

**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 A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF HOLLINGER
CANADIAN PUBLISHING HOLDINGS CO.**

Applicant

**APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**MOTION RECORD
(Returnable on January 6, 2010)**

January 4, 2010

BENNETT JONES LLP
Barristers and Solicitors
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Derek Bell (LSUC #43420J)
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TAB 1

Court File No. 09-8503-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**NOTICE OF MOTION
(Returnable January 6, 2010)**

The Applicant will make a motion to the Honourable Mr. Justice Campbell presiding over the Commercial List on Wednesday, January 6, 2010 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. An Order, if necessary, abridging the time for service of the Notice of Motion and the Motion Record and that the Notice of Motion is properly returnable on January 6, 2010 and that further service of the Notice of Motion on any interested party, other than those served, may be dispensed with;
2. An Order extending the Stay Period referred to in the Initial Order (defined below) to April 15, 2010;

3. An Order approving the Monitor's First Report and Monitor's activities described therein, such report to be filed separately, as well as the activities of the Chief Restructuring Officer ("CRO") as described in the affidavit of Dennis M. Byrd; and
4. Such further and other Orders as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. On December 10, 2009, the Court granted the initial order in these proceedings (the "Initial Order") wherein a stay of proceedings was granted in favour of the Applicant and the Stay Period was to expire on January 8, 2010, a copy of the Initial Order and endorsement of the Honourable Mr. Justice Campbell is attached to the affidavit of Dennis M. Byrd;
2. The Monitor and the CRO have begun to gather and evaluate information associated with the various pension plans and employee benefits plans, including information from Mercers (Canada) Ltd. the actuary for both the registered and unregistered benefits plans;
3. The Monitor and the CRO have established new procedures associated with payment of liabilities in accordance with the Initial Order;
4. The Monitor and the CRO are obtaining necessary information with the object of working towards a long term plan to address HCPH's liabilities as a whole, including the pension and benefits plans;
5. The Applicant is proceeding in good faith and with due diligence;
6. The Applicant has sufficient liquidity to be able to continue operating in the ordinary course during the requested stay extension timeframe;
7. The Monitor is supportive of the Applicant being granted the requested stay extension;
8. Paragraphs 14 and 62 of the Initial Order;
9. Rules 3.02 and 37.02(1) of the *Rules of Civil Procedure*; and

10. Such further and other grounds as counsel may advise and this Honourable Court may permit.

January 4, 2010

BENNETT JONES LLP

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Lawyers for the Applicant

TO: Ernst & Young Inc.
Ernst & Young Tower,
222 Bay Street, P. O. Box 251,
Toronto, ON M5K 1J7
The Monitor

AND TO: McCarthy Tétrault LLP
Jamey Gage
Suite 5300
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6
Lawyers for the Monitor

AND TO: Koskie Minsky LLP
Andrew J. Hatnay
P.O. Box 52
20 Queen St. W., Suite 900
Toronto, ON M5H 3R3
Representative Counsel

AND TO: Manufacturers Life Insurance Company
Craig Anderson
2 Queen St. E., 6th Floor
Toronto, ON M5C 3G7

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

Court File No. 09-8503-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

NOTICE OF MOTION

BENNETT JONES LLP
One First Canadian Place
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Lawyers for the Applicant

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) WEDNESDAY, THE
JUSTICE CAMPBELL) 6th DAY OF JANUARY, 2010
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF HOLLINGER CANADIAN
PUBLISHING HOLDINGS CO.

APPLICATION UNDER THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ORDER
(Stay Extension)

THIS MOTION, made by Hollinger Canadian Publishing Holdings Co. (the "**Applicant**"), for an Order extending the Stay Period referred to in the Initial Order (defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Dennis Byrd sworn January 4, 2010, the First Report of the Monitor dated January __, 2010 (the "Monitor's Report") and on hearing the submissions of counsel for the Applicant, the Monitor and Representative Counsel,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record be and it is hereby abridged and that the motion is properly returnable today and further that service thereof upon any interested party other than those served is hereby dispensed with.

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2. **THIS COURT ORDERS** that the Stay Period referred to in paragraph 14 of the Order dated December 10, 2009 (the "Initial Order") is extended to April 15, 2010.

3. **THIS COURT ORDERS** that the Monitor's Report and the monitor's activities described therein are hereby approved and the activities of the Chief Restructuring Officer, described in the affidavit of Dennis M. Byrd sworn January 4, 2010, are hereby approved.

IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER
OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

Court File No. 09-8503-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Derek Bell (LSUC #43420J)
Raj Sahni (LSUC #42942U)

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Fax: 416-863-1716

Lawyers for the Applicant

TAB 2

Court File No. 09-8503-00CL

**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 A PLAN OF COMPROMISE OR
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Applicant

**APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AFFIDAVIT OF DENNIS M. BYRD
(Sworn January 4, 2009)**

Court File No. 09-8503-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AFFIDAVIT OF DENNIS M. BYRD
(Sworn January 4, 2009)**

I, Dennis Byrd of the City of Chicago, in the State of Illinois in the United States of America, **MAKE OATH AND SAY:**

1. I am the Court-appointed Chief Restructuring Officer ("CRO") of the Applicant, Hollinger Canadian Publishing Holdings Co. ("HCPH"). I have personal knowledge of the matters to which I herein depose. To the extent that I do not have such personal knowledge and am advised by others who are identified in this affidavit, I believe such information to be true.
2. On December 10, 2009, the Court granted the initial order in these proceedings (the "Initial Order"). A copy of the Initial Order and the associated endorsement of the Honourable Mr. Justice Campbell is attached as Exhibit "A".

3. The stay of proceedings (the "Stay Period") granted under the Initial Order expires on January 8, 2009. As described below, an extension of the Stay Period is being sought by HCPH to April 15, 2010 in order to give HCPH and Ernst & Young Inc., the court-appointed monitor of HCPH (the "Monitor") sufficient time to continue to compile and analyze information relating to HCPH's pension and benefits plans (the "Plans"), review and analyze additional information and updated valuations that have been requested from Mercer (as defined below) and work toward developing a long term plan to address the Plans and HCPH's liabilities.

4. Since the issuance of the Initial Order, HCPH, with the oversight of the Monitor has worked diligently to implement the Initial Order and has taken steps to obtain and evaluate necessary information for the establishment of a long term plan to address HCPH's liabilities, including the Plans. The steps that HCPH has undertaken include, *inter alia*:

- (a) establishing new procedures for approving disbursements, signing cheques and making payments and updating banking resolutions and authorized signatories to help safeguard HCPH's cash and ensure that the CRO and the Monitor have appropriate oversight of payments and disbursements;
- (b) establishing new real property lease rental payment procedures, whereby rent is paid twice-monthly on the first and fifteenth day of each month, in advance;
- (c) reviewing all outstanding cheques as of December 10, 2009 and placing stop payment orders on all pre-CCAA filing items not permitted to be paid in accordance with the Initial Order;
- (d) reviewing unpaid invoices, including those for which stop payment orders were placed, and working on the compilation of a creditors list and establishment of procedures relating to creditors as of December 10, 2009;
- (e) working with Mercer (Canada) Ltd. ("Mercer"), actuaries for the various pension and benefits plans, and the Monitor, to commence the process of having Mercer prepare valuations necessary for HCPH and the Monitor to analyze liabilities relating to HCPH's pension and benefits plans and work toward developing a long term plan to address those liabilities. Mercer has informed HCPH and the Monitor that anticipated timing for preparation and delivery of preliminary valuations would be as follows:

- (i) registered pension plans – late January 2010;
 - (ii) non-registered pension plans – late January 2010;
 - (iii) unfunded retirement plans and certain other post-employment benefit plans (collectively referred to as "OPEB") – February 2010;
-
- (f) reviewing documentation relating to the standby letter of credit described in greater detail in paragraphs 85 and 86 of the affidavit of Thomas L. Kram filed with the Court in association with the motion for the Initial Order (the "Kram Affidavit") and working toward resolving issues relating thereto;
 - (g) working with the Monitor to prepare a master members list for all of HCPH's pension and benefits plans and working toward subdividing the master members list into individual pension and benefits plans;
 - (h) communicating with SSQ, Pacific Blue Cross, Great West Life, Sun Life and Manulife requesting Union Collective Agreements and other information associated with benefits plans;
 - (i) meeting with Representative Counsel (as defined in the Initial Order) and having preliminary discussions with Representative Counsel regarding information requests and status of the restructuring proceedings to date; and
 - (j) working with the Monitor and Representative Counsel to help ensure a consistent and open communication strategy with Plan Members and updating the Toronto office telephone greeting and the www.hcphbenefits.com website to provide easy access to Plan Members to the information posted on the Monitor's website.

