

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

THE HONOURABLE MR.) WEDNESDAY, THE 27th DAY
JUSTICE CAMPBELL) OF AUGUST, 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



NON-APPLICANT CLAIMS ORDER

THIS MOTION made by the Applicants for an Order establishing a claims process for the identification and determination of all Claims (as defined herein) against the following non-Applicant subsidiaries of the Applicants: Domgroup Ltd., 10 Toronto Street Inc., Holcay Holdings Ltd. and 021173 N.B. Limited a.k.a. Willett Foods f/k/a Willett Food Company (collectively, the “**Non-Applicants**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants’ Notice of Motion dated August 15, 2008, the 9th Report of Ernst & 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 (collectively, “**DK**”), Sun-Times Media Group, Inc. (“**STMG**”), 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 “**Indenture Trustees**”), and such other counsel as were present and on being advised that the Service List as of August 15, 2008 was served electronically with the Applicants’

Notice of Motion dated August 15, 2008 herein,

Service

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

Definitions and Interpretations

2. **THIS COURT ORDERS** that, for the purposes of this Order (the “**Non-Applicant Claims Order**”), in addition to the terms defined elsewhere in this Non-Applicant Claims Order, the following terms shall have the following meanings:
 - (a) “**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
 - (b) “**Claim**” means:
 - (i) a Secured Claim;
 - (ii) a Domgroup OPEB Claim; and
 - (iii) the rights of any Person whatsoever, including any Secured Creditor, against one or more of the Non-Applicants or the Directors, whether or not asserted and however acquired, in connection with any (a) indebtedness, liability or obligation of any kind of one or more of the Non-Applicants and/or Directors in existence on the Claim Date, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, direct or indirect, by guarantee, surety, insurance deductible or otherwise, and whether or not such claim or right arises out of a contract that is executory or anticipatory in nature, (b) right of any Person, including but not limited to any Non Arms-Length Claimant, to assert a claim against the Non-Applicants for any advancement payments or any

indemnification obligations or any claim for contribution, indemnity, damages or payment whether directly or by way of third party claim or otherwise with respect to any matter, action, cause of action or chose in action, whether asserted or not, which is based in whole or in part on facts or circumstances existing as at the Claim Date; (c) any other claims that would have been claims provable in bankruptcy had the applicable Non-Applicant become bankrupt on the Claim Date;

but Claim shall not include any indebtedness, liability or obligation owing by any Non-Applicant to another Non-Applicant, or any indebtedness, liability or obligation owing by a Non-Applicant to any of the Applicants.

- (c) **“Claims Bar Date”** means, with respect to all Claims other than Domgroup OPEB Claims (as defined herein), 5:00 p.m. (Eastern Standard Time) on September 30, 2008, or such later date as may be ordered by this Court. Notwithstanding anything else contained in this Non-Applicant Claims Order, the Claims Bar Date for Domgroup OPEB Claims shall be thirty (30) calendar days following the date of an Order made by this Honourable Court appointing Representative Counsel for all Persons having a Domgroup OPEB Claim;
- (d) **“Claim Date”** means August 27, 2008, which shall be the date for determining all Claims under this Claims Order;
- (e) **“Claims Order”** means the Order of Mr. Justice Campbell dated May 21, 2008 ordering the implementation of a CCAA Claim Process for all claims against the Applicants as set out therein;
- (f) **“Claims Officer”** means David E. Baird, Q.C. appointed by the Court pursuant to paragraph 11 of the Claims Order and paragraph 10 of this Non-Applicant Claims Order;
- (g) **“Creditor”** means any Person having a Claim including any Known Creditor, and includes without limitation the transferee or assignee of a Claim or a trustee, liquidator, receiver, receiver and manager, or other Person acting on behalf of such

Person;

