CBCA Proceeding") under Canada's Canada Business

² "DIP Loan Documents" shall mean the DIP Credit Agreement, the DIP Security Agreement and any related documents required to be delivered by or in connection with the DIP Facility or the DIP Credit Agreement.

Corporations Act, R.S.C. 1985, c. C-44 (as amended, the “CBCA”) before the Canadian Court. On the Petition Date, the Debtors also commenced their chapter 15 cases by filing petitions pursuant to section 1504 and 1515 of the Bankruptcy Code (collectively, the “Chapter 15 Cases”).

2. As discussed in the Amended Recognition Motion, the Debtors originally commenced the CBCA Proceeding in the Canadian Court, having reached a preliminary consensual arrangement with central stakeholders as reflected in the terms of the restructuring support agreement (the “RSA”). Among other things, the RSA provided that if the Debtors had not obtained a requisite level of support by January 31, 2012, the RSA would be subject to termination. The Debtors were unable to obtain the required support from the relevant stakeholders and had little choice but to seek protection under the CCAA in order to preserve the enterprise value of the Debtors’ businesses while exploring other restructuring alternatives.

3. On January 31, 2012, the Debtor commenced the CCAA Proceeding, and the Canadian Court entered an initial order dated January 31, 2012 annexed to each of the amended chapter 15 petitions (the “Initial CCAA Order”) (i) appointing PricewaterhouseCoopers as monitor (the “Monitor”) of the CCAA Proceedings, (ii) authorizing CPC to serve as foreign representative of the Debtors, (iii) providing a stay with respect to the Debtors’ assets, and (iv) provisionally approving the DIP Facility, as well as the DIP term sheet and commitment letter, dated January 13, 2012, each attached to the Third Baarda Declaration, subject to a hearing before the Canadian Court on February 3, 2012. At the February 3rd hearing, the Debtors will seek final approval of the DIP Facility in the Canadian Court pursuant to the proposed Amended Initial CCAA Order substantially in the form attached to the Third Baarda Declaration.

4. On January 31, 2012, the Debtors also filed amended chapter 15 petitions (collectively, the “Amended Chapter 15 Petitions”) pursuant to §§ 1504 and 1515 of the Bankruptcy Code, seeking recognition of the CCAA Proceeding as a “foreign main proceeding” as defined in

§§1502(4) and 1517(b)(1) of the Bankruptcy Code. In the alternative, the Debtors seek recognition of the CCAA Proceeding as a “foreign main proceeding” as defined in §§ 1502(4) and 1517(b)(1) of the Bankruptcy Code with respect to the Canadian Debtors, and recognition of the CCAA Proceeding as a “foreign nonmain proceeding” as defined in §§ 1502(5) and 1517(b)(2) of the Bankruptcy Code with respect to the U.S. Debtors.

B. The Prepetition Debt Structure

5. The Company has a capital structure consisting of (i) a revolving asset based credit facility for up to CAD\$175 million, (ii) 11% senior secured notes with a combined face value of US\$390 million due December 2016 and (iii) 7.375% senior unsecured notes with a face value of US\$250.0 million due in March 2014.

6. The ABL Facility. On May 31, 2011, the Company amended and restated the revolving credit agreement (the “ABL Facility”) between Debtors as loan parties, JPMorgan³ as administrative agent, J.P. Morgan Securities LLC and CIBC Asset-Based Lending Inc. as joint bookrunners and co-lead arrangers, and various lenders (together with JPMorgan, collectively, the “ABL Lenders”).

7. The ABL Facility is secured by a first priority lien on the Debtors’ (i) current and after acquired working capital assets including accounts receivable, goods, inventories, and cash in addition to (ii) certain real property assets and fixtures now owned or hereinafter acquired (collectively, the “ABL First Charge Collateral”). The ABL Facility is further secured by a second priority lien over those assets subject to the first priority lien of the 2016 Notes, as set forth below (the “ABL Second Charge Collateral” and together with the ABL First Lien Collateral, the “ABL

³ JPMorgan is also the administrative agent under the current DIP Facility.

Collateral”). There are certain assets such as certain contracts, equity interests and equipment and financing leases that are excluded from the ABL Facility’s security interest.

8. The 2016 Notes. On March 10, 2010, CPC closed its offer to exchange 8⁵/₈ % senior notes (due June 15, 2011) for 11% senior secured notes (due December 15, 2016). The 11% senior secured notes had a face value of \$280.4 million (the “2016 Class A Notes”). In May 2010, the Company issued a further series of 11% senior secured notes with a face value of \$110.0 million due December 2016 (the “2016 Class B Notes” and, together with the 2016 Class A Notes, the “2016 Notes”). For both the 2016 Class A Notes and 2016 Class B Notes, Wilmington Trust FSB serves as trustee the noteholders (collectively, the “2016 Noteholders”). Collateral for the 2016 Notes consists of a first priority lien on substantially all of the assets of the Company, other than the ABL First Lien Collateral, including, without limitation, the lands and buildings, equipment, machinery, fixtures, leasehold interests in the Recycling Facility and the Distribution Center, general intangibles and other assets of the Debtors (the “2016 Notes First Charge Collateral”). The 2016 Notes are further secured by a second priority lien over the ABL First Lien Collateral.

