Court File No. 07-CL-7120

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 April 30, 2015)

April 24, 2015

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INDEX

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INDEX

TAB 1

Court File No. 07-CL-7120

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AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

NOTICE OF MOTION
(Re: Discharge Motion and Stay Extension)

THE APPLICANTS will make a motion before a judge presiding over the Commercial List on Thursday, April 30, 2015 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 April 30, 2015.

2. An Order approving the activities of the Litigation Trustee and the Advisory Committee (as such terms are defined in the Affidavit of William E. Aziz sworn April 24, 2015 (the "**Aziz Affidavit**")).

3. An Order discharging and releasing the Litigation Trustee and Advisory Committee of the Litigation Assets (as such term is defined in the Aziz Affidavit).

4. An Order amending paragraph 27 of the MPSA (as such term is defined in the Aziz Affidavit).

5. An Order extending the stay of proceedings provided for in the Order of Mr. Justice Morawetz dated August 1, 2007 (the "**Initial Order**") currently expiring on April 30, 2015 (the "**Stay Period**") to June 30, 2015.

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

THE GROUNDS FOR THE MOTION ARE:

1. All capitalized terms not herein defined shall have the meanings set out in the Aziz Affidavit.

2. Pursuant to the terms of the Distribution and Extension Order, the Applicants and the Non-Applicants made the prescribed distributions to their respective creditors.

3. Certain steps have been taken to wind-up and finalize the estates of the Applicants and Non-Applicants. The estates cannot be finalized and the proceedings terminated until after the final payment from the Black Entities is received. On or before June 30, 2015, the Applicants hope to be in a position to present a plan for the completion of these proceedings.

4. Pursuant to the Destruction Order, the Inspector and the Applicants have begun the destruction of certain of the records of Hollinger.

5. Pursuant to the MPSA, justice John D. Ground (retired) was appointed as Litigation Trustee and was charged with supervising, controlling and administering all aspects of the Litigation Assets of the Applicants, in consultation with the Applicants and subject to monitoring by the Monitor and supervision by the Court.

6. Also in accordance with the terms of the MPSA, the Litigation Trustee, together with William Brock and Arnold Cader, comprise the Advisory Committee which was established to provide advice and direction to the Litigation Trustee.

7. The Litigation Trustee has supervised and administered the Litigation Assets on a day-to-day basis, including giving direction to counsel. The Litigation Trustee sought such direction from the Advisory Committee as he deemed necessary or appropriate, and in particular, with respect to litigation strategy, financing for the Litigation Assets, whether to accept or make any settlement offer and the use of proceeds of any settlement.

8. As the Litigation Assets have been monetized and the initial distribution complete, there is no longer a need for the continuation of the Litigation Trustee or the Advisory Committee.

9. It was also determined that the most efficient and cost-effective manner of managing these proceedings would be to maintain the appointment of the CRO but reduce the remuneration received to correspond to the reduction of ongoing responsibilities. The compensation proposed is equal to the remuneration received by each of the directors of Hollinger prior to the CCAA filing and is reflective of the work involved to complete the proceedings and the risk associated therewith.

10. The Applicants require an extension of the Stay Period to June 30, 2015 to allow them to:

(a) complete the winding-up of the Non-Applicants;

(b) resolve the last remaining outstanding claims against the Applicants; and

(c) finalize a strategy to conclude these proceedings.

11. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*.

12. 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 Affidavit of William E. Aziz sworn April 24, 2015;

2. The Twenty-ninth Report of the Monitor; and

3. Such further and other material as counsel may advise and this Honourable Court may permit.

April 24, 2015

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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

Court File No. 07-CL-7120

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

AFFIDAVIT OF WILLIAM E. AZIZ
(Re: Discharge Motion and Stay Extension)

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of BlueTree Advisors Inc., Court-appointed Chief Restructuring Officer of the Applicants. As such, I have personal knowledge of the matters to which I hereinafter depose, except where my knowledge is based on information and belief, in which case I believe such information to be true.

2. On August 1, 2007, this Court made an order (the "**Initial Order**") granting the application and providing for, among other things, a stay of proceedings against the creditors of the Applicants. The stay of proceedings was most recently extended to April 30, 2015 pursuant to an order of this Court dated December 19, 2014 (the "**Distribution and Extension Order**"). A copy of the Distribution and Extension Order is attached as Exhibit "**A**".

3. Pursuant to an Order of this Court dated May 21, 2008 (the "**MPSA Order**"), as amended by the Order of this Court dated July 3, 2008, I or a company or entity owned or controlled by me was appointed as the Chief Restructuring Officer of the Applicants. BlueTree Advisors Inc. ("**BlueTree**") is the entity owned or controlled by me that was appointed to provide my services as Chief Restructuring Officer of the Applicants. A copy of the MPSA Order is attached as Exhibit "**B**".

4. BlueTree was also retained, pursuant to board resolutions passed by each of Domgroup Ltd. ("**Domgroup**"), 10 Toronto Street Inc. ("**10 Toronto**"), Holcay Holdings Ltd. and 021173 N.B. Limited a.k.a. Willett Foods f.k.a. Willett Food Company (collectively, the "**Non-Applicants**") on June 16, 2008, to provide the services of Chief Restructuring Officer of the Non-Applicants (collectively, BlueTree and myself are referred to as the "**CRO**").

5. All capitalized terms not herein defined shall have the meanings set out in the Initial Order dated August 1, 2007.

Purpose

6. The purpose of this affidavit is to support the request for an Order:

(a) Approving the actions of the Litigation Trustee and the Advisory Committee (as defined below);

(b) Discharging and releasing the Litigation Trustee and the Advisory Committee;

(c) Amending the remuneration payable to the CRO for the period after June 30, 2015; and

(d) Approving the extension of the Stay Period to June 30, 2015.

Distribution and Status of Estates

7. Pursuant to the terms of the Distribution and Extension Order, the Applicants and the Non-Applicants made the prescribed distributions to their respective creditors on March 3, 2015.

8. Prior to the distributions, 10 Toronto was wound-up into its only remaining creditor and parent, Domgroup. Domgroup is a wholly-owned subsidiary of Hollinger and is also in the process of being wound-up. It is anticipated that this will be completed in the next 30 to 60 days.

9. The tax returns of the Applicants and remaining Non-Applicants, having a year-end of March 31, are being prepared for the 2015 taxation year. It is expected that this will be completed by the end of May 2015.

10. The Applicants and Non-Applicants are also in the process of closing and consolidating their bank accounts to facilitate the finalization of the estates. On or before June 30, 2015, the Applicants hope to be in a position to present a plan for the completion of these proceedings.

Inspectorship

11. Pursuant to the order of this Court dated March 30, 2015 (the "**Destruction Order**") in the proceedings bearing Court File No.: 04-CL-5441, Ernst & Young Inc. in its capacity as Inspector (the "**Inspector**") of Hollinger Inc. ("**Hollinger**"), and the Applicants have

begun the process of destroying certain of the records of Hollinger. In accordance with the Destruction Order, the Inspector has made arrangements with David Radler and is in the process of making arrangements with Conrad Black to return or review certain personal items which have been in the possession of the Inspector. Attached as Exhibit "**C**" is a copy of the Destruction Order.

