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
(Re: Stay Extension)

November 29, 2013

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TAB 1

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Applicants

NOTICE OF MOTION
(re: Stay Extension)

THE APPLICANTS will make a motion before a judge presiding over the Commercial List on Wednesday, December 4, 2013 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 December 4, 2013.

2. An Order extending the stay of proceedings provided for in the Order of the Honourable Mr. Justice Morawetz dated August 1, 2007 (the "**Initial Order**") currently expiring on January 10, 2014 (the "**Stay Period**") to July 10, 2014.

3. An Order approving the amended DIP Financing provided by Domgroup Ltd. ("**Domgroup**") to the Applicants pursuant to the Amended Commitment Letter dated November 29, 2013 (the "**Amended Commitment Letter**").

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

THE GROUNDS FOR THE MOTION ARE:

Stay Extension

1. On August 1, 2007, the Applicants applied for and were granted protection from their creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to the Initial Order.

2. The Stay Period pursuant to the Initial Order has been extended by subsequent Orders of this Honourable Court and currently expires on January 10, 2014.

Litigation

3. John D. Ground Q.C. (retired justice), in his capacity as Litigation Trustee of Hollinger Inc. ("**Hollinger**") continues to pursue Hollinger's claims against the remaining non-settling defendants. The next major step in the litigation is the establishment of a discovery plan that will set out the parameters for productions and discoveries. Hollinger is currently working on a discovery plan proposal.

Distribution Motion

4. The Applicants have sought a distribution of the estates of the Applicants and the establishment of certain reserves for unresolved claims. Pursuant to the directions of Justice Campbell on September 23, 2013, this motion has been adjourned until certain litigation matters are determined. It is the Applicants' intention to bring the distribution motion forward as soon as circumstances permit.

DIP Financing

5. Pursuant to a commitment letter dated May 25, 2010 which was amended on December 9, 2010, June 21, 2011 and August 22, 2012 (collectively, the "**Commitment Letter**"), Domgroup agreed to provide the Applicants with funding, in the maximum amount of $10.2 million, in order to assist the Applicants in the realization of their assets for the benefit of their stakeholders (the "**DIP Financing**").

6. In order to avoid (i) accumulating further funds in Domgroup at the expense of the Applicants, and (ii) any potential unnecessary tax obligations, it is in the best interests of the Applicants and the Non-Applicants that the interest rate in respect of the DIP Financing be reduced to zero.

7. The Applicants require additional DIP Financing of approximately $1.75 million during the proposed Stay Period. As a result, the Applicants require an additional $2 million of DIP Financing.

8. All third-party claims against Domgroup have been resolved and paid, except in respect of any remaining liabilities to taxing authorities and an unfiled and unquantified environmental claim asserted by Sun Life Assurance Company of Canada. After setting aside an appropriate reserve, Domgroup will continue to have sufficient funds to advance the full amount of the DIP Financing proposed under the amended Commitment Letter to the Applicants.

9. The Applicants require an extension of the Stay Period to allow them to:

(a) complete the claims processes to determine the claims against the Applicants and certain of their subsidiaries (the "**Non-Applicants**");

(b) complete the asset consolidation and the winding up of the Non-Applicants;

(c) continue to pursue certain of Hollinger's litigation assets;

(d) continue to pursue a transaction with respect to the tax attributes of the Applicants and Non-Applicants; and

(e) develop a framework and structure of a plan of arrangement or distribution to be presented to their creditors, if advisable.

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

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

12. The provisions of the CCAA including Section 11.02.

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

14. 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 the CRO sworn November 29, 2013;

2. The Twenty-Sixth Report of the Monitor, to be filed; and

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

November 29, 2013

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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
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(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

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. Pursuant to an Order of this Honourable Court dated May 21, 2008, as amended by the Order of this Honourable 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.

3. BlueTree was also retained, pursuant to board resolutions passed by each of Domgroup Ltd. ("**Domgroup**"), 10 Toronto Street Inc. ("**10 Toronto Street**"), 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**").

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

Purpose

5. The purpose of this Affidavit is to (i) supplement the Twenty-Sixth Report of the Monitor, (ii) support the increase in the amount of the DIP Financing and the elimination of the interest rate, and (iii) support the extension of the Stay Period, as described herein.

Claims Processes

6. Each of the Applicants and the Non-Applicants has commenced a claims process to determine and adjudicate related and non-related party claims. With the exception of claims asserted by Canada Revenue Agency, all of the arm's length claims against the Applicants have been determined. However, the non-arm's length claims against the Applicants remain unresolved and are significant and complicated. Certain of the issues therein continue to be prosecuted through complex litigation as a result of the commonality of interests and of the legal principles underlying both the litigation against certain defendants and the adjudication of their claims against the estates.

Catalyst Claim against Hollinger

7. By Reasons dated June 24, 2013, Justice Campbell dismissed the motion brought by Catalyst Capital Fund I ("**Catalyst**") asserting a super-priority claim against Hollinger Inc. ("**Hollinger**"). Catalyst has sought leave to appeal Justice Campbell's decision which is pending.

Black Claims against Hollinger

8. The claims asserted by Conrad Black ("**Black**") against Hollinger (the "**Black Claim**") have not yet been adjudicated by this Court. As outlined in the Applicants' Notice of Motion dated July 3, 2013, the Applicants have taken the position that certain components of the Black Claim should be disallowed for the reasons outlined therein and that the Quest Loan Claim (as defined therein) should be adjudicated in accordance with the terms of the Claims Order. I have been advised by my counsel, Leanne Williams of Thornton Grout Finnigan LLP, that the parties are discussing the scope of the dispute in respect of certain elements of the Black Claim and hope to reach an agreement in the near term.

Litigation

9. The Applicants continue to work with John D. Ground Q.C. (retired justice), in his capacity as Litigation Trustee of Hollinger ("**Litigation Trustee**"), in an effort to prosecute and/or settle the Applicants' litigation for the benefit of its estates.

10. The Litigation Trustee's mandate is to maximize potential returns to the estate from the litigation assets of Hollinger that include claims against: (1) Hollinger's former directors

and officers; (2) Hollinger's former counsel, Torys LLP ("**Torys**"); (3) Hollinger's former auditor and tax advisor, KPMG LLP ("**KPMG**"); and (4) Hollinger's former lending syndicate led by the Canadian Imperial Bank of Commerce ("**CIBC**") and including TD Bank and Scotiabank.

11. Hollinger and the Litigation Trustee have entered into settlement agreements with:

(a) Ralph M. Barford ("**Barford**"), a former director of Hollinger;

(b) Maureen Sabia, Fredrik Eaton, Allan Gotlieb and Henry Ketcham III, each former directors of Hollinger;

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

(d) CIBC, the lead bank in Hollinger's former lending syndicate;

(e) Torys, former counsel to Hollinger;

(f) KPMG, former auditors of and advisors to Hollinger;

(g) Peter Atkinson, a former director of Hollinger;

(h) John Boultbee, a former director of Hollinger; and

(i) Charles Cowan, a former director of Hollinger.

12. The settlements reached with each of Peter Atkinson and John Boultbee were approved in their entirety by Order of this Court dated September 6, 2013. Each of these settlements provides for the cooperation of these former inside directors and officers with the efforts of Hollinger and the Litigation Trustee to pursue Hollinger's claims against the remaining non-settling defendants.

13. In view of the foregoing settlements, the only remaining defendants to Hollinger's claims are Conrad Black, Barbara Amiel-Black, David Radler, Peter White, Daniel Colson and their private companies.

14. The Litigation Trustee continues to pursue Hollinger's claims against the remaining non-settling defendants. The next major step in the litigation is the establishment of a discovery plan that will set out the parameters for productions and discoveries. Hollinger is currently working on a discovery plan proposal.

Distribution Motion

15. By Notice of Motion dated September 18, 2013, the Applicants sought a distribution of the estates of the Applicants and the establishment of certain reserves for unresolved claims. Pursuant to the directions of Justice Campbell on September 23, 2013, this motion has been adjourned until certain litigation matters are determined. It is the Applicants' intention to bring the distribution motion forward as soon as circumstances permit. Attached as Exhibit "**A**" is a copy of my affidavit sworn September 17, 2013 in respect of the distribution motion (the "**Distribution Affidavit**").

16. I anticipate that, at some point in the near future, possibly during calendar 2014, we will have achieved resolution of the estate matters at which time the Applicants contemplate bringing a motion to terminate or significantly reduce the costs involved in the CCAA proceeding leaving the remaining litigation to continue to its ultimate conclusion and thereafter distributing any further proceeds of settlement or judgment pursuant to further Court order. The goal of taking such steps is to reduce, the administration costs going forward by potentially eliminating or significantly reducing the costs of the Monitor, the Monitor's counsel, the Applicant's CCAA counsel and the CRO. However, a structure will need to be established to ensure that ongoing litigation support, including document management and retrieval is available for the benefit of the Litigation Trustee.

Other Assets

17. Certain of the Applicants and the Non-Applicants have tax attributes that may be monetizable. To this end, I have had a number of discussions with several parties about ways in which these can be monetized. While no transaction has yet been finalized, I am continuing to discuss possible transactions with interested third parties pursuant to which value for the stakeholders might be realized for these attributes.

Financing

18. Pursuant to a commitment letter dated May 25, 2010 which was amended on December 9, 2010, June 21, 2011 and August 22, 2012 (collectively, the "**Commitment Letter**"), Domgroup agreed to provide the Applicants with funding, in the maximum amount of $10.2 million, in order to assist the Applicants in the realization of their assets for the benefit of their stakeholders (the "**DIP Financing**").

19. The Commitment Letter provides that interest accrues at the rate of Canadian Imperial Bank of Commerce's Prime Rate + 3% per annum which is paid monthly by the Applicants to Domgroup. The monthly interest payment made by the Applicants to Domgroup is approximately $50,000. Apart from the Reserve described below, Domgroup's only creditors are the Applicants. As a result, any interest paid by the Applicants to Domgroup will ultimately revert back to the Applicants upon a distribution. In order to avoid (i) accumulating further funds in Domgroup at the expense of the Applicants, and (ii) any potential unnecessary tax obligations, I believe that it is in the best interests of the Applicants and the Non-Applicants that the interest rate in respect of the DIP Financing be reduced to zero.

20. The Applicants have drawn $10.2 million of DIP Financing. As illustrated by the updated cash flow projection for the period from the week ending December 6, 2013 to July 25, 2014, as appended to the Twenty-Sixth Report of the Monitor as Appendix "**C**", assuming that the interest is reduced to zero, the Applicants will require additional DIP Financing of approximately $1.75 million over that period. The cash flow projection indicates that the Applicants have cash totalling $25.4 million. As outlined in the Distribution Affidavit, the cash at Hollinger is the result of litigation settlements and resides with the Litigation Trustee in accordance with the terms of the Multi-Party Settlement Agreement approved by the Court on May 31, 2008. Until certain pre-trial matters are concluded, including motions for security for costs, the Litigation Trustee is not in a position to transfer the funds to the CRO.

21. As a result of the foregoing, the Applicants require an additional $2 million of DIP Financing. To this end, the Commitment Letter has increased the maximum amount available thereunder to $12.2 million (the "**Amended Commitment Letter**"). Domgroup proposes to make this additional funding available to the Applicants to ensure that sufficient funds are available through the Stay Period and beyond if required. A copy of the Amended Commitment Letter dated November 29, 2013 is attached as Exhibit "**B**".

