**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 15
	)	
HOLLINGER INC., et al.,	)	Case No. 07-11029 (PJW)
	)	
Debtors in Foreign Proceedings	)	Jointly Administered
	)	
	)	**Hearing Date: June 16, 2008 at 4:00 p.m.**
	)	**Objection Deadline: June 16, 2008 at 4:00 p.m.**

EMERGENCY MOTION OF DELAWARE TRUST COMPANY, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE AND COLLATERAL AGENT, FOR AN ORDER (1) AUTHORIZING THE INDENTURE TRUSTEE AND THE DEBTORS TO EXCHANGE EXISTING COLLATERAL FOR NEW COLLATERAL; AND (2) DETERMINING THAT SECURITY INTERESTS SHALL CONTINUE WITHOUT INTERRUPTION AFTER THE EXCHANGE

Delaware Trust Company, National Association, f/k/a Wachovia Trust Company, National Association ("Wachovia"), as Indenture Trustee, by and through its undersigned counsel, submit this Motion (the "Motion") pursuant to sections 1520, 362, 363, and 549 of the Bankruptcy Code, Bankruptcy Rules 9013 and 9014, and Local Bankruptcy Rules 9013-1 for an order (1) authorizing Wachovia and Debtors to exchange (the "Share Exchange") the 14,990,000 shares of Class B common stock that the Debtors own in Sun-Times Media Group, Inc. ("STMG") that are being held as collateral by Wachovia (the "Class B Shares") for (a) an equal number of shares (i.e., 14,990,000) of Class A common stock of STMG (the "Exchanged Shares") to be issued by STMG, and (b) an additional 1,499,000 Class A Shares to be issued by STMG (the "Additional Shares"); (2) determining that, upon the Share Exchange, the Wachovia and HSBC Bank USA, National Association ("HSBC") shall hold, possess and control the Exchanged Shares and Additional Shares as collateral as it has held, possessed and controlled the Class B Shares, and the Debtors are authorized and directed to take the steps necessary to continue the security interests of the Indenture Trustee and HSBC in the collateral securing the

Notes; and (3) determining that the Share Exchange shall not eliminate, terminate, discontinue, interrupt, or otherwise affect Wachovia's and HSBC's security interests (or the perfection thereof) in the collateral securing the Notes, and after the Share Exchange, such security interests of Wachovia and of HSBC shall continue (without interruption) in the Exchanged Shares and the Additional Shares as they had been in the Class B Shares immediately prior to the Share Exchange. Wachovia respectfully states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (G), and (O). Venue may be proper in this District pursuant to 28 U.S.C.§ 1409(a).

BACKGROUND

2. The Debtors – Hollinger Inc. ("Hollinger"); Sugra Limited; and 4322525 Canada Inc., f/k/a 504468 N.B. Inc. ("432") – currently own 782,923 shares of STMG's Class A common stock ("Class A Shares") and 14,990,000 shares of STMG's Class B common stock ("Class B Shares"), which is 100% of the outstanding Class B Shares. (Voorheis Affidavit ¶ 28.)[1]

A. Hollinger Issued Two Series of Senior Secured Notes in 2003 and 2004

3. In March 2003, Hollinger issued certain senior secured notes (the "Senior Notes") in the original principal amount of $120 million pursuant to an indenture as subsequently

[1] Wachovia incorporates by reference the Affidavit of G. Wesley Voorheis ("Voorheis Affidavit"), sworn July 31, 2007, and annexed as Exhibit 2 to the Declaration of G. Wesley Voorheis ("Voorheis Decl."), Chief Executive Officer of Hollinger Inc., in Support of (I) Petitions for Recognition of Canadian Proceeding Under 11 U.S.C. § 1515; (II) Debtors' Motion for Order Directing Joint Administration of Chapter 15 Bankruptcy Cases Under Fed. R. Bankr. P. 1015 (b); and (III) Debtors' Motion for Temporary Restraining Order and, After Notice and a Hearing, a Preliminary Injunction Granting Provisional Relief Under 11 U.S.C. § 1519(a) (Docket No. 6.).

amended by a supplemental indenture dated as of September 30, 2004 (collectively, the "Wachovia Indenture"). (Voorheis Decl. ¶ 8.) Wachovia is the indenture trustee under the Wachovia Indenture. (Id.) (A copy of the Wachovia Indenture is attached as Exhibit G to the Voorheis Affidavit.) In June 2004, Hollinger redeemed $42 million of the principal amount of the Senior Notes, leaving an outstanding principal balance of $78 million. (Voorheis Affidavit ¶ 36.)