Black Settlement

12. The first payment required under the settlement with the Black Entities was due and paid on February 3, 2015. The final payment required to be made by the Black Entities is due on August 2, 2017. As a result, the estates cannot be completed and a final distribution cannot be made until after this time.

Remaining Claims

13. Pursuant to the Distribution and Extension Order, reserves were established in respect of the unresolved claims asserted by Catalyst Capital Fund I and Argus Corporation Limited, 509643 N.B. Inc., 509644 N.B. Inc., 509645 N.B. Inc., 509646 N.B. Inc., and 509647 N.B. Inc. against the Applicants. It is the Applicants' intention to bring a motion seeking an order to have these claims dismissed unless they are resolved in short order as they have been outstanding for a number of years.

Discharge of Litigation Trustee

14. The Multi-Party Settlement Agreement dated May 14, 2008 (the "**MPSA**") was approved by this Court pursuant to the MPSA Order. Pursuant to the terms of the MPSA, justice John D. Ground (retired) was appointed as litigation trustee of the Applicants (the

"**Litigation Trustee**"). The Litigation Trustee was charged with supervising, controlling and administering all aspects of the Litigation Assets of the Applicants, in consultation with the Applicants and subject to monitoring by the Monitor and supervision by the Court.

15. Also in accordance with the terms of the MPSA, the Litigation Trustee, together with William Brock and Arnold Cader, comprise the Advisory Committee. The Advisory Committee was established to provide advice and direction to the Litigation Trustee.

16. The Litigation Trustee has supervised and administered the Litigation Assets on a day-to-day basis, including giving direction to counsel. The Litigation Trustee sought such direction from the Advisory Committee as he deemed necessary or appropriate, and in particular, with respect to litigation strategy, financing for the Litigation Assets, whether to accept or make any settlement offer and the use of proceeds of any settlement.

17. Throughout these CCAA proceedings, the Litigation Trustee, with the support of Hollinger, the CRO and the Advisory Committee, has pursued the Litigation Assets, pursuant to the terms of the MPSA. Settlements have been reached with:

(a) Torys LLP;

(b) KPMG LLP;

(c) Maureen Sabia, Allen Gotlieb, Frederick Eaton and Henry Ketcham III, each a former director of Hollinger;

(d) The estate of F. Donald Fullerton, a former director of Hollinger;

(e) Canadian Imperial Bank of Commerce, the lead bank in Hollinger's former lending syndicate;

(f) Ralph M. Barford;

(g) Peter Atkinson;

(h) John Boultbee;

(i) F. David Radler and F.D. Radler Ltd.;

(j) Conrad Black, Barbara Amiel-Black, Moffat Management Inc., Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited (the "**Black Entities**"); and

(k) Peter White,

all of which have been approved by Orders of this Court in this proceeding.

18. As the Litigation Assets have been monetized and the initial distribution complete, there is no longer a need for the continuation of the Litigation Trustee or the Advisory Committee.

CRO Engagement

19. These proceedings cannot be terminated until after the final settlement funds from the Black Entities has been received and a final distribution to creditors completed. There are years for which clearance certificates have not been issued in respect of the Applicants and the Non-Applicants. It is unlikely that all certificates will be issued prior to a final distribution. As a result, I discussed several options with the Monitor to effectively and efficiently continue the proceedings in a cost-efficient manner. Some of the options considered involved enhancing the powers of the Monitor or converting these

proceedings into a receivership. It was ultimately determined that the most efficient and cost-effective manner of managing these proceedings would be to maintain the appointment of the CRO but reduce the remuneration received to correspond to the reduction of ongoing responsibilities.

20. I was appointed as CRO pursuant to the terms of the MPSA in consideration of a monthly salary of $65,000, payable in advance, plus HST as applicable and reimbursement of reasonable expenses. For the reasons discussed above, I have agreed to reduce my remuneration to $10,000 per month, in advance, from July 1, 2015 until such time as all corporate wind-up, tax and distribution matters are complete. As the sole officer and director of the Applicants and Non-Applicants, I believe that this compensation is reasonable in the circumstances. The compensation proposed is equal to the remuneration received by each of the directors of Hollinger prior to the CCAA filing and is reflective of the work involved to complete the proceedings and the risk associated therewith.

Stay Extension

21. The Applicants continue to act in good faith and with due diligence throughout these proceedings. The Applicants require an extension of the Stay Period to June 30, 2015 to allow them to:

(a) complete the winding-up of the Non-Applicants;

(b) resolve the last remaining outstanding claims against the Applicants;

(c) distribute additional funds to creditors as they are received from the Black Entities; and

(d) finalize a strategy to conclude these proceedings.

Conclusion

22. The Applicants request that this Court make an Order:

(a) Approving the actions of the Litigation Trustee and the Advisory Committee;

(b) Discharging and releasing the Litigation Trustee and the Advisory Committee;

(c) Amending the remuneration payable to the CRO for the period after June 30, 2015; and

(d) Approving the extension of the Stay Period to June 30, 2015.

SWORN before me in the City of Toronto, in the Province of Ontario, this 24th day of April, 2014.

Commissioner for Taking Affidavits

Annette Melinda Fournier, a Commissioner, etc., Province of Ontario, for Thornton Grout Finnigan LLP, Barristers and Solicitors. Expires February 7, 2017.

WILLIAM E. AZIZ

EXHIBIT “A”

EXHIBIT "A"

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**FRIDAY, THE 19TH**
	)	
MR. JUSTICE MCEWEN	)	**DAY OF DECEMBER, 2014**

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

ORDER

(re: Distribution Motion and Stay Extension)

THIS MOTION brought by the Applicants was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants' Notice of Motion dated December 11, 2014 (the "**Notice of Motion**"), the Affidavit of the Chief Restructuring Officer of the Applicants and the Non-Applicants sworn December 11, 2014 (the "**Aziz Affidavit**") and the Twenty-eighth 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 and the Monitor and such other counsel as were present and on being advised that the Service List as of December 11, 2014 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 Aziz Affidavit.

<u>**Distribution**</u>

2. **THIS COURT AUTHORIZES AND DIRECTS** the Applicants and the Non-Applicants to make the distributions to the Proven Creditors of the Non-Applicants and Applicants based on their respective *pro rata* share as outlined in the Aziz Affiavit, including future distributions without further order of the Court.

3. **THIS COURT AUTHORIZES AND DIRECTS** the Applicants to establish the Reserves and approves the quantum of the Reserves.

4. **THIS COURT AUTHORIZES AND DIRECTS** the Applicants to pay the Bonuses as set out in the Aziz Affidavit.

<u>**Extension of the Stay Period**</u>

5. **THIS COURT ORDERS** that the Stay Period in the Initial Order with respect to the Applicants is hereby extended to and including April 30, 2015.