22. As at August 31, 2013, Domgroup was indebted to Hollinger in the undisputed amount of $14.3 million. Pursuant to the terms of the Amended Commitment Letter, the Applicants are entitled to repay their indebtedness under the DIP Financing by way of set off against amounts owing or distributable to the Applicants by Domgroup.

23. All third-party claims against Domgroup have been resolved and paid, except in respect of any remaining liabilities to taxing authorities and an unfiled and unquantified environmental claim asserted by Sun Life Assurance Company of Canada. In my opinion, a reserve of $1.3 million in Domgroup would be sufficient in respect of any future obligations of Domgroup (the "**Reserve**"). After setting aside the Reserve, Domgroup will continue to have sufficient funds to advance the full amount of the DIP Financing proposed under the Amended Commitment Letter to the Applicants.

24. The DIP Financing is required by the Applicants to maximize value for the estates of the Applicants.

Stay Extension

25. The Applicants continue to act in good faith and with due diligence throughout these proceedings. The Applicants require an extension to the Stay Period to July 10, 2014 to allow them to:

(a) complete the claims processes to determine the claims against the Applicants and the Non-Applicants;

(b) complete the asset consolidation and the winding up of the Non-Applicants which is anticipated to be completed in May or June 2014;

(c) continue to pursue a transaction with respect to the tax attributes of the Applicants and Non-Applicants;

(d) continue to pursue the Litigation Assets, including dealing with discovery plan issues and pre-trial matters; and

(e) develop a framework and structure of a plan of arrangement or distribution to be presented to their creditors, if advisable.

26. Based on the foregoing, I, as the CRO, recommend that this Court extend the Stay Period to July 10, 2014.

SWORN before me in the City of Toronto, in the Province of Ontario, this 29th day of November, 2013.	William E. Aziz
L. Nicholson	**WILLIAM E. AZIZ**
Commissioner for Taking Affidavits	

Lee Michael Nicholson, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 12, 2016.

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
(re: Stay Extension)

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EXHIBIT "A"

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: Distribution Motion)

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. Pursuant to an Order of this Honourable Court dated May 21, 2008, as amended by the Order of this Honourable 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.

3. 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**").

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

Overview

5. Since May 21, 2008 when the Multi-Party Settlement Agreement dated May 14, 2008 (the "**MPSA**") was approved by this Court by the Order of Mr. Justice Campbell (the "**Approval Order**"), the Applicants have been working to determine, by settlement and adjudication, the claims filed against the estates of the Applicants pursuant to the Order of Mr. Justice Campbell dated May 21, 2008 (the "**Applicants' Claims Order**") and the claims filed against the Non-Applicants pursuant to the Order of Mr. Justice Campbell dated August 27, 2008 as amended by Orders dated November 26, 2008, February 23, 2009 and November 10, 2009 (collectively, the "**Non-Applicants Claims Order**" and together with the Applicants' Claims Order, the "**Claims Orders**"), particularly with respect to the Non-Applicants, 10 Toronto and Domgroup. Such claims included the intercompany debt claims among the Applicants and the Non-Applicants. The redacted Approval Order, the Applicants' Claims Order and the Non-Applicants Claims Order are attached as Exhibits "**A**", "**B**" and "**C**" respectively.

6. In addition, Hollinger, working closely with justice John D. Ground (retired) as litigation trustee appointed under the MPSA (the "**Litigation Trustee**"), has monetized certain of the Litigation Assets (as defined in the MPSA) of the Applicants, while at the same time resolving the claims made by certain of the settling defendants into the estates of the Applicants.

7. Significant progress has been made, both in determining claims and in monetizing the Litigation Assets. In keeping with the directive embodied in the MPSA, to administer "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", the Applicants now wish to distribute certain funds to those creditors whose claims have been filed and finally determined in accordance with the Claims Orders ("**Proven Creditors**") while keeping appropriate reserves for creditors whose claims have not yet been resolved or finally determined.

8. Since the negotiation and approval of the MPSA in 2008, the Applicants have not been in a position to make a distribution to their Proven Creditors. Now that the Applicants are in such a position, I believe that the distributions to the Proven Creditors described herein should be made as quickly as possible and should not be held up unnecessarily.

9. Pursuant to the MPSA, all distributions must occur on a non-consolidated basis meaning that inter-company debt claims are treated on the same basis as all other unsecured creditor claims.

10. In order to distribute the funds efficiently, the Applicants have worked with the Monitor to develop a sequencing of the proposed distributions from each of the Non-Applicants

and each of the Applicants to avoid, to the extent possible, the circular flow of funds that would require subsequent distributions and to minimize the income tax implications.

11. The amount of each distribution from 10 Toronto, Domgroup, Sugra Limited ("**Sugra**"), Hollinger Inc. ("**Hollinger**") and 4322525 Canada Inc. ("**432**"), the sequence in which each will occur, a description of the claims of Proven Creditors ("**Proven Claims**") and a description of the remaining undetermined claims (the "**Unproven Claims**") of each entity are described in detail herein.

12. I set out below a chart showing, for each Applicant and Non-Applicant, their cash position as of August 31, 2013, the Proven Claims against each (not including inter-company claims but including interest to August 31, 2013 if contractually applicable), the reserves for unresolved and disputed claims proposed for each hereunder and the projected net cash position of each after the distributions proposed in this motion are made:

(CDN)($000)'s	**Cash on Hand as of August 31, 2013**	**Proven Accepted Claims (excluding intercompany claims)**	**Cash Reserves for Unresolved and Disputed Claims and Administrative Costs**	**Claim Reserve for Distribution Purposes of Unresolved and / or Disputed Claims**
10 Toronto	1,242		200	
Domgroup	6,240		1,300	
Sugra	26			
Hollinger	26,586	241,049	19,617	50,344
432	1	311,720		2,700
Total	**34,095**	**552,814**	**23,728**	**53,044**

Purpose

13. The purpose of this Affidavit is to support the request for an Order:

(a) approving distributions in the amounts, from the estates and in the sequence below:

(i) a distribution from 10 Toronto of $1,042,000 to its Proven Creditor, subject to a reserve of $200,000;

(ii) a distribution from Domgroup of $5,982,000 to its Proven Creditors, subject to a reserve of $1,300,000;

(iii) a distribution from Sugra of $1,795,000 to its Proven Creditors;

(iv) a distribution from Hollinger of $9,055,000 to its Proven Creditors, subject to a reserve of $7,888,000; and

(v) a distribution from 432 of $6,131,000 to its Proven Creditors.