5. The Kram Affidavit identified certain restricted cash holdings, including holdings at Royal Bank of Canada. I have engaged the Royal Bank of Canada in discussions concerning the release of the funds held in account number 01309 103-125-1 and will continue discussions with the Royal Bank of Canada for the release of those monies to HCPH. It may be necessary to return before the Court during or following the negotiations to resolve this matter.

6. In addition to the aforementioned monies at the Royal Bank of Canada, an account has been identified at the Bank of Montreal that was associated with the Montreal Gazette. The Montreal Gazette was a newspaper formerly owned by Southam Inc., now HCPH. I have

engaged the Bank of Montreal in discussions concerning the release of the funds held in the "dormant" Montreal Gazette account and will continue discussions with the Bank of Montreal for the release of those monies to HCPH. It may be necessary to return before the Court during or following the negotiations to ensure resolve this matter.

7. Following receipt of the updated preliminary valuations for the pension and benefits plans from Mercer (Canada) Ltd., which are expected (based upon preliminary discussions with Mercer) in late January and early February 2010, HCPH will work with the Monitor on evaluating the information for purposes of establishing a long term plan to address the liabilities of HCPH, including the pension and benefits liabilities. In order to provide HCPH and the Monitor with sufficient time to evaluate the information received from Mercer and work toward developing a long term plan, an extension of the Stay Period to April 15, 2010 is being requested by HCPH.

8. While awaiting the requested information from Mercer, HCPH and the Monitor have been and are continuing to act in good faith and with due diligence to work toward a long term plan to address HCPH's liabilities and the Plans, including: compiling and analyzing the information currently available to HCPH relating to the Plans to develop a detailed understanding of the Plans, their participants, their obligations and their funding; communicating with and addressing questions from members of the Plans and working with Representative Counsel in that regard; safeguarding the accounts and assets of HPCCH and working toward recovering funds in bank accounts and the standby letter of credit, as described above; and continuing the administration of the Plans on a "status quo" basis in accordance with the Initial Order.

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9. An extension of the Stay Period to April 15, 2010 is necessary and appropriate in the circumstances in order to allow HCPH to continue its efforts to work toward a long term plan to address HCPH's liabilities and the Plans and to ensure the interim preservation of HCPH's assets and the administration of the Plans in accordance with the Initial Order.

10. I swear this affidavit in support of HCPH's request for an extension of the stay imposed by the Initial Order and for no other or improper purpose.

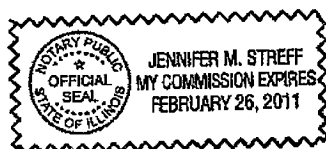
SWORN BEFORE ME at the City of)
 Chicago, in the State of Illinois)
 This 4th day of January 2010.)
)
)
)
)
)
)

Jennifer M. Streff

 A commissioner of oaths, etc.

Dennis M. Byrd

 Dennis M. Byrd



TAB A

This is Exhibit "A" to the Affidavit of
Dennis M. Byrd Sworn before me this
4th day of January 2010.


A commissioner of oaths, etc.

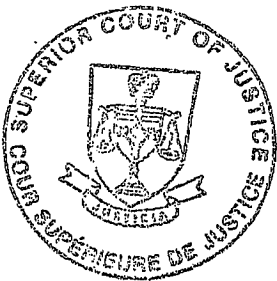


Court File No. 09-8503-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.
JUSTICE CAMPBELL

) THURSDAY, THE
)
) 10th DAY OF DECEMBER, 2009



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF HOLLINGER CANADIAN
PUBLISHING HOLDINGS CO.

APPLICATION UNDER THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

INITIAL ORDER

THIS APPLICATION, made by Hollinger Canadian Publishing Holdings Co. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Thomas L. Kram, sworn December 8, 2009 (the "**Kram Affidavit**"), and the Exhibits thereto, the consent of Ernst & Young Inc. to act as the Monitor (the "**Monitor**"), the consent of Dennis Byrd to act as chief restructuring officer, the consent of Koskie Minsky LLP to act as representative counsel and on hearing the submissions of counsel for the Applicant,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**") in accordance with the CCAA.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the engagement of Marianne Desaulniers, Fey Kakaroukas and Bina Benoit by the Applicant as Assistants in accordance with the retention agreements entered into between such persons and the Applicant, as may be modified or amended between the Applicant and such Assistants in consultation with the Monitor (as defined below), is hereby authorized and approved.