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DEC 10 2014

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

ORDER
(Distribution to Proven Creditors)

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EXHIBIT “B”

EXHIBIT "B"

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**WEDNESDAY, THE**
	)	
MR. JUSTICE CAMPBELL	)	**21st DAY OF MAY, 2008**

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

ORDER
(Approval of Multi-Party Settlement and Cost Reduction / Asset Enhancement Program)

THESE MOTIONS, made by Hollinger Inc. ("Hollinger"), 4322525 Canada Inc. ("432") and Sugra Limited (the "Applicants"), and by Sun-Times Media Group, Inc. ("STMG") for an Order approving the terms of a settlement with STMG and Davidson Kempner Capital Management LLC and certain of its affiliates (collectively, "DK") and authorizing and approving the Applicants to take steps to restructure certain of their operations and management to reduce costs and enhance asset realizations was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants dated May 14, 2008, the Seventh Report of Ernst & Young Inc. in its capacity as Court-appointed Monitor of the Applicants (the

"Monitor"), STMG's Amended Fresh as Amended Notice of Motion dated May 15, 2008, an unredacted version of the Multi-Party Settlement (as defined herein) filed under seal and such other materials as this Court may direct be filed as part of the record herein, and on hearing from counsel for the Applicants, STMG, DK, the Indenture Trustees (as defined herein), Conrad Black, Conrad Black Capital Corporation, Barbara Amiel Black, Catalyst Fund General Partner I Inc., the Receiver of the Ravelston Corporation Limited and the Monitor and on being advised that the Service List as of May 14, 2008 was served electronically with the Applicants' Amended Notice of Motion dated May 14, 2008 and STMG's Amended Fresh as Amended Notice of Motion dated May 15, 2008 herein and on being advised that all material terms of the settlement are contained and disclosed in the Multi-Party Settlement;

Approval of Multi-Party Settlement

1. **THIS COURT ORDERS** that the agreement among the Applicants, STMG and DK, a redacted version of which is annexed as Schedule "A" hereto (the "Multi-Party Settlement") and all transactions, actions and activities contemplated therein (the "Settlement Steps"), are hereby approved, the execution of the Multi-Party Settlement by the Applicants is hereby approved and ratified and the Applicants and the other parties thereto are hereby authorized and directed to carry out each of the Settlement Steps, including, without limitation, authorizing the issuance of the Additional Shares pursuant to a Consent, if necessary, and no further Order of this Court is necessary to give effect to any aspect of the Multi-Party Settlement. Terms not defined in this Order shall have the meaning described in the Multi-Party Settlement.

2. **THIS COURT ORDERS AND DECLARES** that the Multi-Party Settlement is fair and commercially reasonable.

3. **THIS COURT ORDERS AND DECLARES** that the information contained in Schedule "B" to the Multi-Party Settlement is commercially sensitive and shall be sealed pending further Order of this Court.

4. **THIS COURT ORDERS** that the Multi-Party Settlement shall be binding upon and enforceable against, and enure to the benefit of, the Applicants and any successors thereto including, without limitation, any trustee in bankruptcy, receiver or receiver and manager in respect of any or all of the Applicants and shall also be binding upon and enforceable against, and enure to the benefit of, STMG, DK, Delaware Trust Company, National Association, in its capacity as collateral agent and as trustee under the indenture dated as of March 10, 2003 with respect to the senior secured notes issued by Hollinger ("Delaware Trust"), and HSBC Bank USA, National Association, in its capacity as trustee under the indenture dated as of September 30, 2004 with respect to the senior secured notes issued by Hollinger ("HSBC"), and any other person having notice of this Order. The aforesaid indentures are collectively referred to herein as the "Indentures".

5. **THIS COURT ORDERS AND DIRECTS** Delaware Trust and HSBC (collectively, the "Indenture Trustees"), on the one hand, and the Applicants, STMG and DK, on the other, to co-operate with each other to facilitate the implementation of the Multi-Party Settlement insofar as it relates to the Indenture Trustees and their collateral. In particular, Delaware Trust is hereby directed to relinquish possession and control of the STMG Class B share certificates held by it as collateral (the "Class B Certificates") to or at the direction of the Applicants, and in exchange to simultaneously receive, upon issuance, from the Applicants or such other person at the direction of the Applicants, the certificates representing the Exchanged Shares and the Additional Shares in substitution for the Class B Certificates.

6. **THIS COURT ORDERS** that, notwithstanding any other provisions of this Order, the provisions of this Order and the Multi-Party Settlement are without prejudice to the rights, if any, of the Applicants and any other person in respect of the Class A shares of STMG currently owned by the Applicants or any of them that are not Exchanged Shares or Additional Shares or that may be subject to any escrow agreement in relation to Hollinger's Class II preference shares.

7. **THIS COURT ORDERS AND DECLARES** that nothing contained in this Order or in the Multi-Party Settlement shall:

(a) affect the obligations of the Applicants to reimburse the Indenture Trustees in accordance with the Indentures (such reimbursable amounts being referred to herein collectively as the "Trustees' Fees and Expenses"); or

(b) impair or modify the liens of the Indenture Trustees pursuant to the Indentures and any existing related agreements for payment of the Trustee's Fees and Expenses.

8. **THIS COURT ORDERS AND DIRECTS** the Monitor to report to this Court when all transactions, releases and acknowledgements of claims contemplated by the Multi-Party Settlement to occur on or forthwith after Court Approval have been completed or performed. The Monitor may report upon such other matters in relation to the Multi-Party Settlement at such time or times as the Monitor deems necessary or appropriate.

9. **THIS COURT ORDERS** that, without prejudice to the rights of any party pursuant to the comeback clause of the Initial Order, the Applicants, the Monitor, STMG, DK, the CRO (defined below), the Litigation Trustee or the Indenture Trustees may, at any time upon seven (7) days notice to the Service List, return to this Court to seek directions or other relief regarding the implementation of the Multi-Party Settlement or any other matter arising in relation to the Multi-Party Settlement.

10. **THIS COURT ORDERS** that notwithstanding:

(a) the pendency of these proceedings or any ancillary proceedings;

(b) a bankruptcy of any of the Applicants; and

(c) the provisions of any federal or provincial statute,

none of the Multi-Party Settlement or any of the transactions contemplated thereby will be void or voidable at the instance of creditors or claimants or their representatives, including any trustee in bankruptcy, and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation and they do not constitute conduct giving rise to an oppression remedy or any other cause of action.

11. **THIS COURT ORDERS** that the approval of the Multi-Party Settlement, and in particular paragraph 16 thereof, shall not vary or be deemed to vary the Order of this Court dated February 27, 2007 in *STMG v. Conrad Black et al.* (Court File No. 06-CL-6678) and shall be without prejudice to the rights of the defendants in that action, Conrad M. Black, Barbara Amiel Black, Black-Amiel Management Inc., Conrad Black Capital Corporation, 1269940 Ontario Limited and 2753421 Canada Limited to make any arguments or take any position upon any motion seeking an Order as contemplated in paragraph 16 of the Multi-Party Settlement.

Approval of Cost Reduction and Asset Enhancement Program of the Applicants

(a) Appointment of CRO and Litigation Trustee

12. **THIS COURT ORDERS** that William E. Aziz shall be and is hereby appointed as an officer of this Court to be the Chief Restructuring Officer ("CRO") over and in respect of all property,

assets and undertaking of the Applicants, other than the Litigation Assets, upon the terms described herein and in the Multi-Party Settlement.

13. **THIS COURT ORDERS** that justice John D. Ground (retired) is hereby appointed as an officer of this Court to be the Litigation Trustee over and in respect of all claims and causes of action in favour of the Applicants (collectively, the "Litigation Assets") on the terms described herein and in the Multi-Party Settlement.