(b) approving the establishment and quantum of the Reserves (as defined herein); and

(c) directing the Applicants to pay 66.67% of any distribution owing to The Ravelston Corporation Limited and Ravelston Management Inc. (collectively, "**Ravelston**") to Hollinger at the direction of Domgroup and 33.33% to Sun-Times Media Group, Inc. (now the Chicago Newspaper Liquidation Corp.) ("**CNLC**") in accordance with the terms of the Ravelston Settlement Agreement (as defined herein).

Claims Processes

14. The Applicants commenced a claims process to identify, determine and adjudicate related and non-related party claims pursuant to the Applicants' Claims Order. Pursuant to the terms of the Applicants' Claims Order, all claims received by the Monitor from Non Arms-Length Claimants are to be referred to the Supervising Judge (as those terms are defined in the Applicants' Claims Order).

15. The Applicants also commenced a claims process for the identification and determination of all claims against the Non-Applicants pursuant to the Non-Applicants Claims Order.

16. All of the claims against the Non-Applicants filed in accordance with the Non-Applicants Claims Order have been resolved or are the subject of a motion to disallow which, I anticipate, will be granted by the Court in due course. Pursuant to the terms of the MPSA, the Proven Claims of the non-related entities against the Non-Applicants have been paid from cash on hand at those Non-Applicants. The only claims that remain against the Non-Applicants are intercompany claims as more particularly described herein.

17. There are several claims against the Applicants that remain outstanding, all of which are in respect of either Non Arms-Length Claimants (most of whom are non-settling defendants in Hollinger's ongoing litigation effort) or are claims from taxing authorities.

Recovery of Litigation Assets

18. Throughout these CCAA proceedings, the Litigation Trustee, with the support of Hollinger and the Advisory Committee established under the MPSA, 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 former directors 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; and

(h) John Boultbee,

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

19. The Litigation Trustee continues to pursue the Litigation Assets against the remaining non-settling defendants.

20. As a result of the above-noted settlements and in accordance with the terms of the MPSA, the Litigation Trustee anticipates transferring $11.832 million to Hollinger for distribution to its creditors as described in detail below. The amount to be transferred to Hollinger was determined by the Litigation Trustee and unanimously agreed to by the

Advisory Committee, after considering the factors, among others, described in the MPSA.

21. In accordance with the MPSA, the amount transferred is net of the amount required to be paid to Wesley Voorheis in accordance with the MPSA. The Litigation Trustee in consultation with the Advisory Committee has also established reserves for unpaid deferred legal fees, which are subject to Court approval, and ongoing projected future costs of finalizing the mandate of monetizing the Litigation Assets, including reserves for future litigation costs and potential security for costs that may need to be posted, as sought by certain of the non-settling defendants.

Unproven Claims and Reserves

Canada Revenue Agency ("CRA")

22. On September 28, 2008, CRA filed a claim against 432 in the amount of $3,417,310.89 (the "**Proof of Claim**"). It is the position of CRA that the Proof of Claim was supported by a reassessment dated September 22, 2008 with respect to the 2004 taxation year of 432 (the "**Reassessment**"). By way of notice of revision or disallowance dated January 26, 2011, the Monitor disallowed the Proof of Claim, and allowed the amount of $132,456 (the "**Notice of Revision**"). Copies of the Proof of Claim, Reassessment and Notice of Revision are attached as Exhibits "**D**", "**E**" and "**F**" respectively.

23. CRA has taken the position that the Monitor has no authority to vary or vacate the Reassessment or disallow the Proof of Claim as the Tax Court of Canada has the exclusive jurisdiction to determine the correctness of the Reassessment, even where the

debtor is operating under protection of the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**").

24. Following negotiations, the parties agreed to proceed on the following basis:

(a) CRA agreed to apply a non-capital loss in the amount of $3,501,179 carried back from 432's 2005 taxation year in 432's 2004 taxation year, effective June 29, 2006;

(b) CRA issued a new reassessment dated October 27, 2011 which constitutes a claim for $2,559,267 against 432 plus interest from May 20, 2011, after applying the non-capital loss (the "**New Reassessment**");

(c) CRA filed an amended proof of claim based upon the New Reassessment with interest calculated up to the date of the initial CCAA filing (the "**Amended Proof of Claim**"); and

(d) if the Monitor and 432 continued to dispute the New Reassessment and Amended Proof of Claim (which 432 does), the Monitor will proceed to challenge the New Reassessment by Notice of Objection filed pursuant to section 165 of the *Income Tax Act* (Canada).

25. Copies of the New Assessment and Amended Proof of Claim are attached at Exhibits "**G**" and "**H**" respectively.

26. 432 has filed a Notice of Objection to the New Assessment, a copy of which is attached as Exhibit "**I**". As the Amended Proof of Claim has been disputed, I propose that a claim reserve for distribution purposes of $2.7 million is appropriate (the "**CRA Reserve**").