6. **THIS COURT ORDERS** that, subject to paragraphs 46 and 47, the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee and retiree medical, dental, disability, life insurance and similar benefit plans or arrangements, employee assistance programs, other retirement benefits and employee and employer current service, special and other contributions and payments in respect of pensions), vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be

deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances

upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicant and such employee, or failing such agreement, to deal with the consequences thereof in the Plan; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the

CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including January 8, 2010, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of

the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence, sub-licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

18. **THIS COURT ORDERS** that as and from the date of this Order, neither Chicago Newspaper Liquidation Corp. (formerly Sun-Times Media Group, Inc.) ("STMG") nor any of

the other shareholders of the Applicant, nor any of the officers, directors or employees of STMG or of any such other shareholders shall have any authority or responsibility for any action or decision taken by or in respect of the Applicant, its Business or its Property.

19. **THIS COURT ORDERS** that the Applicant is hereby authorized and directed to enter into a transition services agreement substantially in the form attached as Exhibit P to the Kram Affidavit (the "TSA") and that the TSA and the actions required of the Applicant thereunder are hereby authorized and approved.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant, including any person who manages or supervises the management of the business or affairs of the Applicant or is deemed by law to be a director or officer of the Applicant (referred to collectively as the "**directors and/or officers**") with respect to any claim against the directors and/or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors and/or officers are alleged under any law to be liable in their capacity as directors and/or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in connection with the Pension and Benefits Plans (as defined below) and the Pension and Benefits Payments and Contributions (as defined below);
- (d) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) assist the Applicant in pursuing offers for material parts of the Business or Property, in whole or in part, as contemplated in paragraph 11 of this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall cause the Monitor to be deemed to be an employer of any of the Applicant's employees or an employer in respect of any of the Pension and Benefit Plans.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a weekly (or such other interval as may be mutually agreed) basis and, in addition, the Applicant is hereby authorized to pay retainers to the Monitor, counsel to the Monitor, and counsel to the Applicant, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel may, and at the request of the Applicant shall, pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel and Representative Counsel (as defined below) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and

disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof. The priority of the Administration Charge and the provisions of this Order relating thereto shall survive any bankruptcy of the Applicant and shall be binding upon any trustee in bankruptcy, receiver or like person appointed in respect of any of the Applicant or the Property.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

31. **THIS COURT ORDERS** that the agreement (the "**CRO Agreement**"), substantially in the form attached as Exhibit "O" to the Kram Affidavit, to engage Dennis Byrd ("**Byrd**") as the chief restructuring officer ("**CRO**") of the Applicant and the engagement of Byrd as the CRO in accordance with the CRO Agreement are hereby authorized and approved, effective immediately upon the making of this Order.

32. **THIS COURT ORDERS** that, in addition to the powers, duties and responsibilities set out in the CRO Agreement, the CRO shall, subject in all cases to prior approval of the Monitor or order of this Court, have and exercise the following powers, duties and responsibilities, together with such additional or other powers, responsibilities and duties as hereafter may be approved by the Monitor, or as may be ordered by this Court:

- (a) to assist the Monitor as requested from time to time in connection with its duties and responsibilities, including without limitation, (i) in securing the books and records of the Applicant, (ii) by providing to the Monitor information and copies of documents (if in the possession or control of the Applicant) relating to the Applicant, including without limitation, relating to its operations, its former employees, its retirees, its pension and benefit plans, and its assets and liabilities, and (iii) in responding to enquiries from creditors, former employees, retirees and other persons in relation to the Applicant;
- (b) to, on behalf of the Applicant, retain and terminate such Assistants as it considers necessary and appropriate to assist the Applicant or the CRO in the performance of its duties, on such terms as may be approved by the Monitor or this Court, and

may provide instructions and directions to any and all Assistants, counsel and advisors retained by the Applicant;

- (c) to provide such assistance to the Applicant in the administration of the Pension and Benefits Payments and Contributions (as defined below) as is consistent with the manner in which such Pension and Benefits Payments and Contributions were administered prior to the date of this Order, but as modified or amended pursuant to this Order or as may be modified by further Order of this Court;
- (d) to assist the Applicant in the administration of the Applicant's Business, including causing the Applicant to pay accounts for goods or services rendered to the Applicant from and after the date of this Order and approved by the Monitor or this Court;
- (e) to approve and execute any and all agreements, documents, instruments, cheques, wire payments and transactions and to take such actions and steps on behalf of the Applicant to cause the Applicant to do all things authorized and directed by this Order or as may be approved by the Monitor or further Order of this Court;
- (f) to file, on behalf of the Applicant, one or more Plans, for approval by one or more classes of the Applicant's creditors; and
- (g) to seek the direction of this Court at any time and from time to time with respect to any matter relating to its duties and responsibilities and the exercise of its powers or otherwise in relation to the Applicant.