14. **THIS COURT ORDERS** that the CRO and the Litigation Trustee are hereby authorized and directed to preserve, protect and realize upon the assets of the Applicants for the benefit of the Applicants and their creditors and other stakeholders as contemplated by the Multi-Party Settlement including, in the case of the CRO, without limitation and if thought necessary or desirable by the Applicants, the preparation and delivery of a plan of arrangement in respect of the Applicants as contemplated by the Multi-Party Settlement.

15. **THIS COURT ORDERS** that the CRO and the Litigation Trustee are hereby empowered, authorized and directed to do all things, carry out all actions and perform all duties described in the Multi-Party Settlement and specifically:

(a) to engage and give instructions to counsel and to engage and give direction to consultants, appraisers, agents, advisors, experts, auditors, accountants, managers and such other persons from time to time on whatever basis either of them may agree to assist with the exercise of their powers and duties;

(b) to execute, assign, issue and endorse documents of whatever nature in respect of the Applicants for any purpose pursuant to this Order or the Multi-Party Settlement; and

(c) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Applicants or any of their property and undertaking and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to any appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding.

16. **THIS COURT ORDERS** that the Litigation Trustee may obtain financing in respect of the Litigation Assets at such times, in such amounts and upon such terms as the Litigation Trustee may consider to be appropriate after seeking direction from the Advisory Committee in accordance with the Multi-Party Settlement.

17. **THIS COURT ORDERS** that nothing herein contained shall require the CRO or the Litigation Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any property, assets or undertaking of any of the Applicants that might be environmentally contaminated, that might be a pollutant or a contaminant or that 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 (collectively, the "Environmental Legislation"), provided however that nothing herein shall exempt the CRO or the Litigation Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Applicants are, and are hereby declared to be, and shall remain, in Possession, occupation and control of all of their property, assets and undertaking, subject to further Order of this Court.

18. **THIS COURT ORDERS** that neither the CRO nor the Litigation Trustee shall, as a result of this Order or anything done pursuant to their duties and powers under this Order, deem the CRO or the Litigation Trustee to be in Possession of any property, assets or undertaking within the meaning of any Environmental Legislation.

19. **THIS COURT ORDERS** that each of the CRO and the Litigation Trustee shall incur no liability or obligation as a result of his appointment or the carrying out of any of the provisions of this Order, save and except for any gross negligence or any wilful misconduct on his part. The Applicants shall indemnify and hold harmless each of the CRO and the Litigation Trustee with respect to any liability or obligation as a result of his appointment or the fulfilling of his duties in carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on his part. No action, application or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise against either the CRO or the Litigation Trustee as a result of, or relating in any way to his appointment, the fulfillment of his duties or the carrying out of any Order of this Court except with leave of this Court being obtained. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the CRO or Litigation Trustee (as the case may be) at least seven (7) days prior to the return date of any such motion for leave.

20. **THIS COURT ORDERS** that the Applicants' indemnity in favour of the CRO and the Litigation Trustee shall survive any termination, replacement or discharge of the CRO or Litigation Trustee. Upon any termination, replacement or discharge of the CRO or Litigation Trustee, all claims against such officers of the Court for which leave of the Court has not already been sought and obtained shall be, and are hereby forever discharged.

21. **THIS COURT ORDERS** that, without limiting any other provision of this Order, each of the CRO and the Litigation Trustee may from time to time apply to this Court for advice and directions in the discharge of his powers and duties hereunder.

22. **THIS COURT ORDERS** that the Monitor, the CRO and thc Litigation Trustee may report to the Court on their activities from time to time as any of them may see fit or as this Court may order.

(b) Monitor

23. **THIS COURT ORDERS** that, in addition to its duties described in the Initial Order and the Claims Process Order of even date herewith, the Monitor is hereby authorized to perform the functions and carry out the responsibilities described herein and in the Multi-Party Settlement. Performance of these functions and responsibilities is subject to the provisions of the Initial Order, particularly paragraphs 21 through 31 thereof.

(c) Directors' Insurance

24. **THIS COURT ORDERS** that the Applicants be and are hereby authorized to purchase run-off insurance for the officers and directors of the Applicants as described in the Monitor's Seventh Report.

(d) Other Actions

25. **THIS COURT RATIFIES AND APPROVES** all actions and activities of the Applicants, including its current officers, directors and management, in authorizing any of the transactions, actions and activities or other matters approved, authorized or directed pursuant to this Order.

Extra-Territorial Assistance

26. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any Province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any state, federal or other court or any judicial, regulatory or administrative body of the United States of America to act in aid of and to assist this Court in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
MAY 2 7 2008

PER/PAR: JSN

SCHEDULE "A"

EXECUTION COPY

Multi-Party Settlement Term Sheet

The Applicants seek Court Approval, as described herein, of the following terms of agreement among the Applicants, Sun-Times Media Group, Inc. ("STMG") and Davidson Kempner Capital Management LLC and its affiliates listed in Schedule "A" hereto (collectively, "DK").

A. STMG

1. Upon Court Approval, the Court shall authorize and direct Hollinger, 432, STMG and any other necessary parties to forthwith take the steps necessary to convert Hollinger's and 432's existing Class B shares into an equal number of Class A shares (the "Conversion"), subject to and prior to the steps described in paragraphs 2 and 3 hereof.

2. If STMG's stockholders are required to approve (the "Stockholder Approval") the issuance of the Additional Shares (as defined below), then, upon Court Approval, the Court shall authorize Hollinger, and Hollinger shall approve the issuance of the Additional Shares, pursuant to a stockholder written consent (the "Consent").

3. If Stockholder Approval is required, as soon as possible after the Consent Effective Date (as defined below), Hollinger and STMG shall effect the Conversion pursuant to the Restated Certificate of Incorporation of STMG. The Consent shall be effective after all actions required by the Securities Exchange Act of 1934, as amended (the "1934 Act"), have been taken and the issuance of the Additional Shares is permitted by the 1934 Act (the "Consent Effective Date"). If no Stockholder Approval is required, Hollinger and STMG shall effect the Conversion pursuant to the Restated Certificate of Incorporation of STMG as soon as possible after Court Approval.

4. Forthwith after the later of (i) Court Approval and (ii), if Stockholder Approval is required, the Consent Effective Date, STMG will issue to Hollinger (or as it may direct) 1,499,000 additional Class A shares (the "Additional Shares"). The number of Additional Shares represents 10% of the number of Hollinger's and 432's existing Class B shares.

5. All transactions will comply with all applicable laws and regulations and rules of applicable stock exchanges.

6. Upon the later of (i) Court Approval and (ii) immediately after the next annual meeting scheduled for June 17, 2008, the six directors appointed by Hollinger to the Board of STMG (Wes Voorheis ("Voorheis"), William Aziz ("Aziz"), Edward Hannah, Peter Dey ("Dey"), Brent Baird ("Baird") and Albrecht Bellstedt ("Bellstedt")) will submit their resignations from the board of STMG. Upon submitting their resignations, each resigning director will receive: (a) a written confirmation from STMG that any existing STMG indemnity will remain in place and that such resigning director will be covered by the STMG directors and officers insurance policy in effect from time to time on the same

terms as may be applicable to any other current STMG directors; and (b) reimbursement by STMG of all reasonable legal fees incurred by the independent directors (Dey, Baird and Bellstedt) in respect of their tenure as directors of STMG. Upon payment of such fees by STMG, Hollinger will reimburse STMG for all amounts paid in respect of such legal fees, except for US$75,000.