Catalyst

27. Catalyst Capital Fund I ("**Catalyst**") has asserted a super-priority claim against the proceeds of settlement arising from the Litigation Assets of Hollinger in the amount of $1,988,388 (the "**Catalyst Claim**") which was adjudicated by this Court on June 10, 2013. Pursuant to the Reasons of Justice Campbell released on June 24, 2013 (the "**Catalyst Reasons**"), Catalyst's motion for a super-priority claim against Hollinger was dismissed. By way of Notice of Motion dated July 9, 2013, Catalyst sought leave to appeal the Catalyst Reasons.

28. As the motion for leave to appeal has not yet been adjudicated, I believe that a reserve of $1.988 million, being the appropriate amount claimed by Catalyst, in respect of the Catalyst Claim (the "**Catalyst Reserve**") should be set aside as a reserve in the estate of Hollinger.

Conrad Black and David Radler

29. The claims asserted by Conrad Black ("**Black**") against Hollinger (the "**Black Claim**") have not yet been adjudicated by this Court. The Black Claim can be broken down into four sub-groups: (i) certain amounts claimed in the action commenced by Black, et al. against Hollinger, et al. in the Ontario Superior Court of Justice (Court File No. 06-CL-6259) (the "**Contribution and Indemnity Claim**"); (ii) amounts claimed in the action commenced by Black against Hollinger in the Ontario Superior Court of Justice (Court File No. 06-CV-315048 PDI) (the "**Quest Loan Claim**"); (iii) amounts for which Black may be found liable in the action commenced by 783783 Alberta Ltd. carrying on business as VUE WEEKLY against Black, et al. in the Court of Queen's Bench of

Alberta (Action No. 0503 18023) (the "**Vue Weekly Claim**"); and (iv) "All Unknown Amounts". A portion of the Contribution and Indemnity Claim relates to the proceedings commenced against Black in the U.S. District Court for Northern District of Illinois (Civil Action Case - No. 04C 7377) (the "**SEC Action**").

30. As outlined in the Applicants' Notice of Motion dated July 3, 2013, the Applicants have taken the position that the Contribution and Indemnity Claim, the Vue Weekly Claim and the unknown claim amount should be disallowed for the reasons outlined therein and that the Quest Loan Claim should be adjudicated in accordance with the terms of the Claims Order. I have been advised by my counsel, Leanne Williams of Thornton Grout Finnigan LLP ("**TGF**"), that the parties are discussing the scope of the dispute in respect of certain elements of the Black Claims and hope to reach an agreement in the near term.

31. The principal amount of the Quest Loan Claim is $20,555,308.95, together with interest at the rate of 12.68% per annum from July 16, 2004 totalling $23,800,479.76.

32. Pursuant to the final judgment of William T. Hart of the United States District Court for the Northern District of Illinois dated August 15, 2013 (the "**Delaware Judgment**"), the total amount to be paid by Black to CNLC is USD$4,094,144.36 which limits the SEC Claim to this amount. A copy of the Delaware Judgment is attached as Exhibit "**J**".

33. Although requested, the Applicants have not been provided with a quantum in respect of the fees claimed by Black as part of the Black Claim.

34. The claims asserted by David Radler ("**Radler**") against Hollinger (the "**Radler Claim**") have not yet been adjudicated by this Court. The total quantified amount of the Radler Claim is $925,640 plus future legal fees.

35. Although the claims of Hollinger against Black and Radler and against Hollinger by Black and Radler have not yet been resolved or adjudicated, I propose a collective claim reserve for distribution purposes for both totalling $50 million (the "**Black/Radler Reserve**"). I believe that no net amounts are owing to either of Black or Radler and that they are net debtors to the estates of the Applicants. However, the reserve is sufficient to ensure that no prejudice will be suffered by either of them if a distribution on this basis is allowed.

Argus

36. Argus Corporation Limited, 509643 N.B. Inc., 509644 N.B. Inc., 509645 N.B. Inc., 509646 N.B. Inc., and 509647 N.B. Inc. (collectively, "**Argus**") have filed claims against each of the Applicants for contribution and indemnity in respect of the current litigation bearing Court File Number 06-CL-6261 (the "**Current Litigation**"). The Applicants and the Non-Applicants, being the Plaintiffs in the Current Action, have brought a motion to discontinue the Current Litigation against Argus without costs which has been opposed by Argus. A reserve in the amount of $300,000, being the costs claimed by Argus, will be established (the "**Argus Reserve**").

37. The CRA Reserve, the Black/Radler Reserve, the Argus Reserve and the Catalyst Reserve are collectively referred to the "**Reserves**".

Intercompany Claims

38. As at the time of filing, large intercompany claims existed between the Applicants and the Non-Applicants. Pursuant to section 18 of the MPSA, the Applicants agreed that any distributions made to their creditors would be on a non-consolidated basis and that only fifty percent (50%) of the intercompany claims asserted by 4322525 Canada Inc. ("**432**") against Hollinger would be accepted. The distributions contemplated herein have been calculated on this basis.

39. Pursuant to a commitment letter dated May 25, 2010 which was amended on December 9, 2010, June 21, 2011 and August 22, 2012 (collectively, the "**Commitment Letter**"), copies of which are attached as Exhibit "**K**", Domgroup agreed to provide the Applicants with funding, in the maximum amount of $10.2 million, in order to assist the Applicants in the realization of their assets for the benefit of their stakeholders (the "**DIP Financing**").

40. Pursuant to the terms of the Commitment Letter, the Applicants are entitled to repay their indebtedness under the DIP Financing by way of set off against amounts owing or distributable to the Applicants by Domgroup. As at August 31, 2013, the principal amount outstanding under the DIP Financing was $10.2 million. For the purpose of determining the distributions described herein, the DIP Financing was set-off on a pro-rata basis against the intercompany indebtedness owing from each of the Applicants.

41. Prior to any distribution to the creditors of the Applicants on a non-consolidated basis in accordance with the MPSA, certain repayments of intercompany indebtedness by the Applicants and Non-Applicants should be made.