- (h) **“Creditor's Dispute Package”** means a copy of the Notice of Revision or Disallowance associated with the Creditor's Proof of Claim and the Dispute Notice;
- (i) **“CRO”** means the Chief Restructuring Officer of the Applicants and the Non-Applicants, which is BlueTree Advisors Inc., using the services of its sole officer and director William E. Aziz, or such replacement CRO as may be approved by this Court in respect of the Applicants, or as may be appointed by the Non-Applicants;
- (j) **“Directors”** means only those individuals who were, as at July 31, 2007, a director or officer of any one or more of the Non-Applicants or have been, since July 31, 2007, a director or officer of any one or more of the Non-Applicants;
- (k) **“Disputed Claim”** means a Claim or such portion thereof that is disputed by any of the Non-Applicants or the Monitor;
- (l) **“Dispute Notice”** means the notice delivered by a Creditor to the Monitor and the Non-Applicants with respect to a Claim pursuant to paragraph 27 which shall be substantially in the form attached as Schedule ‘E’ hereto;
- (m) **“Domgroup OPEB Claim”** means the right of any Person to assert an existing or future Claim for payment, reimbursement or coverage arising in connection with any post-employment benefit plan involving Domgroup Ltd. or 10 Toronto Street Inc., whether in relation to medical, dental, disability, life insurance or other form of benefit, obligation or payment to which such Person (or others who may be entitled to claim under or through such Person) might be entitled. For greater certainty, a Domgroup OPEB Claim does not include: (i) a Claim in respect of any pension top-up payments for retirees of the former Dominion Stores and / or their surviving spouses (ii) a Claim in respect of any long-term disability payment or entitlement; however each of (i) and (ii) are a Claim for all purposes under this Non-Applicant Claims Order;
- (n) **“Insolvency Proceeding”** means any voluntary or involuntary bankruptcy,

receivership, liquidation, winding up or other realization process or proceeding involving the Non-Applicants at any time whereby the claims of creditors are determined and the assets of the Non-Applicants are distributed for the benefit of their creditors;

- (o) **“Instruction Letter”** means the instruction letter to Creditors, in substantially the form attached as Schedule ‘B’ hereto, regarding the completion of a Proof of Claim by a Creditor and the claims process described herein;
- (p) **“Known Creditor”** means:
 - (i) any Person that the financial or other records of a Non-Applicant as of the Claim Date disclose had, or may be entitled to assert a Claim, where monies in respect of such Claim remain unpaid in full or in part, without acknowledging in any respect the validity or existence of any such Claim;
 - (ii) any Non Arms-Length Claimant (and service or notice to an individual Person shall be deemed to be effective service in respect of any corporate or other Person owned or controlled by such individual Person);
 - (iii) Secured Creditors; and
 - (iv) Representative Counsel (as defined herein), upon his or her appointment by this Honourable Court in respect of and on behalf of all Persons having a Domgroup OPEB Claim;
- (q) **“Multi-Party Settlement”** means the Multi-Party Settlement dated May 14, 2008 among the Applicants, STMG and DK as approved by Order of the Court dated May 21, 2008;
- (r) **“Non Arms-Length Claimant”** means any Person who was a director or officer of any of the Non-Applicants prior to the commencement of the Applicants’ CCAA Proceedings, who was not also an officer or director of any of the Non-Applicants after such date, and all Persons related to such Non Arms-Length Claimant including but not limited to all companies or other legal entities that such Persons own or

control in whole or in part, directly or indirectly;

- (s) **“Notice of Revision or Disallowance”** means the notice delivered by the Monitor to a Creditor in accordance with paragraph 26 hereof which forms part of the Creditor’s Dispute Package, which shall be substantially in the form attached as Schedule ‘D’ hereto;
- (t) **“Notice to Creditors”** means the notice to Creditors for publication in accordance with paragraph 13 hereof, which shall be substantially in the form attached as Schedule ‘A’ hereto;
- (u) **“Person”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, group, unincorporated organization, joint venture, government or any agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other entity howsoever designated or constituted;
- (v) **“Proof of Claim”** means the form to be completed and filed by a Creditor setting forth its purported Claim, which shall be substantially in the form attached as Schedule ‘C’ hereto and which shall include all supporting documentation in respect of such Claim;
- (w) **“Proof of Claim Document Package”** means a document package which shall include a copy of the Instruction Letter, a Proof of Claim, this Non-Applicant Claims Order and such other materials as the Monitor or Non-Applicants may consider appropriate or desirable;
- (x) **“Representative Counsel”** means counsel appointed by this Honourable Court to act as a legal representative for Persons holding Domgroup OPEB Claims;
- (y) **“Secured Creditor”** means any Creditor holding a Claim, any portion of which is, or was at the Claim Date, a Secured Claim;
- (z) **“Secured Claim”** means, subject to the provisions of any settlement agreement approved by this Honourable Court, that portion of a Claim of a Secured Creditor

