

**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 |
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**NOTICE OF FURTHER AMENDMENT TO MOTION OF DEBTORS FOR ORDER (I)
AUTHORIZING AND APPROVING THE PRIVATE SALE OF CERTAIN
PROPERTIES 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**

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-44, and Business Corporations Act, S.B.C. 2002, c. 57, before the Supreme Court of British Columbia (the “Canadian Court”), hereby submits this notice of amendment (this “Notice”) to this Court, pursuant to section 1105(a), 363, 1520, and 1521 of title 11 of the United States Code (the “Bankruptcy Code”),

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”).



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Rules 2002, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 6004-1 and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”). By this Notice, CPC seeks to amend certain aspects of its previously-filed *Motion of Debtors for Order (I) Authorizing and Approving the Private Sale of Certain Properties 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 “Motion”) [Docket No. 96], filed March 26, 2012. CPC respectfully represents as follows:

PLEASE TAKE NOTICE, that the Motion was scheduled to be heard on April 17, 2012 (the “April 17 Hearing”). See *Notice of Hearing on Motion of Debtors for Order (I) Authorizing and Approving the Private Sale of Certain Properties 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*, March 27, 2012 [Docket No. 96].

PLEASE TAKE FURTHER NOTICE, that at the April 17 Hearing, CPC requested that the Court continue the hearing on the Motion to a date to be determined, in order to allow CPC to resolve certain outstanding issues with US Golden Eagle Farms LP (A Washington Limited Partnership) (the “Buyer”). The Court granted CPC’s request, and the Motion was continued to a date to be determined.

PLEASE TAKE FURTHER NOTICE, that the Motion was subsequently set for hearing on May 14, 2012 at 9:30 a.m. (Eastern). See *Notice of Hearing on Motion of Debtors for Order (I) Authorizing and Approving the Private Sale of Certain Properties 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, April 26, 2012 [Docket No. 134].

PLEASE TAKE FURTHER NOTICE, that the Debtors and the Buyer inadvertently omitted the closing date from the previously-filed Addendum/Amendment to Purchase and Sale Agreement, dated April 25, 2012 and attached as Exhibit C to CPC's *Notice of Amendment to Motion of Debtors for Order (I) Authorizing and Approving the Private Sale of Certain Properties 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, April 26, 2012 [Docket No. 132].*

PLEASE TAKE FURTHER NOTICE, that the Debtors and the Buyer have now agreed to a closing date of May 15, 2012, and have executed an Addendum/Amendment to Purchase and Sale Agreement setting forth the same, dated March 9, 2012 and attached as Exhibit A hereto. Furthermore, Pacifica Poplars, Inc. has made and the Buyer has acknowledged certain additional disclosures as set forth in Exhibit B hereto.

PLEASE TAKE FURTHER NOTICE, that CPC will serve this Notice pursuant to this Court's *Order Limiting Notice and Approving Form and Manner Thereof and Granting Related Relief* [Docket No. 101], and *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].

Dated: Los Angeles, California
May 9, 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

EXHIBIT A

Addendum/Amendment to Purchase and Sale Agreement (March 9, 2012)

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated March 09, 2012 1
between US Golden Eagle Farms LP (A Washington Limited Partnership) and/or Assigns ("Buyer") 2
and Pacifica Poplars Inc. (A Delaware Corporation) ("Seller") 3
concerning Northwest Multiple listing #28150076 & 28196923 (the "Property"). 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:

When the Purchaser and the Seller agreed to all the final terms of this Purchase and Sale and final
addendums, the closing date was omitted. Both the Purchaser and the Seller had agreed to close this
Purchase and Sale on May 15, 2012 subject to the court approvals listed in Item #4 of the the previously
agreed to addendum. Both the Purchaser and the Seller hereby agree to close this Purchase and Sale on or
before May 15, 2012. All other terms to remain as agreed.

Subject to the court approvals
JF
May 1/12

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged.

Initials: BUYER: AB Date: _____ SELLER: JF Date: 05/01/2012
BUYER: _____ Date: _____ SELLER: JF Date: _____

EXHIBIT B

Additional Disclosures

Pacifica Poplars Disclosure Form 17 Amendment, April 26, 2012

Re: Properties located at 65XX Lowell River Road, Snohomish and 95XX Lowell-Larimer Road, Everett, all located in Snohomish County

There is a proposed project to convey wastewater from the City of Snohomish to the City of Everett Water Pollution Control Facility. Two test pits were completed in May/June 2011 on the Snohomish County Assessor Parcel # 28051500100200 which is part of the subject properties. Refer to the attached Right of Entry dated April 11, 2011 with the City of Snohomish for a more detailed description.