7. Upon Court Approval, Hollinger will pay to STMG the reasonable fees and costs, including legal fees, of STMG incurred in connection with the CCAA proceedings of the Applicants, from August 1, 2007 up to and including the date of Court Approval. However, the total amounts payable to STMG by Hollinger under this paragraph shall be subject to a cap of US$2 million in the aggregate.

8. STMG and Hollinger will cooperate to maximize the recoverable portion of the class action insurance settlement proceeds payable to them and such proceeds shall be allocated so that STMG receives 85% of such proceeds, and Hollinger receives 15% of such proceeds.

9. Hollinger and STMG agree to divide their respective recoveries from the insolvency proceeding of Ravelston equally as between them.

10. The following claims of STMG shall be allowed as unsecured claims against the Applicants (the "STMG Allowed Claims") in the amounts indicated below, subject to confirmation of the calculations of the quantum of such claims by the Monitor:

    (a) a claim in respect of the promissory note executed by 4322525 Canada Inc. ("432") in the amount of US $40,545,974;

    (b) all claims for contribution and indemnity STMG has or may assert against Hollinger in the amount of US$28,663,588; and

    (c) a claim for the aircraft lease settlement in the amount of CDN$1,281,941.

11. Other than the STMG Allowed Claims, all other claims of STMG and its subsidiaries against the Applicants or any of their other subsidiaries, and all claims of the Applicants and their subsidiaries against STMG and its subsidiaries, shall be released upon Court Approval. The Applicants agree, in connection with their release of STMG, that they will not seek contribution, indemnification, reimbursement or any other form of claims over from Torys LLP or any of its predecessor or successor partnerships, F. David Radler or North American Newspapers Ltd. for any consideration paid or payable by any of the Applicants to STMG under this Term Sheet. For greater certainty, nothing contained in this paragraph shall limit or otherwise compromise in any manner, the Applicants' right to pursue or continue to pursue those named parties for any claims whatsoever, save and except only in respect of consideration paid or payable by the Applicants to STMG under this Term Sheet.

12. The total recoveries of STMG under the STMG Allowed Claims shall be capped at a maximum of US$15 million (the "STMG Cap"). After receipt of the STMG Cap, the

balance of the STMG Allowed Claims will be assigned to the Applicants for the benefit of the Applicants' other general unsecured creditors.

13. Upon STMG receiving distributions in the aggregate amount of US$7.5 million in respect of the STMG Allowed Claims (after giving effect to any valid and effective subordination regarding distributions under the 432 promissory note referred to in paragraph 10(a) above, if any), fifty percent (50%) of all distributions thereafter payable to STMG in respect of the STMG Allowed Claims shall be assigned to the Applicants.

14. Prior to any agreement in respect of the terms contained herein, STMG will ensure that nothing herein or in any plan of arrangement (the "Plan") of the Applicants, if any, giving effect to the terms hereof or in the implementation of any such Plan will:

    (a) cause the Rights (as defined in the STMG rights plan) to become exercisable;

    (b) cause any Person (as defined in the STMG rights plan) to become an Acquiring Person (as defined in the STMG rights plan); or

    (c) trigger the application of the STMG rights plan.

15. STMG will continue with its independent examination of all strategic alternatives available to STMG.

16. Subject to the terms of any existing court orders or agreements pursuant to which the Applicants may be restricted, the Applicants will support the making of an order providing STMG with equal rights in respect of the Applicants' Mareva injunction against Conrad Black and Barbara Amiel Black. STMG shall be permitted to reserve its right as to whether to seek such an order.

B. DK

17. (a) Forthwith after Court Approval, the Class A shares of STMG resulting from the Conversion (the "Exchanged Shares"), plus the Additional Shares, being 10% of the number of Hollinger's and 432's existing Class B shares, when issued shall be voted by the indenture trustees for the benefit of and at the direction of noteholders in the manner contemplated by the indentures up to that number of shares that is equal to or less than 19.999% of the aggregate number of STMG Class A shares then outstanding rounded down to the nearest whole share. The indenture trustees, for the benefit of the noteholders, may thereupon exercise all voting or other rights associated with the Exchanged Shares and the Additional Shares when issued subject to the limitation referred to in the immediately preceding sentence and subject to the rights and at the direction of the noteholders in the manner contemplated by the indentures (provided that any shares of the Applicants shall not be voted other than in favour of the election of the directors described in Schedule "C" hereto and other resolutions proposed by STMG at the next annual meeting of shareholders scheduled to occur on or about June 17, 2008 and thereafter without restriction) and may dispose of or otherwise realize upon such shares in any commercially reasonable manner and subject to the applicable law and as directed by the noteholders in a manner contemplated by the indentures (provided that

any such disposition or realization shall not be considered part of any Plan for the purposes of paragraph 14 hereof). The Applicants shall provide proxies and do such acts and things as will facilitate such rights.

(b) The Conversion and the issuance of the Additional Shares shall be subject to a registration rights agreement, to be negotiated among DK, the Applicants and STMG, all acting reasonably (the "Registration Rights Agreement") forthwith after Court Approval. In all events, such Registration Rights Agreement shall include a provision with respect to payment of fees connected with any such registration, and shall include a provision permitting STMG to postpone the filing of a registration statement or its efforts to cause such registration statement to become effective if at the time the right to delay is exercised by STMG it shall determine in good faith that such offering would interfere with any acquisition, financing or other transaction that STMG is actively pursuing and is material to STMG or would involve initial or continuing disclosure obligations that would not be in the best interests of STMG.

(c) Upon being paid in full, all principal, interest and costs and other amounts, payable under the indentures), the indenture trustees will remit any remaining shares and any surplus proceeds to Hollinger and 432.

18. (a) Subject only to a reasonable reserve for (i) administrative costs (including any applicable legal fees, advisor fees and any other costs secured by the Administration Charge and also including a reserve to pay the reasonable costs, fees and expenses in respect of DK's post-Court Approval role as described herein) and (ii) disputed claims, such reserves to be determined by the CRO (as defined in the STMG Term Sheet) and the Monitor, both acting reasonably (and subject to their right to seek directions from the Court), and in consultation with DK and STMG, and subject to the segregated funds described below, all other cash and realizable proceeds of the Applicants (including the 15% share of the insurance settlement proceeds referred to herein) and the non-applicant subsidiaries of the Applicants (other than STMG and its subsidiaries) shall be distributed as efficiently as reasonably possible to the creditors who have proved claims in accordance with the claims process for each of the Applicants. Distributions will be determined and made on a non-consolidated basis giving effect to inter-company claims but including only 50% of a claim by 432 against Hollinger in the amount of approximately CDN$342.5 million and subject to the following payments in the priority specified below:

(i) firstly, to pay a transaction fee to DK in consideration of its agreement to the terms hereof of CDN$1.5 million;

(ii) secondly, to pay the reasonable fees and disbursements, including reasonable legal fees and disbursements, of the indenture trustees up to and including Court Approval; and

(iii) thirdly, to pay the reasonable legal fees and disbursements of DK up to and including Court Approval;

provided that the total amount available to fund items (i) through (iii) hereof shall not exceed CDN$4,500,000. The priority payments described herein will not affect the timing or amount of the payment to STMG described in paragraph 7 herein.