4. In September 2004, Hollinger issued certain senior secured notes (the "Second Senior Notes," and together with the Senior Notes, the "Notes") having a current principal amount outstanding of $15 million. (Voorheis Decl. ¶ 8.) HSBC is the trustee and collateral agent under the Indenture pursuant to which the Second Senior Notes were issued (the "HSBC Indenture"). (Voorheis Decl. ¶ 8.) (A copy of the HSBC Indenture is attached as Exhibit H to the Voorheis Affidavit.)

5. The total outstanding principal amount of the Notes under the Wachovia Indenture and HSBC Indenture (together, the "Indentures") is $93 million. (Voorheis Decl. ¶ 8.) The Indenture Trustees' fees and expenses, and accrued and unpaid interest, plus all other amounts owed by the Debtors under the Indentures, are also due and continue to accrue. The stated maturity date of the principal amount of the Notes is March 1, 2011. (Voorheis Affidavit ¶ 36.)

B. All of the STMG Class B Shares Were Pledged to the Indenture Trustees

6. Hollinger and 432 granted a security interest in certain of their assets to Wachovia and HSBC to secure the Notes and their obligations under the Indentures. (Voorheis Affidavit ¶ 37.) This security interest includes, among other things, a pledge by Hollinger and 432 of all of their 14,990,000 STMG Class B shares (the "Collateral"). (Voorheis Affidavit ¶ 37;

Voorheis Decl. ¶¶ 8-9.) (Copies of Hollinger's security agreements with Wachovia and HSBC are attached as Exhibits I and J, respectively, to the Voorheis Affidavit.)

7. Wachovia has a first priority lien on the Class B Shares, and HSBC has a second priority lien on the Class B Shares. (Voorhies Decl. ¶ 8.) Wachovia is the Collateral Agent under the security agreement.

8. The Class B Certificates representing the Class B Shares were delivered to Wachovia at the time the Wachovia Indenture was executed and remain in Wachovia's possession in the United States on behalf of itself and as agent for the benefit of HSBC, in each case as Indenture Trustees and collateral agents.[2] (Voorheis Decl. ¶ 9.)

C. Debtors Contemporaneously Filed Canadian CCAA and United States Chapter 15 Proceedings

9. On August 1, 2007 (the "Petition Date"), the Debtors commenced the Canadian Proceeding under the CCAA. Contemporaneously, the Debtors filed chapter 15 petitions pursuant to sections 1504 and 1515 of the Bankruptcy Code, commencing these chapter 15 cases in aid of the Canadian Proceeding, seeking recognition of the Canadian Proceeding as a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code and seeking other necessary relief in aid of the Canadian Proceeding.

10. On August 28, 2007, this Court granted recognition and relief in aid of a foreign main proceeding pursuant to sections 1515, 1517 and 1520 of the Bankruptcy Code (the "Recognition Order"). The Recognition Order enjoined, among other things, enforcement of security interests against the Debtors' assets located within the United States and other acts to enforce claims against the Debtors, and applied the automatic stay under section 362 of the

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[2] As of the date of this Motion, the share certificates are held by U.S. Bank National Association ("U.S. Bank") as agent of Wachovia pursuant to a Servicing Agreement, dated December 30, 2005, by and among Wachovia Corporation and certain of its affiliates and U.S. Bank.

Bankruptcy Code with respect to the Debtors and any property of the Debtors that is within the territorial jurisdiction of the United States. (Docket No. 63.)

D. A Multi-Party Settlement Is Approved by the Canadian Court in the CCAA Proceeding

11. On May 21, 2008, the Canadian Court issued an order (the "Canadian Court Order") granting Debtors' motion to, among other things, approve a Multi-Party Settlement among Hollinger, STMG and DK.[3] Wachovia (and HSBC) did not participate in nor take a position with respect to the Multi-Party Settlement.

12. The Canadian Court Order, among other things, orders and directs Wachovia to relinquish possession and control of the STMG Class B share certificates held by it as collateral ("Class B Certificates") to or at the direction of the Debtors and in exchange to simultaneously receive, upon issuance, from the Debtors the certificates representing the Exchanged Shares and the Additional Shares in substitution for the Class B Certificates.

13. The Debtors and STMG have scheduled a closing for June 17, 2008 – the day after the hearing on this Motion – to effectuate certain aspects of the Multi-Party Settlement, including the above referenced exchange Share Exchange of Class B Certificates for the Exchanged Shares and Additional Shares.

RELIEF REQUESTED

14. Wachovia believes that consummating the Share Exchange without this Court's approval could under some theories jeopardize its security interests in the Exchanged Shares and Additional Shares. Accordingly, in an abundance of caution, Wachovia believes that it should have an order of this Court:

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[3] Attached hereto as Exhibit A is a copy of the Canadian Court Order.

