

**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 PROPOSED PLAN OF COMPROMISE
OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.,
4322525 CANADA INC. and SUGRA LIMITED**

Applicants

**MOTION RECORD
(returnable on May 26, 2009)**

May 20, 2009

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TAB 1

**ONTARIO
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NOTICE OF MOTION

THE APPLICANTS will make a motion before a judge presiding over the Commercial List on Tuesday, May 26, 2009 at 10:00 o'clock in the morning or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

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

THE MOTION IS FOR:

1. An Order abridging the time for service of this Notice of Motion and the Motion Record herein, if necessary, and dispensing with any further service thereof, such that this motion is properly returnable on May 26, 2009;

1. An Order extending the stay of proceedings provided for in the Order of the Honourable Mr. Justice Morawetz dated August 1, 2007 (the "Initial Order") currently expiring on May 29, 2009 (the "Stay Period") to November 20, 2009; and

2. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On August 1, 2007, the Applicants applied for and were granted protection from their creditors under the *Companies' Creditors Arrangement Act* ("CCAA") pursuant to the Initial Order;
2. The Stay Period pursuant to the Initial Order has been extended by subsequent Orders of this Honourable Court and currently expires on May 29, 2009;
3. The Applicants entered into a Multi-Party Settlement dated May 14, 2008 with Sun Times Media Group, Inc. and Davidson Kempner Capital Management LLC and certain of its affiliates, which was approved by this Honourable Court by Order dated May 21, 2008 (the "Multi-Party Settlement Agreement");
4. Pursuant to an Order of this Honourable Court, an entity controlled by William Aziz, CA, BlueTree Advisors Inc., was appointed as the Chief Restructuring Officer of the Applicants. BlueTree Advisors Inc. was also appointed Chief Restructuring Officer of Domgroup Ltd. ("Domgroup"), 10 Toronto Street Inc., Holcay Holdings Ltd. and 021173 N.B. a.k.a. Willett Foods f/k.a Willett Food Company (collectively, the "Non-Applicants") pursuant to board resolutions passed by each of the Non-Applicants on June 16, 2008 (collectively, BlueTree Advisors Inc. and Mr. Aziz are referred to in these roles as the "CRO");

5. The transactions contemplated by the Multi-Party Settlement Agreement were completed on June 17, 2008;

6. The Applicants commenced a claims process in accordance with the Claims Order dated May 21, 2008 (the "Claims Order");

7. Pursuant to the Claims Order, proofs of claims in respect of claims against the Applicants were required to be filed by July 11, 2008;

8. The CRO and the Monitor are in the process of reviewing and assessing the validity of the claims filed. The CRO has been reviewing the claims received to determine what, if any, inter-related issues may exist between the claims process and the pursuit of the Litigation Assets in accordance with the Multi-Party Settlement Agreement in order to move both processes forward in the most efficient and cost-effective manner;

9. In accordance with the terms of the Multi-Party Settlement Agreement, a claims process with respect to the Non-Applicants was commenced pursuant to the Non-Applicant Claims Order dated August 27, 2008 (the "Non-Applicant Claims Order") to allow for the determination of claims against the Non-Applicants and the subsequent winding up of the Non-Applicants;

10. The Non-Applicant Claims Order required the filing of proofs of claims in respect of claims against the Non-Applicants by September 30, 2008 other than Domgroup OPEB Claims (as defined in the Non-Applicant Claims Order);

11. The CRO and the Monitor are in the process of reviewing and assessing the validity of the claims filed;

12. Pursuant to the Representation Order dated November 26, 2008, this Honourable Court appointed Koskie Minsky LLP as Representative Counsel to act as a legal representative for persons holding Domgroup OPEB Claims (as this definition was amended by the Order dated November 26, 2008);

13. On February 27, 2009, Representative Counsel filed its claim against Domgroup in respect of persons holding Domgroup OPEB Claims and the CRO and the Monitor are in the process of reviewing and assessing the validity of the claim filed;