33. **THIS COURT ORDERS** that the CRO shall be paid by the Applicant for all services rendered pursuant to the CRO Agreement and this Order in accordance with the terms of the CRO Agreement.

CRO INDEMNITY AND CHARGE

34. **THIS COURT ORDERS AND DIRECTS** that the CRO shall not incur any liability or obligation as a result of the performance of his duties or his engagement as contemplated hereunder, save and except for any liability or obligation found by this Court to have arisen

from gross negligence or wilful misconduct on his part, and that no action or proceedings may be commenced against the CRO, except with the prior leave of this Court obtained on at least twenty-one (21) days' notice to the Applicant, the CRO and the Monitor.

35. **THIS COURT ORDERS** that, without diminishing any rights of the CRO to indemnification or insurance under any insurance policy, by-law, resolution, agreement or otherwise at law, the Applicant shall indemnify the CRO from any and all claims, losses, damages, costs, charges and expenses which the CRO sustains or incurs by reason of or relating to the exercise of any power or authority or in the performance of any responsibility, duty or obligation in his capacity as CRO, save and except to the extent of any loss found by the Court to have been caused by any gross negligence or wilful misconduct on his part (the "**CRO Indemnity**").

36. **THIS COURT ORDERS** that the CRO shall be entitled to the benefit of and is hereby granted a charge (the "**CRO Charge**") on the Property as security for (i) the CRO's fees and disbursements incurred in accordance with the terms of the CRO Agreement and (ii) the CRO Indemnity. The CRO Charge shall have the priority set out in paragraphs 39 and 41 of this Order. The CRO Indemnity and CRO Charge shall be in addition to any coverage available to the CRO and the Applicant under any insurance policy and nothing in this Order shall absolve, reduce or diminish the obligation of any insurer to provide any payment or coverage under any insurance policy.

37. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, no insurer shall be entitled to be subrogated to or claim the benefit of the CRO Charge.

38. **THIS COURT ORDERS** that the CRO Indemnity and CRO Charge and the provisions of this Order relating thereto shall survive any bankruptcy of the Applicant and shall be binding upon any trustee in bankruptcy, receiver or like person appointed in respect of any of the Applicant or the Property.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER.

39. **THIS COURT ORDERS** that the priorities of the Administration Charge and the CRO Charge (collectively, the "**Charges**") as among them, shall be as follows:

First, the Administration Charge, to the maximum amount of \$750,000; and

Second, the CRO Charge.

40. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

41. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

42. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, either of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

43. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or

(e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable, voidable or reviewable transactions under any applicable law.

44. **THIS COURT ORDERS** that any Charge created by this Order over leases or real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

INTERIM ADMINISTRATION OF THE PENSION AND BENEFIT PLANS

45. **THIS COURT ORDERS** that the Applicant shall continue to act as the administrator of all of its pension and benefits plans (the "**Pension and Benefits Plans**"), subject to the supervision and overview of the CRO and the Monitor and subject to this and any further Orders of this Court from and after the date hereof.

46. **THIS COURT ORDERS** that any persons or entities performing administrative or payment functions in respect of the Pension and Benefits Plans ("**Administrative Entities**") are authorized and directed to continue acting in their current capacity and to continue performing such administrative and payment functions, provided that from and after the date of this Order (i) reports of all contributions and payments made in respect of each of the Pension and Benefits Plans shall be provided to the Applicant and the Monitor on the same

periodic basis as such reports are currently generated; (ii) all contributions and payments in respect of the Applicant's non-registered Pension and Benefits Plans shall require the prior approval of the Monitor; (iii) all contributions by the Applicant in respect of the Thomson Plan, the Sterling Plan, the Hollinger Sterling Plan and the Journal Plan (all as defined in the Kram Affidavit) shall require the prior approval of the Monitor.

47. **THIS COURT ORDERS** that until further order of this Court, the Applicant, together with any Administrative Entities on the Applicant's behalf, shall continue to make payments to the members or beneficiaries of the Pension and Benefits Plans and contributions to the Pension and Benefits Plans, as the case may be, as prescribed by the terms of the Pension and Benefits Plans, applicable legislation and as amended or modified by this Order or any subsequent orders of this Court (the "**Pension and Benefits Payments and Contributions**").