that is: (i) secured by security validly charging or encumbering property or assets of any of the Non-Applicants (including statutory and possessory liens that create security interests) up to the value of such collateral; and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Claim Date;

(aa) **“Supervising Judge”** means the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List);

(bb) **“Website”** means the website of the Monitor, www.ey.com/ca/hollinger

3. **THIS COURT ORDERS** that all references to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day in Toronto unless otherwise indicated herein.
4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.
5. **THIS COURT ORDERS** that references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

General Provisions

6. **THIS COURT ORDERS** that the Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim, Notices of Revision or Disallowance and Dispute Notices are completed and executed, and may, where the Monitor is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Non-Applicant Claims Order as to completion and execution of Proofs of Claim, Notices of Revision or Disallowance and Dispute Notices and to request any further documentation the Monitor may require in order to enable it to determine the validity of a Claim.

Monitor's Role in Claims Process

7. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall implement

and oversee the claims process in respect of the Non-Applicants as provided for herein, including the determination of Claims of Creditors as provided for herein, with assistance from the CRO, and is hereby directed and empowered to take such other actions and as are contemplated by this Non-Applicant Claims Order.

8. **THIS COURT ORDERS** that the Monitor may apply to this Court for directions regarding its obligations in respect of the claims process provided for in this Non-Applicant Claims Order.
9. **THIS COURT ORDERS** that neither the Monitor nor the CRO shall have any responsibility or liability with respect to any information, confidential or otherwise, including without limitation, a Proof of Claim Document Package, a Creditor's Dispute Package or otherwise, distributed, circulated or released, whether intentional or unintentional, by the Monitor or CRO relating to the exercise of their powers and discharge of their obligations under this Non-Applicant Claims Order. The Monitor and the CRO shall be entitled to rely on the Non-Applicants' books and records for all purposes including establishing the names and addresses of Known Creditors. The rights and protections afforded to the Monitor under the CCAA and the Initial Order or as an officer of this Court, and the rights and protections afforded to the CRO of the Applicants under the Order of this Court dated May 21, 2008 and pursuant to any indemnity from the Applicants and Non-Applicants, apply to the activities of the Monitor and the CRO under this Order. Neither the Monitor nor the CRO of the Non-Applicants shall incur any liability or obligation as a result of the fulfillment of their respective duties in the carrying out of the provisions of this Non-Applicant Claims Order, save and except for any gross negligence or willful misconduct on their part.

Claims Officer

10. **THIS COURT ORDERS** that, subject to paragraph 7 herein and subject to the discretion of the Court on a motion pursuant to paragraph 30 hereof, the Claims Officer shall determine the validity and amount of Disputed Claims in accordance with this Non-Applicant Claims Order. The Claims Officer shall determine all procedural matters that may arise in respect of its determination, including the manner in which any evidence may be adduced. The Claims

Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before the Claims Officer shall be paid.

11. **THIS COURT ORDERS** that the Claims Officer shall be entitled to reasonable compensation for the performance of its obligations set out in this Non-Applicant Claims Order which shall be paid by the Non-Applicants on the same terms as set out in paragraphs 13 and 14 of the Claims Order.
12. **THIS COURT ORDERS** that the Claims Officer shall incur no liability or obligation as a result of the fulfilling of its duties in carrying out of the provisions of this Non-Applicant Claims Order, save and except for any gross negligence or willful misconduct on its part. The Non-Applicants shall indemnify and hold harmless the Claims Officer with respect to any liability or obligation as a result of the fulfilling of its duties in carrying out the provisions of this Non-Applicant Claims Order, save and except for any gross negligence or willful misconduct on its part. No action, application or other proceeding shall be commenced against the Claims Officer as a result of, or relating in any way to its appointment as the Claims Officer, the fulfillment of its duties as the Claims Officer or the carrying out of any Order of this Court except with leave of this Court being obtained, and notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Non-Applicants, the Monitor and the Claims Officer at least seven (7) days prior to the return date of any such motion for leave.