(b) The Applicants will acknowledge claims owing by 432 and also by Hollinger to the indenture trustees in the full amount of the principal, interest and costs owing under the two debentures dated March 10, 2003 and September 30, 2004, the amount of which is estimated to be US$103,235,062 as of December 31, 2007. These claims will continue to accrue interest (unless and until the Applicants become bankrupt) in accordance with the debentures at the contractual rate until paid in full. The claims will be reduced only by distributions received by the indenture trustees from the estates of the Applicants and by amounts actually received from or in respect of the Exchanged Shares and the Additional Shares.

(c) The Monitor and the CRO, with periodic reports as requested (acting reasonably) and at least monthly to DK and STMG, will work to resolve and determine all disputed claims as efficiently as reasonably possible. The Monitor and the CRO will seek the input of DK and STMG before allowing any claims against the Applicants (other than the claims of STMG and the indenture trustees acknowledged herein). The Monitor and the CRO, in consultation with DK and STMG, will provide estimates of the net recovery to creditors based on the "waterfall" analysis of the Monitor and the information now known regarding the claims of all creditors (including the claims of STMG allowed under the STMG Term Sheet), such estimate to be updated after the claims bar dates for the Applicants and for the non-applicant subsidiaries as described herein.

(d) STMG will acknowledge that its claim against 432 in respect of the 432 loan is subordinated to and in favour of the claims of the indenture trustee for and in respect of only the senior bonds against 432.

19. DK agrees to:

(a) withdraw its motion seeking the bankruptcies of the Applicants; and

(b) support Court approval in the Applicants' CCAA proceeding ("Court Approval") consisting of: (i) approval of this agreement and (ii) approval of the other relief sought by the Applicants in their Notice of Motion dated April 10, 2008 to the extent not inconsistent with the terms described herein.

C. General Conditions

20. A standard CCAA claims process shall be implemented immediately for all claims against the Applicants, except claims against the Applicants by their subsidiaries (other than STMG and its subsidiaries).

21. A subsequent claims process shall be implemented in respect of the non-Applicant subsidiaries of the Applicants to ensure that all creditors of those subsidiaries are identified prior to the asset consolidation herein contemplated.

22. The Applicants, in consultation with the Monitor, shall prepare a plan to accumulate at Hollinger, on a tax-effective basis, all assets of the non-Applicant subsidiaries of the Applicants (other than STMG and its subsidiaries) after payment of all claims of creditors of such subsidiaries.

23. The Applicants agree to work with the Monitor, in consultation with DK and STMG (and subject to the right of all parties to seek directions from the Court), to realize upon any assets of the Applicants and the non-applicant subsidiaries (other than the cash, the Exchanged Shares, the Additional Shares and the Litigation Assets described herein) with a view to distributing net proceeds thereof as efficiently as reasonably possible and to provide the necessary proxies. In particular, the Applicants will consider making such distributions pursuant to periodic Court orders in the CCAA proceedings as opposed to incurring the costs associated with formalizing and approving a Plan.

24. The form and content of any Plan, if necessary or advisable to implement the terms hereof, as it relates to STMG shall be satisfactory to STMG, acting reasonably and, as it relates to DK and the indenture trustees, shall be satisfactory to DK, acting reasonably.

25. All steps and transactions described herein that are to occur upon Court Approval are intended to take place simultaneously, and the parties shall co-operate with each other to coordinate the timing of the effectiveness of such steps and transactions.

26. The information contained in Schedules "B" and "C" hereof is confidential and commercially sensitive. The parties agree to seek an order sealing Schedule "B", pending further order of the Court, and Schedule "C", until such time as the information contained therein is disclosed by STMG, and agree that Schedules "B" and "C" will be redacted from any publicly disclosed materials.

D. Corporate Governance

27. Aziz, or an entity controlled by him, shall be appointed forthwith by the Court Approval order as the chief restructuring officer (the "CRO") of the Applicants and an officer of the Court in consideration of a monthly salary of $65,000, payable in advance, plus GST as applicable and reimbursement of reasonable expenses. Such engagement shall be on a month-to-month basis and may be terminated by Aziz upon 30 days' prior written notice.

28. The CRO shall be responsible, among other things, for developing and implementing the asset consolidation and repatriation plan and assisting the Monitor with the claims process.

29. The board of directors of Hollinger shall be reduced as soon as possible to a maximum of three persons.

30. Upon Court Approval, Hollinger and Voorheis will agree to suspend payment of all monthly work fees payable under Hollinger's consulting agreement with Voorheis or any entity controlled by him and Voorheis shall resign as an officer and director of the Applicants or any subsidiary.

31. In accordance with the engagement letter between Hollinger and BMO Nesbitt Burns Inc. ("BMO"), dated June 15, 2007, payment of all monthly work fees payable to BMO ceased in February 2008.

E. Litigation Assets

32. As part of the Court Approval order, justice John D. Ground shall be appointed as an officer of the Court to perform the role of litigation trustee (the "Litigation Trustee") of all claims and causes of action in favour of the Applicants (the "Litigation Assets") on such terms as may be agreed between the Applicants and justice Ground and subject to approval by the Court.

33. The Litigation Trustee will supervise, control and administer all aspects of the Litigation Assets of the Applicants, in consultation with the Applicants and subject to monitoring by the Monitor and supervision by the Court.

34. The Litigation Trustee may, if he considers it necessary or advisable, retain the services of Voorheis or an entity controlled by him on an hourly basis to provide assistance or advice in respect of the Litigation Assets.

35. The Litigation Trustee will be responsible for administering the Litigation Assets efficiently and in a cost-effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and other stakeholders and shall provide periodic reports to the Advisory Committee (as defined herein) and such other reports as may be requested by any member of the Advisory Committee, acting reasonably.

36. An advisory committee shall be established to provide advice and direction to the Litigation Trustee (the "Advisory Committee") comprised of one nominee of DK, one representative of the Applicants (other than Wes Voorheis) and the Litigation Trustee. The Litigation Trustee shall act in accordance with any majority decision of the Advisory Committee. For greater certainty, in the event of any disagreement as between the representative of DK and the representative of the Applicants, the Litigation Trustee shall have a deciding vote.

37. The nominee of DK to the Advisory Committee shall not receive any remuneration for so acting other than as specified below. The representative of the Applicants shall be a senior Canadian litigation counsel and shall be paid at his or her usual hourly rate by the Applicants. At the option of DK, its nominee may receive compensation on an equivalent basis to that of the representative of the Applicants. All members of the Advisory Committee shall be indemnified in respect of any claims made against them in such capacity excepting only claims arising from their wilful misconduct or gross negligence.