There has been no further communication with the City of Snohomish regarding this project since the completion of the test pits.

Seller's Initial JS ; Date Apr 26/12

Buyer's Initial AB ; Date May 1/12

RIGHT OF ENTRY

THIS AGREEMENT, is made this 15th day of April, 2011, by and between the CITY OF SNOHOMISH (hereinafter "City") and Pacifica Poplar, Inc. (hereinafter "Owner").

Owner is the owner of that certain parcel of land described as follows:

Snohomish County Assessor Parcel Number(s) 28051500100200.

It has been found necessary to enter Owner's property for the purpose of identifying, inventorying, and mapping hydrological and geological conditions along the proposed Everett Conveyance Project South Alignment. A professional geologist, geotechnical engineer, environmental scientist, and/or City staff and their consultants and subconsultants will be conducting geotechnical and environmental investigations along the proposed alignment from the City of Snohomish Wastewater Treatment Plant to the City of Everett. Activities will be limited to identifying the locations for, and digging two test pits; installing piezometers in those test pits to measure groundwater levels; walking along the alignment, which may involve traversing through vegetation; quarterly groundwater level monitoring at the test pit locations; and collection of small soil samples. This work may include the maneuvering and parking of a vehicle on Lowell-Snohomish River Road and existing access roads connecting Lowell-Snohomish River Road and the Owner's property. This work is needed in connection with a proposed project to convey wastewater from the City of Snohomish to the City of Everett's Water Pollution Control Facility.

In consideration of the promises and covenants contained herein, Owner hereby grants to City, its employees, agents and consultants, access to the lands described herein for the purposes above stated.

This right of entry is subject to the following conditions:

1. The City, its employees, agents, and consultants shall endeavor to contact the residents of said property before access when practicable.
2. The City shall protect and save Owner harmless from and against any and all claims, damage to or loss or destruction of property whatsoever suffered by Owner, its successors and assigns caused by the above noted tasks; PROVIDED, however, the City shall not be so obligated in the event of negligence of the owner, its successors and assigns, tenants, licensees and invitees causing damage, loss or destruction.
3. This right of entry agreement will become null and void at such time as the City has completed all work associated with the above noted tasks, or ~~eighteen (18)~~ six (6) months after the date first stated above, whichever occurs sooner.

Owner

By [Signature] (signature)
John Fitzpatrick (print name)

By VP Pacific Poplars (signature)
 (print name)

250-724-7081 Day Phone Number

Please call 24 hours in advance

250-720-6318 (cell)

Note: Effective April 1/11 this property is under a farm lease to Sno-Valley Farms. Contact Dan Bantleheimer at 425-508-7989

Seller's Initial [Signature] Apr 26/12
 Buyer's Initial [Signature] May 4/12

File a Notice:12-10221-PJW Catalyst Paper Corporation

Type: bk

Chapter: 15 v

Office: 1 (Delaware)

Assets: y

Judge: PJW

Case Flag: CLAIMS, MEGA,
LEAD**U.S. Bankruptcy Court****District of Delaware**

Notice of Electronic Filing

The following transaction was received from Van C. Durrer entered on 5/9/2012 at 8:11 PM EDT and filed on 5/9/2012

Case Name: Catalyst Paper Corporation**Case Number:** 12-10221-PJW**Document Number:** 142**Docket Text:**

Notice of Service *Notice Of Further Amendment To Motion Of Debtors For Order (I) Authorizing And Approving The Private Sale Of Certain Properties 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* (related document(s)[96], [132]) Filed by Catalyst Paper Corporation (Attachments: # (1) Exhibit A# (2) Exhibit B) (Durrer, Van)

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

Document description:Main Document**Original filename:**H:\temp\convert\1 - NOTICE OF FURTHER AMENDMENT - POPLAR.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=5/9/2012] [FileNumber=10776002-0]
[4649dd8eb18ff96b466d524d3037b7c6d100f0b7200daef3baa9fa6b6aeb06c2468d
fecal1f8b7d554d331644e34677d3b593365954a1d396f4217004347a4be2]]

Document description:Exhibit A**Original filename:**2 - NOTICE OF FURTHER AMENDMENT - POPLAR EX A.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=5/9/2012] [FileNumber=10776002-1]
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281b7767476c6644b0817ff1481770612b69acceec82c16973be57d91006]]

Document description:Exhibit B**Original filename:**3 - NOTICE OF FURTHER AMENDMENT - POPLAR EX B.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=5/9/2012] [FileNumber=10776002-2]
[8a999c9c46261934dedd1f2b8948c1995d681530bce4dd0d3b134f0d6bb2a8aa0f17
ba3912377d7b41c08cd56179cc35e850992d1f1dd8bb2752915ef32d9492]]

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