10 Toronto

42. As at August 31, 2013, 10 Toronto had cash on hand of $1.242 million. All of the non-intercompany claims against 10 Toronto have been resolved and paid, with the exception of possible unfiled claims of the taxing authorities for open tax years, and with the exception of the claims of Ravelston against 10 Toronto which are the subject of a motion to disallow which, I anticipate, will be considered by the Court in due course. The only intercompany claim against 10 Toronto is in favour of Domgroup in the amount of $1.25 million.

43. I believe that a reserve of $200,000 in respect of administration costs and to satisfy any remaining liabilities to taxing authorities, including the CRA, would be sufficient in respect of the future obligations of 10 Toronto.

44. After accounting for the proposed reserve, 10 Toronto is in a position to distribute $1.042 million to Domgroup in respect of the intercompany indebtedness as follows.

	CDN ($000)'s
Cash	
Opening cash balance as at August 31, 2013	1,242
Holdbacks	200
Net cash available for distribution	1,042
Claims	
Intercompany due to Domgroup	1,250
Total projected cash balance after paying 3rd party claims and reserving for costs and undetermined claims	1,042
Payment to Domgroup as repayment of intercompany balance	1,042

Domgroup

45. As at August 31, 2013, Domgroup had cash on hand of $6.240 million. All third-party claims against Domgoup have been resolved and paid, except as noted below.

46. Domgroup is the tenant in respect of the office space currently used by the Applicants and thus requires ongoing administrative costs. The property municipally known as 6324 Quinpool Road, Halifax, Nova Scotia (the "**Property**") was previously occupied by Domgroup Stores Limited (a predecessor to Domgroup) under a lease with Sun Life Assurance Company of Canada ("**Sun Life**") on August 1, 1957. After commissioning an environmental study of the Property in October 2000, Sun Life had discussions with Domgroup about the potential remediation of the issues related thereto. Sun Life did not file a claim against Domgroup in accordance with the Non-Applicants Claims Order, but has asserted an unquantified environmental claim against the assets of Domgroup (the "**Quinpool Claim**").

47. Ravelston and certain related entities filed claims against Domgroup which are the subject of a motion to disallow which, I anticipate, will be considered by the Court in due course.

48. I believe that a reserve of $300,000 in respect of administration costs and to satisfy any remaining liabilities to taxing authorities, including the CRA, is required and a further reserve of $1 million in respect of the Quinpool Claim would be sufficient in respect of the future obligations of Domgroup.

49. After reducing Domgroup's cash position by $1.3 million for the reserves noted above and adding in the cash paid by 10 Toronto in respect of its intercompany indebtedness noted above, Domgroup is able to distribute $5.982 to the Applicants, it having no other creditors.

[Remainder of the page intentionally left blank.]

	CDN ($000)'s
Cash	
Opening Cash Balance as at August 31, 2013	6,240
Recovery from 10 Toronto	1,042
Reserves	(1,300)
Revised Cash Balance available for Distribution (net of reserves)	5,982
Claims	
Net Intercompany due to Hollinger after setoff[1]	8,041
Allocation of DIP balance owing to Domgroup based on intercompany balances	(2,235)
Due to Hollinger (net of DIP)	5,806
Net intercompany due to Sugra[2]	10,986
Allocation of DIP balance owing to Domgroup based on intercompany balances	(3,054)
Due to Sugra (net of DIP)	7,932
Intercompany due to 432	17,849
Allocation of DIP balance owing to Domgroup based on intercompany balances	(4,962)
Due to 432 (net of DIP)	12,887
Total Intercompany (net of DIP)	26,625
Intercompany payment to Hollinger	1,316
Intercompany payment to Sugra	1,795
Intercompany payment to 432	2,871
Total Intercompany payments	5,982

[1] Domgroup is indebted to Hollinger in the amount of $14.3 million and Hollinger is indebted to Domgroup in the amount of $6.1 million

[2] Domgroup is indebted to Sugra in the amount of $11.6 million and Sugra is indebted to Domgroup in the amount of $914,000

Sugra

50. As at August 31, 2013, Sugra had no cash on hand, but as noted above, will receive $1.795 million from Domgroup.

51. The only non-intercompany claim filed against Sugra was filed by World Communication Centre in the amount of $221. Sugra has no other creditors and is able to distribute $1.795 to Hollinger as set out below.

	CDN ($000)'s
Cash	
Opening Cash Balance as at August 31, 2013	-
Recovery from Domgroup	1,795
Total projected cash balance available for Distribution	1,795
Claims	
Intercompany indebtedness:	
Intercompany due to Hollinger	349,100
Outstanding Accepted Claims:	
World Communication Centre	0.0
Total Estimated Liabilities	349,100
Intercompany payment to Hollinger	1,795
Total Intercompany payments	1,795
Recovery % to Unsecured Creditors	0.51%

Hollinger

52. As at August 31, 2013, Hollinger had cash on hand of $2 million and will receive $3.111 million in respect of the distributions outlined above and $11.832 million from the Litigation Trustee.

53. Prior to making any distributions to its creditors, I, in consultation with the Monitor, believe that Hollinger requires holdbacks reserves $7.888 million as follows:

(a) $1.988 million in respect of the Catalyst Reserve;

(b) $300,000 in respect of the Argus Reserve; and

(c) $5.6 million in Administration Costs (as defined below).