14. The Applicants and the Monitor have provided reports to the key stakeholders;

15. The Applicants require an extension of the Stay Period to allow them: (i) to complete the claims process to determine the claims against the Applicants in accordance with the Claims Order; (ii) to complete the claims process to determine the claims against the Non-Applicants in accordance with the Non-Applicants Claims Order that will then allow for asset consolidation and the winding up of the Non-Applicants to be completed; and (iii) to continue the development of a framework and structure of a plan of arrangement to be presented to their creditors, if advisable;

16. The Applicants have proceeded in good faith and with due diligence and will continue to do so;

17. The Monitor has advised that it recommends the relief being sought by the Applicants;

18. The provisions of the CCAA including Section 11(4);

19. Rules 2.03, 3.02 and 37 of the Rules of Civil Procedure (Ontario); and

20. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

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

1. The Eleventh Report of the Monitor, to be filed; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

May 20, 2009

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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 A PLAN OF COMPROMISE AND ARRANGEMENT OF HOLLINGER INC. 4322525 CANADA INC. AND
SUGRA LIMITED**

Court File No.: 07-CL-7120

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Toronto

NOTICE OF MOTION

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TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 26TH
)
MR. JUSTICE CAMPBELL) DAY OF MAY, 2009

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

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Applicants

ORDER
(re: Stay Extension to November 20, 2009)

THIS MOTION brought by the Applicants for an Order extending the Stay Period as provided for and defined in the Order of the Honourable Mr. Justice Morawetz dated August 1, 2007 (the “**Initial Order**”), as subsequently extended by Orders and written endorsements of this Honourable Court to November 20, 2009 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants’ Notice of Motion dated May 20, 2009 (the “**Notice of Motion**”) and the Eleventh Report of Ernst and Young Inc. in its capacity as Court-appointed Monitor of the Applicants (the “**Monitor**”) and on hearing from counsel for the Applicants, the Monitor, Davidson Kempner Capital Management LLC and certain of its affiliates, Sun-Times Media Group, Inc., Delaware Trust Company, National Association, in its capacity as collateral

agent and as trustee under an indenture dated as of March 10, 2003 and HSBC Bank USA, National Association, in its capacity as trustee under an indenture dated as of September 30, 2004 (collectively, the “**Trustees**”) and such other counsel as were present and on being advised that the Service List as of May 20, 2009 was served electronically with the Notice of Motion,

1. **THIS COURT ORDERS** that all capitalized terms not herein defined shall have the meanings set out in the Initial Order.

Extension of the Stay Period

2. **THIS COURT ORDERS** that the Stay Period in the Initial Order with respect to the Applicants is hereby extended to and including November 20, 2009.

3. **THIS COURT ORDERS** that the Monitor shall report to this Honourable Court at such times and for such purposes as it deems appropriate or advisable, and shall provide information updates to the Service List as it considers advisable during the Stay Period.

4. **THIS COURT ORDERS** that the Trustees shall take such steps as may be necessary to ensure that the motion for adequate protection brought by the Trustees in the proceeding commenced by the Applicants pursuant to Chapter 15 of the *U.S. Bankruptcy Code*, which motion was originally scheduled to be heard before Judge Walsh on October 23, 2007 and was adjourned to facilitate various extensions of the Stay Period pursuant to the Orders of this Honourable Court, shall be further adjourned to such later date as may be available on the consent of the Applicants, the Monitor and the Trustees. The consent of the Trustees to the extension of the date by which the adequate protection motion is to be heard, if at all, shall not be used against it by any of the parties. Nothing contained herein prevents the Trustees from

bringing a motion for directions before this Honourable Court should they wish to seek leave of the Court to take steps to lift the standstill in connection with the adequate protection motion prior to the expiry of the Stay Period.

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Proceedings commenced at Toronto

ORDER

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