38. The Litigation Trustee will supervise and administer the Litigation Assets on a day-to-day basis, including giving direction to counsel. The Litigation Trustee will seek such direction from the Advisory Committee as he deems necessary or appropriate, but, in particular, the Litigation Trustee will seek direction from the Advisory Committee with respect to litigation strategy, financing (if any) for the Litigation Assets, whether to accept or make any settlement offer and the use of proceeds of any settlement.

39. The amount described in Schedule "B" hereto shall be segregated from the general cash assets of the Applicants and used exclusively for the purpose of funding the administration of the Litigation Assets. Payment of any amount payable to Mr. Wes Voorheis shall be made as contemplated in Schedule "B".

40. The Litigation Trustee will be responsible for administering the Litigation Assets efficiently and in a cost effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and other stakeholders.

41. Representatives of DK and Hollinger will hold all information received by them as members of the Advisory Committee in strict confidence pursuant to a form of confidentiality agreement acceptable to Hollinger, the Litigation Trustee and such representatives, all acting reasonably.

42. DK or Hollinger may apply to Court at any time to seek such changes to the provisions of the order appointing the Litigation Trustee as either of them may deem necessary or appropriate.

Subject to Court Approval being obtained to the terms hereof, pursuant to an Order in form and content satisfactory to the parties, for consideration received, each of the undersigned agrees to the above as evidenced by their respective signatures as of this 14th day of May, 2008. This agreement may be signed in counterparts and delivered by electronic transmission.

HOLLINGER INC., SUGRA LIMITED and

4322525 CANADA INC.

Per: Wes Voorheis

(I have authority to bind each of the corporations)

SUN TIMES MEDIA GROUP, INC.

Per:

Per:

(I/We have authority to bind the corporation)

DAVIDSON KEMPNER CAPITAL MANAGEMENT LLC on its own behalf and on behalf of the affiliates listed in Schedule "A" hereto (collectively, "DK")

Per: ______________________

Per: ______________________

(I/We have authority to bind the entities collectively referred to as "DK")

SUN TIMES MEDIA GROUP, INC.

Per: ____________________

Per: ____________________
(I/We have authority to bind the corporation)

DAVIDSON KEMPNER CAPITAL MANAGEMENT LLC on its own behalf and on behalf of the affiliates listed in Schedule "A" hereto (collectively, "DK")

Per: ____________________

Per: ____________________

(I/We have authority to bind the entities collectively referred to as "DK")

Schedule "A"

MH Davidson Co.

Davidson Kempner International Limited

Davidson Kempner Institutional Partners

Davidson Kempner Partners

Schedule "B"

REDACTED AND SEALED

PURSUANT TO COURT ORDER

DATED MAY 21, 2008

Schedule "C"

The directors to be proposed for election at the annual general meeting of shareholders of STMG to be held on June 17, 2008 are the following, which, for greater clarity, are all of the current directors of STMG. The six directors referred to in paragraph 6 of the Multi-Party Settlement Term Sheet will, notwithstanding any such election, resign in accordance with paragraph 6 of the Multi-Party Settlement Term Sheet.

The Hon. Raymond G.H. Seitz
William Aziz
Brent D. Baird
Albrecht W. A. Bellstedt Q.C.
Herbert A. Denton
Peter Dey
Cyrus F. Freidheim, Jr.
Edward Hannah
Gordon A. Paris
Graham W. Savage
G. Wesley Voorheis

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
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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D.J. Miller – 34393P

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Fax: (416) 304-1313

Solicitors for the Applicants

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**THURSDAY, THE**
	)	
MR. JUSTICE CAMPBELL	)	**3rd DAY OF JULY, 2008**

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

ORDER
(Approval of Litigation Trustee's Terms of Engagement and Amendments to Approval Order)

THIS MOTION, made by the Applicants for an Order approving the terms of an engagement letter between Hollinger Inc. and the Litigation Trustee, as defined in the Order of Mr. Justice Campbell dated May 21, 2008 (the "Approval Order") and for certain amendments to the Approval Order was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants dated June 26, 2008 and on being advised that the Service List as of June 26, 2008 was served electronically with the Applicants' Notice of Motion and upon being further advised that no party opposes the relief sought by the Applicants;

1. **THIS COURT ORDERS** that the terms of the engagement letter between Hollinger Inc. and the Litigation Trustee, a copy of which is annexed hereto as Schedule "A" be and is hereby approved.

2. **THIS COURT ORDERS** that paragraph 12 of the Approval Order be, and is hereby amended as follows:

> "12. **THIS COURT ORDERS** that William E. Aziz <u>or a company or entity owned or controlled by William E. Aziz,</u> shall be and is hereby appointed as an officer of this Court to be the Chief Restructuring Officer ("CRO") over and in respect of all property, assets and undertaking of the Applicants, other than the Litigation Assets, upon the terms described herein and in the Multi-Party Settlement."

3. **THIS COURT ORDERS** that paragraph 13 of the Approval Order be, and is hereby amended as follows:

> "13. **THIS COURT ORDERS** that justice John D. Ground (retired) <u>or a company or entity owned or controlled by John D. Ground,</u> is hereby appointed as an officer of this Court to be the Litigation Trustee over and in respect of all claims and causes of action in favour of the Applicants (collectively, the "Litigation Assets") on the terms described herein and in the Multi-Party Settlement."

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

JUL 0 3 2008

PER/PAR: JSN Joanne Nicoara
Registrar, Superior Court of Justice

Schedule "A"

Hollinger

June 25, 2008

Justice John D. Ground
ADR Chambers
112 Adelaide Street East,
Toronto, ON M5C 1K9

Dear Sir:

This letter is in respect of your appointment as the litigation trustee ("Litigation Trustee") over and in respect of all claims and causes of action in favour of Hollinger Inc. ("Hollinger"), 4322525 Canada Inc. and Sugra Limited (collectively, the "Applicants") pursuant to the Order of the Honourable Mr. Justice Campbell dated May 21, 2008 (the "Appointment Order") as described in a settlement agreement (the "Settlement Agreement") dated May 14, 2008 among the Applicants, Sun-Times Media Group, Inc. and Davidson Kempner Capital Management LLC on its own behalf and on behalf of certain of its affiliates. We confirm that your services as Litigation Trustee may be provided through a company or entity owned or controlled by you.

Capitalized terms used herein, which are not otherwise defined, shall have the meanings described in the Settlement Agreement.

Pursuant to the Appointment Order, as Litigation Trustee you are authorized and directed to preserve, protect and realize upon the Litigation Assets for the benefit of the Applicants and their creditors and other stakeholders.

In your capacity as Litigation Trustee, we request that you render accounts to Hollinger for such services regularly, which accounts will be paid by Hollinger promptly upon receipt. All accounts rendered by you as Litigation Trustee shall be on the basis of time spent at the rate of $800.00 per hour subject to any adjustments to this rate as may be agreed with the Applicants and approved by the Monitor in writing. Hollinger will also reimburse you for all reasonable expenses incurred by you in carrying out your role as Litigation Trustee.