Publication of Notice to Creditors

13. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors to be published on two separate days on or before September 3, 2008 in each of (i) The Globe and Mail (National Edition) on one such day; (ii) the National Post on another such day; and (iii) the Cayman Free Press on one day and the Cayman Gazette on one day in respect of Claims only against Holcay Holdings Ltd. or its Directors.
14. **THIS COURT ORDERS** that electronic copies of both the Notice to Creditors and the Proof of Claim Document Package shall be posted on the Website.

Notice to Known Creditors

15. **THIS COURT ORDERS** that the Non-Applicants shall advise the Monitor of all Known Creditors, and that the Monitor shall be entitled to rely on the accuracy and completeness of the information provided by the Non-Applicants regarding the Known Creditors. For greater certainty, neither the CRO nor the Monitor shall have any liability in respect of the information provided to either of them regarding the Known Creditors and shall not be required to conduct any independent inquiry and/or investigation with respect to such information. Representative Counsel, once appointed by this Honourable Court, shall be a Known Creditor and shall receive all notices and other documents from the Monitor, the Non-Applicants, the Claims Officer and the CRO on behalf of all Persons holding a Domgroup OPEB Claim. Notwithstanding anything else contained herein, service of any notice to the Representative Counsel by the Monitor, the Non-Applicants, the Claims Officer and the CRO shall, for all purposes in relation to this Non-Applicant Claims Order, be deemed to be notice to all Persons holding a Domgroup OPEB Claim.
16. **THIS COURT ORDERS** that:
 - (a) The Monitor shall send a copy of the Proof of Claim Document Package to each Known Creditor by ordinary pre-paid mail as soon as practicable to the last known address for such Creditor on the Non-Applicants' books and records, and in any event by 11:59 p.m. on the seventh (7th) Business Day following the date of this Non-Applicant Claims Order. The delivery of the Proof of Claim Document Package to a Creditor shall not constitute an admission by the Non-Applicants, the CRO or the Monitor of any liability of the Non-Applicants to any Person; and
 - (b) The Monitor shall send by ordinary pre-paid mail, as soon as practicable following receipt of a request therefor, a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material, or in the alternative, notify the purported Creditor that it may obtain an electronic copy of the Proof of Claim Document Package on the Website.

Any such service and delivery by the Monitor for all purposes under this Non-Applicant Claims Order shall be deemed to have been received: (i) if sent by ordinary mail, on the third

Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by fax, on the date on which the Monitor receives a successful facsimile transmission report or, if sent on a day that is not a Business Day or after 5:00 (Toronto time) on a Business Day, the following Business Day; (iii) if by courier, on the next following Business Day for courier deliveries within Canada, and on the third following Business Day for courier deliveries outside of Canada. For greater certainty, the notice and service provisions of this paragraph 16 only apply to the Domgroup OPEB Claims upon the appointment of Representative Counsel by this Honourable Court.

17. **THIS COURT ORDERS** that service by the Monitor of the Proof of Claim Document Package on Creditors and publication of the Notice to Creditors in the manner set forth herein shall constitute good and sufficient service upon the Creditors of notice of this Non-Applicant Claims Order, the Claims Bar Date and the related deadlines and procedures set forth herein, and that no other form of service or notice need be made by the Non-Applicants, the CRO or the Monitor to any Person, and no other document or material need be served on any Person in respect of the claims process detailed herein.
18. **THIS COURT ORDERS** that the form and substance of each of the Notice to Creditors, Instruction Letter, Proof of Claim, Notice of Revision or Disallowance and Dispute Notice substantially in the forms attached as Schedules 'A', 'B', 'C', 'D' and 'E' respectively to this Non-Applicant Claims Order, are hereby approved. Despite the foregoing, the Non-Applicants, the CRO and the Monitor may, from time to time, make minor changes to such forms as the Non-Applicants, the CRO and the Monitor consider necessary or desirable.