9. The 2014 Notes. On March 23, 2004, the Company closed its offering of unsecured 7.375% senior notes which resulted in net proceeds to the Company of approximately \$250 million, due March 1, 2014 (the “2014 Notes”). Wells Fargo Bank, National Association served as trustee under the indenture.

C. The DIP Facility

10. One of the consequences of commencing the CCAA Proceeding is that the ABL Facility is no longer available to the Debtors for new borrowings. Accordingly, the Debtors require access to the DIP Facility to fund the costs of administration of the CCAA Proceeding and the Chapter 15 Cases as well as for ordinary working capital needs of the Debtors’ continued business operations during the pendency of such proceedings.

11. Under the DIP Credit Agreement, the DIP Lenders will provide the Debtors with access to an 18-month postpetition revolving DIP Facility in the amount of \$175 million available in Canadian dollars or U.S. dollars. Not more than \$20 million of the DIP Facility at any one time outstanding shall be available to the U.S. Borrowers denominated in U.S. Dollars only. The DIP Lenders have required the Debtors to obtain entry of the relief set forth in the DIP Enforcement Order in order to continue to access the DIP Facility.

12. Additional factual background regarding the Debtors, including their business operations, their capital and debt structure and the events leading to the filing of these bankruptcy cases, is set forth in detail in the Second Baarda Declaration and the Amended Recognition Order.

JURISDICTION AND VENUE

13. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

14. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

15. The statutory predicates for the relief requested herein are sections 105(a), 1519, and 1521 of the Bankruptcy Code.

RELIEF REQUESTED

16. By this Motion, CPC seeks entry of the DIP Enforcement Order, substantially in the form annexed hereto as Exhibit A (a) enforcing the CCAA Order in connection with the DIP Facility, (b) enforcing certain protections afforded the DIP Lenders by the CCAA Order and (c) granting such other and further relief as this Court deems just and proper.

BASIS FOR RELIEF

17. CPC commenced these Chapter 15 Cases to obtain recognition of the CCAA Proceeding as a foreign proceeding under chapter 15 of the Bankruptcy Code and to seek certain relief related thereto from this Court in connection with the CCAA Proceeding. CPC's and the

Debtors' ultimate goal is to ensure an orderly administration of the Debtors' financial affairs and the restructuring of the Debtor's capital structure under the auspices of the CCAA Proceeding, with the aid of this Court. The relief requested in this Motion—enforcement in the United States of the CCAA Order's provisions regarding the DIP Facility with respect to assets subject to this Court's jurisdiction—will assist in the Debtors' reorganization objectives with minimum interruption or disruption to their operations.

A. Access to the DIP Facility Will Assist the Debtor's Reorganization Efforts

18. As set forth more fully in the Second Baarda Declaration and the Amended Recognition Motion, the Debtors are operating under liquidity constraints and do not have access to funding under the ABL Facility during the CCAA Proceeding. The Debtor commenced the CCAA Proceeding in order to restructure outstanding debt obligations to ultimately enable the Debtors to meet their financial obligations.

19. In order to finance the costs of the CCAA Proceeding, the Chapter 15 Cases and meet operating expenses, the Debtors must have access to the DIP Facility. Based on the ABL Lenders' lien positions and history with the Debtors, this constituency was a potential source of debtor in possession financing. In addition, the Debtors considered alternative financing proposals from other sources. The Debtors ultimately determined that the proposal for debtor in possession financing provided by the DIP Lenders was the most favorable under the circumstances, and adequately addressed the Debtors' reasonably foreseeable liquidity needs. Among other reasons, the proposal from the DIP Lenders was the best overall because it allowed the Debtors to maintain their existing cash management systems and it represented the best economics.

20. Before the Debtors committed to the DIP Lenders' proposal, the Debtors conducted vigorous and lengthy arm's-length, and good-faith negotiations with JP Morgan and its advisors regarding the terms including the DIP Credit Agreement and other loan documents.

21. The Debtors' principal uses of cash during the pendency of the CCAA Proceeding and the Chapter 15 Case are anticipated to include the payment of ongoing costs of day-to-day operations, professional fees, and disbursements in connection with the CCAA Proceeding and other ordinary course working capital needs. In addition, the DIP Facility will provide the Debtors with a liquidity source should unexpected circumstances arise. For this reason, the Canadian Court approved the DIP Facility and the DIP Lenders' Charge subject to final hearing as evidenced by the Initial CCAA Order. Initial CCAA Order, ¶¶ 39-45.

22. CPC and the Debtors believe that the terms of the DIP Credit Agreement, as described below, are reasonable. Thus, the Debtors determined that entry into the DIP Credit Agreement was in the best interests of their estates, creditors and other parties in interest.