48. **THIS COURT ORDERS AND DECLARES** that any and all Pension and Benefits Payments and Contributions made from and after the date of this Order in respect of any non-registered Pension and Benefits Plans shall (unless otherwise provided for in the Plan or further Order of this Court) be credited against the ultimate entitlements of each member or beneficiary under such Pension and Benefits Plans pursuant to any final resolution or restructuring approved by this Court or in any bankruptcy of the Applicant.

49. **THIS COURT ORDERS AND DECLARES** that any and all Pension and Benefits Payments and Contributions made by the Applicant or an Administrative Entity in accordance with this Order do not and will not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable, voidable or reviewable transactions under any applicable law.

PENSION AND BENEFIT PLANS - REPRESENTATIVE COUNSEL

50. **THIS COURT ORDERS** that Koskie Minsky LLP ("**Representative Counsel**") is hereby appointed as counsel for all members and beneficiaries of the OPEB Plans (as defined in the Kram Affidavit) in these proceedings for or in respect of any issues affecting the members and/or beneficiaries of the OPEB Plans in these proceedings.

51. **THIS COURT ORDERS** that the Applicant shall provide to Representative Counsel, without charge:

- (a) the names, last known addresses and last known e-mail addresses (if any) of all of the members of the OPEB Plans, as well as applicable data regarding their entitlements, only to be used for the purposes of these proceedings and subject to confidentiality arrangements satisfactory to the Applicant and Monitor and applicable privacy laws; and
- (b) upon request of Representative Counsel, such documents and data as may be relevant to matters relating to the issues in these proceedings including documents and data pertaining to the OPEB Plans, including available financial and actuarial information regarding the funding and investments of the OPEB Plans.

52. **THIS COURT ORDERS** that Representative Counsel may, with prior approval of the Monitor and the Applicant or further order of this Court, retain such actuarial and other advisors and assistants as may be necessary in connection with its duties as Representative Counsel.

53. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel and in respect of its advisors and assistants retained pursuant to paragraph 52 above shall be paid by the Applicant on a monthly basis, forthwith upon the rendering of accounts to the Applicant. In the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

54. **THIS COURT ORDERS** that Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

55. **THIS COURT ORDERS** that any individual member of the OPEB Plans who does not wish to be represented by Representative Counsel in these proceedings shall, within 30 days of publication of notice of the appointment of Representative Counsel pursuant to

paragraph 59(b) below, notify the Monitor and Representative Counsel, in writing, by delivering an executed copy of the opt-out form attached to the Plan Members Notice (as defined below) by facsimile or registered mail (the "**Opt-Out Notice**"), and shall thereafter not be bound by the actions of Representative Counsel and shall represent themselves or be represented by any counsel that they may retain exclusively at their own expense.

56. **THIS COURT ORDERS** that, with the exception of persons who have delivered the Opt-Out Notice to the Monitor and Representative Counsel in accordance with paragraph 55 above, Representative Counsel shall represent and act for all individual members and beneficiaries of the OPEB Plans in these proceedings and such individual members and beneficiaries and any person who may be entitled to claim payments, benefits or reimbursements under any OPEB Plans through such individual members or beneficiaries or because such individuals are members or beneficiaries of any OPEB Plan shall be bound by the actions of Representative Counsel in these proceedings.

57. **THIS COURT ORDERS** that Representative Counsel shall have no liability as a result of their appointment or the fulfilment of their duties in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or wilful misconduct on their part and that no action or proceedings may be commenced against the Representative Counsel, except with the prior leave of this Court obtained on at least twenty-one (21) days' notice to the Applicant, the Representative Counsel the CRO and the Monitor.

58. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and are authorized at any time to apply to this Court, on proper notice to the Monitor and the Applicant, for advice and directions in the performance or variation of their powers and duties.

SERVICE AND NOTICE

59. **THIS COURT ORDERS** that the Monitor shall:

- (a) without delay, publish in the national edition of The Globe and Mail a notice:
 - (i) containing the information prescribed under the CCAA; and

- (ii) of the appointment of Representative Counsel pursuant to this Order, in a form to be agreed upon by Representative Counsel, the Applicant and the Monitor or, failing such agreement, approved by further order of this Court;
- (b) within ten days after the date of this Order:
 - (i) send notice of the making of this Order and the appointment of Representative Counsel pursuant to this Order, substantially in the form attached as Schedule "A" to this Order, to the members of the Pension and Benefits Plans (the "**Plan Members**") by ordinary mail at the address of each such Plan Member as shown on the books and records of the Applicant (the "**Plan Member Notice**");
 - (ii) post this Order and the Plan Member Notice on the Website (as defined below); and
 - (iii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, other than the Plan Members, and prepare a list showing the names and addresses of such creditors (which, for greater certainty, shall not include the Plan Members) and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

60. **THIS COURT ORDERS** that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

61. **THIS COURT ORDERS** that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on its website (<http://documentcentre.eycan.com>) (the "**Website**").

GENERAL

62. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

63. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

64. **THIS COURT ORDERS** that this Order and any other Order in these proceedings shall have full force and effect in all provinces and territories in Canada, in the same manner in all respects as if the Order had been made by the court enforcing it, and shall have full force and effect outside Canada.

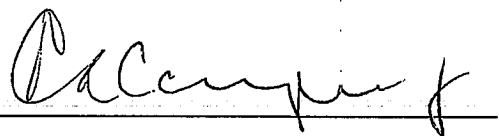
65. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

66. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or

administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

67. **THIS COURT ORDERS** that any interested party (including the Applicant, the Monitor and the Representative Counsel) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

68. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 10 2009

PER / PAR: TV

SCHEDULE "A"

December •, 2009

VIA FIRST CLASS MAIL

Dear Sir/Madam:

Re: Hollinger Canadian Publishing Holdings Co. – CCAA Proceedings and Appointment of Representative Counsel

On December •, 2009, Hollinger Canadian Publishing Holdings Co. (formerly •) ("**HCPH**") commenced court-supervised restructuring proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Ernst & Young Inc. has been appointed by the court as Monitor in HCPH's CCAA proceedings pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on December •, 2009 (the "**Initial Order**").

Several years ago, HCPH sold its various newspaper businesses and, for some period of time, it has had no ongoing business activity. However, it continues to administer post-employment benefits, post-retirement benefits and pension plans for in excess of 3,000 former employees of what once was the Southam newspaper chain. HCPH has commenced CCAA proceedings with a view to implementing arrangements to deal with its remaining assets and liabilities in a fair and orderly manner that takes into account the best interests of all stakeholders.

In its CCAA proceedings, HCPH has sought and obtained permission from the court to continue to provide, on an interim basis, all existing benefits to beneficiaries of its pension and benefit plans (the "**Plan Members**"), thereby avoiding any sudden interruption in benefits that could otherwise potentially affect former employees, retirees and others receiving them.

In addition, as part of the Initial Order HCPH has sought and obtained an order of the court (the "**Representation Order**"), appointing the law firm Koskie Minsky LLP as representative counsel ("**Representative Counsel**") to act on behalf of all Plan Members in respect of issues arising from HCPH's CCAA proceedings that affect the post-employment and post-retirement benefits, other than registered pension plan benefits, of Plan Members ("**OPEB Benefits**"). Under the terms of Initial Order, Koskie Minsky LLP is not appointed to represent individuals with respect to any registered pension plan matters at this time.

As the Representation Order requires HCPH to pay all reasonable professional fees and expenses of Representative Counsel you will not be required to pay legal fees for Koskie Minsky LLP's role as your Representative Counsel in HCPH's CCAA proceedings.

December •, 2009

- 24 -

HCPH will be providing Representative Counsel with individual contact information for all Plan Members. Individuals that have received this letter directly from the Monitor do not need to forward their contact information to Koskie Minsky LLP. If you need to for any reason, you can contact Representative Counsel at:

Koskie Minsky LLP
Suite 900, Box 52
20 Queen Street West
Toronto, ON M5H 3R3

Email: hcph@kmlaw.ca

Tel: •

Website: www.kmlaw.ca

If you do not wish to be bound by the Representation Order, you must submit an opt-out letter to the Monitor and the Representative Counsel on or before •, 2009. A form of opt-out letter is attached to this letter for your convenience. Individuals who opt-out and wish to appear in HCPH's CCAA proceedings must obtain independent legal representation or represent themselves before the court, all at their own expense.

For the time-being, your payments under HCPH's pension and benefits plans will continue and **you are not required to take any action**. However, OPEB Benefits are not insured or pre-funded. They are paid from the available assets of HCPH, which may not be sufficient to fully fund all OPEB Benefits over the long-term. As a result, it is possible that your OPEB Benefits may be altered in the future. For this reason, Representative Counsel has been appointed to represent the interests of Plan Members who do not opt-out, in respect of issues arising from HCPH's CCAA proceedings that affect OPEB Benefits.

At this time, Plan Members are not required to file a proof of claim in respect of their OPEB Benefits (or any pension or other claims). A special process may be established for claims, and Plan Members will be notified of such a process if and when it occurs.