Filing of Proofs of Claim

19. **THIS COURT ORDERS** that any Person asserting a Claim against one or more of the Non-Applicants or the Directors shall file a Proof of Claim (including all supporting documentation) with the Monitor on or before the Claims Bar Date. Representative Counsel shall file all Claims constituting Domgroup OPEB Claims on behalf of such claimants as the Creditor, and shall take all such other steps in respect of such Claim as are set out herein.
20. **THIS COURT ORDERS** that each Creditor shall file a separate Proof of Claim for each

Non-Applicant or Director against which it asserts a Claim and shall include any and all Claims it asserts against such Non-Applicant or Director in a single Proof of Claim.

21. **THIS COURT ORDERS** that, any Creditor that does not file a Proof of Claim as provided for in paragraphs 19 and 20 hereof so that such Proof of Claim is actually received by the Monitor on or before the Claims Bar Date or such later date as the Monitor and the Non-Applicants may agree in writing or this Court may otherwise order:
- (a) shall be and is hereby forever barred from making or enforcing any Claim as against any Non-Applicant and the Directors, and all such Claims shall be forever extinguished;
 - (b) shall be and is hereby forever barred from making or enforcing any Claim as against any other Person who could claim contribution or indemnity from a Non-Applicant; and
 - (c) shall not be entitled to any payment or distribution in respect of such Claim at any time.

Determination of Claims

22. **THIS COURT ORDERS** that, other than in respect of Claims filed by Non Arms-Length Claimants, the Monitor, with the assistance of the CRO, shall review each Proof of Claim received by the Claims Bar Date and shall either accept, revise or disallow the amount claimed.
23. **THIS COURT ORDERS** that the acceptance of any Claim by the Monitor or other determination of same in accordance with this Non-Applicant Claims Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum of any claim by the Non-Applicants, save and except in the context of the within proceedings and for the sole purposes of winding up the Non-Applicants and implementing the Multi-Party Settlement.

Claims of Non Arms-Length Claimants

24. **THIS COURT ORDERS** that, if any Proof of Claim is received by the Monitor from a Non Arms-Length Claimant prior to the Claims Bar Date, such Claim will not be determined by

the Monitor or the Claims Officer, but shall be referred to the Supervising Judge. Upon receipt of any Proof of Claim by a Non Arms-Length Claimant, the Monitor shall take steps to schedule a hearing before the Supervising Judge for a determination of such Claim on an expedited and summary basis. Counsel for the Monitor, the Applicants, DK, STMG, the Indenture Trustees, the Non-Applicants and the Non Arms-Length Claimant shall attend at a 9:30 scheduling appointment with the Supervising Judge within ten (10) calendar days after the Claims Bar Date, at which time the Supervising Judge will determine (i) the date on which the hearing will be held; (ii) the manner in which evidence will be given or filed by all parties in respect of the hearing, (iii) the length and manner of submissions by all parties, (iv) the schedule for the delivery of all materials, and (v) such other matters as the Supervising Judge may determine are appropriate.

25. **THIS COURT ORDERS** that, for greater certainty, the Monitor shall not be required to issue a Notice of Revision or Disallowance or send a Creditor's Dispute Package in respect of any Proof of Claim filed by a Non Arms-Length Claimant. Any references in this Non-Applicant Claims Order to the issuing of such notices or sending of such packages by the Monitor shall be deemed to exclude reference to Proofs of Claim filed by the Non Arms-Length Claimants. The Monitor shall provide counsel for the Non Arms-Length Claimant with not less than three (3) business days' notice of the date for the 9:30 attendance before the Scheduling Judge, as referred to in paragraph 24 herein.