B. The Terms of the DIP Facility are Fair and Reasonable

23. Pursuant to the DIP Credit Agreement, the DIP Lenders have agreed to provide the DIP Facility, subject to a number of terms and conditions set forth therein, which include, among other things, the following:⁴

- (a) the DIP Facility shall be available on a revolving basis in accordance with the DIP Credit Agreement;
- (b) the proceeds of the DIP Facility shall be used for purposes of providing for general working capital needs (including, without limitation, capital expenditures) and general corporate purposes of the Debtors and to pay for all expenses associated with the DIP Facility, the CCAA Proceeding, and the Chapter 15 Cases, in accordance with the revised cash flow forecast as approved by the DIP Agent and the Canadian Court;
- (c) the obligations of the loan parties under the DIP Credit Agreement shall be secured by (i) a fully perfected first-ranking court-ordered charge on the DIP Lenders' First

⁴ All capitalized terms used in this section shall have the meanings ascribed to them in the DIP Credit Agreement.

Lien Collateral⁵ and (ii) a fully perfected junior court-ordered charge with respect to the 2016 Notes First Charge Collateral (collectively, the “DIP Lender’s Charge”) on all of the existing and after acquired real and personal, tangible and intangible, assets of the Debtors (the “DIP Collateral”), excluding (x) the CIT vehicles leases described on Schedule A of the DIP Enforcement Order and (y) the equity interests in Powell River Energy Inc. and Powell River Energy Limited Partnership and other equity interests in joint ventures with non-Loan Parties (collectively, together with Powell River Energy Inc. and Powell River Energy Limited Partnership, the “JVs”, and assets of any such JVs (or any interest therein) held by a loan party as nominee for any such JV or any party thereto or as tenant in common with any non-loan party, to the extent consent of arms’ length third parties is required to grant a Lien in such JV assets but is not obtained, pursuant to orders of the Canadian Court and this Court in form and substance satisfactory to the DIP Agent and pursuant to the definitive DIP Loan Documents; and

- (d) each loan party shall unconditionally guarantee all of the indebtedness, obligations, and liabilities of each other loan party arising under or in connection with the DIP Loan Documents.

24. It is customary in a CCAA Proceeding to establish liens or charges (the “Charges”) as security for special obligations.⁶ In connection with seeking approval of the DIP Facility in the CCAA Proceeding, the Debtors obtained approval of certain of the Charges in addition to the DIP Lender’s Charge. Specifically, the Canadian Court granted the directors and officers of the Debtors the benefit of a lien or charge (the “D&O Charge”) on the DIP Collateral, which charge will not exceed an aggregate amount of \$31,000,000, as security for Debtors’ obligations to indemnify their directors and offices against any obligations to make payments in favor of the Crown in right of Canada or of any Province thereof or any other taxation authority as further discussed in the Initial CCAA Order. Further, the Canadian Court granted a lien or charge to the Monitor and Debtors’ Canadian and U.S. counsel as security for unpaid fees and expenses (the “Administration Charge”),

⁵ The “DIP Lenders’ First Lien Collateral” consists of only the DIP Collateral over which the DIP Lender is granted a fully perfected first-ranking court ordered charge or lien. In other words, the DIP Lenders’ First Lien Collateral consists of the DIP Collateral excluding 2016 Notes First Charge Collateral.

⁶ The Canadian Court, at the hearing to be held on February 3, 2012, will consider the approval of another proposed Charge on the DIP Collateral, which the Debtors are requesting for the benefit of suppliers (the “Suppliers Charge”). The Suppliers Charge would provide security for any amounts for which the Debtors become indebted to such suppliers for the supply of goods or services postpetition.

capped at an amount of \$1,500,000. Each of the above noted Charges are all customary within the parameters of a typical CCAA Proceeding. Pursuant to the CCAA Order, the liens or charges granted by the Canadian Court rank in the priority as discussed in more detail below.

25. With respect to the Debtors' property which constitutes the DIP Lenders' First Lien Collateral, the priorities of the Charges, the liens securing the obligations in connection with ABL Facility ("ABL Facility Security") and the liens securing the obligations in connection with the 2016 Notes (the "2016 Notes Security"), as among themselves, the Debtors' priority scheme is as follows: (1) the Administration Charge; (2) the DIP Lenders' Charge; (3) the ABL Facility Security; (4) the D&O Charge and (5) the 2016 Notes Security.⁷

26. With respect to the Debtors' property which constitutes 2016 Notes First Lien Collateral, the priority of the Charges, the 2016 Notes Security, the ABL Facility Security, as among themselves, the Debtors' priority scheme is as follows: (1) the Administration Charge; (2) the D&O Charge; (3) the 2016 Notes Security; (4) the DIP Lenders' Charge and (5) the ABL Facility Security.⁸

27. In connection with the DIP Facility, pursuant to the CCAA Order, the DIP Lenders' Charge is subordinate to the following (but only to the extent, in each case, that the following are not subordinate to claims over which the DIP Lenders' Charge has priority): (a) validly perfected purchase money security interests to the extent of the principal obligations outstanding as of the date hereof and otherwise permitted in accordance with the DIP Loan Documents, but in each case, only in respect of the specific purchased or leased property under the arrangements giving rise to the purchase money security interests and (b) deemed trusts under subsections 227(4) or (4.1) of the

⁷ If approved, the Suppliers Charge will be senior to the D&O Charge and junior to the ABL Facility Security, the DIP Lenders' Charge and the Administration Charge with respect to the DIP Lenders' First Lien Collateral.