Individuals can obtain more information about HCPH's ongoing CCAA proceedings and can view the Initial Order and other public court documents at the Monitor's website. In that regard, as required by the CCAA, the Monitor has prepared and filed with the Court a report on the cash-flow statement filed by HCPH in connection with the Initial Order. That report is available on the Monitor's website. Contact information for the Monitor is as follows:

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
222 Bay Street
P.O. Box 251
Toronto, ON M5K 1J7

Tel: 1-888-274-4344

Website: www.ey.com/ca/HCPH

Court File No.

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 A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF HOLLINGER CANADIAN
PUBLISHING HOLDINGS CO.

APPLICATION UNDER THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

OPT-OUT NOTICE

Ernst & Young Inc.
Court-appointed Monitor of Hollinger Canadian Publishing Holdings Co.
Ernst & Young Tower
222 Bay Street
P.O. Box 251
Toronto, Ontario M5K 1J7
Attention: •
Tel: •
Fax: •

I, _____, am a former employee of Hollinger Canadian Publishing Holdings Co. ("HCPH"), and am a member or beneficiary of one or more OPEB Plans (as defined in the Order of Justice • dated •, 2009) (the "Initial Order").

Under Paragraph [55] of that Order, former employees who do not wish Koskie Minsky LLP (the "Representative Counsel") to act as their representative counsel may opt out.

I hereby notify the Monitor that I do not wish to be represented by or bound by the actions of Representative Counsel in these proceedings and will be represented as an independent individual party to the extent I wish to appear in these proceedings. This Notice shall be binding upon me and any person to whom I am related or who may otherwise be entitled to claim payments, benefits or reimbursement under an OPEB Plan under or through me or because I am a member or beneficiary under such OPEB Plan.

Date

Signature

IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER
OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

Court File No. 09-8503-00LL

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

INITIAL ORDER

BENNETT JONES LLP
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Lawyers for the Applicant

COURT FILE NO.: 09-8503-00CL

DATE: 20091210

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

IN THE MATTER OF the
Companies' Creditors
Arrangement Act, R.S.C. 1985,
c. C-36, as amended

AND IN THE MATTER of a
Plan of Compromise or
Arrangement in the matter of
Hollinger Canadian Publishing
Holdings Co

REASONS FOR JUDGMENT

Campbell J.

Released: December 10, 2009

COURT FILE NO.: 09-8503-00CL

DATE: 20091210

**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 a Plan of Compromise or
Arrangement in the matter of Hollinger Canadian Publishing
Holdings Co.**

Applicant

**APPLICATION UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

Derek J. Bell and Raj S. Sahni, for the applicant
Heather Meredith, for Ernst & Young Inc.
Andrew Hatnay and Andrew McKinnon, proposed representative counsel

HEARD: December 10, 2009

Campbell J.

[1] This is an Application for an initial order under the CCAA in somewhat unusual circumstances.

[2] At one level the situation of the Applicant is complicated being one part of the former Hollinger empire. At the most basic level however matters are much simpler.

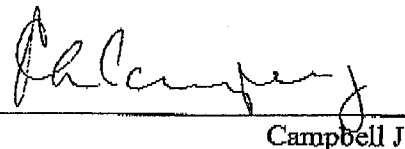
[3] The assets essentially represent cash or cash equivalents of approximately \$33 million. The creditors are members of funded and unfunded pension plans of the Applicant, the beneficiaries being former retired employees. In addition, some employees are entitled to benefits for health and other benefits. The Applicant is a subsidiary of the former Sun-Times Media Group, in Chapter 11 proceedings in the U.S. and now in liquidation and had been managed by Sun-Times, which is no longer in a position to do so.

[4] I am satisfied that in the circumstances that this is an appropriate application of the CCAA powers. The company is insolvent with debts in excess of \$5 million. I am satisfied that the aim of the restructuring is essentially to preserve pension and other retirement benefits for former employees.

[5] All of the proposals are consistent with that goal and the scheme of administration is intended to provide seamless, low cost, reliable continuance of services and benefits.

[6] I am satisfied that the proposed plan including the financial arrangements are appropriate in the circumstances.

[7] The proposed representative counsel and monitors appointment will assure governance. The draft initial order filed which I have signed will, I am satisfied, provide the necessary protection to all parties including potential claimants.

A handwritten signature in dark ink, appearing to read "Campbell J.", is written over a horizontal line.

Campbell J.

Released: December 10, 2009

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.**

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IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

Court File No. 09-8503-00CL

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MOTION RECORD

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