(a) Authorizing Wachovia and Debtors to consummate the Share Exchange;

(b) Authorizing Wachovia, upon the Share Exchange, to hold, possess and control the Exchanged Shares and Additional Shares as collateral as it has held, possessed and controlled the Class B Shares, and the Debtors are authorized and directed to take the steps necessary to continue the security interests of Wachovia and HSBC in the collateral securing the Notes; and

(c) Determining that the Share Exchange shall not eliminate, terminate, discontinue, interrupt, or otherwise affect Wachovia's and HSBC's security interests (or the perfection thereof) in the collateral securing the Notes, and after the Share Exchange, such security interests of Wachovia and of HSBC shall continue (without interruption) in the Exchanged Shares and the Additional Shares as they had been in the Class B Shares immediately prior to the Share Exchange.

BASIS FOR THE RELIEF

15. Section 1520, makes applicable, among other things, sections 362, 363, and 549 of the Bankruptcy Code. Because the Share Exchange proposed by the Debtors may be a transaction outside the ordinary course of business, may constitute a post-petition transfer, and may be restricted by the automatic stay and the stay contained in the Recognition Order, Wachovia believes that the relief requested herein must be granted before Wachovia consummates the Share Exchange.

WHEREFORE, for the reasons stated, Wachovia, as Indenture Trustee and Collateral Agent, respectfully requests the Court enter an order in substantially the same form as the proposed order filed herewith; and grant such other and further relief as this Court deems just and proper.

Dated: New York, New York
June 13, 2008

KELLEY DRYE & WARREN LLP

By: */s/ Craig A. Wolfe*
Craig A. Wolfe
Kevin J. Smith

101 Park Avenue
New York, New York 10178
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Attorneys for Delaware Trust Company, National Association, f/k/a Wachovia Trust Company, As Indenture Trustee and Collateral Agent

File a Motion:

07-11029-PJW Hollinger Inc. and Teachers' Retirement System of Louisiana

Type: bk	Chapter: 15 v	Office: 1 (Delaware)
Judge: PJW	Assets: u	Case Flag: MEGA, LEAD

U.S. Bankruptcy Court

District of Delaware

Notice of Electronic Filing

The following transaction was received from Wolfe, Craig A. entered on 6/13/2008 at 6:55 PM EDT and filed on 6/13/2008

Case Name:	Hollinger Inc. and Teachers' Retirement System of Louisiana
Case Number:	07-11029-PJW
Document Number:	92

Docket Text:
Motion to Allow */Emergency Motion Of Delaware Trust Company, National Association, As Indenture Trustee And Collateral Agent, For An Order (1) Authorizing The Indenture Trustee And The Debtors To Exchange Existing Collateral For New Collateral; And (2) Determining That Security Interests Shall Continue Without Interruption After The Exchange* Filed by Delaware Trust Company, National Association. (Attachments: # (1) Exhibit A# (2) Proposed Order) (Wolfe, Craig)

The following document(s) are associated with this transaction:

Document description: Main Document
Original filename:d:\temp\Hollinger Emergency Motion.pdf
Electronic document Stamp:
[STAMP bkecfStamp_ID=983460418 [Date=6/13/2008] [FileNumber=6369789-0]
[76adfdf5c709a253378a981179bf92dfd35532cf03ec461a1ca1e633cb8a84635fdb
c3fb92013f2e2a6bc5f7e31ef58673370916c6b5594a73d16a584dc93224]]
Document description: Exhibit A
Original filename:d:\temp\Exhibit A.pdf
Electronic document Stamp:
[STAMP bkecfStamp_ID=983460418 [Date=6/13/2008] [FileNumber=6369789-1]
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Document description: Proposed Order
Original filename:d:\temp\Proposed Order.pdf
Electronic document Stamp:
[STAMP bkecfStamp_ID=983460418 [Date=6/13/2008] [FileNumber=6369789-2]
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EXHIBIT A

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

Applicants

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

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

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

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

Approval of Multi-Party Settlement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approval of Cost Reduction and Asset Enhancement Program of the Applicants

(a) Appointment of CRO and Litigation Trustee

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

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

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

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

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

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

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

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

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

17. **THIS COURT ORDERS** that nothing herein contained shall require the CRO or the Litigation Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any property, assets or undertaking of any of the Applicants that might be environmentally contaminated, that might be a pollutant or a contaminant or that might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act* and regulations thereunder (collectively, the "Environmental Legislation"), provided however that nothing herein shall exempt the CRO or the Litigation Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Applicants are, and are hereby declared to be, and shall remain, in Possession, occupation and control of all of their property, assets and undertaking, subject to further Order of this Court.