⁸ If approved, the Suppliers Charge will be senior to the D&O Charge and junior to the Administration Charge with respect to the 2016 Notes First Lien Collateral.

Income Tax Act (Canada), subsections 23(3) or (4) of the *Canada Pension Plan* or subsection 86(2) of the *Employment Insurance Act (Canada)*.

28. Finally, the CCAA Order provided that if any of the provisions of the order relating to the DIP Facility or the DIP Lenders' Charge were stayed, modified, amended, reversed or vacated in whole or in part (collectively a "Modification"), whether by subsequent order or on appeal, such Modification would not impair, limit or diminish the DIP Lenders' Charge, or the protections, rights or remedies of the DIP Lenders, whether under the CCAA Order (as entered prior to the Modification) or under any of the documentation delivered pursuant thereto, including with respect to any advances made prior to entry of the Modification.

C. The Relief Requested Herein is Supported by the Bankruptcy Code

29. Section 1519(a) of the Bankruptcy Code provides that:

From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including –

- (1) staying execution against the debtor's assets;
- (2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and
- (3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

11 U.S.C. § 1519(a) (emphasis added).

30. The plain language of § 1519 clearly states that this Court can grant any provisional relief that is "urgently needed" to protect the "assets of the debtor or interests of creditor." The language is broad and provides non-exhaustive examples of such provisional relief in subsections (1)-(3).

31. Section 1519(a)(3) of the Bankruptcy Code authorizes the Court to grant, on a provisional basis, any relief “referred to” in section 1521(a)(7). Section 1521(a)(7) in turn provides for the grant of any relief that “may be available” to a trustee, subject to certain statutory exceptions that are not applicable here. Accordingly, based on the expansive language of § 1519 and § 1521, this Court has discretion to enforce the CCAA Order in connection with the DIP Facility in order to preserve the efficient administration of the Debtors estates prior to final disposition of the Amended Chapter 15 Petitions.

(a) Injunctive Relief Standard

32. Courts have determined that relief under § 1519 of the Bankruptcy Code is “urgently needed” and therefore available where the foreign representative can satisfy the standard for injunctive relief. See 11 U.S.C. 1519(e) (“[t]he standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.”); In re Innua Canada Ltd., No. No. 09–16362, 2009 WL 1025088, at *3 (Bankr. D.N.J. Mar. 25, 2009) (“Provisional relief under Section 1519 of the Bankruptcy Code requires satisfaction of the injunctive relief standard by the foreign representative”).

33. In the Third Circuit, the four factors considered for such standard are: “(1) whether the movant has shown a reasonable probability of success on the merits; (2) whether the movant will be irreparably injured by denial of the relief; (3) whether granting preliminary relief will result in even greater harm to the nonmoving party and (4) whether granting the preliminary relief will be in the public interest.” U.S. v. Bell, 414 F.3d 474, 478 n.4 (3d Cir. 2005) (citing ACLU of N.J. v. Black Horse Pike Reg’l Bd. of Educ., 84 F.3d 1471, 1477 n.2 (3d Cir. 1996) (en banc)).

34. First, as set forth in the Memorandum of Law in Support of: (I) Amended Verified Petitions Under Chapter 15; and (II) Amended Motion for Provisional Relief and Final Recognition of a Foreign Proceeding Pursuant to 11 U.S.C. §§ 105(a), 1517, 1519, 1520, and 1521 [Docket No.

40] and the Amended Recognition Motion, recognition of the foreign proceeding on a permanent basis is proper. In other words, the probability of successfully obtaining recognition of the CCAA Proceeding (and all of Canadian Court orders including any final orders approving the DIP Facility) is high. Based on the facts that (a) the CCAA Proceeding is pending in Canada, the location of the Debtors' center of main interest, (b) all proper supporting documentation was filed contemporaneously with the Amended Chapter 15 Petitions and (c) the Chapter 15 Cases were properly commenced by a duly appointed foreign representative, there is an extremely high likelihood that recognition of the CCAA Proceeding as a foreign main proceeding will be granted.