54. For the purposes of the distribution, I have tried to anticipate the "go-forward" costs necessary to complete the administration of the CCAA estates. In my opinion, the CCAA process should wind down at the point when the only active matters that remain outstanding are the ongoing prosecution of the remaining Litigation Assets and the resolution of the claims of the non-settling defendants as part of that litigation. In the meantime, the remaining claims, (primarily claims of taxing authorities and claims of the non-settling defendants that are not intimately related with the issues that are the subject of the ongoing litigation) need to be resolved as part of the CCAA process. I anticipate that, at some point in the near future, possibly during calendar 2014, we will have achieved resolution of the estate matters to the point indicated at which time the Applicants contemplate bringing a motion to terminate or significantly reduce the costs involved in the CCAA proceeding leaving the remaining litigation to continue to its ultimate conclusion and thereafter distributing any further proceeds of settlement or

judgment pursuant to further Court order. The goal of taking such steps is to reduce, the administration costs going forward by potentially eliminating or significantly reducing the costs of the Monitor, the Monitor's counsel, the Applicant's CCAA counsel and the CRO. However, a structure will need to be established to ensure that ongoing litigation support, including document management and retrieval is available for the benefit of the Litigation Trustee.

55. Considering all of these factors and the course of action described above, I have calculated, in consultation with the Monitor where appropriate, that a reserve in the amount of $5.6 million is reasonable and conservative for the administration costs of the Applicants going forward.

56. After taking the foregoing reserves into account, Hollinger is in a position to distribute $9.055 million to its creditors. The total claims, calculated by taking into account the Claims Reserves, of Hollinger are $473.855 million.

57. Pursuant to paragraph 18(a) of the MPSA, the intercompany indebtedness of Hollinger in favour of 432 is limited to $171.3 million. As a result, Hollinger will distribute $3.26 million to 432 as part of the distribution to its creditors.

	CDN ($000)'s
Cash	
Opening Cash Balance as at August 31, 2013	2,000
Recovery from Domgroup	1,316
Recovery from Sugra	1,795
Recovery from Litigation Trustee	11,832
Catalyst Reserve	(1,988)
Argus Reserve	(300)
Estimated Costs of Administration	(5,600)
Total projected cash balance available for Distribution	9,055
Claims	
Intercompany indebtedness:	
432 Net Claim @50% as set out in the MPSA	171,300
Outstanding Accepted Claims:	
STMG	31,456
Senior Noteholders (assume no value from share conversion)	184,922
Junior Noteholders (assume no value from share conversion)	35,562
Taxes (as filed)	300
Trade & Other (Towers, Aird & Berlis, Aero & Total Security Management)	100
Barford	215
Black and Radler Disputed Claims Reserve	50,000
Total Estimated Liabilities	473,855
Intercompany payment to 432	3,260
Total Intercompany payments	3,260
Recovery % to Unsecured Creditors	1.9%

432

58. As at August 31, 2013, 432 had no cash on hand, but will receive $2.871 million from Domgroup and $3.26 million from Hollinger as outlined above.

59. 432 is in a position to distribute $5.461 million to its creditors. The total claims, including the intercompany claim of Hollinger, of 432 is $325.4 million.

	CDN ($000)'s
Cash	
Cash on Hand as at August 31, 2013	-
Recovery from Domgroup	2,871
Recovery from Hollinger	3,260
Total projected cash balance available for Distribution	6,131
Claims	
Outstanding Accepted Claims:	
STMG (subordinated)	100,100
Senior Noteholders	184,922
Junior Noteholders	35,562
Ravelston	2,100
CRA Disputed Claims Reserve	2,700
Total Estimated Liabilities	325,384
Recovery % to Unsecured Creditors	1.9%

Interest

60. The above distribution have been calculated on the basis that interest continues to accrue in respect of all claims bearing interest pursuant to a contractual note, including

intercompany claims where applicable.

Ravelston Settlement Agreement

61. RSM Richter Inc. ("**Richter**") was appointed as receiver and manager and interim receiver of Ravelston by Court Order dated April 20, 2005. Ravelston was adjudged bankrupt effective December 18, 2008 and Richter was appointed and subsequently discharged as its Trustee in Bankruptcy. As a result of a dispute arising between Domgroup and Ravelston regarding the priority of distributions in the estate of Ravelston, the parties entered into a settlement agreement dated March 12, 2009 (the "**Ravelston Settlement Agreement**"), a copy of which is attached as Exhibit "**L**". Pursuant to the terms of the Ravelston Settlement Agreement, any remaining distributions from the Ravelston estate would be paid 66.67% to Domgroup and 33.33% to CNLC.

62. As Richter has been discharged as receiver and as Trustee in Bankruptcy of Ravelston, the Applicants request that the monies to be paid to Ravelston in accordance with the distribution from 432 above be paid directly to Domgroup and CNLC pursuant to the terms of the Ravelston Settlement Agreement. Domgroup will, in turn, direct its share of the distribution to its sole creditor, Hollinger.

Conclusion

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

(a) approving distributions in the amounts, from the estates and in the sequence described herein;

(b) approving the establishment and quantum of the Reserves; and

(c) directing the Applicants to pay 66.67% of any distribution owing to Ravelston to Hollinger at the direction of Domgroup and 33.33% to CNLC in accordance with the terms of the Ravelston Settlement Agreement.

SWORN before me in the City of Toronto, in the Province of Ontario, this 17th day of September, 2013.	William E. Aziz
Commissioner for Taking Affidavits	WILLIAM E. AZIZ

EXHIBIT "B"

AMENDED COMMITMENT LETTER

November 29, 2013

Hollinger Inc., Sugra Limited and 4322525 Canada Inc.
100 King Street West
Suite 3700
Toronto, M5X 1C9

Attention: William E. Aziz, Chief Restructuring Officer

Domgroup Ltd. ("**Domgroup**") is a wholly-owned subsidiary of Hollinger Inc. ("**Hollinger**"). Hollinger, Sugra Limited and 4322525 Canada Inc. (collectively, the "**Applicants**") applied for and were granted a stay of proceedings by Order dated August 1, 2007 (as extended and amended) (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**").

The Applicants have requested that Domgroup provide them with funding in order to assist the Applicants to realize on their assets for the benefit of their stakeholders.

This Amended Commitment Letter replaces and supersedes the Amended Commitment Letter dated August 22, 2012.

Domgroup hereby offers its commitment to provide the Applicants with an aggregate of up to CDN $12.2 million of secured financing subject to and in accordance with the terms set out herein.

All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Initial Order.

SUMMARY OF TERMS FOR DIP FACILITY

Borrowers:	Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (collectively, the "**Borrowers**")
Lender:	Domgroup Ltd. (the "**Lender**").
Maximum DIP Facility:	CDN $12.2 million (the "**DIP Facility**").
Purpose:	To fund the day to day operating expenses of the Borrowers necessary for the realization of the Borrowers' assets (the "**Expenses**").
Availability Period:	The DIP Facility will be repayable on demand by the Lender.

Advances:	Advances under the DIP Facility shall be made in minimum tranches of $100,000 as requested by the Borrowers.
Repayment:	All outstanding Advances are repayable on demand at any time. Without limiting the Lender's right to demand repayment at any time, all outstanding Advances may be repaid by the Borrowers by way of set-off of amounts owing or distributable to the Borrowers by the Lender.
Interest:	Interest shall not accrue on this indebtedness.
DIP Security:	All sums at any time owing to the Lender in respect of the DIP Facility shall be secured by a fixed and specific charge on all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wheresoever situate, and all proceeds thereof, of the Borrowers pursuant to a court ordered charge in the CCAA Proceedings ranking subordinate only to the Administration Charge and the Directors' Charge (the "**DIP Charge**").
Funding Conditions:	Advances under the DIP Facility will be available to the Borrowers, subject to all other terms and conditions of this Amended Commitment Letter, after the Court issues an order approving the amended terms of this DIP Facility (in form and substance acceptable to the Lender in its sole and absolute discretion) (the "**DIP Order**"). *Provided, however*, that the Lender shall not be obligated to provide any Advances whatsoever if the Initial Order or the DIP Order has been vacated, stayed or otherwise caused to become ineffective or is amended in a manner not acceptable to the Lender (such consent not to be unreasonably withheld where any such amendment does not pertain to the DIP Facility).
The DIP Order:	The DIP Order shall be in form and substance satisfactory to the Lender and shall, without limitation, include: (i) provisions approving this Amended Commitment Letter and the DIP Facility created herein; (ii) provisions granting to the Lender the DIP Charge; (iii) provisions authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Charge; (iv) provisions providing that the DIP Charge shall be valid and

effective to secure all of the obligations of the Borrowers to the Lender without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrowers;

(v) provisions declaring that the granting of the DIP Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Charge, do not constitute conduct meriting an oppression remedy, settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable federal or provincial legislation; and

(vi) provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrowers other than as permitted herein and in the Initial Order.

Covenants: During the Availability Period, the Borrowers:

(a) will, promptly on the receipt by the Borrowers of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order, including (without limitation) any application to the Court for the granting of new security that will or may have priority over the DIP Charge or otherwise for the variation of the priority of the DIP Charge; and

(b) will not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than pursuant to the DIP Facility, or create or grant any security (other than the DIP Charge) over any of the Property, whether ranking in priority to or subordinate to the Security.

Further Assurances: The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such deeds and documents as the Lender may request to give effect to any other provisions set out hereunder.

Assignment: Neither the Lender nor the Borrowers shall not assign the benefit of any of the provisions set out herein.

Governing Law: The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of Ontario and the laws of Canada applicable therein.

Acceptance:	The DIP Facility shall not become available to the Borrowers until and unless the Borrowers return a copy of this Amended Commitment Letter to the Lender (by facsimile or electronic transmission or personal delivery), countersigned by the Borrowers pursuant to the authority granted to the Borrowers by the DIP Order.

Dated this 29th day of November, 2013.

DOMGROUP LTD.

By: ______________________________

Name: William E. Aziz
Title: Chief Restructuring Officer

ACCEPTANCE

TO: DOMGROUP LTD.

We accept and agree to comply with and cause our subsidiaries to comply with the provisions of the Amended Commitment Letter set out above.

Dated this 29th day of November, 2013.

HOLLINGER INC.

By: ______________________________

Name: William E. Aziz
Title: Chief Restructuring Officer

SUGRA LIMITED

____

Name: William E. Aziz
Title: Chief Restructuring Officer

4322525 CANADA INC.

____

Name: William E. Aziz
Title: Chief Restructuring Officer

TAB 3

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**WEDNESDAY, THE 4th**
	)	
JUSTICE	)	**DAY OF DECEMBER, 2013**

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: Stay Extension)

THIS MOTION brought by the Applicants for an Order extending the Stay Period as provided for and defined in the Order of the Honourable Mr. Justice Morawetz dated August 1, 2007 (the "**Initial Order**"), as subsequently extended by Orders and written endorsements of this Honourable Court, to July 10, 2014 and approving amendments to the DIP Financing, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicants' Notice of Motion dated November 29, 2013 (the "**Notice of Motion**"), the Affidavit of the Chief Restructuring Officer of the Applicants and the Non-Applicants sworn November 29, 2013 (the "**CRO Affidavit**") and the Twenty-Sixth 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 November 29, 2013 was served with the Notice of Motion,

Service

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.

Defined Terms

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

Extension of the Stay Period

3. **THIS COURT ORDERS** that the Stay Period in the Initial Order with respect to the Applicants is hereby extended to and including July 10, 2014.

Dip Financing

4. **THIS COURT ORDERS** that the DIP Financing initially authorized pursuant to the Order of the Honourable Mr. Justice Campbell dated May 27, 2010, as amended, shall be amended to increase the availability thereunder to $12.2 million and to reduce the interest earned and payable to zero pursuant to the amended commitment letter between the Applicants and the Domgroup Inc. dated November 29, 2013 appended to the CRO Affidavit as Exhibit "**B**".

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
(re: 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
(Re: Stay Extension)

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