Notices of Revision or Disallowance

26. **THIS COURT ORDERS** that if the Monitor, with the assistance of the CRO, disputes the amount of a Claim set forth in a Proof of Claim, the Monitor:
- (a) may, in conjunction with the CRO, attempt to consensually resolve the amount of the Claim with the Creditor; and/or failing such resolution
 - (b) shall send a Creditor's Dispute Package to the Creditor, which shall include a Notice of Revision or Disallowance.

Dispute Notices

27. **THIS COURT ORDERS** that any Creditor who receives a Creditor's Dispute Package and

who does not agree with the amount of Claim set out in the Notice of Revision or Disallowance, shall file a Dispute Notice with the Monitor by the earlier of twenty (20) Business Days following receipt of the Creditor's Dispute Package, or such later date as the Monitor and the Non-Applicants may agree in writing, or this Court may otherwise order.

28. **THIS COURT ORDERS** that if a Creditor who receives a Creditor's Dispute Package does not file a Dispute Notice in accordance with paragraph 27 hereof, then the value of such Creditor's Claim as described by the Monitor in the Notice of Revision or Disallowance shall, for all purposes, be deemed to be accepted as final and binding in all respects.
29. **THIS COURT ORDERS** that, upon receipt of a Dispute Notice the Monitor may, in conjunction with the CRO, attempt to consensually resolve the amount of the Claim and/or deliver a copy of the Creditor's Dispute Package and the Creditor's Proof of Claim to the Claims Officer for determination.
30. **THIS COURT ORDERS** that, notwithstanding any other provisions of this Order, prior to a hearing date being set by the Claims Officer, the Monitor or any Non-Applicant may apply to this Court to seek to have a Claim determined by the Supervising Judge rather than having the Claim first determined by the Monitor and/or secondly by the Claims Officer as provided herein.
31. **THIS COURT ORDERS** that the plan of final distribution at the completion of the Non-Applicant Claims process shall be subject to the approval of this Honourable Court. The CRO and the Monitor shall reasonably consult with DK and STMG during the course of the Non-Applicant Claims process and shall provide notice to DK and STMG prior to accepting any Claims over \$1 million.
32. **THIS COURT ORDERS** that, notwithstanding anything herein to the contrary, the Monitor or the Non-Applicants may move before this Court to resolve or seek directions in respect of the validity, effect and/or quantum of any Claim or any other aspect of the claims process outlined in this Non-Applicant Claims Order.

Claims Officer's Hearing for Claims

33. **THIS COURT ORDERS** that upon receipt of a Creditor's Dispute Package and the Creditor's Proof of Claim, the Claims Officer shall schedule and conduct a hearing in Toronto to determine the value of the Creditor's Claim. The Claims Officer hearing the dispute shall notify the Non-Applicants, the Monitor and the Creditor of the Claims Officer's determination of the value of the Creditor's Claim as soon as practicable thereafter, but in no event later than thirty (30) calendar days after the conclusion of the hearing of the Disputed Claim.
34. **THIS COURT ORDERS** that, subject to paragraph 10 hereof, the parties to the Disputed Claim may offer evidence in support or in opposition to the Disputed Claim, and the Claims Officer shall determine the manner in which any such evidence may be brought before him by the parties, as well as any other procedural or evidentiary matters that may arise in respect of the hearing of a Disputed Claim, including, without limitation, the production of documents by any of the parties involved in the hearing of a Disputed Claim.
35. **THIS COURT ORDERS** that the Claims Officer may, at any time, engage such advisors as it deems necessary or appropriate to inquire into and report on any questions of fact, opinion or law relating to the hearing of a Disputed Claim.

Appeal of Claims Officer's Determination

36. **THIS COURT ORDERS** that the Non-Applicants, the Monitor or the Creditor may, at his/her/its/their own expense, appeal the Claims Officer's determination of a Disputed Claim to this Court within ten (10) calendar days of notification of the Claims Officer's determination of such Creditor's Claim by serving upon the Non-Applicants or the Creditor, as applicable, and the Monitor and filing with this Court a notice of motion returnable on a date to be fixed by this Court as soon as practicable. If an appeal is not filed within such period in strict accordance with this Order, then the Claims Officer's determination shall, subject to further order of this Court, be final and binding in all respects, with no further right of appeal.