In this letter:

> "Claims" means any action, suit, proceedings, investigation or claim that may be made or threatened by any person (including shareholder or beneficiary actions, derivative or otherwise);
>
> "Losses" means losses, expenses, damages and liabilities, joint or several, including, without limitation, the aggregate amount paid in settlement of any Claims and the

reasonable fees and expenses of your counsel in defending such Claims and including, without limitation, that are incurred by you in enforcing this indemnity;

The Applicants jointly and severally will indemnify and hold you harmless from and against any and all Claims asserted against you, and Losses incurred by you, insofar as such Claims and Losses directly or indirectly relate to, are caused by, result from, arise out of or are based upon your appointment as Litigation Trustee, the carrying out of your mandate in such capacity or the fulfilling of your duties in carrying out the provisions of the Appointment Order, excepting only Claims or Losses arising from your willful misconduct or gross negligence. The Applicants will jointly and severally reimburse you for time spent by you in connection with any Claim asserted against you at your applicable hourly rate, unless and until such time as it is determined by a court of competent jurisdiction that such Claim and any Losses in connection with such Claim arose from gross negligence or willful misconduct on your part. In the event of such a finding being made by final Order of a court of competent jurisdiction, you agree to reimburse the Applicants for any amounts previously paid to you in connection with such Claim.

You may terminate this engagement at any time upon giving 30 days prior written notice to Hollinger. Termination of this engagement shall not affect any obligations of the Applicants set forth herein.

Please confirm your agreement to the terms hereof by executing and returning this letter agreement in the space below.

Yours very truly,

HOLLINGER INC., 4322525 CANADA INC. and SUGRA LIMITED

Per: William Aziz
Chief Restructuring Officer

For consideration received, the above terms are agreed to this day of June, 2008.

Justice John D. Ground

205562-4

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

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

ORDER
(Approval of Litigation Trustee's Terms of Engagement and Amendments to Approval Order)

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Solicitors for the Applicants

EXHIBIT "C"

EXHIBIT "C"

Court File No. 04-CL-5441

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**MONDAY, THE 30th**
	)	
MR. JUSTICE T. McEWEN	)	**DAY OF MARCH, 2015**

IN THE MATTER OF HOLLINGER INC., A CORPORATION INCORPORATED UNDER THE LAWS OF CANADA

APPLICATION UNDER SECTION 229 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

ORDER
(Re: Destruction of Records)

THIS MOTION, brought by Hollinger Inc. ("**Hollinger**") for an Order, *inter alia*, authorizing the destruction of records, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Thirteenth Report of Ernst and Young Inc. in its capacity as Inspector of Hollinger (the "**Inspector**") and on hearing from counsel for Hollinger and the Inspector and such other counsel as were present and on being advised that all other parties were served with the Notice of Motion,

<u>Service</u>

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

Inspector's Discharge/Fees

2. **THIS COURT ORDERS** that the Inspector be and is hereby discharged from any future obligations or duties in respect of its investigation of the affairs of Hollinger.

3. **THIS COURT ORDERS** that these proceedings be and hereby are dismissed without costs, except for as provided below.

4. **THIS COURT ORDERS** that the professional fees and disbursements of the Inspector for the period October 14, 2006 to December 13, 2013 in the amount of $67,836.29, and its counsel, Lenczner Slaght Royce Smith Griffin LLP, for the period September 1, 2006 to February 28, 2015 in the amount of $57,249.34, having already been paid, be and are hereby approved.

Destruction of Records

5. **THIS COURT ORDERS** that the destruction of any and all materials, documents, books, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Hollinger or its affiliates, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the "**Records**") maintained by Hollinger or its affiliates and in the possession or control of Hollinger be and is hereby authorized at such time as BlueTree Advisors Inc., in its capacity as the CRO of Hollinger, deems it advisable.

6. **THIS COURT ORDERS** that, having read that the CRO has reviewed an index of the Records maintained by the Inspector and approved of their destruction, the destruction of the Records maintained by the Inspector and in the possession or control of the Inspector be and is hereby authorized at such time as the Inspector deems it advisable.

7. The Inspector shall offer the opportunity for Conrad Black and David Radler to retrieve any documents and other items in its possession that appear to be their personal property. Any such documents or items which are not retrieved by Mr. Black and Mr. Radler may

be destroyed in accordance with the terms of this order upon reasonable notice to Mr. Black and Mr. Radler after they have been provided with such opportunity.

McEwen

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

MAR 30 2015

NB

IN THE MATTER OF HOLLINGER INC., A CORPORATION INCORPORATED UNDER THE LAWS OF CANADA

APPLICATION UNDER SECTION 229 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

Court File No.: 04-CL-5441

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Re: Destruction of Records)

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Lawyers for Hollinger Inc.

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

AFFIDAVIT OF WILLIAM E. AZIZ

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Lawyers for the Applicants and Non-Applicants

TAB 3

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**THURSDAY, THE 30TH**
	)	
MR. JUSTICE MCEWEN	)	**DAY OF APRIL, 2015**

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

ORDER
(re: Discharge Motion and Stay Extension)

THIS MOTION brought by the Applicants was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants' Notice of Motion dated April 24, 2015 (the "**Notice of Motion**"), the Affidavit of the Chief Restructuring Officer of the Applicants and the Non-Applicants sworn April 24, 2015 (the "**Aziz Affidavit**") and the Twenty-ninth 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 and the Monitor and such other counsel as were present and on being advised that the Service List as of April 24, 2015 was served electronically with the Notice of Motion.

Defined Terms

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

Service

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

Litigation Trustee and Advisory Committee

3. **THIS COURT ORDERS** that the activities of the Litigation Trustee and the Advisory Committee are hereby approved.

4. **THIS COURT ORDERS** the Litigation Trustee shall be discharged as Litigation Trustee of the Litigation Assets, provided however that notwithstanding his discharge herein, the Litigation Trustee shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings.

5. **THIS COURT ORDERS AND DECLARES** that the Litigation Trustee is hereby released and discharged from any and all liability that the Litigation Trustee now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Litigation Trustee while acting in its capacity as Litigation Trustee herein, save and except for any gross negligence or wilful misconduct on the Litigation Trustee's part. Without limiting the generality of the foregoing, the Litigation Trustee is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within proceedings, save and except for any gross negligence or wilful misconduct on the Litigation Trustee's part

6. **THIS COURT ORDERS** the Advisory Committee and each member thereof shall be discharged, provided however that notwithstanding its discharge herein, the Advisory Committee

shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings.

7. **THIS COURT ORDERS AND DECLARES** that the Advisory Committee is hereby released and discharged from any and all liability that the Advisory Committee now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Advisory Committee while acting in its capacity as Advisory Committee herein, save and except for any gross negligence or wilful misconduct on the Advisory Committee's part. Without limiting the generality of the foregoing, the Advisory Committee is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within proceedings, save and except for any gross negligence or wilful misconduct on the Advisory Committee's part

Chief Restructuring Officer

8. **THIS COURT ORDERS** that paragraph 27 of the MPSA, as approved by the MPSA Order, be and is hereby amended to reduce the monthly salary from $65,000 to $10,000 (plus applicable taxes) effective July 1, 2015.

Extension of the Stay Period

9. **THIS COURT ORDERS** that the Stay Period in the Initial Order with respect to the Applicants is hereby extended to and including June 30, 2015.

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

ORDER
(Discharge and Stay Extension)

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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**

MOTION RECORD
(Returnable April 30, 2015)

THORNTON GROUT FINNIGAN LLP
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