

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

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In re:	:	Chapter 15
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CATALYST PAPER CORP., <u>et al.</u> ,	:	Case No. 12-10221 (PJW)
	:	
Debtors. ¹	:	Jointly Administered
	:	
	:	Related Docket No. : <u>130, 128, 127</u>
	X	

**ORDER LIMITING NOTICE AND APPROVING FORM AND MANNER THEREOF
AND GRANTING OTHER RELATED RELIEF**

Upon the motion (the "Motion")² 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") under section 105(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for an order limiting notice of the (I) *Motion Of Debtors For Order (I) Authorizing And Approving The Private Sale Of The Pound Property Free And Clear Of All Liens, Claims, Encumbrances, And Other Interests; (II) Approving The Purchase Agreement; (III)*

¹ These jointly administered cases are those of the following Debtors: 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") in addition to 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").

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.



Authorizing Payment Of Brokerage Fee In Connection With Sale; And (IV) Granting Other Related Relief (the “Pound Sale Motion”), and (2) *Motion Of Debtors For Order (I) Authorizing And Approving The Private Sale Of The Roney Property Free And Clear Of All Liens, Claims, Encumbrances, And Other Interests; (II) Approving The Purchase Agreement; (III) Authorizing Payment Of Brokerage Fee In Connection With Sale; And (IV) Granting Other Related Relief* (the “Roney Sale Motion” and together with the Pound Sale Motion, the “Sale Motions”) to those parties designated therein, and granting such other and further relief as the Court deems just and proper; and the Court having reviewed the Motion submitted in support thereof; and the Court having determined that the relief requested in this Motion is in the best interests of the Debtors, their estates, their creditors and other parties-in-interest; and it appearing that notice of the Motion was good and sufficient under the particular circumstances and that no other or further notice need be given; and after due deliberation thereon; and good and sufficient cause appearing therefore;

It is hereby **FOUND AND DETERMINED THAT:**³

A. **Jurisdiction and Venue.** This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408, 1409, and 1410.

B. **Statutory Predicates.** The statutory predicates for the relief requested herein are Bankruptcy Code sections 105(a), and Bankruptcy Rules 2002 and 6004.

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Bankruptcy Rule 7052.

C. **Notice.** Good and sufficient notice of the Motion and the relief granted by this Order has been given and no other or further notice is required.

D. **Best Interest of Debtors.** The relief requested in the Motion is in the best interests of the Debtors and their estates. Service of the Sale Motions and notice thereof upon all creditors and parties-in-interest, as required under Bankruptcy Rule 2002, would be prohibitively burdensome and expensive for the Debtors' states, particularly given the de minimis nature of the sale transactions which are the subject of the Sale Motions.

NOW, THEREFORE, IT IS ORDERED THAT:

1. The Motion is GRANTED as provided herein as of the date hereof with respect to all parties.
2. The Debtors shall serve the Pound Sale Motion and the Roney Sale Motion and notices thereof, in a form and manner consistent with the Notice Order, upon the following parties: (a) the Office of the United States Trustee for the District of Delaware; (b) the Securities and Exchange Commission; (c) the Internal Revenue Service; (d) the United States Attorney Office for District of Delaware; (e) counsel for certain holders of 2016 Notes; (f) counsel for certain holders of 2014 Notes; (g) counsel to the Administrative Agent of the debtor-in-possession financing facility; (h) all other known parties with liens of record⁴ on the Properties; and (i) those persons filing notices of appearance or requests for notice under Bankruptcy Rule 2002 in these cases.
3. The proposed limited notice is adequate and sufficient for entry of an order on the Pound Sale Motion and the Roney Sale Motion. No other or further notice of the

⁴ To be determined by review of an applicable title report and UCC financing lien search results.

Pound Sale Motion and the Roney Sale Motion is necessary or required under either the Bankruptcy Code or the Bankruptcy Rules.

4. Notwithstanding any provision in the Bankruptcy Rules to the contrary, including without limitation, Bankruptcy Rule 6004(h): (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and (iii) the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

Dated: Wilmington, Delaware
April 24, 2012


HONORABLE PETER J. WALSH