37. **THIS COURT ORDERS** that, notwithstanding paragraph 35 hereof, findings of fact made by a Claims Officer in respect of a Disputed Claim shall be final and binding and shall not be subject to review on appeal to this Court, unless the Court determines that said findings of fact made by the Claims Officer constitute a palpable and overriding error. Except as expressly provided herein, nothing in this Order shall limit the grounds for an appeal pursuant to paragraph 35 hereof.

Set-Off

38. **THIS COURT ORDERS** that the Non-Applicants may set-off (whether by way of legal, equitable or contractual set-off) against payments, distributions, provisions or holdbacks to be made to or established for the benefit of any Creditor, any claims of any nature whatsoever that any of the Non-Applicants may have against such Creditor, however, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Non-Applicants of any such claim that the Non-Applicants may have against such Creditor.

Transfer of Claims

39. **THIS COURT ORDERS** that if, after filing a Proof of Claim, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Non-Applicants shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Non-Applicant Claims Order prior to receipt and acknowledgment by the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any defenses and rights of set-off to which a Non-Applicant may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claim assigned or transferred to it against or on account or in

reduction of any amounts owing by such Person to any of the Non-Applicants.

Service and Notice

40. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Dispute Notices) to be given under this Non-Applicant Claims Order by a Creditor to the Monitor shall be in writing in the form provided for in this Claims Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or facsimile transmission addressed to:

Ernst & Young Inc., the Monitor

By Mail:

P.O. Box 251
Ernst & Young Tower
222 Bay Street, 21st Floor
Toronto, ON M5K 1J7

By Courier:

222 Bay Street, 21st Floor
Ernst & Young Tower
Toronto, ON M5K 1J7

Attention: Christopher Mediratta

Fax: (416) 943-3300

Any such notice or other communication delivered by a Creditor shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a Business Day or, if delivered outside of normal business hours, on the next Business Day.

41. **THIS COURT ORDERS** that if, during any period in which notices or other communications are being given pursuant to this Non-Applicant Claims Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, or facsimile transmission in accordance with this Non-Applicant Claims Order.

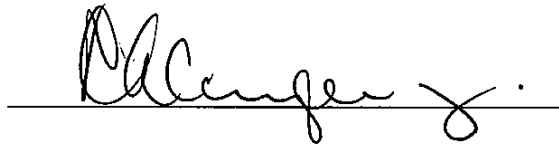
Miscellaneous

42. **THIS COURT ORDERS** that notwithstanding any other provision of this Non-Applicant Claims Order, the solicitation by the Monitor or the Non-Applicants of Proofs of Claim, and the filing by any Person of any Proof of Claim shall not, for that reason only constitute that Person as a Creditor for any purposes whatsoever.
43. **THIS COURT ORDERS** that if the Non-Applicants enter into any Insolvency Proceeding or any other proceeding as part of their winding-up, the claims process established by this Non-Applicant Claims Order may, at the option of the Non-Applicants, constitute and be deemed to be the complete and final claims process for any such other proceedings; subject to approval of this Non-Applicant Claims Order and the claims process established herein and conducted hereunder by further Order of this Court in connection with any Insolvency Proceedings.

Effect, Recognition, Assistance

44. **THIS COURT ORDERS** that the Non-Applicants, the Monitor and the Claims Officer may, from time to time, apply to this Court for advice and directions in connection with any matter or thing relating to this Non-Applicant Claims Order.
45. **THIS COURT ORDERS** that this Non-Applicant Claims Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.
46. **THIS COURT ORDERS AND REQUESTS** the aid, recognition and assistance of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court 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 court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this order. Each of the Applicants, the Non-Applicants and the Monitor shall be

at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial regulatory and administrative bodies, and take such other steps, in Canada or in the United States of America, as may be necessary or advisable to give effect to this Non-Applicant Claims Order and any other Order granted by this Court.



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

AUG 27 2008

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