35. Second, the Debtors would certainly suffer irreparable harm if the relief requested herein were denied. Specifically, the DIP Lenders have required the DIP Enforcement Order, in substantially the form attached hereto, in order for the Debtors to continue to have access to the DIP Facility. Without access to the DIP Facility, the Debtors will not have sufficient liquidity to administer their estates, which would endanger all restructuring efforts currently being pursued in the CCAA Proceedings. Indeed, the Debtors need such funds (among other things) to secure goods, pay employees and maintain the operation of their business as they restructure. The Debtors believe that the financing under the DIP Credit Agreement will enable them to retain employees and begin restoring critical relationships and trade terms. In sum, the DIP Facility will preserve and maintain the going concern value of the Debtors' estates, which, in turn, is integral to maximizing recoveries for the Debtors' stakeholders. Absent this relief, the Debtors and their creditors will suffer irreparable harm.

36. Third, entry of the DIP Enforcement Order is also justified under the balance of hardships test. Absent this Court's entry of the DIP Enforcement Order, the Debtors will lack access to all postpetition financing, causing the Debtors' business to come to a halt. At the same time, entry of the DIP Enforcement Order will impose little, if any, hardship on any party in interest.

Indeed, the Canadian Court has already provisionally approved the DIP Facility in the Initial CCAA Order. All parties in interest are already subject to the Initial CCAA Order and will be subject to the Canadian Court's forthcoming order, the Amended Initial CCAA Order, with respect to the DIP Facility, regardless of the relief sought here. This Motion only seeks enforcement of the CCAA Order in the United States to the extent such orders relate to the DIP Facility. Only the Debtors would be hurt were the DIP Enforcement Order not entered because such entry by this Court is a condition for ultimate funding under the DIP Facility.

37. Fourth and lastly, the relief requested herein is in the public interest, as such relief is consistent with relief to which debtors in plenary cases under the Bankruptcy Code are entitled. Such relief will allow for a more efficiently-administered restructuring process to the benefit of all interested parties. Furthermore, provisional relief similar to that requested herein has been granted in chapter 15 cases in both this and other districts. See, e.g., In re Destinator Technologies, Inc., No. 08-11003 (Bankr. D. Del. May 20, 2008) (granting, pursuant to section 1519 of the Bankruptcy Code, a temporary injunction and approval of DIP financing on a provisional basis). See also In re Angiotech Pharmaceuticals, Inc., No. 11-10269 (Bankr. D. Del. Feb. 22, 2011); In re Fraser Papers, Inc., No. 09-12123 (Bankr. D. Del. July 13, 2009); In re Destinator Techs., Inc., No. 08-11003 (Bankr. D. Del. May 20, 2008). CPC submits that such relief is similarly appropriate in this instance.

(b) UNCITRAL Model Law

38. Not only is the relief requested herein consistent with chapter 15 precedent, but it is also consistent with the United Nations Commission on International Trade Law ("UNCITRAL") Model Law On Cross-Border Insolvency (the "Model Law"), which formed the basis for chapter 15 of the Bankruptcy Code. See Model Law, Art. 19, 21. Specifically, the *Guide To Enactment of the UNCITRAL Model Law on Cross-Border Insolvency* (the "UNCITRAL Guide") indicates that text

of articles 19 and 21 of the Model Law, providing the basis for §§ 1519 and 1521, was meant to be interpreted broadly, enabling judges to customize the provisional relief for cross-border proceedings on a moment's notice. See United Nations General Assembly, Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency, ¶ 89, U.N. Doc. A/CN.9/442 (1997) *available at* <http://www.uncitral.org/pdf/english/texts/insolven/insolvency-e.pdf>. With respect to Article 19, forming the basis for §1519, the UNCITRAL Guide states that the section provides “‘urgently needed’ relief that may be ordered at the discretion of the court and is available as of the moment of the application for recognition.” UNCITRAL Guide, ¶35. With respect to Article 21, forming the basis for § 1521, the UNCITRAL Guide states that such “additional relief” is in the “nature of discretionary relief that the court may tailor it to the case at hand.” See id., ¶156.

39. Clearly then, judges administering cross-border insolvency cases are granted discretion in determining what relief is urgently needed to “protect the assets of the debtor or the interests of creditors” as stated in § 1519 of the Bankruptcy Code, which is further supplemented by the additional relief provided in § 1521. Here, as noted above, the Debtors have significant cash needs. As the Canadian Court recognized in the Initial CCAA Order, the Debtors’ access to the DIP Facility is an important component of the Debtors’ continuing reorganization efforts. Without the liquidity provided under the DIP Facility, the Debtors would be forced to ultimately liquidate in a value-eroding manner, which would ultimately harm the Debtors and their stakeholders due to the loss of going concern value.

40. Based on the foregoing, as supplemented by the Memorandum of Law and the Amended Recognition Motion, CPC submits that the provisional relief requested herein is appropriate, authorized under the Bankruptcy Code, and in the best interests of the Debtors, their creditors and other parties in interest, and should be granted in full.

D. The Requested Relief is Consistent with Public Policy

41. Finally, the relief requested herein is consistent with public policy and principles of comity, therefore, Bankruptcy Code § 1506 should not apply. Pursuant to section 1506 of the Bankruptcy Code, even if the requirements for provisional relief are satisfied, such relief could be denied where it would be “manifestly contrary to the public policy of the United States.” 11 U.S.C. § 1506. This “public policy” exception has been narrowly construed to apply to only those “matters of fundamental importance to the [United States].” See, e.g., In re Ephedra Prods. Liab. Litig., 349 B.R. 333, 336 (S.D.N.Y. 2006) (quoting United Nations General Assembly, Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency, ¶ 89, U.N. Doc. A/CN.9/442 (1997)).

42. Here, nothing regarding the enforcement of the CCAA Order (as it relates to the DIP Facility) contravenes United States policy. To the contrary, the international coordination of the Debtors’ restructuring will provide an efficient and fair process to all parties in interest while promoting cross-border cooperation. Accordingly, section 1506 of the Bankruptcy Code presents no barrier to either entry of the DIP Enforcement Order.

43. Moreover, the policy and principles of international comity will be furthered by this Court’s enforcement of the CCAA Order in connection with the DIP Facility. At paragraph 77 of the Initial CCAA Order, the Canadian Court specifically requests the aid and assistance of this Court in giving effect to the CCAA Order.

NOTICE

44. CPC proposes to notify all Notice Parties⁹ of (a) the filing of this Motion, (b) the deadline to object to the Motion as well as (c) the hearing date in accordance with this Court’s

⁹ Pursuant to this Court’s *Order (I) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings Pursuant to Chapter 15 of the Bankruptcy Code and (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition* [Docket No. 23] (the “Notice Order”), the Notice Parties include: (i) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code (excepting employees); (ii) all parties to litigation

(cont’d)

Order Granting Expedited Motion to Shorten Notice and For Emergency Hearing on Motion for Provisional Relief in Connection with Debtor-In-Possession Financing Pursuant to 11 U.S.C. §§ 105(a), 1519 and 1521 [Docket No. 50]. In light of the nature of the relief requested herein, CPC submits that no other or further notice of this Motion is necessary or required.

CONCLUSION

WHEREFORE, for the reasons set forth herein and in the Second Baarda Declaration, the Amended Recognition Motion and the Third Baarda Declaration, CPC respectfully requests that the Court, after notice and a hearing, (a) enter the DIP Enforcement Order, substantially in the form attached hereto as Exhibit A and (b) grant any such other and further relief as this Court deems just and proper.

Dated: February 3, 2012
Los Angeles, CA

/s/ Van C. Durrer, II
Van C. Durrer, II (I.D. No. 3827)
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
300 South Grand Avenue
Los Angeles, California 90071
(213) 687-5000

Counsel for Catalyst Paper Corporation

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pending in the United States in which any of the Debtors are parties at the time of the filing of the Chapter 15 Petitions; (iii) the United States Trustee; (iv) the Debtors; (v) counsel to certain 2016 Noteholders (as described in the Notice Order); (vi) counsel to certain 2014 Noteholders (as described in the Notice Order); (vii) counsel to the Administrative Agent for the Debtors' postpetition credit facility, J.P. Morgan Chase Bank, N.A., Toronto; (viii) all other known parties who claim interests in or liens upon the assets owned by the Debtors in the United States; (ix) all governmental taxing authorities who have or may have claims, contingent or otherwise, against any Debtor; (x) governmental pension, environmental and Medicare entities; (xi) the Attorneys General of Delaware, California and Arizona; (xii) the Attorney General of the United States; (xiii) the Internal Revenue Service; (xiv) all relevant taxing authorities; and (xv) all parties who have requested notice.

EXHIBIT A

Proposed Form of DIP Enforcement Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----	X	
	:	Chapter 15
In re:	:	
	:	Case No. 12-10221 (PJW)
CATALYST PAPER CORP., <u>et al.</u> ,	:	
	:	Jointly Administered
Debtors.	:	
	:	
-----	X	

**ORDER FOR PROVISIONAL RELIEF ENFORCING CANADIAN COURT ORDER IN
CONNECTION WITH DEBTOR IN POSSESSION FINANCING PURSUANT TO
11 U.S.C. §§ 105(A), 1519 AND 1521**

Upon consideration of the motion (the “Motion”)¹ of Catalyst Paper Corporation (“CPC”), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the “Debtors” and, together with their non-debtor affiliates, the “Company”) in a proceeding (the “CCAA Proceeding”) under Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Supreme Court of British Columbia (the “Canadian Court”), for the entry of an order, pursuant to sections 105(a), 1519 and 1521 of title 11 of the United States Code (the “Bankruptcy Code”), enforcing and giving effect in the United States to all orders of the Canadian Court, including, but not limited to, the Canadian Court’s Amended and Restated Initial Order dated February 3, 2012 (the “Amended Initial CCAA Order,” and together with other orders of the Canadian Court, collectively, the “CCAA Order”) (i) authorizing the Debtors to obtain and borrow and reborrow (and obtain the issuance of letters of credit and other financial accommodations) under a revolving credit facility (the “DIP Facility”) to be made available by the administrative agent, JPMorgan Chase Bank, N.A.,

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Toronto Branch (“JPMorgan” or the “DIP Agent”) as the DIP Agent and as lender and letter of credit issuer and the other lenders (together with the DIP Agent, collectively, the “DIP Lenders”) from time to time party to the credit agreement, dated February 3, 2012 (the “DIP Credit Agreement”), substantially in the form attached to the Third Declaration of Brian Baarda filed contemporaneously with the Motion (the “Third Baarda Declaration”), (ii) granting the DIP Lenders a lien and court ordered charge (the “DIP Lenders’ Charge”) on the DIP Collateral as security for the DIP Facility and (iii) granting related relief; and upon consideration of the Second Declaration of Brian Baarda [Docket No. 39], the Amended Motion for Provisional Relief and Final Recognition of a Foreign Proceeding Pursuant to 11 U.S.C. §§ 105(A), 1517, 1519, 1520, and 1521 [Docket No. 38] and the Third Baarda Declaration; and upon further consideration of the record of the hearing on the Motion having been held before this Court; and due, sufficient, and proper notice of the Motion and the relief requested therein having been provided; and it appearing that no other or further notice need be provided; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and other parties in interest in this chapter 15 case (the “Chapter 15 Cases”); and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND that:²

A. CPC has demonstrated that the borrowing under the DIP Facility authorized by the CCAA Initial Order is necessary to prevent an immediate and irreparable harm and a deterioration of value of the Debtors’ assets, which could result in a significantly reduced recovery to the Debtor’ creditors and stakeholders.

² Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

B. CPC has demonstrated that the terms under which the DIP Facility was extended, as approved by the Canadian Court in the CCAA Initial Order, are fair and reasonable.

C. The relief granted herein is urgently needed to protect the assets of the debtor or the interests of the creditors pursuant to section 1519 of the Bankruptcy Code.

D. The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

E. The DIP Facility has been the subject of extensive negotiations conducted in good faith and at arms' length between the Debtor and the DIP Lenders, and the proceeds to be extended under the DIP Facility will be so extended in good faith and for valid business purposes and uses.

F. The Debtor was unable to obtain sufficient comparable financing on an unsecured basis.

G. The CCAA Initial Order authorizes the Debtors to obtain, borrow and reborrow under the DIP Facility and grants certain Charges securing the Debtors' obligations as follows:

- (I) With respect to the Debtors' property which constitutes the DIP Lenders' First Lien Collateral, the priorities of the Charges, ABL Facility Security, and the 2016 Notes Security, as among themselves, the Debtors' priority scheme is as follows: (1) the Administration Charge; (2) the DIP Lenders' Charge; (3) the ABL Facility Security; (4) the D&O Charge and (5) the 2016 Notes.
- (II) With respect to the Debtors' property which constitutes 2016 Notes First Lien Collateral, the priority of the Charges, the 2016 Notes Security, the ABL Facility Security, as among themselves, the Debtors' priority scheme is as follows: (1) the Administration Charge; (2) the D&O Charge; (3) the 2016 Notes Security; (4) the DIP Lenders' Charge and (5) the ABL Facility Security.

- (III) In connection with the DIP Facility, the DIP Lenders' Charge is subordinate to the following (but only to the extent, in each case, that the following are not subordinate to claims over which the DIP Lenders' Charge has priority): (x) validly perfected purchase money security interests to the extent of the principal obligations outstanding as of the date hereof and otherwise permitted in accordance with the DIP Loan Documents, but in each case, only in respect of the specific purchased or leased property under the arrangements giving rise to the purchase money security interests and (y) deemed trusts under subsections 227(4) or (4.1) of the *Income Tax Act (Canada)*, subsections 23(3) or (4) of the *Canada Pension Plan* or subsection 86(2) of the *Employment Insurance Act (Canada)*.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted.
2. The CCAA Order, including any amendments thereto, is hereby enforced and given full force and effect in the United States.
3. As provisional relief in aid of the CCAA Order, the DIP Lenders' Charge and priorities as set forth in the CCAA Order, including Paragraphs 41-61 of the Amended Initial CCAA Order, are hereby enforced against the DIP Collateral in accordance with the terms of the Initial CCAA Order.
4. Subject to the terms and conditions of the DIP Facility as approved by the Canadian Court, the Debtors are authorized to execute all necessary documentation related to the DIP Facility and to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the DIP Lenders when the same become due and are to be performed. The DIP Agent, in its discretion, may (but is not required to in order for the DIP Lenders' Charge and priorities to be enforceable) file a photocopy of this Order and/or the CCAA Order as a financing statement, notice of lien, or similar document with any recording officer designated to file financing statements, notices of lien or similar documents in any U.S. jurisdiction, and in such

event, the subject filing or recording officer shall be authorized to file or record such copy of this Order and/or the CCAA Order.

5. If any of the provisions of this Order related to the DIP Facility or the DIP Lenders' Charge shall subsequently be stayed, modified, amended, reversed or vacated in whole or in part (collectively a "Modification") whether by subsequent order of this Court or on appeal from this Order, such Modification shall not impair, limit or diminish the DIP Lenders' Charge, or the protections, rights or remedies of the DIP Lenders, whether under this Order (as entered prior to the Modification) or under any of the documentation delivered pursuant hereto, including with respect to any advances made prior to entry of the Modification.

6. Notwithstanding anything to the contrary in the DIP Loan Documents or the CCAA Order, no lien, charge or encumbrance of any kind is or shall be granted in any of the CIT Assets (as defined in Schedule A attached hereto).

7. The notice given by the Debtors of the Motion and of the hearing of the Motion was proper and, under the circumstances, was adequate and sufficient. No further notice of the request for the relief granted at such hearing is required.

8. Within three (3) business days of entry of this Order, the Debtors shall serve a copy of this Order upon the Notice Parties.³

³ Pursuant to this Court's *Order (I) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings Pursuant to Chapter 15 of the Bankruptcy Code and (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition* [Docket No. 23] (the "Notice Order"), the Notice Parties include: (i) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code (excepting employees); (ii) all parties to litigation pending in the United States in which any of the Debtors are parties at the time of the filing of the Chapter 15 Petitions; (iii) the United States Trustee; (iv) the Debtors; (v) counsel to certain 2016 Noteholders (as described in the Notice Order); (vi) counsel to certain 2014 Noteholders (as described in the Notice Order); (vii) counsel to the Administrative Agent for the Debtors' postpetition credit facility, J.P. Morgan Chase Bank, N.A., Toronto; (viii) all other known parties who claim interests in or liens upon the assets owned by the Debtors in the United States; (ix) all governmental taxing authorities who have or may have claims, contingent or otherwise, against any Debtor; (x) governmental pension, environmental and
(cont'd)

9. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: February __, 2012
Wilmington, Delaware

Honorable Peter J. Walsh
UNITED STATES BANKRUPTCY JUDGE

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Medicare entities; (xi) the Attorneys General of Delaware, California and Arizona; (xii) the Attorney General of the United States; (xiii) the Internal Revenue Service; (xiv) all relevant taxing authorities; and (xv) all parties who have requested notice.

Schedule A: CIT Assets

Catalyst Paper (USA) Inc.

1. NRS02002 – 100 boxcars
 - Master Railcar Lease dated as of October 15, 2009 and Schedule No. 02 thereto
 - Lessor – CIT Railcar Funding Company, LLC (as successor in interest to The CIT Group/Equipment Financing, Inc.)

The Apache Railway Company

1. APAC01001 – 70 coal hopper cars
 - Master Net Railcar Lease dated as of June 1, 2006 and Schedule No. 01 thereto, as amended by Extension to Lease Schedule No. 01
 - Lessor – C.I.T. Leasing Corporation
2. APAC01002 – 5 coal cars
 - Master Net Railcar Lease dated as of June 1, 2006 and Schedule No. 02 thereto
 - Lessor – The CIT Group/Equipment Financing, Inc.
3. APAC02001 – 12 coal cars
 - Letter Agreement dated December 20, 2006
 - Lessor– Flex Leasing I, LLC
4. APAC02002 – 3 coal cars
 - Master Net Railcar Lease dated as of November 30, 2010 and Schedule No. 02 thereto
 - Lessor – Flex Leasing I, LLC

File a Motion:[12-10221-PJW Catalyst Paper Corporation](#)

Type: bk

Chapter: 15 v

Office: 1 (Delaware)

Assets: y

Judge: PJW

Case Flag: MEGA, LEAD

U.S. Bankruptcy Court**District of Delaware**

Notice of Electronic Filing

The following transaction was received from Van C. Durrer entered on 2/3/2012 at 3:14 PM EST and filed on 2/3/2012

Case Name: Catalyst Paper Corporation**Case Number:** [12-10221-PJW](#)**Document Number:** [55](#)**Docket Text:**

Motion to Authorize *Motion For Provisional Relief Enforcing Canadian Court Order in Connection With Debtor In Possession Financing Pursuant to 11 U.S.C. §§ 105(a), 1519 and 1521* Filed by Catalyst Paper Corporation. Hearing scheduled for 2/8/2012 at 01:30 PM at US Bankruptcy Court, 824 Market St., 6th Fl., Courtroom #2, Wilmington, Delaware. Objections due by 2/7/2012. (Attachments: # (1) Notice # (2) Exhibit A) (Durrer, Van)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**H:\temp\convert\DIP Motion.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=2/3/2012] [FileNumber=10499176-0]
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Document description:Notice**Original filename:**02 Notice.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=2/3/2012] [FileNumber=10499176-1]
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Document description:Exhibit A**Original filename:**DIP Motion Ex A.pdf**Electronic document Stamp:**

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12-10221-PJW Notice will be electronically mailed to:

Van C. Durrer on behalf of Debtor 0606890 B.C. Ltd.