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

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

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

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

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

(b) Monitor

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

(c) Directors' Insurance

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

(d) Other Actions

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

Extra-Territorial Assistance

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

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

PER/PAR: JSN

SCHEDULE "A"

EXECUTION COPY

Multi-Party Settlement Term Sheet

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

A. STMG

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. DK

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

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

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

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

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

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

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

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

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

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

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

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

19. DK agrees to:

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

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

C. General Conditions

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

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

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

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

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

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

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

D. Corporate Governance

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

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

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

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

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

E. Litigation Assets

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

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

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

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

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

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

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

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

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

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

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

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

HOLLINGER INC., SUGRA LIMITED and

4322525 CANADA INC.

Per: ______________________

(I have authority to bind each of the corporations)

SUN TIMES MEDIA GROUP, INC.

Per:

Per:

(I/We have authority to bind the corporation)

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

Per: ________________________

Per: ________________________

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

SUN TIMES MEDIA GROUP, INC.

Per: ______________________

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

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

Per: ______________________

Per: ______________________

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

Schedule "A"

MH Davidson Co.

Davidson Kempner International Limited

Davidson Kempner Institutional Partners

Davidson Kempner Partners

Schedule "B"

REDACTED AND SEALED

PURSUANT TO COURT ORDER

DATED MAY 21, 2008

Schedule "C"

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

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED

Court File No: 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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Solicitors for the Applicants

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 15
	)	
HOLLINGER INC., et al.,[1]	)	Case No. 07-11029 (PJW)
	)	Jointly Administered
Debtors in Foreign Proceedings.	)	
	)	**Hearing Date: June 16, 2008 at 4:00 p.m.**
	)	**Objection Deadline: June 16, 2008 at 4:00 p.m.**
	)	
	)	Re: D.I. _____

ORDER (1) AUTHORIZING THE INDENTURE TRUSTEE AND THE DEBTORS TO EXCHANGE EXISTING COLLATERAL FOR NEW COLLATERAL; AND (2) DETERMINING THAT SECURITY INTERESTS SHALL CONTINUE WITHOUT INTERRUPTION AFTER THE EXCHANGE

Upon the *Emergency Motion of Delaware Trust Company, National Association, as Indenture Trustee and Collateral Agent, for an Order (1) Authorizing the Indenture Trustee and the Debtors to Exchange Existing Collateral for New Collateral; and (2) Determining That Security Interests Shall Continue Without Interruption After the Exchange* (the "Motion"), and upon the record of the hearing held on the Motion; and after due deliberation thereon, and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in its entirety.

2. Notwithstanding sections 362, 363, 549 and 1520 of title 11 of the United States Code (the "Bankruptcy Code"), any other provisions of the Bankruptcy Code, or the order of this Court entered on August 28, 2007, that granted recognition and relief in aid of a foreign main proceeding pursuant to sections 1515, 1517 and 1520 of the Bankruptcy Code (Docket No.

[1] These jointly administered cases are those of the following debtors: Hollinger Inc.; Sugra Limited; and 4322525 Canada Inc., f/k/a 504468 N.B. Inc.

63), the Delaware Trust Company, National Association, as Indenture Trustee and Collateral Agent (the "Indenture Trustee") and the Debtors are authorized to exchange (the "Share Exchange") the 14,990,000 shares of Class B common stock that the Debtors own in Sun-Times Media Group, Inc. ("STMG") that are being held as collateral by the Indenture Trustee (the "Class B Shares") for (a) an equal number (i.e., 14,990,000) of shares of Class A common stock of STMG (the "Exchanged Shares") to be issued by STMG, and (b) an additional 1,499,000 Class A Shares to be issued by STMG (the "Additional Shares").

3. Upon the Share Exchange, the Indenture Trustee shall hold, possess and control the Exchanged Shares and Additional Shares as collateral as it has held, possessed and controlled the Class B Shares, and the Debtors are authorized and directed to take the steps necessary to continue the security interests of the Indenture Trustee and HSBC Bank USA, National Association ("HSBC") in the collateral securing the Notes.

4. The Share Exchange shall not eliminate, terminate, discontinue, interrupt, or otherwise affect the Indenture Trustee's and HSBC's security interests (or the perfection thereof) in the collateral securing the Notes, and after the Share Exchange, such security interests of the Indenture Trustee and of HSBC shall continue (without interruption) in the Exchanged Shares and the Additional Shares as they had been in the Class B Shares immediately prior to the Share Exchange.

Dated: June __, 2008
Wilmington, Delaware

THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE