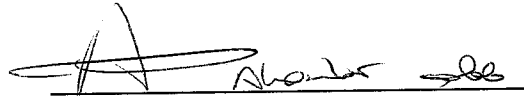


This is Exhibit "O" to the Affidavit of
THOMAS C. STRIKE sworn before me
this 7th day of January, 2010.



Commissioner for Taking Affidavits

EXECUTION VERSION

CANWEST MEDIAWORKS LIMITED PARTNERSHIP
as Borrower

- and -

THE GUARANTORS FROM TIME TO TIME
PARTY TO THIS AGREEMENT
as Guarantors

- and -

CITIGROUP GLOBAL MARKETS INC. and SCOTIA CAPITAL
as Co-Lead Arrangers and Joint Book Runners

- and -

THE BANK OF NOVA SCOTIA
as Administrative Agent

- and -

THE LENDERS FROM TIME TO TIME
PARTY TO THIS AGREEMENT

CDN. \$75,000,000 SENIOR SUBORDINATED CREDIT AGREEMENT

DATED AS OF

THE 10th DAY OF JULY, 2007

RBC CAPITAL MARKETS
TD SECURITIES
as Co-Syndication Agents

CIBC WORLD MARKETS
BMO NESBITT BURNS
as Co-Documentation Agents



**BORDEN
LADNER
GERVAIS**

BORDEN LADNER GERVAIS LLP

TABLE OF CONTENTS

Section	Description	Page
ARTICLE 1 DEFINED TERMS		
1.1	Defined Terms.....	1
1.2	Construction.....	36
1.3	Certain Rules of Interpretation.....	36
ARTICLE 2 THE CREDIT		
2.1	Amount and Availment Options.....	37
2.2	Non-Revolver Credit.....	38
2.3	Use of the Credit.....	38
2.4	Term and Repayment.....	38
2.5	Ranking.....	38
2.6	Mandatory and Voluntary Prepayments.....	38
2.7	Interest Rates.....	39
2.8	Annual Agency Fees.....	40
2.9	Exchange Rate Fluctuations.....	40
ARTICLE 3 DISBURSEMENT CONDITIONS		
3.1	Conditions Precedent to the Credit.....	40
	(1) Other Indebtedness and Liens.....	40
	(2) Going-Private Transaction.....	41
	(3) Material Contracts and Operating Agreements.....	41
	(4) Financial Information.....	41
	(5) Guarantees and Other Documents.....	42
	(6) Corporate and Other Information.....	42
	(7) Opinions.....	42
	(8) Other Matters.....	43
3.2	Conditions Precedent to all Advances.....	43
ARTICLE 4 GUARANTEES		
4.1	Guarantees.....	44
4.2	New Guarantors.....	44
ARTICLE 5 ADVANCES		
5.1	Participation of Lenders in the Credit.....	44

Section	Description	Page
5.2	Evidence of Indebtedness.....	44
5.3	Conversions.....	45
5.4	Notice of Advances and Payments.....	45
5.5	Prepayments and Reductions	45
5.6	Prime Rate, Base Rate and LIBOR Advances	46
5.7	LIBOR Periods.....	47
5.8	Co-ordination of Prime Rate Advances, Base Rate Advances and LIBOR Advances	47
5.9	Execution of Banker's Acceptances	47
5.10	Sale of Banker's Acceptances	48
5.11	Size and Maturity of Banker's Acceptances and Rollovers	49
5.12	Co-ordination of BA Advances.....	49
5.13	Payment of Banker's Acceptances	50
5.14	Deemed Advance – Banker's Acceptances	51
5.15	Waiver	51
5.16	Degree of Care	51
5.17	Obligations Absolute.....	51
5.18	Shortfall on Drawdowns, Rollovers and Conversions	52
5.19	Failure of Lender to Fund	52
5.20	Payment by the Borrower	53
5.21	Payment by Agent.....	53
5.22	Prohibited Rates of Interest.....	54

**ARTICLE 6
REPRESENTATION AND WARRANTIES**

6.1	Representations and Warranties.....	55
	(1) Corporate Matters	55
	(2) Loan Documents	56
	(3) Litigation, Financial Statements and Other Matters	57
	(4) Business, Property, Capital Stock, Material Contracts and Material Permits..	58
	(5) Environmental Matters.....	59
	(6) Taxes and Withholdings.....	60
	(7) Pension and Welfare Plans.....	61
	(8) Cumulative Material Adverse Effect	62
6.2	Survival of Representations and Warranties.....	62

**ARTICLE 7
COVENANTS**

7.1	Positive Covenants.....	62
	(1) Refinancing of the Credit.....	62
	(2) Payments, Operation of Business.....	63
	(3) Inspection	63
	(4) Insurance	63
	(5) Taxes and Withholdings.....	63
	(6) Other Matters	64
7.2	Reporting and Notice Requirements	64

Section	Description	Page
	(1) Periodic Reports	64
	(2) Requirements for Notice	65
7.3	Negative Covenants	65
	(1) Limitation on Additional Indebtedness	65
	(2) Limitation on Other Senior Subordinated Indebtedness	67
	(3) Limitation on Indebtedness with Change of Control Provisions	67
	(4) Limitation on Restricted Payments	67
	(5) Limitation on Liens Securing Certain Indebtedness	71
	(6) Limitation on Transactions with Affiliates	71
	(7) Limitation on Certain Asset Sales	73
	(8) Limitation on Disqualified Capital Stock of Restricted Subsidiaries	75
	(9) Limitation on Capital Stock of Restricted Subsidiaries	75
	(10) Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries	76
	(11) Limitation on Conduct of Business	77
	(12) Limitation on Sale and Lease-Back Transactions	77
	(13) Limitation of Guarantees by Restricted Subsidiaries	78
	(14) Payments for Consent	78
	(15) Merger, Consolidation or Sale of Assets	78

**ARTICLE 8
DEFAULT**

8.1	Events of Default	80
8.2	Acceleration and Termination of Rights, Pre-Acceleration Rights	81
8.3	Payment of Banker's Acceptances, etc.	82
8.4	Remedies	83
8.5	Saving	83
8.6	Perform Obligations	83
8.7	Third Parties	84
8.8	Remedies Cumulative	84

**ARTICLE 9
THE AGENT AND THE LENDERS**

9.1	Authorization of Agent	84
9.2	Administration of the Credit	85
9.3	Acknowledgements, Representations and Covenants of Lenders	88
9.4	Authorization of the Intercreditor Agreement	88
9.5	Provisions Operative Between Lenders and Agent Only	88

**ARTICLE 10
MISCELLANEOUS PROVISIONS**

10.1	Accounting Terms	89
10.2	Defined Terms	89
10.3	Severability	89

Section	Description	Page
10.4	Amendment, Supplement or Waiver.....	89
10.5	Governing Law.....	89
10.6	This Agreement to Govern.....	90
10.7	Currency.....	90
10.8	Liability of Lenders.....	90
10.9	Interest on Miscellaneous Amounts.....	90
10.10	Judgment Currency.....	90
10.11	Address for Notice.....	91
10.12	Time of the Essence.....	91
10.13	Further Assurances.....	91
10.14	Term of Agreement.....	91
10.15	Payments on Business Day.....	91
10.16	Whole Agreement.....	92
10.17	English Language.....	92
10.18	Date of Agreement.....	92

SCHEDULE A – FORM OF NOTICE OF ADVANCE OR PAYMENT

SCHEDULE B – FORM OF AGREEMENT OF NEW GUARANTOR

SCHEDULE C – FORM OF COMPLIANCE CERTIFICATE

SCHEDULE D – MODEL CREDIT AGREEMENT PROVISIONS

SCHEDULE E – APPLICABLE PERCENTAGES OF LENDERS

SCHEDULE F – DETAILS OF CAPITAL STOCK, PROPERTY, ETC.

SCHEDULE G – ORGANIZATION STRUCTURE

THIS CREDIT AGREEMENT is dated as of the 10th day of July, 2007

BETWEEN:

CANWEST MEDIAWORKS LIMITED PARTNERSHIP
a limited partnership formed under the laws of Ontario
as Borrower

- and -

CANWEST MEDIAWORKS (CANADA) INC.
CANWEST MEDIAWORKS PUBLICATIONS INC.
CANWEST BOOKS INC.
as Guarantors

- and -

THE LENDERS LISTED ON SCHEDULE E
TO THIS AGREEMENT FROM TIME TO TIME
as Lenders

- and -

THE BANK OF NOVA SCOTIA,
in its capacity as Administrative Agent

RECITALS:

- A. The Lenders have agreed to establish a credit facility in favour of the Borrower on the terms and conditions set out in this Agreement.
- B. The parties are entering into this Agreement to provide for the terms of such credit facilities.

FOR VALUE RECEIVED, and intending to be legally bound by this Agreement, the parties agree as follows:

ARTICLE 1
DEFINED TERMS

1.1 Defined Terms

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- 1.1.1 "Acquired Indebtedness"** of any Person means Indebtedness of any other Person (including an Unrestricted Subsidiary) existing at the time and continuing to exist immediately after the time such other Person becomes a Restricted Subsidiary of such

Person or is merged into or consolidated or amalgamated with such Person or which is assumed in connection with the acquisition of Property from such other Person and, in each case, not incurred by such other Person in connection with, or in anticipation or contemplation of, such other Person becoming a Restricted Subsidiary or such merger, consolidation, amalgamation or acquisition.

- 1.1.2 "Administrative Questionnaire" has the meaning defined in the Provisions.
- 1.1.3 "Advance" means an availing of the Credit by the Borrower by way of a Prime Rate Advance, BA Equivalent Loan, Base Rate Advance, LIBOR Advance, acceptance of a Banker's Acceptance and other deemed Advances and conversions, renewals and rollovers of existing Advances, and any reference relating to the amount of Advances shall mean the sum of all outstanding Prime Rate Advances, Base Rate Advances and LIBOR Advances, plus the face amount of all outstanding Banker's Acceptances and BA Equivalent Loans.
- 1.1.4 "Affiliate" means, with respect to any specific Person, any other Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that for purposes of Section 7.3(6) beneficial ownership of at least 20% of the voting securities of a Person, either directly or indirectly, shall be deemed to be control.
- 1.1.5 "Agent" or "Administrative Agent" means The Bank of Nova Scotia in its capacity as administrative agent for the Lenders, and any successor administrative agent appointed in accordance with this Agreement.
- 1.1.6 "Agreement", "hereof", "herein", "hereto", "hereunder" or similar expressions mean this Agreement, the Recitals hereto and any Schedules hereto, including the Provisions, as amended, supplemented, restated and replaced from time to time in accordance with the provisions hereof, and not any particular Article, Section or other portion hereof.
- 1.1.7 "Applicable Law" has the meaning defined in the Provisions.
- 1.1.8 "Applicable Percentage" has the meaning defined in the Provisions. The Applicable Percentage of each Lender as of the date of this Agreement is the percentage calculated based on the amounts set out in Schedule E to this Agreement, which shall be amended and distributed to all parties by the Administrative Agent from time to time as Applicable Percentages change in accordance with this Agreement.
- 1.1.9 "Approved Fund" has the meaning defined in the Provisions.

1.1.10 "Arm's Length" has the meaning given to that term for the purposes of the *Income Tax Act* (Canada).

1.1.11 "Article" means the designated article of this Agreement.

1.1.12 "Asper Group" means:

- (a) the late Israel Asper ("Asper");
- (b) his spouse;
- (c) any lineal descendant of Asper (treating for this purpose, for greater certainty, any legally adopted descendant as a lineal descendant);
- (d) the estate of any Person listed in clauses (a) to (c);
- (e) any trust primarily for one or more of the lineal descendants of Asper, spouses of such lineal descendants, Asper himself or any spouse or former spouse of Asper, provided that one or more of the Persons listed in clauses (a) to (c) retain dispositive control of such trust;
- (f) any and all Persons that are directly or indirectly controlled by any one or more of the foregoing; and
- (g) any charitable trust settled by any one or more of the Persons listed in clauses (a) to (c) over which any such Person retains or Persons retain, as the case may be, dispositive control;

provided that for the purposes of this definition, (i) "control" of a corporation means the ownership of, or control or direction over, voting interests with more than 50% of the total voting power entitled (without regard to the occurrence of any contingency) to vote in the election of the board of directors of such corporation and the votes attached to such voting interests are sufficient, if exercised, to elect a majority of the board of directors of such corporation, (ii) "spouse" includes a Person's widow or widower, and (iii) "dispositive control" of any trust means the control or direction over the payment or transfer of trust property to beneficiaries.

1.1.13 "Asset Acquisition" means (a) an Investment by any Obligor in any other Person pursuant to which such Person shall become an Obligor or any Obligor, or shall be merged, consolidated or amalgamated with or into any Obligor, or (b) the acquisition by any Obligor of the Property of any Person (other than an Obligor) that constitute all or substantially all of the Property of such Person or comprise any division or line of business of such Person or any other Property of such Person other than in the ordinary course of business.

1.1.14 "Asset Sale" means any direct or indirect sale, issuance, conveyance, assignment, transfer, lease or other disposition (including by way of merger, consolidation or Sale and Lease-Back Transactions), other than to any Obligor, in any single transaction or

series of related transactions of (a) any Capital Stock of or other equity interest in any Restricted Subsidiary, or (b) any Property of any Obligor; provided that an Asset Sale shall not include:

- (i) a transaction or series of related transactions for which the Obligors or any of them receive aggregate consideration of less than Cdn. \$5,000,000;
- (ii) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the Property of the Borrower or any other Obligor as permitted under Section 7.3(15) or under Section 7.3(12);
- (iii) any disposition of any cash or Cash Equivalents;
- (iv) the sale, lease or other disposition of products, inventory or services in the ordinary course of business;
- (v) any sales of property or equipment that has become worn out, obsolete or damaged or otherwise unsuitable for use in connection with the business of any Obligor;
- (vi) any sale or discount of receivables in the ordinary course of business on terms customary when taken as a whole) for transactions of such nature;
- (vii) any transaction consummated in compliance with Section 7.3(4) including, without limitation, any Permitted Investments; and
- (viii) the creation of Liens permitted under this Agreement.

1.1.15 "Asset Sale Proceeds" means, with respect to any Asset Sale:

- (a) cash received by any Obligor from such Asset Sale (including cash received as consideration for the assumption of liabilities incurred in connection with or in anticipation of such Asset Sale), after:
 - (i) provision for all income or other taxes measured by or resulting from such Asset Sale (including such taxes payable by the partners of the Borrower);
 - (ii) payment of all brokerage commissions, underwriting and other fees (including legal and accounting fees) and expenses related to such Asset Sale;
 - (iii) provision for minority interest holders in any Restricted Subsidiary as a result of such Asset Sale;

- (iv) repayment of any of the Indebtedness of the Borrower that is secured with the Property sold in the Asset Sale and that is required to be repaid, or any repayment of any Senior Indebtedness that any Obligor elects to repay, in connection with such Asset Sale; and
 - (v) deduction of appropriate amounts to be provided by any Obligor as a reserve, in accordance with GAAP, against any liabilities associated with the Property sold or disposed of in such Asset Sale and retained by an Obligor after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with the Property sold or disposed of in such Asset Sale; and
- (b) promissory notes and other non-cash consideration received by any Obligor from such Asset Sale or other disposition upon the liquidation or conversion of such notes or non-cash consideration into cash.

1.1.16 "Assignment and Assumption" has the meaning defined in the Provisions.

1.1.17 "Available Asset Sale Proceeds" means, with respect to any Asset Sale, the aggregate Asset Sale Proceeds from such Asset Sale that have not been applied in accordance with Sections 7.37.3(7)(c)7.3(7)(c)(i) or 7.37.3(7)(c)7.3(7)(c)(ii), and that have not yet been the basis for an Access Proceeds Offer in accordance with Section 7.37.3(7)7.3(7)(c)7.3(7)(c)(iii).

1.1.18 "BA Discount Proceeds" means, in respect of any Banker's Acceptance, an amount calculated on the applicable Drawdown Date which is (rounded to the nearest full cent, with one-half of one cent being rounded up) equal to the face amount of such Banker's Acceptance multiplied by the price, where the price is calculated by dividing one by the sum of one plus the product of (a) the BA Discount Rate applicable thereto expressed as a decimal fraction multiplied by (b) a fraction, the numerator of which is the term of such Banker's Acceptance and the denominator of which is 365, rounded to the nearest multiple of 0.001%.

1.1.19 "BA Discount Rate" means (a) with respect to any Banker's Acceptance accepted by a Lender named on Schedule I to the *Bank Act* (Canada), the rate determined by the Agent as being the arithmetic average (rounded upward to the nearest multiple of 0.01%) of the discount rates, calculated on the basis of a year of 365 days and determined in accordance with normal market practice at or about 10:00 a.m. (Toronto time) on the applicable Drawdown Date, for banker's acceptances of the Schedule I Reference Lenders having a comparable face amount and identical maturity date to the face amount and maturity date of such Banker's Acceptance, and (b) with respect to any Banker's Acceptance accepted by any other Lender, the lesser of (i) the rate determined in Section 1.1.19(a) plus 0.10% per annum, and (ii) the rate determined by the Agent as being the arithmetic average (rounded upward to the nearest multiple of 0.01%) of the discount rates, calculated on the basis of a year of 365 days and determined in accordance with normal market practice at or about 10:00 a.m. (Toronto

time) on the applicable Drawdown Date, for banker's acceptances of the Other Reference Lenders having a comparable face amount and identical maturity date to the face amount and maturity date of such Banker's Acceptance.

- 1.1.20** "BA Equivalent Loan" has the meaning defined in Section 5.12(5).
- 1.1.21** "Banker's Acceptance" means a depository bill as defined in the *Depository Bills and Notes Act* (Canada) in Canadian Dollars that is in the form of an order signed by the Borrower and accepted by a Lender pursuant to this Agreement or, for Lenders not participating in clearing services contemplated in that Act, a draft or bill of exchange in Canadian Dollars that is drawn by the Borrower and accepted by a Lender pursuant to this Agreement. Orders or drafts that become depository bills, drafts and bills of exchange are sometimes collectively referred to in this Agreement as "orders". References in the Provisions to "bankers' acceptances" shall be interpreted as referring to Banker's Acceptances.
- 1.1.22** "Banker's Acceptance Fee" means, with respect to any Banker's Acceptance, the amount calculated by multiplying the face amount of the Banker's Acceptance by the applicable rate for the Banker's Acceptance Fee specified in Section 2.7, and then multiplying the result by a fraction, the numerator of which is the duration of its term on the basis of the applicable actual number of days to elapse from and including the date of acceptance of the Banker's Acceptance by the Lender up to but excluding the maturity date of the Banker's Acceptance and the denominator of which is the number of days in the calendar year in question.
- 1.1.23** "Base Rate" means, on any day, the greater of:
- (a) the average of the annual rates of interest (expressed as a percentage per annum on the basis of a 360 day year) offered by each Schedule I Reference Lender on that day as its reference rate for commercial loans made by it in Canada in US Dollars; and
 - (b) the Federal Funds Effective Rate plus 0.75% per annum.
- 1.1.24** "Board of Directors" of any Person means the board of directors, managers, management committee or other body governing the management and affairs of such Person, including in the case of the limited partnership, the controlling general partner of such limited partnership.
- 1.1.25** "Base Rate Advance" or "Base Rate Loan" means an advance in US Dollars bearing interest based on the Base Rate and includes any deemed Base Rate Advance provided for in this Agreement.
- 1.1.26** "Borrower" means CanWest MediaWorks Limited Partnership, a limited partnership formed under the laws of Ontario.
- 1.1.27** "Borrower Partnership Agreement" means the limited partnership agreement made as of September 7, 2005 pursuant to which the Borrower was formed as amended and

restated by the amended and restated limited partnership agreement made as of October 13, 2005 between CanWest MediaWorks Inc., CanWest GP and CWMW Trust and as further amended and restated by the second amended and restated limited partnership agreement made as of July 10, 2007 between CanWest MediaWorks Inc. and CanWest GP.

- 1.1.28 "**Branch of Account**" means, for the purposes of obtaining and repaying Advances under the Credit, GWS – Loan Administration & Agency Services of the Agent located at 720 King Street West, 4th Floor, Global Wholesale Services, Toronto, Ontario, M5V 2T3, or such other branch as may be designated by the Agent from time to time.
- 1.1.29 "**Business Day**" means a day of the year, other than Saturday or Sunday, on which (a) in respect of notices, determinations, payments or Advances relating to LIBOR Advances, the Agent is open for normal banking business at its executive offices in Toronto, Ontario, its principal office in Calgary, Alberta, the Branch of Account and its principal offices in New York, New York and London, England, and (b) for all other purposes, the Agent is open for normal banking business at its executive offices in Toronto, Ontario, its principal office in Calgary, Alberta, the Branch of Account and its principal office in New York, New York.
- 1.1.30 "**Canadian Dollars**", "**Cdn. Dollars**", "**Cdn. \$**" and "**\$**" mean the lawful money of Canada.
- 1.1.31 "**CanWest GP**" means, CanWest MediaWorks (Canada) Inc., a corporation existing under the laws of Canada, the general partner of the Borrower.
- 1.1.32 "**CanWest Publications**" means CanWest MediaWorks Publications Inc., a corporation amalgamated under the laws of Canada.
- 1.1.33 "**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, membership interests, partnership interests or any other participation, right or other interest in the nature of an equity interest in such Person including, without limitation, Common Stock and Preferred Stock of such Person, or any option, warrant or other security convertible into any of the foregoing.
- 1.1.34 "**Capitalized Lease Obligations**" means with respect to any Person, Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such Indebtedness shall be the capitalized amount of such obligations determined in accordance with GAAP.
- 1.1.35 "**Cash Equivalents**" means (a) bonds or other evidences of indebtedness, the principal and interest of which is payable or fully guaranteed by the government of Canada or any province or territory thereof, or the United States of America or any state thereof or the District of Columbia, or by any agency or instrumentality of any of the

foregoing backed by the full faith and credit of Canada or any such province or territory or of the United States of America or any such state or the District of Columbia, payable in Canadian Dollars or United States Dollars and rated AAA or AA (or the then equivalent grade) and not rated a lower grade by Dominion Bond Rating Service, in the case of bonds or evidences of indebtedness of Canada or any province or territory thereof or agency or institution of Canada or any such province or territory, and Standard & Poor's Ratings Group, in the case of bonds or evidences of indebtedness of the United States of America or any state thereof or any agency or instrumentality of the United States of America or any state thereof, (b) deposits or certificates of deposit issued or guaranteed by a bank, trust company or savings and loan association organized under the laws of Canada or any province or territory thereof and rated P-1 (or the then equivalent grade) or better by Moody's Investor Services, Inc. or issued or guaranteed by a bank or trust company organized under the laws of the United States of America or any state thereof or of the District of Columbia, having capital, surplus and undivided profits in excess of US \$500,000,000, (c) commercial paper rated A-1 (or the then equivalent grade) or better by Standard & Poor's Ratings Group, P-1 (or the then equivalent grade) or better by Moody's Investor Services, Inc. or rated R-1 high (or the then equivalent grade) or better by Dominion Bond Rating Service, and not rated a lower grade by any of such firms, and having a maturity not in excess of one year from the date of acquisition thereof, (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a) above entered into with any bank, trust company or savings and loan association meeting the qualifications specified in clause (b) above, and (e) investments in money market funds which invest substantially all their assets in securities of the types described in any of clauses (a) to (d) above, excluding any securities which a Canadian chartered bank is prohibited from holding as security under the *Bank Act* (Canada), in each case, so long as the same is maintained in accounts or in any other manner such that the Agent has a perfected security interest therein.

- 1.1.36 "CDOR Rate" means, on any date, with respect to any Banker's Acceptance, the simple average of the rates shown on the display referred to as the "CDOR Page" (or any display substituted therefor) on Reuters Domestic Money Service (or any successor source from time to time) with respect to the banks and other financial institutions named in such display at or about 10:00 a.m. (Toronto time) on such date for banker's acceptances having an identical maturity date to the maturity date of such Banker's Acceptance, as determined by the Agent, or if such day is not a Business Day, then on the immediately preceding Business Day; provided, however, that if such rates are not available, then the CDOR Rate for any day shall be calculated as the average of the bid rates (rounded upwards to the nearest 1/16th of 1%) quoted by each of the Schedule I Reference Lenders for its own banker's acceptances for the applicable period as of 10:00 a.m. (Toronto time) on such day, as determined by the Agent, or if such day is not a Business Day, then on the immediately preceding Business Day.
- 1.1.37 "Change in Law" has the meaning defined in the Provisions.

1.1.38 "Change of Control" means:

- (a) the Asper Group ceases to beneficially own, directly or indirectly, at least 35% of the votes attached to the Capital Stock entitled to vote for the election of the board of directors of CanWest Global Communications Corp. and CanWest Global Communications Corp. ceases to beneficially own, directly or indirectly, at least 35% of the votes attached to the Capital Stock entitled to vote for the election of the board of directors of CanWest GP;
- (b) any Person or related group of Persons for purposes of Section 13(d) of the *U.S. Securities Exchange Act of 1934* and the rules and regulations promulgated thereunder, other than CanWest Global Communications Corp. or the Asper Group or any member thereof, shall at any time be, directly or indirectly, the beneficial owner of a greater percentage of the votes attached to the Capital Stock entitled to vote for the election of the board of directors of CanWest Global Communications Corp. than the votes attached to the Capital Stock entitled to vote for the election of the board of directors of CanWest Global Communications Corp. beneficially owned, directly or indirectly, by CanWest Global Communications Corp. or the Asper Group (whichever owns the greater percentage);
- (c) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the Property of the Borrower;
- (d) the partners of the Borrower approve any plan or proposal for the liquidation or dissolution of the Borrower; or
- (e) any Person shall cause, as a result of any proxy solicitation made otherwise than by or on behalf of management, Continuing Directors to cease to be a majority of the board of directors of CanWest GP (where "Continuing Directors" are (i) members of the original board of directors of CanWest GP, or (ii) members appointed or whose nomination is approved by a majority of the Continuing Directors of CanWest GP or nominated at a time that the Continuing Directors of CanWest GP form a majority of the board of directors).

1.1.39 "Closing Date" means the date on which the Advance under the Credit is made, being July 13, 2007.

1.1.40 "Collateral" means cash, a bank draft or a letter of credit issued by a Canadian chartered bank, all in a form satisfactory to the Agent, acting reasonably.

1.1.41 "Commitment" means in respect of each Lender from time to time, the covenant to make Advances to the Borrower in the Lender's Applicable Percentage of the maximum amount of the Credit and, where the context requires, the maximum amount of Advances which the Lender has covenanted to make.

- 1.1.42 "Common Stock" of any Person means all Capital Stock of such Person that is generally entitled to (a) vote in the election of directors of such Person, or (b) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management and policies of such Person.
- 1.1.43 "Communications Business" means the media and communications businesses and activities related thereto, including television broadcasting and related businesses (such as the sale of television advertising and programming and the development, production and distribution of television and film programming), radio broadcasting and related businesses (such as sale of radio advertising and the production of radio programming), specialty or pay television, print media and related businesses, publications business, cable television, electronic media, print media, data, voice and video transmission, advertising, billboards and transmission tower rental and sales and real property rental and sales (to the extent that such real property rental and sales arise from lease or sale of Property used by a Person in connection with any of the foregoing media and communications businesses) and lending of money by the Borrower to any other Obligor or to the Borrower by any other Obligor and including the holding of ownership interests in persons engaged in the foregoing.
- 1.1.44 "Compliance Certificate" means a certificate in the form of Schedule C, signed by a senior officer of the Borrower.
- 1.1.45 "Consolidated Interest Expense" means, with respect to any Person, for any period, the aggregate amount of interest that, in conformity with GAAP, would be set forth opposite the caption "interest expense" or any like caption on an income statement for such Person and the Restricted Subsidiaries on a consolidated basis including, but not limited to (without duplication):
- (a) imputed interest included in Capitalized Lease Obligations;
 - (b) all commissions, discounts and other fees and charges owed with respect to letters of credit and banker's acceptance financing;
 - (c) the net costs associated with Hedging Obligations;
 - (d) amortization of other financing fees and expenses;
 - (e) the interest portion of any deferred payment obligation;
 - (f) amortization of discount or premium, if any; and
 - (g) all other non-cash interest expense (other than interest paid in Capital Stock (other than Disqualified Capital Stock) of such Person and other than interest allocated to cost of sales);

plus,

without duplication, all net capitalized interest for such period and all interest incurred or paid under any guarantee of Indebtedness (including a guarantee of principal, interest or any combination thereof) of any Person, plus the amount of all dividends or distributions paid on Disqualified Capital Stock (other than dividends paid or payable in shares of Capital Stock (other than Disqualified Capital Stock) of such Person).

1.1.46 **"Consolidated Leverage Ratio"** means, with respect to any Person, the ratio of (a) the sum, without duplication, of the aggregate outstanding amount of Indebtedness of such Person and the Restricted Subsidiaries (excluding Indebtedness incurred pursuant to clause (f), (g), (i) or (j) of the definition of "Permitted Indebtedness") as of the date of calculation (the **"Transaction Date"**) on a consolidated basis determined in accordance with GAAP (after giving effect on a pro forma basis to the incurrence or repayment of any Indebtedness of such Person or any of the Restricted Subsidiaries giving rise to the need to make such calculation) to (b) such Person's EBITDA for the four full fiscal quarters (the **"Four Quarter Period"**) ending on or prior to the Transaction Date for which financial statements are available. For purposes of this definition, clause (b) above will be calculated after giving effect on a pro forma basis to any Asset Sales or Asset Acquisitions (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of the Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness and also including any EBITDA (provided that such EBITDA will be included only to the extent that Consolidated Income would be includable pursuant to the definition of "Consolidated Net Income") (including any pro forma expense and cost reductions calculated on a basis consistent with Regulation S-X of the Exchange Act or the equivalent thereof under Canadian or Ontario securities laws and regulations) attributable to the assets that are the subject of the Asset Acquisition or Asset Sale during the Four Quarter Period) occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such Asset Sale or Asset Acquisition (including the incurrence, assumption or liability for any such Acquired Indebtedness) occurred on the first day of the Four Quarter Period. If such Person or any of the Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence will give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such guaranteed Indebtedness.

1.1.47 **"Consolidated Net Income"** means, with respect to any Person, for any period, the aggregate of the Net Income of such Person and the Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided, however, that:

- (a) the equity of such Person in the Net Income of any other Person (the **"other Person"**) in which such Person or any of the Restricted Subsidiaries has less than a 100% interest (which interest does not cause the Net Income of such other Person to be consolidated into the Net Income of such Person in accordance with GAAP) for such period shall be included in such Person's

Consolidated Net Income only to the extent of the amount of dividends or distributions actually paid to such Person or such Restricted Subsidiary during such period (subject, in the case of a dividend or distribution to a Restricted Subsidiary, to the limitations contained in clause (b) of this definition of "Consolidated Net Income"), and (ii) such Person's equity in a net loss of any such other Person (other than an Unrestricted Subsidiary) for such period shall be included in determining such Person's Consolidated Net Income;

- (b) the Net Income of any Restricted Subsidiary of such Person that is subject to any restriction or limitation on the payment of dividends or the making of other distributions shall be excluded to the extent of such restriction or limitation, except that (i) subject to the limitations contained in subclause (b)(ii), the equity of such Person in the Net Income of any such Restricted Subsidiary for such period shall be included in such Person's Consolidated Net Income to the extent of dividends or distributions that could have been paid by such Restricted Subsidiary during such period to such Person or another Restricted Subsidiary (subject, in the case of a dividend or distribution to another Restricted Subsidiary, to the limitations contained in this clause), and (ii) such Person's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;
- (c) (i) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition, and (ii) any net gain or loss during such period resulting from an Asset Sale by such Person or any of its Restricted Subsidiaries other than in the ordinary course of business shall be excluded;
- (d) extraordinary gains and losses during such period shall be excluded;
- (e) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued) shall be excluded; and
- (f) in the case of a successor to such Person by consolidation, amalgamation or merger or as a transferee of such Person's assets, any earnings of the successor entity prior to such consolidation, amalgamation, merger or transfer of Property shall be excluded.

1.1.48 "Constating Documents" means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation, continuance or association, memorandum of association, declaration of trust, trust indenture, partnership agreement, limited liability company agreement or other similar document, as applicable, and all unanimous shareholder agreements, other shareholder agreements, voting trust agreements and similar arrangements applicable to the Person's Capital Stock, and by-laws, all as amended, supplemented, restated or replaced from time to time.

- 1.1.49 "Contract" means any agreement, contract, indenture, Lease, deed of trust, licence, option, undertaking, promise or any other commitment or obligation, whether oral or written, express or implied, other than a Permit.
- 1.1.50 "Contributing Lender" shall have the meaning defined in Section 5.19.
- 1.1.51 "Control" has the meaning defined in the Provisions.
- 1.1.52 "Credit" means the senior subordinated term credit facility established by the Lenders pursuant to Article 2 of this Agreement.
- 1.1.53 "Cumulative Consolidated Interest Expense" means, with respect to any Person, as of any date of determination, Consolidated Interest Expense from July 1, 2007 to the end of such Person's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.
- 1.1.54 "Cumulative EBITDA" means, with respect to any Person, as of any date of determination, the EBITDA of such Person and the Restricted Subsidiaries from July 1, 2007 to the end of such Person's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.
- 1.1.55 "Default" has the meaning defined in the Provisions and, without limiting the Provisions, Default includes an Event of Default and a Pending Event of Default.
- 1.1.56 "Defaulting Lender" has the meaning defined in Section 5.19.
- 1.1.57 "Designated Account" means, in respect of any Advance, the account or accounts maintained by the Borrower at a branch of the Agent in Toronto, Ontario that the Borrower designates in its notice requesting an Advance.
- 1.1.58 "Designated Senior Indebtedness" means, as to the Borrower or any Guarantor, as the case may be:
- (a) any Senior Indebtedness under or in connection with the Senior Secured Credit Agreement; and
 - (b) any other Senior Indebtedness that at the time of determination exceeds Cdn. \$100,000,000 in aggregate principal amount (or accreted value in the case of Indebtedness issued at a discount) outstanding or available under a committed facility, which is specifically designated in the instrument evidencing such Senior Indebtedness as "Designated Senior Indebtedness" by such Person and as to which the Agent has been given written notice of such designation.
- 1.1.59 "Disqualified Capital Stock" of any Person means any Capital Stock of such Person or a Restricted Subsidiary thereof that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to

a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the maturity date of the Obligations, for cash or securities constituting Indebtedness. Without limitation of the foregoing, Disqualified Capital Stock shall be deemed to include any Preferred Stock of a Person or a Restricted Subsidiary of such Person, with respect to either of which, under the terms of such Preferred Stock, by agreement or otherwise, such Person or Restricted Subsidiary is obligated to pay current dividends or distributions in cash during the period prior to the maturity date of the Obligations; provided, however, that Preferred Stock of a Person or any Restricted Subsidiary thereof that is issued with the benefit of provisions requiring a change of control offer to be made for such Preferred Stock in the event of a change of control of such Person or Restricted Subsidiary which provisions have substantially the same effect as the provisions of the "Change of Control" of this Agreement shall not be deemed to be Disqualified Capital Stock solely by virtue of such provisions.

1.1.60 "Drawdown Date" means the date, which shall be a Business Day, of any Advance.

1.1.61 "EBITDA" means, with respect to any Person and its Restricted Subsidiaries, for any period, an amount equal to:

- (a) the sum of:
- (i) the Consolidated Net Income of such Person for such period; plus
 - (ii) the provision for taxes for such period based on income or profits to the extent such income or profits were included in computing such Consolidated Net Income and any provision for taxes utilized in computing net loss under Section 1.1.61(a)(i); plus
 - (iii) the Consolidated Interest Expense of such Person; provided, however, for purposes of this definition only, that dividends or distributions paid on Disqualified Capital Stock shall not be included in the definition of "Consolidated Interest Expense" to the extent such dividends or distributions have not been included in the computation of such Consolidated Net Income for such period; plus
 - (iv) depreciation for such period on a consolidated basis for such Person and the Restricted Subsidiaries; plus
 - (v) amortization of intangibles for such period on a consolidated basis for such Person and the Restricted Subsidiaries; plus
 - (vi) any other non-cash items reducing such Consolidated Net Income for such period (other than any non-cash items that represent accruals of, or reserves for, cash disbursements to be made in any future accounting period);

minus

- (b) all non-cash items increasing such Consolidated Net Income (other than any non-cash items that were accrued in the ordinary course of business) for such period; and provided, however, that, for purposes of calculating EBITDA during any fiscal quarter, income from a particular Investment of such Person or its Restricted Subsidiaries shall be included only (i) if cash income has been received by such Person or its Restricted Subsidiaries with respect to such Investment during the previous four fiscal quarters and only to the extent such cash income was received by such Person or its Restricted Subsidiary within 90 days of first receipt of such cash distribution in respect of such Investment by an Affiliate of such Person, or (ii) if the cash income derived from such Investment is attributable to Cash Equivalents.

- 1.1.62 "Eligible Assignee" has the meaning defined in the Provisions.
- 1.1.63 "Environmental Laws" means all Applicable Laws or any parts thereof pertaining to the environment, Hazardous Material or health and safety.
- 1.1.64 "Equity Offering" means an offering by one of CanWest Global Communications Corp. or the Borrower of shares in its Capital Stock (however designated and whether voting or nonvoting) and any and all rights, warrants or options to acquire such Capital Stock; provided, however, that in the case of an Equity Offering by CanWest Global Communications Corp., the portion of the Net Proceeds necessary to repay the Obligations shall be reflected as equity on a balance sheet prepared in accordance with GAAP.
- 1.1.65 "Equivalent Amount" means, on any date, the equivalent amount in Canadian Dollars or US Dollars, as the case may be, after giving effect to a conversion of a specified amount of US Dollars to Canadian Dollars or Canadian Dollars to US Dollars, as the case may be, at the Exchange Rate.
- 1.1.66 "Event of Default" means any of the events or circumstances described in Section 8.1.
- 1.1.67 "Exchange Rate" means on any day, for the purpose of calculations under this Agreement, the amount of Canadian Dollars into which US Dollars may be converted, or vice versa, using the Bank of Canada noon spot rate for converting the one currency into the other on that day or if that day is not a Business Day, the preceding Business Day, or if such rate is not so published by the Bank of Canada for any such day, then at the mid rate (i.e. the average of the Agent's spot buying and selling rates) quoted by the Agent at the Branch of Account at approximately noon (Toronto time) on that day in accordance with its normal practice for the applicable currency conversion in the wholesale market, or if that day is not a Business Day, the preceding Business Day.
- 1.1.68 "Excluded Taxes" has the meaning defined in the Provisions.
- 1.1.69 "fair market value" means, with respect to any asset or property, the price that could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or

compulsion to complete the transaction. Fair market value shall be determined by the Board of Directors of the Borrower acting reasonably and in good faith, whose determination shall be conclusive and shall be evidenced by a resolution of the Board of Directors of the Borrower delivered to the Agent.

- 1.1.70** "Federal Funds Effective Rate" means, for any period, a fluctuating interest rate per annum equal, for each day during such period, to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York or, for any day on which that rate is not published for that day by the Federal Reserve Bank of New York, the average of the quotations for that day for such transactions received by the Agent from three Federal Funds brokers of recognized standing.
- 1.1.71** "Fee Letter" means the confidential fee letter agreement dated June 29, 2007 made by Citigroup Global Markets Inc. and The Bank of Nova Scotia addressed to the Borrower providing for the payment of certain fees in relation to the Credit, accepted and agreed to by the Borrower of even date therewith.
- 1.1.72** "Final Redemption Date" means July 12, 2007 or such other date agreed to by the parties to the Privatization Agreement in accordance with the Privatization Agreement.
- 1.1.73** "Foreign Lender" has the meaning defined in the Provisions.
- 1.1.74** "Fund" has the meaning defined in the Provisions.
- 1.1.75** "GAAP" means generally accepted accounting principles consistently applied as in effect in Canada on the Closing Date.
- 1.1.76** "Governmental Authority" has the meaning defined in the Provisions.
- 1.1.77** "Guarantees" means the guarantees entered into by the Obligors from time to time under Section 4.1 and Section 4.2.
- 1.1.78** "Guarantor Obligations" means the obligations of the Guarantors under the Loan Documents.
- 1.1.79** "Guarantors" means CanWest GP, CanWest Publications and CanWest Books Inc. and each other Person which delivers a guarantee from time to time in accordance with Section Section 4.2.
- 1.1.80** "Hazardous Materials" means any substance, product, waste, residue, pollutant, material, chemical, contaminant, dangerous good, constituent or other material which is or becomes listed, regulated, defined or addressed under or subject to any Environmental Law or any applicable Permit issued under any Environmental Law, including asbestos, petroleum, tailings, mining residue and polychlorinated biphenyls.

- 1.1.81 "Hedging Obligations" means, with respect to any Person, the net payment obligations of such Person outstanding under (a) interest rate or currency swap agreements, interest rate or currency cap agreements and interest rate or currency collar agreements, and (b) any other agreements or arrangements entered into in order to protect such Person against fluctuations in commodity prices, interest rates or currency exchange rates.
- 1.1.82 "incur" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Indebtedness or other obligation as a liability on the balance sheet of such Person (and "incurrence", "incurred", "incurable" and "incurring" shall have meanings correlative to the foregoing); provided that a change in GAAP that results in an obligation of such Person that exists at such time becoming Indebtedness shall not be deemed an incurrence of such Indebtedness; and provided, further, that Indebtedness otherwise incurred by a Person before it becomes a Restricted Subsidiary of the Borrower shall be deemed to have been incurred by such Person at the time such Person becomes such a Restricted Subsidiary.
- 1.1.83 "Indebtedness" means (without duplication) with respect to any Person, any indebtedness at any time outstanding, secured or unsecured, contingent or otherwise, which is for borrowed money (whether or not the recourse of the lender is to the whole of the Property of such Person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any Property (excluding, without limitation, any balances that constitute subscriber advance payments and deposits, accounts payable or trade payables, and other accrued liabilities arising in the ordinary course of business) if and to the extent any of the foregoing indebtedness would appear as a liability on a balance sheet of such Person prepared in accordance with GAAP, and shall also include, to the extent not otherwise included:
- (a) any Capitalized Lease Obligations of such Person;
 - (b) obligations secured by a Lien to which any Property owned or held by such Person is subject, whether or not the obligation or obligations secured thereby shall have been assumed; provided, that for the purposes of determining the amount of Indebtedness described in this clause, if recourse with respect to such Indebtedness is limited to such Property, the amount of such Indebtedness shall be limited to the fair market value for such Property;
 - (c) guarantees of Indebtedness of other Persons that would be included within this definition for such other Persons (whether or not such items would appear on the balance sheet of the guarantor);
 - (d) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction;

- (e) Disqualified Capital Stock of such Person or any Restricted Subsidiary thereof; and
- (f) obligations of any such Person under any Hedging Obligations applicable to any of the foregoing (if and to the extent such Hedging Obligations would appear as a liability on a balance sheet of such Person prepared in accordance with GAAP).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; provided that:

- (g) the amount outstanding at any time of any Indebtedness issued with original issue discount is the principal amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (h) Indebtedness shall not include any liability for federal, state, provincial, territorial, regional, municipal, local or other taxes; and
- (i) the amount of any Indebtedness secured by a Lien under the terms of which the recourse of the Person to which such Indebtedness is owed is limited to the Property secured by such Lien shall be the lesser of (i) the amount of such Indebtedness otherwise determined in accordance with the foregoing, and (ii) the fair market value, at the time of determination, of the Property subject to such Lien. For the avoidance of doubt, guarantees of (or obligations with respect to letters of credit supporting) Indebtedness otherwise included in the determination of such amount shall not also be included.

1.1.84 "Indemnified Taxes" has the meaning defined in the Provisions.

1.1.85 "Information Circular" means the notice of the special meeting of the holders of trust units in the CanWest MediaWorks Income Fund, including any adjournment or postponement thereof, called and held to consider the Transaction and the accompanying management information circular sent to the holders of units in the CanWest MediaWorks Income Fund in connection with such meeting, as the same may be amended, supplemented or otherwise modified in accordance with the Privatization Agreement.

1.1.86 "Intellectual Property" means patents, trademarks, service marks, trade names, copyrights, trade secrets, industrial designs and other similar rights.

1.1.87 "Interbank Reference Rate" means, in respect of any currency, the interest rate expressed as a percentage per annum which is customarily used by the Agent when calculating interest due by it or owing to it arising from correction of errors in transactions in that currency between it and other chartered banks.

- 1.1.88 **"Intercreditor Agreement"** means the intercreditor agreement dated as of the 10th day of July, 2007 between the Agent and The Bank of Nova Scotia, in its capacity as administrative agent under the Senior Secured Credit Agreement, providing for the subordination and postponement of the Obligations and the Guarantor Obligations to the obligations of the Borrower and the Obligors under and in connection with the Senior Secured Credit Agreement.
- 1.1.89 **"Interest Payment Date"** means the 21st day of each calendar month.
- 1.1.90 **"Interest Period"** has the same meaning as LIBOR Period.
- 1.1.91 **"Investment"** means, with respect to any Person, directly or indirectly, any advance, account receivable (other than an account receivable arising in the ordinary course of business of such Person), loan or capital contribution to (by means of transfers of Property to others, payments for Property or services for the account or use of others or otherwise), the purchase of any Capital Stock, bonds, notes, debentures, partnership or joint venture interests or other securities (other than pursuant to Section 7.3(7) and Section 2.6(1)) of, the acquisition, by purchase or otherwise, of all or substantially all of the business or assets or stock or other evidence of beneficial ownership of, any Person or the making of any investment in any Person. Investments shall exclude (a) extensions of trade credit on commercially reasonable terms in accordance with normal trade practices of such Person and (b) the repurchase of securities of any Person by such Person. For the purposes of Section 7.3(4), (1) Investments shall include and be valued at the fair market value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary and shall exclude the fair market value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary and (2) the amount of any Investment shall be the original cost of such Investment plus the cost of all additional Investments by the Borrower or any of the Restricted Subsidiaries, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment reduced by the payment of distributions in cash or Cash Equivalents that constitute a return of capital in connection with such Investment; provided that the aggregate of all such reductions shall not exceed the amount of such initial Investment plus the cost of all additional Investments; provided, further, that no such payment of distributions or receipt of any such other amounts shall reduce the amount of any Investment if such payment of distributions or receipt of any such amounts would be included in Consolidated Net Income. If the Borrower or any Restricted Subsidiary sells or otherwise disposes of any Common Stock of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Restricted Subsidiary shall have ceased to be a Subsidiary of the Borrower, the Borrower shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Common Stock of such Restricted Subsidiary not sold or disposed of.
- 1.1.92 **"Lease"** includes any lease, sublease, offer to lease or sublease, occupancy or tenant agreement and lease or sublease amending agreement, and **"Leased"** shall have a corresponding meaning.

- 1.1.93 "Lenders" means each of the Persons listed on Schedule E and other lenders that agree from time to time to become Lenders in accordance with the terms of this Agreement and "Lender" means any one of the Lenders; provided that each of the Lenders shall be or shall be deemed to be residents of Canada for the purposes of Part XIII of the *Income Tax Act* (Canada).
- 1.1.94 "LIBO Rate" means, for any LIBOR Period and LIBOR Advance, a rate expressed as a percentage per annum on the basis of a 360 day year equal:
- (a) to the rate for deposits in US Dollars in the London interbank market for a period equal to the LIBOR Period and in an amount approximately equal to the amount of the LIBOR Advance, that appears on the Reuters Screen LIBOR01 Page (or any successor source from time to time) as of 11:00 a.m. London time two Business Days before the first day of the LIBOR Period; or
 - (b) if no such rate appears as contemplated in item (a) above, to the rate at which deposits in US Dollars are offered by the principal lending office of Scotia Capital in London, England to leading banks in the London interbank market at 11:00 a.m. London time two Business Days before the first day of the LIBOR Period for a period equal to the LIBOR Period and in an amount approximately equal to the amount of the LIBOR Advance.
- 1.1.95 "LIBOR Advance" means an advance in US Dollars bearing interest based on the LIBO Rate.
- 1.1.96 "LIBOR Period" means the period selected by the Borrower for a LIBOR Advance or the period applicable to the LIBOR Advance under the terms of this Agreement.
- 1.1.97 "Lien" means, with respect to any Property of any Person, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement, encumbrance, preference, priority, or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including, without limitation, any Capitalized Lease Obligation, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing); provided that in no event shall an operating lease that is not a Capitalized Lease Obligation or Sale and Lease-Back Transaction be deemed to constitute a Lien.
- 1.1.98 "Loan" has the meaning defined in the Provisions.
- 1.1.99 "Loan Documents" means this Agreement, the Intercreditor Agreement, the Fee Letter and all other documents from time to time relating to the Credit.
- 1.1.100 "Material Adverse Effect" means any change, effect, event, development, occurrence or state of facts: (a) that is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, liabilities (including contingent liabilities), obligations (whether absolute, accrued, conditional or

otherwise) capital, Property or financial condition of the Obligors taken as a whole, or (b) that would materially impair the ability of the Obligors to perform their respective obligations under the Loan Documents in any material respect but excluding any change, effect, event, development, occurrence or state of facts relating to: (i) any change in general economic conditions in Canada or any change in Canadian securities, financial, banking or currency exchange markets, (ii) any change or development resulting from any act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof) or any natural disaster, or (iii) any change or development affecting the Canadian newspaper or related industries generally or the specific industries in which the Obligors operate; provided, however, that any such changes referred to in items (i) and (iii) above does not primarily relate only to (or have the effect of primarily relating only to) the Obligors or disproportionately adversely affect the Obligors compared to other companies or other entities operating in Canada in the industries in which the Obligors operate.

1.1.101 "Material Contracts" means:

- (a) the Senior Subordinated Note Indentures;
- (b) the Borrower Partnership Agreement;
- (c) the Privatization Agreement; and
- (d) any other Contract (other than any Loan Document or Lease) to which an Obligor is or becomes a party at any time that, if terminated prior to the expiry of its term, has or could reasonably be expected to have a Material Adverse Effect.

1.1.102 "Material Permit" means each Permit issued at any time to an Obligor that, if terminated, has or could reasonably be expected to have a Material Adverse Effect.

1.1.103 "Maturity Date" means that day which is eight years after the date of initial advance under the Credit.

1.1.104 "Moody's" means Moody's Investor Services, Inc. and its successors.

1.1.105 "Net Proceeds" means (a) in the case of any sale of Capital Stock by or equity contribution to any Person, the aggregate net proceeds received by such Person, after payment of all expenses (including, without limitation, finders' fees, brokers' fees, attorneys' fees, accountants' fees and consultants' fees), commissions and the like incurred in connection therewith and net of all taxes paid or payable or as a result thereof, whether such proceeds are in cash or in property (valued at the fair market value thereof at the time of receipt), and (b) in the case of any exchange, exercise, conversion or surrender of outstanding securities of any kind for or into shares of the Capital Stock of the Borrower that is not Disqualified Capital Stock, the net book value of such outstanding securities on the date of such exchange, exercise, conversion or surrender (plus any additional amount required to be paid by the holder to such

Person upon such exchange, exercise, conversion or surrender, less any and all payments made to such holders in connection therewith on account of fractional shares or otherwise and less all expenses incurred by such Person in connection therewith).

- 1.1.106** "Non BA Lender" has the meaning defined in Section 5.12(5).
- 1.1.107** "Obligations" means all obligations of the Borrower to the Agent and Lenders under or in connection with this Agreement, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Agent and Lenders in any currency or remaining unpaid by the Borrower to the Agent and Lenders in any currency under or in connection with this Agreement, whether arising from dealings between the Agent and Lenders and the Borrower or from any other dealings or proceedings by which the Agent and Lenders may be or become in any manner whatever creditors of the Borrower under or in connection with this Agreement, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses. In this definition, "the Agent and Lenders" shall be interpreted as "the Agent and Lenders, or any of them".
- 1.1.108** "Obligors" has the meaning defined in the Provisions and, without limiting the Provisions, "Obligors" includes the Borrower, each of the Guarantors and all persons wholly-owned by one or more Obligors, and "Obligor" means any of them.
- 1.1.109** "Offering Memorandum" means the final offering memorandum dated July 2, 2007 relating to the aggregate amount of US \$400,000,000 Senior Subordinated Notes.
- 1.1.110** "Operating Agreements" means:
- (a) the CanWest services agreement dated as of October 13, 2005 between CanWest MediaWorks Inc. and the Borrower;
 - (b) the insurance premium sharing agreement dated as of October 13, 2005 between CanWest MediaWorks Inc. and the Borrower;
 - (c) the affiliation and support services agreement dated as of October 13, 2005 between the Borrower and The National Post Company;
 - (d) the lease between CanWest Publications, as lessor, and CanWest MediaWorks Inc. and The National Post Company, as lessees, in relation to the premises occupied by The National Post Company at 1450 Don Mills Road, Don Mills, Ontario;
 - (e) the National Post electronic distribution agreement dated October 13, 2005 between the Borrower and The National Post Company;
 - (f) the executive advisory services agreement dated as of October 13, 2005 between the Borrower and CanWest MediaWorks Inc.;

- (g) the partnership services agreement dated as of October 13, 2005 between the Borrower and CanWest MediaWorks Inc.;
- (h) the sales representation and agency services agreement dated as of October 13, 2005 between the Borrower and CanWest MediaWorks Inc.;
- (i) the affiliation services agreement dated as of October 13, 2005 between CanWest MediaWorks Inc. and the Borrower;
- (j) the Trade-Marks License Agreement dated as of October 13, 2005 between CanWest Global Communications Corp., the Borrower, CanWest GP and the CanWest Fund; and
- (k) the cooperation and confidentiality agreement dated as of October 13, 2005 between CanWest Global Communications Corp., the Borrower and CanWest GP.

- 1.1.111 "**Other Reference Lenders**" means two Lenders, one selected by the Agent and one selected by the Borrower, which are banks chartered under and referred to in either of Schedule II or Schedule III of the *Bank Act* (Canada).
- 1.1.112 "**Other Taxes**" has the meaning defined in the Provisions.
- 1.1.113 "**Participant**" has the meaning defined in the Provisions.
- 1.1.114 "**Pending Event of Default**" means an event which would constitute an Event of Default hereunder, except for satisfaction of any requirement for giving of notice, lapse of time, or both, or other condition subsequent.
- 1.1.115 "**Pension Plan**" means (a) a "pension plan" or "plan" which is a "registered pension plan" as defined in the *Income Tax Act* (Canada) or pension benefits standards legislation in any jurisdiction of Canada and is applicable to employees resident in Canada of any Obligor, and (b) any other defined benefit, supplemental pension benefit plan or similar arrangement applicable to any employee of any Obligor.
- 1.1.116 "**Permits**" means licences, certificates, authorizations, consents, registrations, exemptions, permits, attestations, approvals, characterization or restoration plans, depollution programmes and any other approvals required by or issued pursuant to any Applicable Law, in each case, against a Person or its Property which are made, issued or approved by a Governmental Authority.
- 1.1.117 "**Permitted Asset Swap**" means, with respect to any Person, a substantially concurrent exchange of assets of such Person for assets of another Person that are useful to the business of the aforementioned Person.

1.1.118 "Permitted Indebtedness" means :

- (a) Indebtedness of the Borrower or any other Obligor arising under or in connection with the Senior Secured Credit Facilities in an aggregate principal amount outstanding at any time (without duplication) not to exceed Cdn. \$1,350,000,000;
- (b) Indebtedness under this Agreement and the Guarantees;
- (c) Indebtedness not covered by any other clause of this definition that is outstanding on the date of this Agreement reduced by the amount of any mandatory prepayments (to the extent, in the case of payments of revolving credit borrowings, that the corresponding commitments have been permanently reduced), permanent reductions or scheduled payments actually made thereunder;
- (d) Indebtedness of the Borrower to any other Obligor and Indebtedness of any such other Obligor to the Borrower or another Obligor that is also a Guarantor, in each case subject to no Lien held by any Person other than the Borrower or another Obligor; provided, however, that:
 - (i) (A) if the Borrower is the obligor on such Indebtedness, or (B) any Guarantor is the obligor on such Indebtedness, other than if the Indebtedness is owed to the Borrower or another Guarantor, then, in each case, such Indebtedness must be expressly subordinate in right of payment to the prior payment in full in cash of all Obligations, in the case of the Borrower, or the Guarantee of such Guarantor, in the case of a Guarantor; and
 - (ii) if as of any date any Person other than the Borrower or another Obligor is owed any such Indebtedness or if as of any date any Person other than the Borrower or another Obligor holds a Lien on any Property of the Borrower or another Obligor in respect of such Indebtedness, such date will be deemed to be the date of incurrence of Indebtedness not constituting Permitted Indebtedness by the issuer of such Indebtedness;
- (e) Purchase Money Indebtedness and Capitalized Lease Obligations which Purchase Money Indebtedness and Capitalized Lease Obligations do not in the aggregate exceed 5.0% of consolidated tangible assets of the Borrower and the other Obligors as of the end of the most recent fiscal quarter for which consolidated financial statements are available ending on or prior to the date of determination;
- (f) Indebtedness under any letter of credit, banker's acceptance or similar credit transaction (other than under Indebtedness referred to in clause (a) of this definition) in an amount not to exceed Cdn. \$10,000,000 at any one time outstanding incurred in the ordinary course of business;

- (g) the incurrence by the Borrower or any other Obligor of Hedging Obligations that are incurred in the ordinary course of business of the Borrower or such other Obligor and not for speculative purposes;
- (h) Indebtedness of the Borrower or any other Obligor represented by surety or performance bonds or similar obligations provided by the Borrower or any such other Obligor in the ordinary course of business;
- (i) Indebtedness of the Borrower or any other Obligor arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or an Obligor other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; provided that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Borrower and any other Obligor in connection with a disposition or, in the case of an acquisition, the purchase price received by the sellers of such business or assets;
- (j) the Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is repaid within five days;
- (k) Refinancing Indebtedness;
- (l) additional Indebtedness of the Borrower or any other Obligor not to exceed Cdn. \$50,000,000 in aggregate principal amount at any one time outstanding; and
- (m) Senior Subordinated Notes.

1.1.119 "Permitted Investments" means Investments made on or after the date of this Agreement consisting of:

- (a) Investments by the Borrower or any other Obligor in the Borrower or another Obligor;
- (b) Investments by the Borrower, or another Obligor, in a Person, if as a result of such Investment (A) such Person becomes an Obligor, or (B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated or wound up into, the Borrower or another Obligor;
- (c) Investments in cash and Cash Equivalents;
- (d) an Investment that is made by the Borrower or any other Obligor solely as consideration for the consummation of an Asset Sale to the extent permitted

under Section 7.3(7) or as consideration for a disposition excluded from the definition of "Asset Sale";

- (e) Capital Stock, obligations, securities or other Property received in settlement of debts created in the ordinary course of business and owing to or in satisfaction of judgments;
- (f) payroll, travel and similar advances made in the ordinary course of business for a *bona fide* business purpose by the Borrower or any other Obligor to employees of the Borrower or any such other Obligor, as the case may be; provided that such advances are for items expected at the time of such advances to be treated as expenses for accounting purposes;
- (g) loans or advances made in the ordinary course of business by the Borrower or any other Obligor to employees of the Borrower or any other Obligor in an amount not to exceed Cdn. \$10,000,000 in the aggregate at any one time outstanding;
- (h) securities or other property received from another Person by the Borrower or any other Obligor in connection with any bankruptcy proceeding or by reason of a composition or readjustment of any debt or a reorganization of such Person or as a result of a foreclosure, perfection or enforcement of any Lien in exchange for evidences of indebtedness, securities or other Property of such Person held by the Borrower or any other Obligor, or for other liabilities or obligations of such other Person to the Borrower or any other Obligor that were created in accordance with the terms of this Agreement;
- (i) lease, utility and other similar deposits made in the ordinary course of business;
- (j) any Investment existing on the Closing Date;
- (k) Hedging Obligations entered into in the ordinary course of business of the Borrower or any other Obligor and not for speculative purposes;
- (l) any acquisition (including by way of merger, consolidation or amalgamation) of assets or equity interests in exchange solely for Capital Stock (other than Disqualified Capital Stock) of the Borrower that otherwise complies with the terms of this Agreement; and
- (m) additional Investments not to exceed Cdn. \$50,000,000 at any one time outstanding (the value of each such Investment measured at the time such Investment is made, without giving effect to any subsequent changes in value).

1.1.120 "Permitted Liens" means, with respect to any Person, the following:

- (a) Liens on Property of, or any shares of Capital Stock of, or otherwise in respect of Acquired Indebtedness of, any Person existing at the time such Person

- becomes an Obligor or at the time such Person is merged into or amalgamated with an Obligor; provided that such Liens (i) are not incurred in connection with, or in contemplation of, such Person becoming an Obligor or merging into or amalgamating with an Obligor, and (ii) do not extend to or cover any Property or Capital Stock other than those of such Person at the time such Person becomes an Obligor or is merged into or amalgamated with an Obligor;
- (b) Liens securing Indebtedness under the Senior Secured Credit Facilities, which Indebtedness is incurred pursuant to clause (a) of the definition of "Permitted Indebtedness";
 - (c) Liens securing Refinancing Indebtedness; provided that any such Lien does not extend to or cover any Property, shares or debt other than the Property, shares or debt securing the Indebtedness so repurchased, redeemed, repaid, retired, defeased or otherwise acquired for value;
 - (d) Liens in favour of the Borrower or any other Obligor;
 - (e) Liens to secure Purchase Money Indebtedness that are otherwise permitted under this Agreement, provided that (i) any such Lien is created solely for the purpose of securing Indebtedness representing, or incurred to finance, refinance or refund, the cost (including sales and excise taxes, installation and delivery charges and other direct costs of, and other direct expenses paid or charged in connection with the purchase or construction) of such Property, (ii) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of such costs, and (iii) such Lien does not extend to or cover any Property other than such item of Property and any improvements on such item;
 - (f) statutory liens or landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's or other like Liens including, without limitation, those Liens resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental and public statutory obligations arising in the ordinary course of business, in each case, which do not secure any Indebtedness and with respect to amounts that are not delinquent for more than 60 days or being contested diligently and in good faith by appropriate proceedings, if a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor;
 - (g) Liens for taxes, rates, assessments or governmental charges or levies that are not delinquent for more than 60 days or are being contested diligently and in good faith by appropriate proceedings if adequate reserves or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor;

- (h) Liens securing Capitalized Lease Obligations permitted to be incurred under clause (e) of the definition of "Permitted Indebtedness;" provided that such Lien does not extend to any Property other than that subject to the applicable underlying lease;
- (i) licenses, permits, reservations, covenants, servitudes, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licenses, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas or oil pipelines, steam, gas and water mains or electric light and power, or telephone and telegraph or cable television conduits, poles, wires and cables, reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grant of real or immovable property, or any interest therein) and zoning land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, regional, state, municipal and other governmental authorities in respect of real property not interfering, individually or in the aggregate, in any material respect with the use of the affected real property for the ordinary conduct of the business of any Obligor at such real property;
- (j) undetermined or inchoate encumbrances, rights of distress and charges incidental to current operations that have not at such time been filed or exercised, which relate to obligations not yet delinquent or if delinquent, the validity of which are being contested diligently and in good faith by appropriate proceedings. Adequate reserves or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor;
- (k) title defects, encroachments or irregularities in title incurred in the ordinary course of business that are of a minor nature and that individually or in the aggregate do not interfere in any material respect with the use of the affected real property for the ordinary conduct of the business of any Obligor at such real property;
- (l) the right reserved to or vested in any governmental entity by the terms of any lease, license, franchise, grant or permit acquired by that person or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments (provided that such payments are not yet delinquent) as a condition to the continuance thereof so long as same do not individually or in the aggregate interfere in any material respect with the use of the affected real property for the ordinary conduct of the business of any Obligor at such real property;
- (m) subdivision agreements, site plan control agreements, development agreements, facilities sharing agreements, cost sharing agreements and other similar agreements that do not, individually or in the aggregate, interfere in any

material respect with the use of the affected real property for the ordinary conduct of the business of any Obligor at such real property;

- (n) the rights of any co-owner, tenant, occupant or licensee under any lease, occupancy agreement or license that do not, individually or in the aggregate, interfere in any material respect with the use of the affected real property for the ordinary conduct of the business of any Obligor at such real property;
- (o) security given to a public utility or any governmental entity when required by such utility or governmental entity in connection with the operations of that Person in the ordinary course of its business and any inchoate Lien for public utility charges not due as at the date of this Agreement;
- (p) Liens created by a judgment of a court of competent jurisdiction not resulting in a Default, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and in connection with such proceeding there has been secured a subsisting stay of execution pending such proceeding; provided that the aggregate amount of all such judgments (and any cash and the fair market value of any Property subject to such Liens) does not exceed Cdn. \$20,000,000 at any time outstanding;
- (q) any interest or title of a lessor, sublessor, licensee or licensor under any lease or license agreement entered into in the ordinary course of business and permitted under this Agreement;
- (r) hypothecs reserved to landlords in relation to immovable property to the extent only of rental obligations owing under the lease agreement relating to any such immovable property and any unregistered Lien in favour of any lessor licensor or permitter for rent to become due for other obligations or acts required under any Lease permitted under this Agreement;
- (s) Liens and rights of setoff, combination of accounts and recoupments in favour of a bank imposed by law and incurred in the ordinary course of business on deposit accounts maintained with such bank and Cash Equivalents in such account;
- (t) Liens securing Hedging Obligations permitted to be incurred under clause (g) of the definition of "Permitted Indebtedness";
- (u) any unregistered leases to which (i) subsection 70(2) of the *Registry Act*, R.S.O. 1990 applies (where there is actual possession under a lease that has a term not exceeding seven years), and (ii) paragraph 4 of subsection 44(1) of the *Land Titles Act* R.S.O. 1999 applies (where there is actual possession under a lease that has a term yet to run of three years or less) or similar statutory provisions of any legal registry statute of any other relevant jurisdiction that, in each case, do not individually or in the aggregate, interfere in any material

respect with the use of the property subject thereto for the conduct of the business of any Obligor at such real property;

- (v) Liens existing on the date of this Agreement;
 - (w) Liens in favour of the Agent for the benefit of the Lenders and Liens in favour of the Lenders;
 - (x) other Liens securing obligations incurred in the ordinary course of business, which obligations do not exceed Cdn. \$5,000,000 in the aggregate at any one time outstanding; and
 - (y) any extensions, substitutions, replacements or renewals of the foregoing; provided that the Liens permitted by this clause (y) shall not cover any additional Indebtedness or Property (other than like Property substituted for Property covered by such Lien).
- 1.1.121 "Permitted Tax Distributions"** means cash distributions by the Borrower to its partners from time to time in an amount approximately equal to the income tax liability of such partners resulting from the taxable income of the Borrower (after taking into account, to the extent they may reduce such liability, all of the prior tax losses of the Borrower to the extent such losses have not previously been deemed to reduce the taxable income of the Borrower and thereby reduce distributions for taxes in accordance therewith).
- 1.1.122 "Person"** has the meaning defined in the Provisions and "person" has the same meaning.
- 1.1.123 "Predecessor Credit Agreement"** means the credit agreement dated as of October 13, 2005 between the Borrower, as borrower, the Obligors, as guarantors, the Lenders (as defined therein), and The Bank of Nova Scotia, as administrative agent, as amended to date.
- 1.1.124 "Preferred Stock"** means any Capital Stock of a Person, however designated, which entitles the holder thereof to a preference with respect to dividends, distributions or liquidation proceeds of such Person over the holders of other Capital Stock issued by such Person.
- 1.1.125 "Prime Rate"** means, on any day, the greater of:
- (a) the average of the annual rates of interest expressed as a percentage per annum on the basis of a 365 or 366 day year, as the case may be, announced by each Schedule I Reference Lender on that day as its reference rate for commercial loans made by it in Canada in Canadian Dollars; and
 - (b) the CDOR Rate for one month Canadian Dollar banker's acceptances on that day plus 0.75% per annum.

- 1.1.126 "Prime Rate Advance"** means an Advance in Canadian Dollars bearing interest based on the Prime Rate and includes any deemed Prime Rate Advance provided for in this Agreement.
- 1.1.127 "Privatization Agreement"** means the privatization agreement made as of May 25, 2007 between CanWest MediaWorks Inc., CWMW Trust, CanWest GP, the Borrower and CanWest MediaWorks Income Fund, as such agreement existed at the date thereof.
- 1.1.128 "Privatization and Related Transactions"** means the Transaction, the repayment by the Borrower of the net amount of approximately \$805,000,000 to repay the credit facilities under the Predecessor Credit Agreement and related interest rate swap contracts; and the payment of a distribution by the Borrower as a return of capital to CanWest MediaWorks Inc. of approximately \$105,000,000.
- 1.1.129 "Property"** means, with respect to any Person, any or all of its present and future undertaking, property and assets. For the avoidance of doubt, in relation to any Property which is Leased or co-owned or which is property of a partnership or joint venture, the Property of the Person means the interest of the Person in such Property.
- 1.1.130 "Provisions"** means the model credit agreement provisions attached as Schedule D.
- 1.1.131 "Purchase Money Indebtedness"** means any Indebtedness incurred in the ordinary course of business by a Person to finance all or any part of the cost (including the cost of construction, engineering, acquisition, installation, development or improvement) of any Property, the principal amount of which Indebtedness does not exceed the sum of (a) 100% of such cost, and (b) reasonable fees and expenses of such Person incurred in connection therewith.
- 1.1.132 "Refinancing Indebtedness"** means Indebtedness that renews, replaces, defeases, refunds, refinances or extends any Indebtedness permitted to be incurred by any Obligor pursuant to the terms of this Agreement, but only to the extent that:
- (a) if the Indebtedness being refunded, refinanced, renewed, replaced, defeased or extended is subordinated in right of payment to the Obligations, the Refinancing Indebtedness is subordinated to the Obligations to at least the same extent as the Indebtedness being renewed, replaced, defeased, refunded, refinanced or extended;
 - (b) the Refinancing Indebtedness is scheduled to mature either (i) no earlier than the Indebtedness being renewed, replaced, defeased, refunded, refinanced or extended, or (ii) after the maturity date of the Obligations;
 - (c) such Refinancing Indebtedness is in an aggregate principal amount (or, if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (i) the aggregate principal amount (or, if issued with original issue discount, the aggregate accreted value) of the Indebtedness being

renewed, replaced, defeased, refunded, refinanced or extended and the amount of any premium reasonably necessary to accomplish such refinancing, (ii) the amount of accrued and unpaid interest, if any, and premiums owed, if any, not in excess of pre-existing prepayment provisions on such Indebtedness being renewed, replaced, defeased, refunded, refinanced or extended, and (iii) the amount of reasonable fees, expenses and costs related to the incurrence of such Refinancing Indebtedness; and

- (d) such Refinancing Indebtedness is incurred by the same Person that initially incurred the Indebtedness being renewed, replaced, defeased, refunded, refinanced or extended.

1.1.133 "Register" has the meaning defined in Section 10(c) of the Provisions.

1.1.134 "Relevant Ratings" means the corporate/issuer ratings issued to the Borrower by each of S&P and Moody's.

1.1.135 "Required Lenders" means the Lenders holding, in the aggregate, a minimum of 50.1% of the aggregate Commitments of all Lenders under the Credit, excluding in both cases Commitments or Advances held by any Obligor or any Affiliate of any Obligor.

1.1.136 "Restricted Payment" means any of the following:

- (a) the declaration or payment of any dividend or any other distribution or payment on Capital Stock of the Borrower or any Restricted Subsidiary or any payment made to the direct or indirect holders (in their capacities as such) of Capital Stock of the Borrower or any Restricted Subsidiary (other than (x) dividends or distributions payable solely in Capital Stock (other than Disqualified Capital Stock) of the Borrower or any Restricted Subsidiary or in options, warrants or other rights to purchase such Capital Stock (other than Disqualified Capital Stock), and (y) in the case of Restricted Subsidiaries, dividends or distributions payable to the Issuer or a Restricted Subsidiary and pro rata dividends or distributions payable to the other holders of Common Stock of such Restricted Subsidiary);
- (b) the purchase, redemption or other acquisition or retirement for value of any of our Capital Stock or any option, warrant or other right to purchase such Capital Stock;
- (c) the making of any principal payment on, or the purchase, defeasance, repurchase, redemption or other acquisition or retirement for value, prior to any scheduled maturity, scheduled repayment or scheduled sinking fund payment, of any Indebtedness that is subordinated in right of payment to the Obligations (other than subordinated Indebtedness acquired in anticipation of satisfying a scheduled sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition);

- (d) the making of any Investment or guarantee of any Investment in any Person other than a Permitted Investment;
- (e) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary on the basis of the Investment (other than a Permitted Investment) by the Issuer therein; and
- (f) forgiveness of any Indebtedness of an Affiliate of the Issuer to the Issuer or a Restricted Subsidiary.

For purposes of determining the amount of any such Restricted Payment, cash distributed or invested shall be valued at the face amount thereof and property other than cash shall be valued at its fair market value.

- 1.1.137 "**Restricted Subsidiary**" means, with respect to any Person, a Subsidiary of that Person other than an Unrestricted Subsidiary and, includes, for greater certainty, all of the Obligor.
- 1.1.138 "**S&P**" means Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or any of its successors.
- 1.1.139 "**Schedule**" means the designated Schedule of this Agreement.
- 1.1.140 "**Schedule I Reference Lenders**" means, collectively, The Bank of Nova Scotia, and such other institutions as may be agreed upon by the Borrower and the Agent from time to time, and "**Schedule I Reference Lender**" means any one of them.
- 1.1.141 "**Scotia Capital**" means The Bank of Nova Scotia, a bank to which the *Bank Act* (Canada) applies.
- 1.1.142 "**Section**" means the designated section of this Agreement.
- 1.1.143 "**Senior Fee Letter**" means the confidential amended and restated fee letter agreement dated June 29, 2007 from The Bank of Nova Scotia addressed to the Borrower providing for, among other things, the agency fee relating to the Credit, accepted and agreed to by the Borrower of even date therewith.
- 1.1.144 "**Senior Indebtedness**" means the principal of and premium, if any, and interest on, and any and all other fees, expense reimbursement obligations and other amounts due pursuant to the terms of all agreements, documents and instruments providing for, creating, securing or evidencing or otherwise entered into in connection with:
 - (a) all Indebtedness of any Obligor owed to lenders under the Senior Secured Credit Facilities;
 - (b) all obligations of any Obligor with respect to Hedging Obligations;

- (c) all obligations of any Obligor to reimburse any bank or other person in respect of amounts paid under letters of credit, acceptances or other similar instruments;
- (d) all Other Indebtedness of any Obligor that does not provide that it is to rank *pari passu* with or subordinate to the Obligations or the Guarantor Obligations of such Obligor, as the case may be; and
- (e) all deferrals, renewals, extensions and refundings of, and amendments, modifications and supplements to and restatements of, any of the Senior Indebtedness described above but shall not include:
 - (i) Indebtedness of any Obligor to any Subsidiary of any Obligor, or to any Affiliate of any Obligor or any of such Affiliate's Subsidiaries;
 - (ii) any Indebtedness that by the express terms of the agreement or instrument creating, evidencing or governing the same is junior or subordinate in right of payment to any item of Senior Indebtedness;
 - (iii) any trade payable arising from the purchase of goods or materials or for services obtained in the ordinary course of business;
 - (iv) Indebtedness incurred in violation of this Agreement, provided that as to any such Indebtedness, no such violation shall be deemed to exist for purposes of this Section 1.1.143(e)(iv) if the holder(s) of such Indebtedness or its representative and the Agent have received an officers' certificate of the Borrower to the effect that the incurrence of such Indebtedness does not (or, in the case of revolving Indebtedness, that the incurrence of the entire committed amount thereof on the date on which the initial borrowing is made would not) violate this Agreement;
 - (v) Indebtedness represented by Disqualified Capital Stock; and
 - (vi) any Indebtedness to or guaranteed on behalf of any member of the Asper Group, any director, officer or employee of any Obligor or any Subsidiary of any Obligor.

1.1.145 "Senior Secured Credit Agreement" has the meaning defined in Section 1.1.146.

1.1.146 "Senior Secured Credit Facilities" means the senior secured credit facilities established by the credit agreement dated as of the 10th day of July, 2007 effective between CanWest MediaWorks Limited Partnership, as borrower, the Guarantors, The Bank of Nova Scotia, as administrative agent, and the other lenders party thereto (the "Senior Secured Credit Agreement"), together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreements or documents have been and may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from

time to time, including any agreement extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder or adding Obligor as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness or other obligations under such agreements and related documents or any successor or replacement agreement or document and whether by the same or any other agent, lender, group of lenders or institutional investors.

1.1.147 "Senior Subordinated Note Indentures" means:

- (a) the indenture to be entered into on or about the date of issuance of the Senior Subordinated Notes in the aggregate amount of US \$400,000,000 between the Borrower, as issuer, certain Obligor, as guarantors, and The Bank of New York and Bank of New York Trust Company of Canada, as trustees; and
- (b) an indenture entered into on or about the date of issuance of the Senior Subordinated Notes in the aggregate amount of US Dollar equivalent of Cdn. \$75,000,000 between the Borrower, as issuer, certain Obligor, as guarantors, and an indenture trustee.

1.1.148 "Senior Subordinated Notes" means:

- (a) the US \$400,000,000 9.25% Senior Subordinated Notes due 2015 to be issued by the Borrower pursuant to the Senior Subordinated Note Indenture to be dated on or about July 13, 2007; and
- (b) the US Dollar equivalent of Cdn. \$75,000,000 Senior Subordinated Notes to be issued by the Borrower to refinance the Obligations.

1.1.149 "Subsidiary" of any specified Person means any corporation, limited liability company, partnership, joint venture, association or other business entity, whether now existing or hereafter organized or acquired, (a) in the case of a corporation, of which more than 50% of the total voting power of the Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, officers or trustees thereof is held by such first-named Person or any of its Subsidiaries, or (b) in the case of a limited liability company, partnership, joint venture, association or other business entity, with respect to which such first-named Person or any of its Subsidiaries has the power to direct or cause the direction of the management and policies of such entity by contract or otherwise or if in accordance with GAAP such entity is consolidated with the first-named Person for financial statement purposes.

1.1.150 "Taxes" has the meaning defined in the Provisions.

1.1.151 "Transaction" means:

- (a) on the Closing Date:

- (i) the purchase for cancellation by the Borrower of all of its issued and outstanding Class A LP Units held by CWMW Trust;
 - (ii) the purchase for cancellation by CanWest GP of all of its issued and outstanding equity held by CanWest MediaWorks Income Fund;
 - (iii) the purchase for cancellation by CWMW Trust of all of the notes of CWMW Trust issued and outstanding under the note indenture made as of 13 October 2005 between CWMW Trust and Computershare Trust Company of Canada, as indenture trustee; and
 - (iv) the redemption and cancellation by CWMW Trust of all issued and outstanding trust units of CWMW Trust;
- (b) on the Final Redemption Date, the redemption and cancellation by the CanWest MediaWorks Income Fund of all of all issued and outstanding trust units of the CanWest MediaWorks Income Fund; and
- (c) to the extent not fully described in items (a) and (b) above, the other steps contemplated by in the definition of "Transaction" contained in the Privatization Agreement.
- 1.1.152** "Unrestricted Subsidiary" means (a) any Subsidiary of an Obligor that is designated by the Borrower, with the consent of the Required Lenders, as such after the date of this Agreement, and (b) any Subsidiary of an Unrestricted Subsidiary.
- 1.1.153** "US Dollars" and "US \$" means lawful monies of the United States of America.
- 1.1.154** "Welfare Plan" means any life, medical, health, dental, hospitalization, disability, travel, accident, accidental health and dismemberment insurance or other employee benefit or welfare plan, agreement or arrangement, other than a Pension Plan, applicable to any employee of any Obligor, whether or not insured and whether or not subject to any Applicable Laws, but excludes any statutory plans with which any Obligor is required to comply, including the Canada Pension Plan or plans administered pursuant to applicable provincial health, workers' compensation and employment insurance legislation.

1.2 Construction

This Agreement has been negotiated by each party with the benefit of legal representation and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.

1.3 Certain Rules of Interpretation

In this Agreement:

- (a) the division into sections and other subdivisions thereof and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (b) unless specified otherwise or the context otherwise requires:
 - (i) references to any Section or Schedule are references to the Section of, or Schedule to, this Agreement;
 - (ii) "including" or "includes" means "including (or includes) but not limited to" and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
 - (iii) references to contracts, agreements or instruments, unless otherwise specified, are deemed to include all present and future amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments, provided that such amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments have been, if applicable, approved or consented to and otherwise made in accordance with the provisions of this Agreement;
 - (iv) references to any legislation, statutory instrument or regulation or a section or other provision thereof, unless otherwise specified, is a reference to the legislation, statutory instrument, regulation, section or other provision as amended, restated or re-enacted from time to time;
 - (v) references to any thing includes the whole or any part of that thing and a reference to a group of things or Persons includes each thing or Person in that group;
 - (vi) references to a Person includes that Person's successors and assigns;
 - (vii) all references to specific times are references to Toronto time; and
 - (viii) words in the singular include the plural and *vice versa* and words in one gender include all genders.

ARTICLE 2 THE CREDIT

2.1 Amount and Availment Options

- (1) Upon and subject to the terms and conditions of this Agreement, the Lenders severally agree to provide to the Borrower (provided that each Lender's obligation hereunder shall be limited to its respective Applicable Percentage of the Credit) a senior subordinated eight year term credit facility (the "Credit") for the use of the Borrower in the amount of up to Cdn. \$75,000,000 or the Equivalent Amount in US Dollars.
- (2) At the option of the Borrower, the Credit may be utilized by the Borrower by requesting that Prime Rate Advances, Base Rate Advances or LIBOR Advances be made by the Lenders or by presenting orders to a Lender for acceptance as Banker's Acceptances.

2.2 Non-Revolver Credit

The Credit is a non-revolving credit and the principal amount of any Advance under the Credit that is repaid may not be reborrowed. The Credit shall be available in a single Advance on the Closing Date. Any portion of the Credit which remains undrawn after such single Advance shall be automatically cancelled.

2.3 Use of the Credit

The Credit shall be used to fund the payment of a distribution to CanWest MediaWorks Inc. and payment of transactions costs relating to the Transaction and for the repayment of certain outstanding debt.

2.4 Term and Repayment

The Credit and all obligations relating thereto shall be repaid in full and cancelled on that day which is eight years after the date of the initial Advance thereunder. No interim amortization is required in relation to the Credit.

2.5 Ranking

The Credit, the Obligations and the Guarantor Obligations shall rank senior to all subordinated Indebtedness of the Borrower, *pari passu* with all senior subordinated Indebtedness of the Borrower (including the Senior Subordinated Notes under the Senior Subordinated Note Indentures) and subordinate to all Senior Indebtedness of the Borrower. The Obligations and the Guarantor Obligations shall be subordinated and postponed to the obligations under the Senior Secured Credit Agreement on the terms set forth in the Intercreditor Agreement.

2.6 Mandatory and Voluntary Prepayments

- (1) The Credit shall be permanently repaid following the occurrence of a Change of Control at 100% of the outstanding principal amount thereof. Upon the occurrence of

a Change of Control, the Borrower shall make an offer to purchase (the "Change of Control Offer") to each Lender the principal amount of Obligations owing to such Lender at a purchase price (the "Change of Control Purchase Price") equal to 100% of such principal amount thereof plus accrued and unpaid interest thereon, if any, to the Change of Control Payment Date. Not less than 30 days prior of the occurrence of a Change of Control, the Borrower shall notify the Agent that the Change of Control Offer is being made pursuant to this Section that the Obligations are to be repaid and the date of payment of the Obligations (which shall be a Business Day) no earlier than 30 days nor later than 60 days from the date such notice is received by the Agent (the "Change of Control Payment Date"). On the Change of Control Payment Date, the Borrower shall deposit with the Agent money sufficient to pay the Change of Control Purchase Price of all Obligations. Not later than 20 days following any Change of Control, the Borrower shall (a) repay in full all obligations and terminate all commitments under or in respect of all Senior Indebtedness the terms of which prohibit the repayment by the Borrower of the Obligations upon a Change of Control in compliance with the terms of this Section or offer to repay in full all obligations and terminate all commitments under or in respect of all such Senior Indebtedness and repay the Senior Indebtedness owed to each such lender who has accepted such offer or (b) obtain the requisite consents under all such Senior Indebtedness to permit the repayment of the Obligations as described above.

- (2) The Credit may be refinanced by way of issuance of Senior Subordinated Notes. The Net Proceeds of any issuance of Senior Subordinated Notes (other than the Senior Subordinated Notes referred to in Section 1.1.148(a)) shall first be applied to repay the Credit.
- (3) Subject to the provisions of the Senior Secured Credit Agreement, the Credit may be prepaid, in whole or in part, at par plus accrued and unpaid interest upon not less than 5 days' prior written notice, at the option of the Borrower at any time.
- (4) The Borrower may prepay Prime Rate Advances and Base Rate Advances under the Credit upon prior written notice given in accordance with Section 5.4 and, subject to Section 5.5, may prepay LIBOR Advances under the Credit upon three Business Days prior written notice, without premium or penalty in minimum amounts of Cdn. \$5,000,000 and integral multiples of Cdn. \$1,000,000, in the case of Prime Rate Advances and in minimum amounts of US \$5,000,000 and integral multiples of US \$1,000,000, in the case of Base Rate Advances or LIBOR Advances, and except that no Banker's Acceptance or BA Equivalent Loan may be paid prior to its maturity date and any prepayments of Advances shall include payment of all breakage costs. The Borrower may cash collateralize outstanding Banker's Acceptances and BA Equivalent Loans.

2.7 Interest Rates

- (1) The interest rates and Banker's Acceptance Fees applicable to Advances under the Credit for the first six months following the Closing Date shall be, as applicable, the three month LIBO Rate plus 4.25% per annum, the Base Rate plus 3.25% per annum,

the Prime Rate plus 3.25% per annum or Banker's Acceptance Fees equal to 4.25% per annum. The interest rates and Banker's Acceptance Fees applicable to Advances under the Credit shall increase by 0.50% on the first day of the seventh month after the Closing Date and on the first day of each succeeding three month period. Interest on the Credit will be payable in cash (except in relation to advances by way of Banker's Acceptance). Notwithstanding anything to the contrary in this Section 2.7, at no time shall the per annum interest rate or Banker's Acceptance Fees on the Credit exceed 11.00% (the "Total Cap").

- (2) If the Borrower fails to pay any Obligations payable hereunder on the due date for any such amount, interest shall accrue on such overdue Obligations, from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at a rate of interest per annum equal to the interest rate otherwise applicable to such amount of Obligations plus 2% per annum, compounded monthly, which for greater certainty, shall not be limited by the Total Cap.

2.8 Annual Agency Fees

The Borrower shall pay to the Agent, *inter alia*, the annual agency fee provided in the Senior Fee Letter. The processing and recordation fee payable to the Agent by a Lender as contemplated in Section 10(b)(vi) of the Provisions is Cdn. \$3,500.

2.9 Exchange Rate Fluctuations

If at any time fluctuations in rates of exchange in effect between US Dollars and Cdn. Dollars cause the aggregate amount of Advances (expressed in Cdn. Dollars using the Exchange Rate) outstanding under the Credit to exceed the maximum amount of the Credit permitted herein, the Borrower shall pay to the Lenders within one Business Day after demand given to it by the Agent such amount as is necessary to repay the excess. If the Borrower is unable to immediately pay that amount because LIBOR Periods have not ended or Banker's Acceptances have not matured, the Borrower shall, within one Business Day following demand, cause to be deposited with the Agent Collateral in the amount of the excess, which shall be held by the Agent until the amount of the excess is paid in full. The Borrower shall be entitled to receive interest on cash held by the Agent as Collateral in accordance with Section 10.9. If, on the date of any Advance under the Credit (whether by rollover, conversion or otherwise), the aggregate amount of Advances (expressed in Cdn. Dollars using the Exchange Rate) under the Credit exceeds the maximum amount of the Credit permitted herein because of fluctuations in rates of exchange, the Borrower shall immediately pay the Lenders the excess and shall not be entitled to any Advance that would result in the amount of the Credit being exceeded.

ARTICLE 3 DISBURSEMENT CONDITIONS

3.1 Conditions Precedent to the Credit

The following conditions precedent must be satisfied on the date of this Agreement unless waived by the Lenders. Where delivery of documents is referred to, the documents shall

be delivered to the Agent for and on behalf of the Lenders and shall be in full force and effect and in form and substance satisfactory to the Lenders.

(1) **Other Indebtedness and Liens** – The Lenders shall:

- (a) be satisfied that all Indebtedness of each of the Obligors not forming part of Permitted Indebtedness has been or will be paid and performed in full and cancelled concurrently with the initial Advance such that the only Indebtedness of the Obligors that is outstanding forms part of the Permitted Indebtedness;
- (b) have received releases and discharges (in registrable form where appropriate) covering all Liens affecting the Property of the Obligors which are not Permitted Liens in all applicable jurisdictions, and all statements and acknowledgments that are reasonably required in respect of other security interests affecting the Property of any Obligor to confirm that they are Permitted Liens; and
- (c) be satisfied that no Permitted Indebtedness ranks senior to the Obligations other than Senior Indebtedness.

(2) **Going-Private Transaction** – The Lenders shall be satisfied that:

- (a) the steps of the Transaction described in Section 1.1.151(a) will be or have been fully completed on or prior to the Closing Date;
- (b) all required court, governmental and regulatory consents and approvals and all other third party consents and approvals, necessary or advisable in relation to the Transaction and the Loan Documents have been obtained (and the Agent shall have received certified copies of all such consents and approvals);
- (c) each of the conditions to the Transaction set forth in Sections 5.1(a) and (b) of the Privatization Agreement shall have been satisfied;
- (d) each of the other conditions to the Transaction set forth in Article 5 of the Privatization Agreement shall have been satisfied or waived; and
- (e) the initial advance under Credit A of the Senior Secured Credit Agreement (as defined therein) shall have been made.

(3) **Material Contracts and Operating Agreements** – The Lenders:

- (a) shall be satisfied with the terms and conditions acting reasonably of all Material Contracts and Operating Agreements including being satisfied with:
 - (i) all fee arrangements between the Obligors and between any Obligor and any Affiliates or associates of any Obligor;

- (ii) the structure and obligations of the Borrower including the Indebtedness and equity issued by each and the subordination of such Indebtedness and, to the extent applicable, equity, to the Obligations; and
 - (iii) the structure of all intercorporate Indebtedness of each Obligor and all documentation relating thereto; and
 - (b) or the Agent, shall have received certified copies of all of the Material Contracts and true copies of all Operating Agreements.
- (4) **Financial Information** – The Agent shall have received audited financial statements for the Borrower as at the end of its most-recently completed fiscal year, financial statement as at the most-recently completed fiscal quarter of the Borrower to the extent publicly available and a *pro forma* officers' certificate as at the Closing Date demonstrating that, as of the Closing Date, that the *pro forma* Consolidated Leverage Ratio does not exceed 5.0 to 1.0.
- (5) **Guarantees and Other Documents** – The Lenders:
- (a) shall have received duly executed copies of this Agreement, the Guarantees and the other Loan Documents, accompanied by all consents, acknowledgments and ancillary documentation, including solvency certificates from an officer of the Borrower, as may be reasonably required by the Agent, all in form and substance satisfactory to the Agent and the Lenders; and
 - (b) shall be satisfied that each of the Obligors has in place adequate insurance coverage against all relevant risks and shall have received copies of all such policies and certificates of insurance or other evidence showing that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with.
- (6) **Corporate and Other Information** – The Agent:
- (a) shall have received a certificate from each of the Obligors with copies of its Constatting Documents, a list of its officers, directors and/or partners, as the case may be, who are executing Loan Documents on its behalf with specimens of the signatures of those who are executing Loan Documents on its behalf, and copies of the corporate proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and the Lenders shall be satisfied that all internal approvals and authorizations of each of the Obligors to permit each to enter into and to perform its obligations in relation thereto have been obtained; and
 - (b) shall have received evidence that the delivery of the Loan Documents will not contravene Applicable Laws governing financial assistance or other similar Applicable Laws which affect the Loan Documents.

- (7) **Opinions** – The Agent shall have received the following favourable legal opinions, each in form and substance satisfactory to it:
- (a) the opinions of Osler, Hoskin & Harcourt LLP satisfactory to the Agent in all relevant jurisdictions, as counsel to the Obligors, addressed to the Agent, the Lenders and Borden Ladner Gervais LLP in relation to, among other things, the Obligors, the Loan Documents and such other matters as the Agent may reasonably require;
 - (b) the opinions of local counsel satisfactory to the Agent in all relevant jurisdictions, as counsel to the Obligors, addressed to the Agent, the Lenders and Borden Ladner Gervais LLP in relation to, among other things, CanWest Publications and CanWest Books Inc., the Loan Documents, Liens and such other matters as the Agent may reasonably require; and
 - (c) the opinion of Cleary Gottlieb Steen & Hamilton LLP, counsel to the Obligors, addressed to the Agent and the Lenders, confirming that the Obligations under this Agreement are, or will be, incurred in compliance with the Senior Subordinated Note Indentures.
- (8) **Other Matters** – The following conditions must also be satisfied:
- (a) the Lenders shall be satisfied that the Borrower has made commercially reasonable efforts to obtain the Relevant Ratings from each of S&P and Moody's;
 - (b) the Agent having received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001), if requested by a Lender;
 - (c) all fees and expenses payable under the Loan Documents, the Fee Letter and the Senior Fee Letter (including upfront fees, agency fees, and reasonable legal fees and expenses of the Lenders' Canadian and US legal counsel invoiced prior to the Closing Date) shall have been paid;
 - (d) the first Advance under the Credit shall have occurred no later than July 18, 2007; and
 - (e) the Agent shall have received such other documents as the Lenders may reasonably require.

3.2 Conditions Precedent to all Advances

The obligation of the Lenders to make any Advance (including the initial Advance) is subject to the conditions precedent that:

- (a) no Default has occurred and is continuing on the Drawdown Date, or would result from making the Advance;
- (b) the Agent has received timely notice as required under Section 5.5;
- (c) the representations and warranties set out in Section 6.1, other than those expressly stated to be made as of a specific date or otherwise expressly modified in accordance with Section 6.2, are true and correct in all material respects on the date of the Advance as if made on and as of the date of the Advance; and
- (d) all other terms and conditions of this Agreement upon which an Advance may be obtained are fulfilled.

ARTICLE 4 GUARANTEES

4.1 Guarantees

Each of the Obligors (other than the Borrower) shall guarantee the Obligations of the Borrower under this Agreement and shall deliver a Guarantee in form and substance satisfactory to the Agent.

4.2 New Guarantors

The Borrower shall give prompt written notice to the Agent of, and the Obligors shall cause each Person that becomes a wholly-owned Subsidiary of the Obligors (or any of them), as soon as practicable following the date on which such Person became a wholly-owned Subsidiary of one or more of the Obligors (but in any event not later than 90 days thereafter), to adopt this Agreement by delivery of an agreement in the form of Schedule B so as to be bound by all of the terms applicable to Guarantors as if it had executed this Agreement as a Guarantor on the date of this Agreement, and deliver a Guarantee. The applicable Obligors shall also cause the delivery of such legal opinions and other supporting documents as the Agent may reasonably require.

ARTICLE 5 ADVANCES

5.1 Participation of Lenders in the Credit

The Credit is provided at the risk of all Lenders from time to time in accordance with their respective Proportionate Shares of the Credit from time to time. The terms "Lender" and "Agent" shall be interpreted accordingly in respect of Advances, notices and payments, but otherwise shall refer to each Lender and the Agent as a whole.

5.2 Evidence of Indebtedness

The Obligations resulting from Prime Rate Advances, Base Rate Advances and LIBOR Advances made by the Lenders shall be evidenced by records maintained by the Agent,

and by each Lender concerning those Advances it has made. The Agent shall also maintain records of the Obligations resulting from Advances by way of Banker's Acceptances and BA Equivalent Loans, and each Lender shall also maintain records relating to Banker's Acceptances that it has accepted and BA Equivalent Loans it has made. The records maintained by the Agent shall constitute, in the absence of manifest error, prima facie evidence of the Obligations and all details relating thereto. After a request by the Borrower, the Agent or the Lender to whom the request is made will promptly advise the Borrower of the entries in such records. The failure of the Agent or any Lender to correctly record any such amount or date shall not, however, adversely affect the obligation of the Borrower to pay the Obligations in accordance with this Agreement. The Agent shall, upon the reasonable request of a Lender or the Borrower, provide any information contained in its records of Advances to such Lender or the Borrower and the Agent, each Lender and the Borrower shall cooperate in providing all information reasonably required to keep all accounts accurate and up-to-date.

5.3 Conversions

Subject to the other terms of this Agreement, the Borrower may from time to time convert all or any part of the outstanding amount of any Advance into another form of Advance.

5.4 Notice of Advances and Payments

- (1) The Borrower shall give the Agent irrevocable written notice, in the form of Schedule A, of any request for any Advance to it under the Credit. The Borrower shall also give the Agent irrevocable written notice in the same form of any payment by it (whether resulting from a repayment, prepayment, rollover or conversion, but not if resulting from repayment of an Advance on a scheduled repayment date that is not to be subject to a rollover or conversion) of any Advance under the Credit and each such payment shall be for an amount no less than, as applicable, Cdn. \$5,000,000 or US \$5,000,000 or the aggregate amount of the Advances outstanding, whichever is less.
- (2) Notice in respect of a LIBOR Advance or payment thereof shall be given on the third Business Day prior to the date of any LIBOR Advance or payment and notice in respect of a Prime Rate Advance, Base Rate Advance or Advance by way of Banker's Acceptance or payment thereof may be given on the Business Day before any such Advance or payment. Any permanent reduction of the Credit shall only be effective on three Business Days notice as required by Section 5.5.
- (3) Notices shall be given not later than 11:00 a.m. (Toronto time) on the date for notice. Payments (other than those being made solely from the proceeds of rollovers and conversions) must be made prior to 11:00 a.m. (Toronto time) on the date for payment. If a notice or payment is not given or made by those times, it shall be deemed to have been given or made on the next Business Day, unless all Lenders affected by the late notice or payment agree, in their sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made.

5.5 Prepayments and Reductions

- (1) Subject to giving notice required by Section 5.4, the Borrower may from time to time repay Advances outstanding under the Credit without premium or penalty, except that (a) Banker's Acceptances and BA Equivalent Loans may not be paid prior to their respective maturity dates, and (b) LIBOR Advances may not be paid prior to the end of the applicable LIBOR Period unless the Borrower indemnifies the Lenders for any loss or expense that the Lenders incur as a result, including any breakage costs.
- (2) The Borrower may from time to time, by giving not less than three Business Days express written notice to the Agent, irrevocably notify the Agent of the cancellation of the Credit or of the permanent reduction of the committed amount of the Credit by an amount which shall be a minimum of, as applicable, Cdn. \$5,000,000 or US \$5,000,000 and a whole multiple of, as applicable, Cdn. \$1,000,000 or US \$1,000,000. The Borrower shall have no right to any increase in the committed amount of the Credit thereafter.

5.6 Prime Rate, Base Rate and LIBOR Advances

- (1) Upon timely fulfilment of all applicable conditions as set forth in this Agreement, the Agent, in accordance with the procedures set forth in Section 5.7, will make the requested amount of a Prime Rate Advance, Base Rate Advance or LIBOR Advance available to the Borrower on the Drawdown Date requested by the Borrower by crediting the Designated Account with such amount. Each Prime Rate Advance, Base Rate Advance or LIBOR Advance shall be in an aggregate minimum amount of, as applicable, Cdn. \$ 5,000,000 or US \$5,000,000 and in a whole multiple of Cdn. \$1,000,000 or US \$1,000,000. Notwithstanding the foregoing, if the aggregate minimum amount of any such Advance would cause the Borrower to exceed the maximum amount of the Credit, the Borrower shall be permitted to request an aggregate amount for such an Advance that is equal to the difference or the Equivalent Amount in US Dollars of the difference between the maximum amount of the Credit and the aggregate amount of all Advances outstanding under the Credit at the time of such request. The Borrower shall pay interest to the Agent for the account of the Lenders at the Branch of Account on any such Advances outstanding from time to time hereunder at the applicable rate of interest specified in Section 2.7(1).
- (2) Interest on Prime Rate Advances and Base Rate Advances shall be calculated and payable monthly on each Interest Payment Date. Interest on LIBOR Advances shall be payable on the last day of the applicable LIBOR Period and, if the LIBOR Period is longer than 3 months, every 3 months after the date of the relevant LIBOR Advance. All interest shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest was payable, as the case may be, to but excluding the date on which interest is payable, both before and after maturity, default and judgment, with interest on overdue interest at the same rate payable on demand. Overdue interest with respect to a LIBOR Advance shall, upon the expiry of the LIBOR Period applicable to such

LIBOR Advance, bear interest, payable on demand calculated at the rates applicable to Base Rate Advances.

- (3) Interest calculated with reference to the Prime Rate shall be calculated on the basis of a calendar year. Interest calculated with reference to the Base Rate or the LIBO Rate shall be calculated on the basis of a year of 360 days. Each rate of interest which is calculated with reference to a period (the "deemed interest period") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period. Interest shall be calculated using the nominal rate of calculation, and will not be calculated using the effective rate method of calculation or any other basis that gives effect to the principle of deemed reinvestment of interest.

5.7 LIBOR Periods

The Borrower may select, by irrevocable notice to the Agent, LIBOR Periods of 1, 2, 3 or 6 months to apply to any particular LIBOR Advance. LIBOR Periods of other lengths shall also be available at the discretion of the Lenders from time to time, but there shall not at any time be LIBOR Advances outstanding with more than 6 different maturity dates. No LIBOR Period may end on a date which is not a Business Day or after the Maturity Date. The Borrower shall from time to time select and give notice to the Agent of the LIBOR Period for a LIBOR Advance which shall commence upon the making of the LIBOR Advance or on the date of the expiry of any outstanding LIBOR Period applicable to a LIBOR Advance that is being rolled over. If the Borrower fails to select and give the Agent notice of a LIBOR Period for a LIBOR Advance in accordance with Section 5.4, the Lenders shall be deemed to have made a Base Rate Advance to the Borrower to replace the maturing LIBOR Advance, unless such LIBOR Advance is repaid by the Borrower at the end of the applicable LIBOR Period.

5.8 Co-ordination of Prime Rate Advances, Base Rate Advances and LIBOR Advances

Each Lender shall advance its Applicable Percentage of each Prime Rate Advance, Base Rate Advance and LIBOR Advance in accordance with the following provisions:

- (a) the Agent shall advise each Lender of its receipt of a notice from the Borrower pursuant to Section 5.4 on the day such notice is received and shall, as soon as possible, advise each Lender of such Lender's Applicable Percentage of any Advance requested by the notice;
- (b) each Lender shall deliver its Applicable Percentage of the Advance to the Agent not later than 11:00 a.m. (Toronto time) on the Drawdown Date; and
- (c) unless a Lender notifies the Agent that a condition precedent to an Advance specified in this Agreement has not been met, the Agent shall advance to the Borrower the amount delivered by each Lender by crediting the Designated

Account prior to 2:00 p.m. (Toronto time) on the Drawdown Date, but if the conditions precedent to the Advance are not met by 2:00 p.m. (Toronto time) on the Drawdown Date, the Agent shall return the funds to the Lenders or invest them in an overnight investment as orally instructed by each Lender until such time as the Advance is made.

5.9 Execution of Banker's Acceptances

- (1) To facilitate the acceptance of Banker's Acceptances hereunder, the Borrower hereby appoints each Lender as its attorney to sign and endorse on its behalf, as and when considered necessary by the Lender, an appropriate number of orders in the form prescribed by that Lender.
- (2) Each Lender may, at its option, execute any order in handwriting or by the facsimile or mechanical signature of any of its authorized officers, and the Lenders are hereby authorized to accept or pay, as the case may be, any order of the Borrower which purports to bear such a signature notwithstanding that any such individual has ceased to be an authorized officer of the Lender. Any such order or Banker's Acceptance shall be as valid as if he or she were an authorized officer at the date of issue of the order or Banker's Acceptance.
- (3) Any order or Banker's Acceptance signed by a Lender as attorney for the Borrower, whether signed in handwriting or by the facsimile or mechanical signature of an authorized officer of a Lender, may be dealt with by the Agent or any Lender to all intents and purposes and shall bind the Borrower as if duly signed and issued by the Borrower.
- (4) The receipt by the Agent of a request for an Advance by way of Banker's Acceptances shall be each Lender's sufficient authority to execute, and each Lender shall, subject to the terms and conditions of this Agreement, execute orders in accordance with such request and the advice of the Agent given pursuant to Section 5.12, and the orders so executed shall thereupon be deemed to have been presented for acceptance.

5.10 Sale of Banker's Acceptances

- (1) It shall be the responsibility of each Lender to arrange, in accordance with normal market practice, for the sale on each Drawdown Date of the Banker's Acceptances to be accepted by that Lender, failing which the Lender shall purchase its Banker's Acceptances.
- (2) In accordance with the procedures set forth in Section 5.12, the Agent will make the net proceeds of the requested Advance by way of Banker's Acceptances received by it from the Lenders available to the Borrower on the Drawdown Date by crediting the Designated Account with such amount.
- (3) Notwithstanding the foregoing, if in the determination of the Required Lenders, acting reasonably, a market for Banker's Acceptances does not exist at any time, or the

Lenders cannot for other reasons, after reasonable efforts, readily sell Banker's Acceptances or perform their other obligations under this Agreement with respect to Banker's Acceptances, then upon at least one Business Day's written notice by the Agent to the Borrower, the Borrower's right to request Advances by way of Banker's Acceptances shall be and remain suspended until the Agent notifies the Borrower that any condition causing such determination no longer exists (and the Agent shall be obligated to so notify the Borrower promptly following such occurrence).

5.11 Size and Maturity of Banker's Acceptances and Rollovers

Each Advance of Banker's Acceptances shall be in a minimum amount of Cdn. \$5,000,000 and integral multiples of Cdn. \$5,000,000 and the maximum number of maturities of Banker's Acceptances outstanding at any time shall not exceed fifteen. Each Banker's Acceptance shall have a term of 1, 2, 3 or 6 months after the date of acceptance of the order by a Lender, but no Banker's Acceptance may mature on a date which is not a Business Day or after the Maturity Date. Subject to the terms and conditions of this Agreement, the face amount at maturity of a Banker's Acceptance may be renewed as a Banker's Acceptance (by repayment and reissue) or converted (by repayment) into another form of Advance. If, before the due date for delivery of a Compliance Certificate, the Borrower has knowledge that the fees payable by the Borrower in connection with an Advance by way of Banker's Acceptance will increase after the delivery of such Compliance Certificate, then the Borrower shall not request or renew an Advance by way of Banker's Acceptance for a term that exceeds 1 month. After such Compliance Certificate has been delivered and the fees payable by the Borrower in connection with an Advance by way of Banker's Acceptance have increased as set forth herein, the Borrower may then request or renew Advances by way of Banker's Acceptance for terms otherwise permitted by this Section.

5.12 Co-ordination of BA Advances

Each Lender shall advance its Applicable Percentage of each Advance by way of Banker's Acceptances in accordance with the provisions set forth below.

- (1) The Agent, promptly following receipt of a notice from the Borrower pursuant to Section 5.4 requesting an Advance by way of Banker's Acceptances, shall advise each Lender of the aggregate face amount and term(s) of the Banker's Acceptances to be accepted by it, which term(s) shall be identical for all Lenders. The aggregate face amount of Banker's Acceptances to be accepted by a Lender shall be determined by the Agent by reference to the respective Commitments of the Lenders, except that, if the face amount of a Banker's Acceptance would not be Cdn. \$1,000 or a whole multiple thereof, the face amount shall be increased or reduced by the Agent in its sole discretion to the nearest whole multiple of Cdn. \$1,000.
- (2) Each Lender shall transfer to the Agent at the Branch of Account for value not later than 11:00 a.m. (Toronto time) on each Drawdown Date immediately available Cdn. Dollars in an aggregate amount equal to the BA Discount Proceeds of all Banker's Acceptances accepted and sold or purchased by the Lender on such Drawdown Date net of the applicable Banker's Acceptance Fee and net of the amount required to pay

any of its previously accepted Banker's Acceptances that are maturing on the Drawdown Date or any of its other Advances that are being converted to Banker's Acceptances on the Drawdown Date.

- (3) Unless a Lender notifies the Agent that a condition precedent to an Advance specified in this Agreement has not been met, the Agent shall advance to the Borrower the amount delivered by each Lender by crediting the Designated Account prior to 2:00 p.m. (Toronto time) on the Drawdown Date, but if the conditions precedent to the Advance are not met by 2:00 p.m. (Toronto time) on the Drawdown Date, the Agent shall return the funds to the Lenders or invest them in an overnight investment as orally instructed by each Lender until such time as the Advance is made.
- (4) Notwithstanding any other provision hereof, for the purpose of determining the amount to be transferred by a Lender to the Agent for the account of the Borrower in respect of the sale of any Banker's Acceptance accepted by such Lender and sold or purchased by it, the proceeds of sale thereof shall be deemed to be an amount equal to the BA Discount Proceeds calculated with respect thereto. Accordingly, in respect of any particular Banker's Acceptance accepted by it, a Lender in addition to its entitlement to retain the applicable Banker's Acceptance Fee for its own account (a) shall be entitled to retain for its own account the amount, if any, by which the actual proceeds of sale thereof exceed the BA Discount Proceeds calculated with respect thereto, and (b) shall be required to pay out of its own funds the amount, if any, by which the actual proceeds of sale thereof are less than the BA Discount Proceeds calculated with respect thereto.
- (5) Whenever the Borrower requests an Advance that includes Banker's Acceptances, each Lender that is not permitted by Applicable Law or by customary market practice to accept a Banker's Acceptance (a "Non BA Lender") shall, in lieu of accepting its *pro rata* amount of such Banker's Acceptances, make available to the Borrower on the Drawdown Date a non-interest bearing loan (a "BA Equivalent Loan") in Canadian Dollars and in an amount equal to the BA Discount Proceeds of its *pro rata* amount of the Banker's Acceptances that the Non BA Lender would have been required to accept on the Drawdown Date if it were able to accept Banker's Acceptances. The BA Discount Proceeds shall be calculated based on the BA Discount Rate provided by the Other Reference Lenders. Each Non BA Lender shall also be entitled to deduct from the BA Equivalent Loan an amount equal to the Banker's Acceptance Fee that would have been applicable had it been able to accept Banker's Acceptances. The BA Equivalent Loan shall have a term equal to the term of the Banker's Acceptances that the Non BA Lender would otherwise have accepted and the Borrower shall, at the end of that term, be obligated to pay the Non BA Lender an amount equal to the aggregate face amount of the Banker's Acceptances that it would otherwise have accepted. All provisions of this Agreement applicable to Banker's Acceptances and Lenders that accept Banker's Acceptances shall apply *mutatis mutandis* to BA Equivalent Loans and Non BA Lenders and, without limiting the foregoing, Advances shall include BA Equivalent Loans.

5.13 Payment of Banker's Acceptances

- (1) The Borrower shall provide for the payment to the Agent at the Branch of Account for the account of the applicable Lenders of the full face amount of each Banker's Acceptance accepted for its account on the earlier of (a) the date of maturity of a Banker's Acceptance, and (b) the date on which any Obligations become due and payable pursuant to Section 8.2. The Lenders shall be entitled to recover interest from the Borrower at a rate of interest per annum equal to the rate applicable to Prime Rate Advances under the Credit under which the Banker's Acceptance was issued, compounded monthly, upon any amount payment of which has not been provided for by the Borrower in accordance with this Section. Interest shall be calculated from and including the date of maturity of each such Banker's Acceptance up to but excluding the date such payment, and all interest thereon, is provided for by the Borrower, both before and after demand, default and judgment.
- (2) If the Borrower provides cash in response to any Obligations becoming due and payable under Section 8.2, it shall be entitled to receive interest on the cash provided in accordance with Section 10.9 as long as the cash is held as Collateral.

5.14 Deemed Advance – Banker's Acceptance

Except for amounts which are paid from the proceeds of a rollover of a Banker's Acceptance or for which payment has otherwise been funded by the Borrower, any amount which a Lender pays to any third party on or after the date of maturity of a Banker's Acceptance in satisfaction thereof or which is owing to the Lender in respect of such a Banker's Acceptance on or after the date of maturity of such a Banker's Acceptance, shall be deemed to be a Prime Rate Advance to the Borrower under this Agreement. Each Lender shall forthwith give notice of the making of such a Prime Rate Advance to the Borrower and the Agent (which shall promptly give similar notice to the other Lenders). Interest shall be payable on such Prime Rate Advances in accordance with the terms applicable to Prime Rate Advances.

5.15 Waiver

The Borrower shall not claim from a Lender any days of grace for the payment at maturity of any Banker's Acceptances presented and accepted by the Lender pursuant to this Agreement. The Borrower waives any defence to payment which might otherwise exist if for any reason a Banker's Acceptance shall be held by a Lender in its own right at the maturity thereof, and the doctrine of merger shall not apply to any Banker's Acceptance that is at any time held by a Lender in its own right.

5.16 Degree of Care

Any executed orders to be used as Banker's Acceptances shall be held in safekeeping with the same degree of care as if they were the Lender's own property, and shall be kept at the place at which such orders are ordinarily held by such Lender.

5.17 Obligations Absolute

The obligations of the Borrower with respect to Banker's Acceptances under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:

- (a) any lack of validity or enforceability of any order accepted by a Lender as a Banker's Acceptance; or
- (b) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against the holder of a Banker's Acceptance, a Lender or any other Person, whether in connection with this Agreement or otherwise.

5.18 Shortfall on Drawdowns, Rollovers and Conversions

The Borrower agrees that:

- (a) the difference between the amount of an Advance requested by the Borrower by way of Banker's Acceptances and the actual proceeds of the Banker's Acceptances;
- (b) the difference between the actual proceeds of a Banker's Acceptance and the amount required to pay a maturing Banker's Acceptance, if a Banker's Acceptance is being rolled over; and
- (c) the difference between the actual proceeds of a Banker's Acceptance and the amount required to repay any Advance which is being converted to a Banker's Acceptance;

shall be funded and paid by the Borrower from its own resources, by 11:00 a.m. on the day of the Advance or may be advanced as a Prime Rate Advance under the Credit if the Borrower is otherwise entitled to an Advance under the Credit.

5.19 Failure of Lender to Fund

Notwithstanding the provisions of Section 6(a) of the Provisions, if any Lender fails to make available to the Agent its Applicable Percentage of any Advance (such Lender being herein called the "Defaulting Lender"), the Administrative Agent shall forthwith give notice of such failure by the Defaulting Lender to the Borrower and the other Lenders. The Agent shall then forthwith give notice to the other Lenders that any Lender may make available to the Agent all or any portion of the Defaulting Lender's Applicable Percentage of such Advance (but in no way shall any other Lender or the Agent be obliged to do so) in the place of the Defaulting Lender. If more than one Lender gives notice that it is prepared to make funds available in the place of a Defaulting Lender in such circumstances and the aggregate of the funds which such Lenders (herein collectively called the "Contributing Lenders" and individually called the "Contributing Lender") are prepared to make available exceeds the amount of the Advance which the Defaulting Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its Applicable Percentage of such

Advance based on the Contributing Lenders' relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place of a Defaulting Lender in such circumstances, then the Defaulting Lender shall pay to any Contributing Lender making the funds available in its place, forthwith on demand, any amount advanced on its behalf together with interest thereon at the rate applicable to such Advance from the date of advance to the date of payment, against payment by the Contributing Lender making the funds available of all interest received in respect of the Advance from the Borrower. The failure of any Lender to make available to the Agent its Applicable Percentage of any Advance as required herein shall not relieve any other Lender of its obligations to make available to the Agent its Applicable Percentage of any Advance as required herein.

5.20 Payment by the Borrower

- (1) Except as otherwise provided herein, all payments made by or on behalf of the Borrower pursuant to this Agreement shall be made to and received by the Agent and shall be distributed by the Agent to the Lenders as soon as possible upon receipt by the Agent. Except as otherwise provided in this Agreement (including Section 5.21), the Agent shall distribute:
 - (a) payments of interest in accordance with each Lender's Applicable Percentage of the Credit;
 - (b) repayments of principal in accordance with each Lender's Applicable Percentage of the Credit; or
 - (c) all other payments received by the Agent including amounts received upon the enforcement under the Guarantees, in accordance with each Lender's Applicable Percentage of the Credit provided, however, that with respect to proceeds of realization, no Lender shall receive an amount in excess of the amounts owing to it in respect of the Obligations.

- (2) If the Agent does not distribute a Lender's share of a payment made by the Borrower to that Lender for value on the day that payment is made or deemed to have been made to the Agent, the Agent shall pay to the Lender on demand an amount equal to the product of (a) the Interbank Reference Rate per annum multiplied by (b) the Lender's share of the amount received by the Agent from the Borrower and not so distributed, multiplied by (c) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Agent to but excluding the date on which the payment is made by the Agent to such Lender and the denominator of which is 365. The Agent shall be entitled to withhold any Tax applicable to any such payment as required by Applicable Laws.

5.21 Payment by Agent

For greater certainty, the following provisions shall apply to any and all payments made by the Agent to the Lenders hereunder:

- (a) the Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Agent from the Borrower;
- (b) if the Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower under this Agreement, the Agent shall have no obligation to remit to each Lender any amount other than such Lender's Applicable Percentage of that amount which is the amount actually received by the Agent;
- (c) if any Lender advances more or less than its Applicable Percentage of the Credit, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;
- (d) if a Lender's Applicable Percentage of an Advance has been advanced, or a Lender's Commitment has been outstanding, for less than the full period to which any payment (other than a payment of principal) by a Borrower relates, such Lender's entitlement to such payment shall be reduced in proportion to the length of time such Lender's Applicable Percentage of the Credit or such Lender's Commitment, as the case may be, has actually been outstanding;
- (e) the Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall, in the absence of manifest error, be binding and conclusive; and
- (f) upon request, the Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein.

5.22 Prohibited Rates of Interest

It is the intention of the parties to comply with applicable usury laws now or hereafter enacted. Accordingly, notwithstanding any other provisions of this Agreement or any other Loan Document, in no event shall any Loan Document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by law or in an amount or at a rate that would result in the receipt by the Lenders or the Agent of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). Where more than one such law is applicable to any Obligor, such Obligor shall not be obliged to make payment in an amount or at a rate higher than the lowest amount or rate permitted by such laws. If from any circumstances whatever, fulfilment of any provision of any Loan Document shall involve transcending the limit of validity prescribed by any Applicable Law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances the Agent or the Lenders shall ever receive anything of value as interest or deemed interest under any Loan Document in an amount that would exceed the highest lawful rate of interest permitted by any Applicable Law, such amount that would be excessive interest

shall be applied to the reduction of the principal amount of the Credit, and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the Credit, the amount exceeding the unpaid balance shall be refunded to the Borrower. In determining whether or not the interest paid or payable under any specified contingency exceeds the highest lawful rate, the Obligors, the Agent and the Lenders shall, to the maximum extent permitted by Applicable Laws (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, (c) amortize, prorate, allocate and spread the total amount of interest throughout the term of such indebtedness so that interest thereon does not exceed the maximum amount permitted by Applicable Laws, or (d) allocate interest between portions of such indebtedness to the end that no such portion shall bear interest at a rate greater than that permitted by Applicable Laws. For the purposes of the application of the *Criminal Code* (Canada), the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles and in the event of any dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent shall be conclusive for the purpose of such determination.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

Each of the Obligors represents and warrants, with respect to itself and each other Obligor (as if each reference to it in each such representation and warranty was a reference to both it and the other Obligors, unless the context indicates otherwise), to the Lenders as follows, which representations and warranties, in the case of the representations and warranties made or deemed to have been made on the Closing Date or in connection with the initial Advance under the Credit shall be made and deemed to have been made both before and after consummation of and giving effect to the Transaction:

(1) Corporate Matters

- (a) If a corporation, it is a duly incorporated, amalgamated or continued and validly existing corporation and has the corporate power and authority to enter into and perform its obligations under any Loan Document, Material Contract and Operating Agreement to which it is or will be a party, to own or lease its Property and to carry on its business as conducted.
- (b) If a limited partnership, it is a duly formed and validly existing limited partnership and, through its general partner it has the power and authority to enter into and perform its obligations under any Loan Document, Material Contract or Operating Agreement to which it is or will be a party, and it has the power to own or lease its Property and to carry on its business as conducted.
- (c) CanWest GP has the corporate power and authority to enter into and perform the obligations of the Borrower under any Loan Document, Material Contract or Operating Agreement to which the Borrower is or will be a party.

- (d) It is qualified to carry on business in all jurisdictions in which the Property owned or leased by it or the nature of the activities carried on by it makes such qualification necessary, except to the extent that the non-qualification or the absence of Permits would not, and could not reasonably be expected to, have a Material Adverse Effect.
 - (e) It has all Permits required to own its Property and to carry on the business in which it is engaged and all such Permits are in good standing, except to the extent that the absence of Permits or lack of good standing of Permits would not, and could not reasonably be expected to, have a Material Adverse Effect.
 - (f) It has obtained all material Permits and other third party consents necessary for it to complete the Transaction.
 - (g) The entering into and the performance by it of the Loan Documents and Material Contracts to which it is or will be a party and the consummation of the Transaction (i) have been duly authorized by all necessary corporate or other action on its part, (ii) do not and will not violate its Constatting Documents or any Applicable Law, (iii) do not and will not result in a breach of or constitute (with the giving of notice, the lapse of time or both) a default under or require a consent under any Material Permit or any Material Contract to which it is a party or by which it or its Property is bound, and (iv) do not and will not result in the creation of any Lien on any of its Property, and will not require it to create any Lien on any of its Property and will not result in the forfeiture of any of its Property.
 - (h) Its Constatting Documents do not restrict the power of its directors, trustees or partners, as the case may be, to borrow money, to give financial assistance by way of loan, guarantee or otherwise, or to encumber any or all of its present and future Property, except for restrictions under any Constatting Document which have been complied with in connection with the Loan Documents, all other Permitted Indebtedness.
 - (i) It is not in violation of any term of its Constatting Documents and is not in violation of any Applicable Law, or Contract, the violation of which would or could reasonably be expected to have a Material Adverse Effect.
- (2) **Loan Documents, etc.**
- (a) The Loan Documents to which it is or will be a party have been or will be duly executed and delivered by it (or on its behalf) and, when executed and delivered, will constitute legal, valid and binding obligations enforceable against it in accordance with their respective terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights generally and to the fact that equitable remedies, including specific performance and

injunctive relief, are discretionary and may not be ordered in respect of certain defaults.

- (b) No Default has occurred and is continuing.

(3) **Litigation, Financial Statements and Other Matters**

- (a) There are no actions, suits, arbitration or administrative proceedings or industrial or labour disputes outstanding or, to its knowledge after having made reasonable inquiry, pending or threatened, against it which, in any such case, would or could reasonably be expected to have a Material Adverse Effect.
- (b) All of its historical financial statements which have been furnished to the Agent and the Lenders, or any of them, in connection with this Agreement are complete and fairly present the financial position of the applicable Person as of the dates referred to therein and have been prepared in accordance with GAAP except that, in the case of quarterly financial statements, notes to the statements and normal year-end audit adjustments required by GAAP are not included.
- (c) All projections, including forecasts, budgets, *pro formas* and business plans provided to the Agent and the Lenders or any of them, under or in connection with this Agreement were prepared in good faith based on assumptions which, at the time of preparation thereof, were believed to be reasonable and are believed to be reasonable estimates of the prospects of the businesses referred to therein.
- (d) As of the Closing Date and upon completion of the Transaction, it has and will have no liabilities (contingent or other) or other material obligations of the type required to be included in the consolidated financial statements of the Borrower in accordance with GAAP which are not fully included in the financial statements referred to in Section 3.1(4), other than liabilities and obligations incurred in connection with the Transaction, none of which has a Material Adverse Effect, and the Obligations.
- (e) It is not in default under any of the Permitted Liens to an extent that such defaults, individually or in the aggregate, would or could reasonably be expected to have a Material Adverse Effect.
- (f) During the period from February 28, 2007 to the Closing Date and from and after the Closing Date, no event has occurred and no fact has become known to it that that would or could reasonably be expected to have a Material Adverse Effect.
- (g) It has no Indebtedness that is not Permitted Indebtedness.

(4) **Business, Property, Capital Stock, Material Contracts and Material Permits**

- (a) Schedule F fully and fairly describes, as of the Closing Date (after giving effect to the Transaction), the ownership of all of its issued and outstanding Capital Stock and of Capital Stock that it owns in other Persons, the nature of the business that it carries on, the locations of its head office (and chief executive office, if different) and its freehold (or fee as the case may be) and leasehold real property and the jurisdictions in which its other Property (other than accounts receivable) is located. Except as set out in Schedule F, it does not have any Subsidiaries, direct or indirect, is not a partner in any partnership (general or limited), it does not own any interests in any trust and is not a co-venturer in any joint venture, as of the date hereof. As of the date hereof, all of the issued and outstanding Capital Stock of CanWest GP is owned by CanWest MediaWorks Inc.
- (b) It owns or is licensed or otherwise has the right to use all Intellectual Property that is necessary for the operation of its business, to its knowledge without conflict with the rights of any other Person, except as disclosed in writing to the Agent.
- (c) It maintains appropriate insurance coverage, including, business interruption insurance, that satisfies the covenants and conditions of the Loan Documents concerning insurance coverage.
- (d) Each Material Contract to which it is a party is in full force and effect, and no material breach by any party thereto of any of the terms or conditions thereof has occurred and is continuing, there have been no events that are continuing which, but for giving notice, lapse of time or any other condition subsequent, would constitute a default of a material obligation thereunder or would allow the termination of such Material Contract or the imposition of any material sanction on any party to such Material Contract of which it is aware and no party to such Material Contract has any set-off or counterclaim against it relating to or affecting such Material Contract of which it is aware.
- (e) Each Material Contract to which any Obligor is a party, as of the Closing Date and upon completion of the Transaction, is listed in Sections 1.1.101(a) to (c).
- (f) No Material Contract is the subject of any Liens other than Permitted Liens.
- (g) Each Material Contract to which it is a party has been duly executed and delivered by it or on its behalf and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights generally and to the fact that equitable remedies, including specific performance and injunctive relief, are discretionary and may not be ordered in respect of certain defaults.

- (h) There has been no amendment to, or breach or termination of, any Operating Agreement to which it is a party which would or could reasonably be expected to have a Material Adverse Effect.
- (i) It has good title to all personal or moveable Property and good and marketable title to all real or immoveable Property or leasehold interests therein owned or Leased by it, free and clear from any Lien, other than any Permitted Liens, and no Person has any agreement with it or right to acquire an interest in any such Property.
- (j) The complete and accurate organization structure of the Obligors as at the date of this Agreement and after giving effect to the Transaction is set forth on Schedule G.
- (k) All information contained in the Information Circular is, as at the Closing Date, true and all information contained in the Offering Memorandum is, as at the Closing Date, true, full and plain and, to the Borrower's knowledge, neither the Information Circular nor the Offering Memorandum omits a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by the relevant Person (and any other Person who furnished such material on behalf of them).

(5) **Environmental Matters**

- (a) (i) It and all of its respective Property and operations are in full compliance in all respects with all Environmental Laws, (ii) it is not aware of, nor has it received notice of, any past, present or future conditions, events, activities, practices or incidents which may interfere with or prevent the compliance or continued compliance of it in all respects with all Environmental Laws, and (iii) it has obtained all Permits which are currently required under all Environmental Laws and is in full compliance with the provisions of such Permits, in each case except to the extent that the non-compliance would not, or could not reasonably be expected to, have a Material Adverse Effect.
- (b) None of the Obligors is aware that any Hazardous Materials exist on, about or within or have been used, generated, stored, transported, disposed of on, or released from any of the Property forming any part of its respective Property other than in material accordance and compliance with all Environmental Laws, except to the extent that the non-compliance would not, or could not reasonably be expected to, have a Material Adverse Effect.
- (c) The use which each Obligor has made and intends to make of its Property will not result in the use, generation, storage, transportation, accumulation, disposal, or release of any Hazardous Materials on, in or from any such Property except in material accordance and compliance with all Environmental

Laws, except to the extent that the non-compliance would not, or could not reasonably be expected to, have a Material Adverse Effect.

- (d) There is no action, suit or proceeding, or, to its knowledge, investigation, or inquiry, before any Governmental Authority pending or, to its knowledge, threatened against any Obligor relating in any way to any Environmental Law that would, or could reasonably be expected to, have a Material Adverse Effect.
- (e) No Obligor has (i) incurred any current and outstanding liability for any clean-up or remedial action under any Environmental Law in respect to both current and past operations, events, activities, practices, incidents or the condition or use of any Property owned currently or in the past, (ii) received any outstanding written request for information (other than information to be provided in the normal course in connection with applications for Permits) by any Person under any Environmental Law with respect to the condition, use or operation of its respective Property, or (iii) received any outstanding written notice or claim under any Environmental Law or relating to the presence of Hazardous Material on or originating from its respective Property and operations or from other Persons with respect to any material violation of or liability under any Environmental Law or relating to the presence of Hazardous Material on or originating from its respective Property and operations; that, in any such case, would, or could reasonably be expected to, have a Material Adverse Effect.

(6) **Taxes and Withholdings**

- (a) It has duly filed on a timely basis all tax returns, elections and reports required by Applicable Law to be filed by it (if the failure to do so would have a Material Adverse Effect) and has paid, collected and remitted all material Taxes due and payable, collectible or remittable by it, unless being contested in good faith by appropriate proceedings and for which it has recorded the liability in accordance with GAAP.
- (b) It has (i) withheld from each payment made to any of its past or present employees, officers, directors, trustees, agents and/or beneficiaries, as the case may be, and to any non-resident of the country in which it is resident, the amount of all material Taxes and other deductions required by Applicable Law to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any Applicable Law, unless being contested in good faith by appropriate proceedings, and (ii) collected and remitted to the appropriate tax authority when required by Applicable Law to do so all material amounts collectible and remittable in respect of goods and services tax and similar Taxes, and has paid all such material amounts payable by it on account of sales Taxes including goods and services and value-added taxes (it being agreed that, for purposes of this paragraph, the amount of a Tax

is material if it equals or exceeds Cdn. \$1,000,000 or the equivalent thereof in another currency).

(7) **Pension and Welfare Plans**

- (a) During the twelve consecutive month period before the date of this Agreement and before the date of any Advance hereunder (i) no steps have been taken to terminate or wind-up any Pension Plan (wholly or in part), which could reasonably be expected to result in any Obligor making contributions (including special payments) to the Pension Plan in any twelve month period in excess of 115% of the contributions that were scheduled to be made in the prior twelve consecutive month period, (ii) no failure to remit a contribution in accordance with the terms of any Pension Plan or pension benefits legislation has occurred with respect to any Pension Plan sufficient to give rise to a deemed trust, lien or charge under any pension benefits legislation of any jurisdiction that, individually or in the aggregate would, or could reasonably be expected to, have a Material Adverse Effect, (iii) no condition exists and no event or transaction has occurred with respect to the Pension Plans which could reasonably be expected to result in the incurrence by the Obligors of fines or penalties in an amount that, individually or in the aggregate would, or could reasonably be expected to, have a Material Adverse Effect, and (iv) except as disclosed in the financial statements required to be provided pursuant to this Agreement or as otherwise disclosed in writing from time to time to the Agent, none of the Obligors has any contingent liability with respect to any post-retirement benefit under a Welfare Plan that, individually or in the aggregate would, or could reasonably be expected to, have a Material Adverse Effect.
- (b) (i) Each Pension Plan is and has been established, registered, funded, invested and administered in compliance with its terms and all Applicable Laws, (ii) all contributions or premiums (including employee contributions or premiums made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agent in accordance with all Applicable Laws and the terms of each Pension Plan or Welfare Plan have been made in accordance with all Applicable Laws and the terms of each Pension Plan or Welfare Plan, (iii) there have been no withdrawals, applications, payments or transfers of assets from any Pension Plan or Welfare Plan or the trusts or other funding media relating thereto which have not been made or done in accordance with all Applicable Laws, (iv) as at the date of the most recent actuarial report filed with respect to the Pension Plan, all liabilities under each Pension Plan that is a registered pension plan were funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of all Applicable Laws and applicable regulatory authorities using the methods and assumptions set out in such report, and (v) to its knowledge, no event has occurred and no condition exists with respect to any Pension Plan that has resulted or could reasonably be expected to result in any Pension Plan having its registration revoked or refused for the purposes of

any Applicable Law or being placed under the administration of any relevant pension benefits regulatory authority or any Obligor being required to pay any taxes or penalties under any Applicable Law, except for any exceptions to clauses (i) through (v) above that, individually or in the aggregate, would not, and could not reasonably be expected to, have a Material Adverse Effect.

(8) Cumulative Material Adverse Effect

There has not been any one or more breaches, defaults or instances of non-compliance with the foregoing representations and warranties (assuming none of such representations and warranties were qualified by "materiality" or the concept of Material Adverse Effect) such that the cumulative effect of all such breaches, defaults, or non-compliance would or could reasonably be expected to have a Material Adverse Effect.

6.2 Survival of Representations and Warranties

The representations and warranties made in this Agreement shall survive the execution of this Agreement and all other Loan Documents, and unless expressly stated to be made as of a specific date, shall be deemed to be repeated and made as of the date of each Advance (including any deemed Advance) and as of the date of delivery of each Compliance Certificate with the same force and effect as if made on and as of each such date, subject to modifications communicated by the Borrower to the Lenders in writing and accepted by the Required Lenders. The Lenders shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit hereunder.

**ARTICLE 7
COVENANTS**

7.1 Positive Covenants

During the term of this Agreement, each Obligor shall perform the covenants specified below.

(1) Refinancing of the Credit

The Borrower shall diligently prosecute, and use its commercial best efforts, to refinance the Credit by way of issuance of the Senior Subordinated Notes referred to in Section 1.1.148(b) as soon as reasonably practicable following the Closing Date.

(2) Payments and Operation of Business

(a) It shall duly and punctually pay and perform its indebtedness, liabilities and obligations hereunder and under the other Loan Documents at the times and places and in the manner required by the terms hereof and thereof.

- (b) It shall (i) maintain its corporate existence or other form of existence existing as at the date of this Agreement, and (ii) operate and carry on and conduct its business and affairs in compliance in all material respects with all applicable Material Contracts and Material Permits, except to the extent that a failure to do so would not, or could not reasonably be expected to, have a Material Adverse Effect.
- (c) It shall operate its business in a prudent manner and in compliance in all material respects with all Applicable Laws except to the extent that a failure to do so would not, or could not reasonably be expected to, have a Material Adverse Effect.
- (d) It shall maintain its business and Property take any and all commercially reasonable actions necessary to preserve its rights thereunder except to the extent that a failure to do so would not, and could not reasonably be expected to, have a Material Adverse Effect.
- (e) In the case of the Borrower, it shall utilize proceeds of Advances under the Credit solely for the applicable purposes set out in Sections 2.3.

(3) **Inspection**

It shall upon reasonable notice permit representatives of or consultants of or to the Agent, during regular business hours, to inspect any of its Property, conduct environmental site assessments and/or compliance audits, examine and report on all insurance maintained by or on behalf of each Obligor and to examine and take extracts from its financial books, accounts and records, including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of such of its representatives as it may designate) its auditors, the reasonable expense of all of which shall be paid by the Borrower.

(4) **Insurance**

It shall maintain or cause to be maintained insurance on all its Property in amounts and on terms that are customary in the industry.

(5) **Taxes and Withholdings**

- (a) It shall pay all Taxes as they become due and payable unless they are being contested in good faith by appropriate proceedings.
- (b) It shall withhold from each payment made to any of its past or present employees, officers, directors, partners and trustees, and to any non-resident of Canada, the amount of all Taxes and other deductions required by Applicable Laws to be withheld therefrom and pay the same to the proper tax or other receiving officers within the time required under any Applicable Law.

- (c) It shall collect from all Persons the amount of all Taxes required by any Applicable Law to be collected from them and remit the same to the proper tax or other receiving officers within the time required under any Applicable Law.

(6) Other Matters

Without limiting any other provision of this Agreement, it shall remove, clean up or otherwise remedy all matters which are the subject of any written order or notice of inquiry, investigation, complaint, allegation or claim pertaining to or under Environmental Laws or Permits to the extent required under applicable Environmental Laws which, if not remediated, would or could reasonably be expected to have a Material Adverse Effect.

7.2 Reporting and Notice Requirements

During the term of this Agreement, the Borrower shall deliver or cause the delivery of the periodic reports specified below and shall give notices in the circumstances specified below, or cause notices to be given. All financial statements and other reports shall be in a form satisfactory to the Lenders acting reasonably and all financial statements shall be prepared in accordance with GAAP.

(1) Periodic Financial Reports

- (a) The Borrower shall, as soon as practicable and in any event within 60 days of the end of each of its fiscal quarters (including its fourth fiscal quarter), cause to be prepared and delivered to the Agent (with sufficient copies for each of the Lenders), its interim unaudited consolidated financial statements as at the end of such quarter.
- (b) The Borrower shall, as soon as practicable and in any event within 120 days after the end of each of its fiscal years, prepare and deliver to the Agent (with sufficient copies for each of the Lenders) its consolidated annual financial statements together with the notes thereto, which shall be audited by an internationally recognized accounting firm.
- (c) The Borrower shall, concurrently with the delivery of its quarterly financial statements, provide the Agent (with sufficient copies for each of the Lenders) with a Compliance Certificate.
- (d) The Borrower shall promptly provide the Agent with all other information, reports and certificates reasonably requested by the Lenders from time to time concerning the business, financial condition and Property of the Borrower and each other Obligor.

If there is any change in a fiscal year from the accounting policies, practices and calculation methods used by the Borrower (or its predecessors) in preparing its financial statements for its interim period ending February 28, 2007, or components thereof, the Borrower shall provide the Lenders with all information that the Lenders require to ensure that reports provided to the Lenders after any change are comparable

to previous reports. In addition, all calculations made for the purposes of this Agreement shall continue to be made based on the accounting policies, practices and calculation methods that were used in preparing the financial statements for the Borrower (or its predecessors) for its interim period ending February 28, 2007 if the changed policies, practices and methods would affect the results of those calculations.

(2) **Requirements for Notice**

- (a) Each Obligor shall, promptly after it becomes aware thereof, notify the Agent of (i) any Default, or of any material breach of any material obligation or material default (whether it is its own default or a default by any other party) of which it is aware under any Material Contract to which it is a party or Material Permit, or of any termination or cancellation of a Material Contract (other than at the expiry of its term), or of any event which, with or without the giving of notice, lapse of time or any other condition subsequent, would be a material default under or would otherwise allow the termination of any Material Contract (other than at the expiry of its term) or Material Permit or the imposition of any material sanction on any party to a Material Contract or Material Permit, and shall from time to time provide the Lenders with all information reasonably requested by any of the Lenders concerning the status thereof, and (ii) any new Material Contract to which it becomes a party.
- (b) Each Obligor shall promptly notify the Agent on becoming aware of the occurrence of any action, suit, dispute, arbitration, proceeding, labour or industrial dispute or other circumstance affecting it, the result of which if determined adversely would or could reasonably be expected to have a Material Adverse Effect, and shall from time to time provide the Agent with all reasonable information requested by any of the Lenders concerning the status thereof.

7.3 **Negative Covenants**

During the term of this Agreement, none of the Obligors shall do any of the things specified in this Section without the prior written consent of the Required Lenders or the Lenders, as applicable.

(1) **Limitation on Additional Indebtedness**

No Obligor shall, or, if applicable, shall permit any other Obligor, to, directly or indirectly, incur (as defined) any Indebtedness (including Acquired Indebtedness); provided that, if no Default or Event of Default shall have occurred and be continuing at the time or as a consequence of the incurrence of such Indebtedness, any Obligor may incur Indebtedness (including Acquired Indebtedness) if after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds thereof, the Consolidated Leverage Ratio is less than 6.50 to 1; provided, further, that in no event shall the aggregate principal amount of all Indebtedness of the Borrower and the Obligors incurred in reliance on this paragraph, when taken together (without

duplication) with the aggregate principal amount of all Permitted Indebtedness (excluding Indebtedness under clause (c), (d) to the extent such Indebtedness is owed to the Borrower or any Obligor that is also a Guarantor, (f), (g), (h), (i) or (j) of the definition of "Permitted Indebtedness") of the Borrower and each Obligor that is not also a Guarantor, at any one time outstanding exceed Cdn. \$75,000,000.

Notwithstanding the foregoing, the Obligors may incur Permitted Indebtedness; provided that such Person will not incur any Permitted Indebtedness that ranks junior in right of payment to the Credit that has a maturity or mandatory sinking fund payment prior to the maturity of the Credit; provided, further, that in no event shall the aggregate principal amount of all Permitted Indebtedness (excluding Indebtedness under clause (c), (d) to the extent such Indebtedness is owed to the Borrower or any Obligor that is also a Guarantor, (f), (g), (h), (i) or (j) of the definition of "Permitted Indebtedness") of the Borrower and the other Obligors that are not also Guarantors, when taken together (without duplication) with the aggregate principal amount of all Indebtedness of all Obligors that are not also Guarantors incurred in reliance on the immediately preceding paragraph, at any one time outstanding exceed Cdn. \$75,000,000.

Notwithstanding any other provision of this Section 7.3(1), the accrual of interest, accretion of accreted value of discount Indebtedness and payments of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or Disqualified Stock for purposes of this covenant, and the maximum amount of Indebtedness that any Obligor may incur pursuant to this Section 7.3(1) covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness or is entitled to be incurred pursuant to the first paragraph of this covenant, the Borrower shall, in its sole discretion at the time such Indebtedness is incurred, classify, and may from time to time reclassify, such Indebtedness (or part thereof) in any manner that complies with this covenant and such Indebtedness (or part thereof) shall be treated as having been incurred pursuant to only one of such clauses or pursuant to the first paragraph hereof, and such Indebtedness may be divided and classified in more than one of such classifications.

(2) **Limitation on Other Senior Subordinated Indebtedness**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, directly or indirectly, incur, contingently or otherwise, any Indebtedness (other than the Obligations and the Guarantor Obligations, as the case may be) that is both:

- (a) subordinate in right of payment to any Senior Indebtedness of any Obligor, as the case may be; and

- (b) senior in right of payment to the Obligations and the Guarantor Obligations of such Obligor, as the case may be.

For purposes of this covenant, Indebtedness is deemed to be senior in right of payment to the Obligations or the Guarantor Obligations, as the case may be, if it is not explicitly subordinated in right of payment to the Senior Indebtedness of the Borrower or such other Obligor, as the case may be, at least to the same extent as the Obligations or the Guarantor Obligations, as the case may be, are subordinated to such Senior Indebtedness.

(3) **Limitation on Indebtedness with Change of Control Provisions**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to issue Indebtedness (not including, for greater certainty, any Acquired Indebtedness) that is subordinated in right of payment to the Obligations or Preferred Stock with change of control provisions requiring the payment of such Indebtedness or Preferred Stock prior to the payment of the Obligations in the event of a Change of Control.

(4) **Limitation on Restricted Payments**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, directly or indirectly, make any Restricted Payment, unless:

- (a) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such Restricted Payment;
- (b) immediately after giving pro forma effect to such Restricted Payment, the Borrower could incur Cdn. \$1.00 of additional Indebtedness (other than Permitted Indebtedness) under Section 7.3(1); and
- (c) immediately after giving effect to such Restricted Payment, the aggregate of all Restricted Payments declared or made after the date of this Agreement does not exceed the sum of (without duplication):
 - (i) 100% of the Cumulative EBITDA of the Borrower minus 1.4 times the Cumulative Consolidated Interest Expense of the Borrower; plus
 - (ii) 100% of the aggregate Net Proceeds received by the Borrower from the issue or sale after the date of this Agreement of Capital Stock (other than Disqualified Capital Stock or Capital Stock of the Borrower issued to any other Obligor) of the Borrower or any Indebtedness or other securities of the Borrower convertible into or exercisable or exchangeable for Capital Stock (other than Disqualified Capital Stock) of the Borrower that have been so converted, exercised or exchanged, as the case may be; plus
 - (iii) without duplication of any amounts included in clause (c)(ii) above, 100% of the aggregate Net Proceeds received by the Borrower from

any equity contribution from a holder of Capital Stock of the Borrower, excluding, in the case of clauses (c)(ii) and (iii), any Net Proceeds from an Equity Offering to the extent used to refinance the Obligations; plus

- (iv) in the case of the disposition, liquidation or repayment of any Investment constituting a Restricted Payment made after the Closing Date, an amount (to the extent not included in the computation of Consolidated Net Income) equal to the lesser of: (A) the return of capital with respect to such Investment, and (B) the amount of such Investment that was treated as a Restricted Payment, in either case, less the cost of the disposition of such Investment; plus
- (v) in the case of a Restricted Payment that is a guarantee of an Investment included in clause (d) of the definition of "Restricted Payment", the amount of such guarantee that is treated as a Restricted Payment upon the unconditional release of the Obligors in full from such guarantee; plus
- (vi) in the event that any Obligor has made one or more Investments in a Person (other than an Unrestricted Subsidiary) that are treated as one or more Restricted Payments, an amount equal to the lesser of (A) the aggregate amount of existing investments made by the applicable Obligors in such Person, and (B) the aggregate fair market value of such Investments, in each case at the time that such Person becomes an Obligor (not to exceed the amount of such Restricted Payments less any amounts credited in respect of such Investments pursuant to clauses (iv) or (v) above); plus
- (vii) so long as the Designation Amount thereof was treated as a Restricted Payment made after the Closing Date, with respect to any Unrestricted Subsidiary that has been redesignated as an Obligor after the date of this Agreement in accordance with the provisions of this Agreement, the proportionate interest of the Borrower in an amount equal to the excess of (A) the total assets of such Subsidiary, valued on an aggregate basis at fair market value, over (B) the total liabilities of such Subsidiary, determined in accordance with GAAP (and provided that such amount shall not in any case exceed the Designation Amount with respect to such Restricted Subsidiary upon its Designation) plus the amount of any further Investments made in such Subsidiary following such Designation to the extent treated as a Restricted Payment.

For purposes of determining under this clause (c) the amount expended for Restricted Payments, cash distributed shall be valued at the face amount thereof and property other than cash shall be valued at its fair market value.

The provisions of this covenant shall not prohibit:

- (a) the payment of any distribution within 60 days after the date of declaration thereof, if at such date of declaration such payment would comply with the provisions of this Agreement;
- (b) the repurchase, redemption or other acquisition or retirement of any Capital Stock of the Borrower or Indebtedness subordinated to the Credit by conversion into, or by or in exchange for, Capital Stock of the Borrower (other than Disqualified Capital Stock), or out of the Net Proceeds of the substantially concurrent sale (other than to any Subsidiary) of other Capital Stock of the Borrower (other than Disqualified Capital Stock); provided, however, that any such Net Proceeds or the value of any Capital Stock issued in exchange for such shares or Indebtedness is excluded from clause (3)(b) of the preceding paragraph (and was not included therein at any time);
- (c) the repurchase, redemption, repayment, retirement, defeasance or other acquisition for value of the Indebtedness of the Borrower subordinated to Obligations and the Guarantor Obligations in exchange for, by conversion into, or out of the Net Proceeds of a substantially concurrent sale or incurrence of, Indebtedness of the Borrower (other than any Indebtedness owed to a Subsidiary) that is Refinancing Indebtedness;
- (d) the retirement of any shares of Disqualified Capital Stock of the Borrower by conversion into, or by exchange for, Disqualified Capital Stock of the Borrower, or out of the Net Proceeds of the substantially concurrent sale (other than to any Subsidiary of the Borrower) of other shares of Disqualified Capital Stock of the Borrower, provided, however, that any such Net Proceeds or the value of any Capital Stock issued in exchange for such shares is excluded from clause (3)(b) of the preceding paragraph (and was not included therein at any time);
- (e) so long as no Default or Event of Default shall have occurred and be continuing, at the time of or immediately after giving effect to such payment, (i) the repurchase, redemption, repayment, retirement, defeasance or other acquisition for value by the Borrower or any other Obligor of, or (ii) loans, advances, dividends or distributions to CanWest Global Communications Corp. to the extent necessary to enable CanWest Global Communications Corp. to repurchase, redeem, repay, retire, defease or otherwise acquire, shares of Capital Stock (other than Disqualified Capital Stock) or options on such shares held by officers, directors or employees or former officers, directors or employees (or their estates or beneficiaries under their estates) of CanWest Global Communications Corp., the Borrower or the other Obligors upon the death, disability, retirement or termination of employment of such current or former officers, directors or employees pursuant to the terms of an employee benefit plan or any other agreement pursuant to which such shares of Capital Stock or options were issued; provided that the aggregate cash consideration paid or distributions or payments made pursuant to this clause (e) shall not exceed Cdn. \$5,000,000 in any fiscal year (excluding for purposes of

calculating such amount during any fiscal year an amount equal to the aggregate amount of repaid loans by the Borrower or any other Obligor incurred by directors, officers or employees to finance the purchase of Capital Stock (other than Disqualified Capital Stock));

- (f) the repurchase of Capital Stock deemed to occur upon the exercise of stock options, warrants, convertible or exchangeable securities or other similar instruments to the extent such Capital Stock represents a portion of the exercise price of those instruments;
- (g) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or securities of Disqualified Capital Stock of the Borrower or any other Obligor that is a Guarantor issued on or after the date of this Agreement in accordance with the first paragraph under Section 7.3(1) or in accordance with Section 7.3(8), as applicable;
- (h) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness that is subordinated in right of payment to the Obligations or Disqualified Stock of the Borrower or any other Obligor upon a Change of Control or Asset Sale to the extent required by this Agreement or other instrument pursuant to which such Indebtedness was issued, but only if the Borrower has first complied with its obligations under the covenants described under Section 2.6(1) or Section 7.3(7), as applicable;
- (i) Permitted Tax Distributions;
- (j) Restricted Payments made in connection with the Privatization and Related Transactions, including, without limitation, payment by the Borrower of approximately Cdn. \$105,000,000 in the form of a distribution as a return of capital to CanWest MediaWorks Inc.; and
- (k) other Restricted Payments in an amount not to exceed Cdn. \$75,000,000 in the aggregate; provided, that in any calculation of the aggregate amount of Restricted Payments made subsequent to the date of this Agreement for purposes of Section 7.3(3)(c), amounts expended pursuant to clauses (a) and (b) shall be included in such calculation and amounts expended pursuant to clauses (c) through (k) shall be excluded from such calculation.

(5) **Limitation on Liens Securing Certain Indebtedness**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, create, incur, assume or suffer to exist any Liens that secure any Indebtedness of the Borrower that is *pari passu* with or subordinated to the Obligations or the Guarantor Obligations unless the Obligations and the Guarantor Obligations are secured equally and ratably with such Indebtedness (but on a senior basis if such other Indebtedness is subordinate to the Obligations and the Guarantor Obligations) as long as such Indebtedness is so secured.

(6) **Limitation on Transactions with Affiliates**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, directly or indirectly, enter into, amend or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of Property or services) with any Affiliate (each an "Affiliate Transaction") or extend, renew, waive or otherwise modify in any material respect the terms of any Affiliate Transaction entered into prior to the Closing Date, if the terms of such Affiliate Transaction after giving effect to such extension, renewal, replacement, waiver or other modification, taken as a whole, are more disadvantageous to the Lenders in any material respect than the original agreement as in effect on the date of this Agreement unless (a) such Affiliate Transaction is between or among the Borrower and/or any of other Obligor, or (b) the terms of such Affiliate Transaction are fair and reasonable to the Borrower or such other Obligor, as the case may be, and the terms of such Affiliate Transaction are at least as favourable as the terms that could reasonably be expected to be obtained by the Borrower or such other Obligor, as the case may be, in a comparable transaction made on an arm's-length basis between unaffiliated parties.

In any Affiliate Transaction (or any series of related Affiliate Transactions that are similar or part of a common plan) involving an amount or having a fair market value in excess of Cdn. \$10,000,000 that is not permitted under Section 7.3(6)(a), the Borrower shall obtain a resolution of the majority of the members of its Board of Directors certifying that such Affiliate Transaction complies with Section 7.3(6)(b). In any Affiliate Transaction (or any series of related Affiliate Transactions that are similar or part of a common plan) involving an amount or having a fair market value in excess of Cdn. \$40,000,000 that is not permitted under Section 7.3(6)(a) the Borrower shall obtain a favourable written opinion as to the fairness, from a financial point of view, of such transaction or transactions, as the case may be, from an Independent Financial Advisor.

The foregoing provisions shall not apply to:

- (a) any Restricted Payment that is not prohibited by the provisions described under Section 7.3(3) or any Permitted Investment;
- (b) any transaction pursuant to an agreement, arrangement or understanding existing on the date of this Agreement;
- (c) reasonable fees and compensation paid to, and any indemnity provided to or on behalf of, any of the officers, directors or employees of the Borrower, or any officers, directors or employees of any of Affiliates of the Borrower as determined in good faith by the Board of Directors of the Borrower or senior management of the Borrower;
- (d) any transaction between the Borrower or other Obligor and their Affiliates (i) involving ordinary course investment banking, commercial banking or related activities, or (ii) in effect on the date of this Agreement, together with

reasonable extensions of time or scope of services, renewals, modifications and amendments thereto which, taken as a whole, are not materially adverse to the Lenders;

- (e) any transaction with any Affiliate solely in its capacity as a holder of Indebtedness or Capital Stock of the Borrower or any other Obligor where such Affiliate is treated no more favourably than holders of such Indebtedness or such Capital Stock generally;
- (f) transactions between or among the Borrower and the other Obligors, on the one hand, and any other Person controlled by (as such term is defined in the definition of "Affiliate") the Borrower, on the other hand, so long as:
 - (i) at least 25% of the voting securities of such other Person are beneficially owned by Persons other than the Borrower or any of Affiliates of the Borrower;
 - (ii) there exists no other substantial business relationship between the Borrower and its Affiliates and the Persons who beneficially own at least 25% of the voting securities of such other Person referred to in Section 7.3(6)(f)(i) other than the transactions in question, and no such other business relationship is reasonably expected; and
 - (iii) no portion of the remaining interest in such other Person is owned by a Person that controls (as such term is defined in the definition of "Affiliate") the Borrower, or between or among such Subsidiaries or Persons; and
- (g) any transaction permitted by the provisions described under Section 7.3(15).

(7) Limitation on Certain Asset Sales

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, consummate an Asset Sale unless:

- (a) the Borrower or such other Obligor, as the case may be, receives consideration at the time of such sale or other disposition at least equal to the fair market value of the Property sold or otherwise disposed of;
- (b) not less than 75% of the consideration received by the Borrower or such other Obligor, as the case may be, is in the form of cash or Cash Equivalents except to the extent such Asset Sale constitutes a Permitted Asset Swap; provided, however, that the amount of any (i) Indebtedness of the Borrower or any other Obligor that is actually assumed by the transferee in such Asset Sale and from which the Borrower or such other Obligor are fully released shall be deemed to be cash for purposes of determining the percentage of cash consideration received by the Borrower or such other Obligor, as applicable, and (ii) notes or other similar obligations received by the Borrower or such other Obligor from

such transferee that are converted, sold or exchanged within 60 days of the related Asset Sale by the Borrower or such other Obligor for cash shall be deemed to be cash, in an amount equal to the net cash proceeds realized upon such conversion, sale or exchange for purposes of determining the percentage of cash consideration received by the Borrower or such other Obligor; and

- (c) the Asset Sale Proceeds received by the Borrower or another Obligor are applied:
- (i) to the extent the Borrower or another Obligor, as the case may be, elects, or is required, to prepay, repay or purchase indebtedness under any then existing Senior Indebtedness of the Borrower or another Obligor within 365 days following the receipt of the Asset Sale Proceeds from any Asset Sale; or
 - (ii) to the extent of Asset Sale Proceeds not applied as described above, to the extent the Borrower elects, to make an investment in Property (including Capital Stock or other securities purchased in connection with the acquisition of Capital Stock or Property of another Person) in compliance with Section 7.3(11), provided that such investment occurs within 545 days following the receipt of such Asset Sale Proceeds; and
 - (iii) if on such 545th day with respect to any Asset Sale, the Available Asset Sale Proceeds exceed Can. \$25,000,000, the Borrower shall apply an amount equal to the Available Asset Sale Proceeds to an offer (an "Excess Proceeds Offer"), on a *pro rata* basis according to principal amount, to repay the Obligations and any other Indebtedness ("Other Indebtedness") that is not, by its terms, expressly subordinated in right of payment to the Obligations and the terms of which require an offer to purchase such Other Indebtedness with proceeds from such Asset Sale, at a purchase price in cash equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the purchase date.

Pending the final application of any such Available Asset Sale Proceeds, the Borrower or another Obligor may temporarily reduce Indebtedness under a revolving credit facility (including by way of cash collateralized letters of credit), if any, or otherwise invest such Available Asset Sale Proceeds in Cash Equivalents. If an Excess Proceeds Offer is not fully subscribed, the Borrower may retain the portion of the Available Asset Sale Proceeds not required to repurchase notes or Other Indebtedness and use such portion for general corporate purposes or otherwise, in its sole discretion, and the amount of Available Asset Sale Proceeds shall be reset to zero.

If the Borrower is required to make an Excess Proceeds Offer, the Borrower shall mail, within 30 days following the date specified in Section 7.3(7)(c)(i) and 7.3(7)(c)(iii), a notice to the Agent stating, among other things:

- (a) that the Lenders have the right to require the Borrower to apply the Available Asset Sale Proceeds to make an offer to repay the Obligations and the Other Indebtedness, to the extent required by the terms thereof, at a purchase price in cash equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the purchase date;
- (b) the purchase date, which shall be no earlier than 30 days and not later than 45 days from the date such notice is mailed;
- (c) the aggregate principal amount of Other Indebtedness that will also receive an Excess Proceeds Offer;
- (d) the instructions that each Lender must follow in order to have such Obligations repaid; and
- (e) the calculations used in determining the amount of the Available Asset Sale Proceeds to be applied to the repayment of such Obligations and Other Indebtedness.

In the event of the transfer of substantially all of the Property the Obligors as an entirety to a Person in a transaction permitted under Section 7.3(15), the successor Person shall be deemed to have sold the Property of the Obligors not so transferred for purposes of this covenant, and shall comply with the provisions of this covenant with respect to such deemed sale as if it were an Asset Sale.

For purposes of this covenant, proceeds that are deposited in escrow or are placed in trust shall not be considered to have been received by the Borrower unless and until such time as such proceeds are released to the Borrower from such escrow or trust.

The Borrower will comply with the requirements of Rule 14e-1 under the Exchange Act and other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repayment of the Obligations pursuant to an Excess Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with Section 7.3(7) of this Agreement, the Borrower shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under Section 7.3(7) of this Agreement by virtue thereof.

(8) Limitation on Disqualified Capital Stock of Restricted Subsidiaries

The Borrower shall not shall permit any other Obligor to issue any Disqualified Capital Stock (except Disqualified Capital Stock issued to the Borrower or another Obligor that is also Guarantor) or permit any Person (other than the Borrower or any Obligor that is also a Guarantor) to hold any such Disqualified Capital Stock unless the Borrower or other Obligor would be entitled to incur or assume Indebtedness under Section 7.3(1) (other than Permitted Indebtedness) in the aggregate principal

amount equal to the aggregate liquidation value of the Disqualified Capital Stock to be issued.

(9) **Limitation on Capital Stock of Restricted Subsidiaries**

The Borrower shall not:

- (a) sell, pledge, hypothecate or otherwise convey or dispose of any Capital Stock of a Restricted Subsidiary (other than any such transaction resulting in a Lien that constitutes a Permitted Lien); or
- (b) permit any Restricted Subsidiary to issue any Capital Stock, unless after giving effect thereto the percentage interest of the Borrower (direct and indirect) in the Capital Stock of such Restricted Subsidiary is at least equal to the percentage interest of the Borrower prior thereto and such issuance is otherwise permitted under this Agreement.

The foregoing restrictions will not apply to an Asset Sale made in compliance with Section 7.3(7) (provided that if such Asset Sale is for less than all of the outstanding Capital Stock of any Obligor held by the Borrower or any other Obligor, such Asset Sale must also comply with Section 7.3(8), if applicable), a disposition of Capital Stock excluded from the definition of "Asset Sale" or the issuance of Disqualified Capital Stock in compliance with Section 7.3(8).

(10) **Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Obligor to:

- (a) pay dividends or make any other distributions to any Obligor (i) on its Capital Stock, or (ii) with respect to any other interest or participation in, or measured by, its profits;
- (b) repay any Indebtedness or any other obligation owed to any Obligor;
- (c) make loans or advances or capital contributions any Obligor; or
- (d) transfer any of its Properties to any Obligor;

except in respect of any of (a) through (d) above for:

- (i) encumbrances or restrictions existing on the Closing Date to the extent and in the manner such encumbrances and restrictions are in effect on the date of this Agreement;

- (ii) encumbrances or restrictions existing under or by reason of the this Agreement and the Guarantees;
- (iii) encumbrances or restrictions existing under or by reason of applicable law or any applicable rule, regulation or order;
- (iv) any encumbrance or restriction existing under Senior Indebtedness outstanding on the date of this Agreement;
- (v) encumbrances or restrictions existing under or by reason of any instrument governing Acquired Indebtedness or Capital Stock of such acquired Person, which encumbrance or restriction is not applicable to any Person, or the Property of any Person, other than the Person, or the Property of the Person (including any Subsidiary of the Person), so acquired;
- (vi) encumbrances or restrictions existing under or by reason of customary non-assignment provisions in leases or other agreements entered into during the ordinary course of business;
- (vii) encumbrances or restrictions existing under or by reason of Refinancing Indebtedness; provided that such restrictions are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
- (viii) customary restrictions in security agreements or mortgages securing Indebtedness of an Obligor to the extent such restrictions restrict the transfer of the property subject to such security agreements and mortgages;
- (ix) in the case of clause (d) only, any encumbrance or restriction pursuant to an agreement for Purchase Money Indebtedness that is permitted to be incurred under Section 7.3(1);
- (x) customary restrictions with respect to an Obligor pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or Property of such Obligor; or
- (xi) customary provisions in joint venture, shareholder or other similar agreements entered into in the ordinary course of businesses (including constituent or organizational documents) relating to Persons that are not wholly-owned Subsidiaries of the Borrower.

(11) **Limitation on Conduct of Business**

None of the Obligor shall, or, if applicable, shall permit any other Obligor to, engage in any businesses that are not the same as or similar, related, complementary or ancillary to the Communications Business.

(12) **Limitation on Sale and Lease-Back Transactions**

None of the Obligor shall, or, if applicable, shall permit any other Obligor to, enter into any Sale and Lease-Back Transaction; provided that the Borrower or any other Obligor may enter into a Sale and Lease-Back Transaction if:

- (a) the Borrower or such other Obligor, as applicable, could have:
 - (i) incurred Indebtedness (other than Permitted Indebtedness) in an amount equal to the Attributable Indebtedness relating to such Sale and Lease-Back Transaction under Section 7.3(1); and
 - (ii) incurred a Lien to secure such Indebtedness pursuant to Section 7.3(5);
- (b) the gross proceeds of such Sale and Lease-Back Transaction are at least equal to the fair market value of the property sold; provided that not less than 75% of such proceeds shall be in the form of cash or Cash Equivalents; and
- (c) the transfer of Property in such Sale and Lease-Back Transaction is permitted by, and the Borrower applies the proceeds of such transaction in compliance with, Section 7.3(7) or such transfer is excluded from the definition of "Asset Sale".

(13) **Limitation of Guarantees by Restricted Subsidiaries**

Except in respect of guarantees under or in connection with the Senior Secured Credit Facilities, the Senior Subordinated Notes, the Borrower shall not permit any other Obligor, directly or indirectly, by way of the pledge of any intercompany note or otherwise, to assume, guarantee or in any other manner become liable with respect to any Indebtedness of the Borrower, unless, in any such case:

- (a) such Obligor executes and delivers a provides a Guarantee; and
- (b) (i) if any such assumption, guarantee or other liability of such Obligor is provided in respect of Senior Indebtedness, the guarantee or other instrument provided by such Obligor in respect of such Senior Indebtedness may be superior to the Guarantee of the Obligations pursuant to subordination provisions which are no less favourable, taken as a whole, to the Lenders than those contained in the Intercreditor Agreement; and

- (ii) if any such assumption, guarantee or other liability of such Obligor is provided in respect of Indebtedness that is expressly subordinated to the Obligations and the Guarantor Obligations, the guarantee or other instrument provided by such Obligor in respect of such subordinated Indebtedness shall be subordinated to the Guarantor Obligations substantially to the same extent as such Indebtedness is subordinated to the Obligations.

(14) **Payments for Consent**

None of the Obligors shall, or, if applicable, shall permit any other Obligor to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Lender for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Agreement unless such consideration is offered to be paid or agreed to be paid to all the Lenders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or amendment.

(15) **Merger, Consolidation or Sale of Assets**

The Borrower shall not (i) consolidate with, amalgamate with, or merge with or into another Person, or (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its or the other Obligors' assets taken as a whole (as an entirety or substantially as an entirety in one transaction or a series of related transactions) to any Person unless:

- (a) either the Borrower is the continuing Person, or the Person (if other than the Borrower) formed by such consolidation or amalgamation or into which the Borrower is merged or to which the assets of the Borrower is sold, assigned, transferred, leased, conveyed or otherwise disposed of is a corporation organized and existing under the laws of the United States or any State thereof or the District of Columbia or the laws of Canada or any province or territory thereof and expressly assumes, by a instrument executed and delivered to the Agent, in form reasonably satisfactory to the Agent, all the Obligations under this Agreement remain in full force and effect;
- (b) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and
- (c) immediately after giving effect to such transaction on a *pro forma* basis the Borrower or such Person will be able to incur at least Cdn. \$1.00 of additional Indebtedness (other than Permitted Indebtedness) under Section 7.3(1), provided that a Person other than the Borrower may consolidate, amalgamate or merge into another Person that is not the Borrower without complying with this clause (c) if the Consolidated Leverage Ratio of the Borrower immediately after giving effect to such transaction on a *pro forma* basis will be lower than

its Consolidated Leverage Ratio immediately before giving effect to such transaction.

In connection with any consolidation, amalgamation, merger or transfer of assets contemplated by this Section 7.3(15) the Borrower shall deliver, or cause to be delivered, to the Agent, in form and substance reasonably satisfactory to the Agent, an officers' certificate and an opinion of counsel, each stating that such consolidation, amalgamation, merger or transfer of assets and the instrument delivered in respect thereof comply with this Section 7.3(15) (but for the Agent being reasonably satisfied with the documentation to be entered into or delivered to the Agent, as stated above) and that all conditions precedent herein provided for relating to such transaction or transactions have been complied with.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the Property of one or more of the Obligors, the Capital Stock of which constitutes all or substantially all of the Property of the Borrower, will be deemed to be the transfer of all or substantially all of the Property of the Borrower.

This covenant in this Section 7.3(15) shall not apply to (a) a consolidation or merger of the Borrower with an Affiliate solely for the purpose of incorporating the Borrower in another jurisdiction, (b) any merger or consolidation of any Obligor with or into the Borrower or any other Obligor, or (c) any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among any Obligors.

ARTICLE 8 DEFAULT

8.1 Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

- (a) the Borrower fails to pay, whether by acceleration or otherwise, any amount of principal (including any amount relating to a Banker's Acceptance) when due (whether or not such payment is prohibited by the Intercreditor Agreement); or
- (b) the Borrower fails to pay any amount of interest, fees, commissions or other Obligations (other than amounts on account of principal) when due, and such failure continues for 30 days after the date of such default; or
- (c) default by the Borrower or any other Obligor in the observance or performance of any other covenant in this Agreement for 60 days after written notice from the Agent as directed in writing by Lenders holding not less than 25% in aggregate principal amount of the Advance then outstanding (except in the case of a breach of Section 1.1.38 or Section 7.3(15) which shall constitute an

Event of Default with such notice requirement but without such passage of time requirement);

- (d) any Obligor defaults under one or more agreements or instruments relating to its Indebtedness or any Hedging Obligations or permits any other event to occur and to continue without being waived or cured after any applicable grace period specified in such agreements or instruments, if the effect of one or more of such events is to accelerate, or to permit the acceleration of, the date on which Indebtedness or Hedging Obligations in an aggregate amount of Cdn. \$25,000,000 or more becomes due (whether or not such acceleration actually occurs) or an Obligor fails to pay any Indebtedness in an aggregate principal amount of Cdn. \$25,000,000 when due; or
- (e) any Obligor (i) admits its inability to pay its debts generally, is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due, fails to pay its debts generally, acknowledges its insolvency in writing or becomes a bankrupt (voluntarily or involuntarily), or (ii) becomes subject to any proceeding seeking court protection, examinership, administration, reorganization by way of scheme of arrangement or otherwise, liquidation, dissolution, arrangement, winding-up, relief of debtors or from creditors or the appointment of a receiver or trustee over any material part of its Property or analogous proceeding in any jurisdiction or becomes subject to any judgment or order which has or could reasonably be expected to have a Material Adverse Effect or a material adverse effect on any material part of its Property, and such proceeding, if instituted against any Obligor, or such judgment or order, is not contested diligently, in good faith and on a timely basis and vacated, dismissed, withdrawn or stayed within 45 days of its commencement or issuance; or
- (f) any Obligor denies, to any extent, its obligations under any Loan Document or claims any Loan Document to be invalid or withdrawn in whole or in part; or
- (g) this Agreement, the Guarantees, the Fee Letter, the Intercreditor Agreement or any other material Loan Document is invalidated in any material respect by any act, regulation or governmental action or is determined to be invalid in any material respect by a court or other judicial entity and such determination has not been stayed pending appeal and such circumstance remains unremedied for a period of ten Business Days following notice thereof by the Agent, on behalf of the Lenders, to the Borrower; or
- (h) one or more final judgments, writs of execution, garnishments or attachments or similar processes representing claims in an aggregate of Cdn. \$25,000,000 or more for all of the Obligors at any time are issued or levied against any of their Property and are not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy; or

- (i) one or more Lien holders and/or landlord exercising distraint or similar rights in relation to Indebtedness or other obligations in an amount which, in the aggregate exceeds Cdn. \$25,000,000, takes possession of all or, in the aggregate, a material portion of the Property of the Obligors taken as a whole by appointment of a receiver or receiver and manager, by seizure, repossession or distraint, or otherwise.

8.2 Acceleration and Termination of Rights, Pre-Acceleration Rights

- (1) In case an Event of Default shall occur and be continuing, the holders of at least 33⅓% (a majority when Citibank, N.A. and Scotia Capital, or their respective affiliates, hold a majority of the aggregate principal amount of the Credit) in aggregate principal amount of the Credit then outstanding, by notice in writing to the Borrower, may declare the principal of, and all accrued interest on, the Credit to be due and payable immediately. If a bankruptcy event of the Borrower occurs, the principal of and accrued interest on the Credit will be immediately due and payable without any notice, declaration or other act on the part of the holders of the Credit. An acceleration notice may be annulled and past defaults (except for monetary defaults not yet cured) may be waived by the holders of a majority in aggregate principal amount of the Credit.
- (2) If any Event of Default occurs, the Lenders shall be under any further obligation to make Advances and the Required Lenders may instruct the Agent to give notice to the Borrower (a) declaring the Lenders' obligations to make Advances to be terminated, whereupon the same shall forthwith terminate, (b) declaring the Obligations or any of them to be forthwith due and payable, whereupon they shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and/or (c) demanding that the Borrower deposit forthwith with the Agent for the Lenders' benefit Collateral equal to the full face amount at maturity of all Banker's Acceptances then outstanding for its account.
- (3) Notwithstanding the preceding paragraph, if any Obligor becomes a bankrupt (voluntarily or involuntarily), or institutes any proceeding seeking liquidation, dissolution, arrangement, winding-up, relief of debtors or from creditors or the appointment of a receiver or trustee over any material part of its Property or analogous proceeding in any jurisdiction, then without prejudice to the other rights of the Lenders as a result of any such event, without any notice or action of any kind by the Agent or the Lenders, and without presentment, demand or protest, the Lenders' obligation to make Advances shall immediately terminate, the Obligations shall immediately become due and payable and the Borrower shall be obligated to deposit forthwith with the Agent for the Lenders' benefit Collateral equal to the full face amount at maturity of all Banker's Acceptances then outstanding for its account.
- (4) If an Event of Default has occurred and is continuing, the Borrower shall, upon demand by the Agent, cause all cash flow of the Obligors (after deduction of reasonable expenses relating thereto) to be paid directly to the Agent and shall take all

such action and deliver all such documentation as the Agent may request or may otherwise be necessary in order to effect same, all such cash so paid to be applied on account of the Obligations in accordance with the terms hereof.

8.3 Payment of Banker's Acceptances, etc.

- (1) Immediately upon any Obligations becoming due and payable under Section 8.2, the Borrower shall, without necessity of further act or evidence, be and become thereby unconditionally obligated to deposit forthwith with the Agent for the benefit of each other applicable Lender Collateral equal to the full face amount at maturity of all Banker's Acceptances then outstanding for its account and the Borrower hereby unconditionally promises and agrees to deposit with the Agent immediately upon such demand Collateral in the amount so demanded. The Borrower authorizes the Lenders, or any of them, to debit its accounts with the amount required to pay such Banker's Acceptances, notwithstanding that such Banker's Acceptances may be held by the Lenders, or any of them, in their own right at maturity. Amounts paid to the Agent pursuant to such a demand in respect of Banker's Acceptances shall be applied against, and shall reduce, *pro rata* among the Lenders, to the extent of the amounts paid to the Agent in respect of Banker's Acceptances, the obligations of the Borrower to pay amounts then or thereafter payable under Banker's Acceptances, at the times amounts become payable thereunder.
- (2) The Borrower shall be entitled to receive interest on cash held by the Agent as Collateral in accordance with Section 6.9.

8.4 Remedies

- (1) Upon the occurrence of any event by which any of the Obligations become due and payable under Section 8.2, the Guarantees shall become immediately enforceable and the Required Lenders may instruct the Agent to take such action or proceedings on behalf of the Lenders and in compliance with Applicable Laws as the Required Lenders in their sole discretion deem expedient to enforce the same, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Obligor.
- (2) The Obligor acknowledges that the ability of the Agent and Lenders to appoint or cause the appointment of a receiver, receiver and manager, trustee, interim receiver, custodian, sequestrator or other Person with similar powers of or in respect of it or any of its Property promptly following the occurrence of an Event of Default is of the utmost importance to the Agent and the Lenders, and the Obligor therefore agrees that they shall not oppose or challenge the appointment of any such Person by or on behalf of or at the suit of the Agent or the Lenders.

8.5 Saving

The Agent and the Lenders shall not be under any obligation to any Obligor or any other Person to realize any collateral or enforce the Guarantees or any of them. The Agent and

the Lenders shall not be responsible or liable to any Obligor or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Agent and each Lender may be responsible or liable for any loss or damage arising from its wilful misconduct or gross negligence.

8.6 Perform Obligations

If an Event of Default has occurred and is continuing and any Obligor has failed to perform any of its covenants or agreements in the Loan Documents, the Required Lenders, may, but shall be under no obligation to, instruct the Agent on behalf of the Lenders to perform any such covenants or agreements in any manner deemed fit by the Required Lenders without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) paid by the Agent and/or the Lenders in respect of the foregoing shall be supported by the Guarantees.

8.7 Third Parties

No Person dealing with the Lenders or any agent of the Lenders shall be concerned to inquire whether the powers which the Lenders are purporting to exercise have become exercisable, or whether any Obligations or Guarantor obligations remain outstanding.

8.8 Remedies Cumulative

The rights and remedies of the Lenders under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by Applicable Laws. Any single or partial exercise by the Lenders of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which the Lenders may be lawfully entitled for the same default or breach. Any waiver by the Lenders of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lenders shall be deemed not to be a waiver of any subsequent default.

ARTICLE 9 THE AGENT AND THE LENDERS

9.1 Authorization of Agent

- (1) Without limiting Section 7.1 of the Provisions, each Lender irrevocably designates and appoints the Agent for the purpose of holding and realizing on the Guarantees in accordance with and subject to the terms hereof, the terms of the Intercreditor Agreement and the terms of the other Loan Documents, and authorizes (subject to and except as otherwise provided for in the Intercreditor Agreement) the Agent to take such action and to exercise such rights, powers and discretions as are expressly

granted to it under this Agreement and the other Loan Documents and on the terms hereof or thereof together with such other rights, powers and discretions as are reasonably incidental thereto. To the extent necessary, each Lender appoints the Agent as its agent to hold in the name of the Agent, for the benefit of the Lenders, the Guarantees. The Agent may perform any of its duties hereunder or thereunder by or through its agents, officers or employees, its Affiliates or its Affiliates' agents, officers or employees.

- (2) Without limiting the foregoing, each of the Lenders hereby authorizes the Agent to enter into the Intercreditor Agreement concurrently with the execution of this Agreement.
- (3) Each Lender authorizes and directs the Agent to execute and deliver the Intercreditor Agreement on its behalf and as its representative.

9.2 Administration of the Credit

- (1) Unless otherwise specified herein, the Agent shall perform the following duties under this Agreement:
 - (a) take delivery of each Lender's Applicable Percentage of an Advance and make all Advances hereunder in accordance with the procedures set forth in Sections 5.8 and 5.12;
 - (b) use reasonable efforts to collect promptly all sums due and payable by the Borrower pursuant to this Agreement;
 - (c) make all payments to the Lenders in accordance with the provisions hereof;
 - (d) hold the Guarantees on behalf of the Lenders;
 - (e) hold all legal documents relating to the Credit, maintain complete and accurate records showing all Advances made by the Lenders, all remittances and payments made by the Borrower to the Agent, all remittances and payments made by the Agent to the Lenders and all fees or any other sums received by the Agent and, except for accounts, records and documents relating to the fees payable by the Borrower to the Agent in its capacity as Agent hereunder or under the Fee Letter, allow each Lender and their respective advisors to examine such accounts, records and documents at their own expense, and provide any Lender, upon reasonable notice, with such copies thereof or information contained therein as such Lender may reasonably require from time to time at the Lender's expense;
 - (f) except as otherwise specifically provided for in this Agreement, promptly advise each Lender upon receipt of each notice and deliver to each Lender, promptly upon receipt, all other written communications furnished by any Obligor to the Agent on behalf of the Lenders pursuant to this Agreement,

including copies of financial reports and certificates which are to be furnished to the Agent; and

- (g) give prior notice in a timely fashion to each Lender of all matters that require any decision or determination under Section 9.2(2) or Section 9.2(3), together with relevant information, and, prior to execution thereof, proposed documentation to be entered into in connection with any such matter.
- (2) The Agent may take the following actions only with the prior consent of the Required Lenders, unless otherwise specified in this Agreement:
- (a) subject to Section 9.2(3), exercise any and all rights of approval conferred upon the Lenders by this Agreement;
 - (b) give written notice to any Obligor in respect of any matter in respect of which notice may be required, permitted, necessary or desirable in accordance with or pursuant to this Agreement, promptly after receiving the consent of the Required Lenders, except that the Agent shall, without direction from the Lenders, immediately give the Borrower notice of any payment that is due or overdue under the terms of this Agreement unless the Agent considers that it should request the direction of the Required Lenders, in which case the Agent shall promptly request that direction;
 - (c) amend, modify or waive any of the terms of this Agreement, including waiver of a Default, if such action is not otherwise provided for in Section 9.2(3);
 - (d) declare an Event of Default or take, or cause to be taken by the Agent, action to enforce performance of the Obligations and to exercise rights under the Guarantees and/or the pursuit of any other legal remedy necessary;
 - (e) consent to a material amendment or waiver of any Material Contract or permit the assignment of any Material Contract;
 - (f) decide to accelerate the amounts outstanding under the Credit; and
 - (g) pay insurance premiums, Taxes and any other sums as may be reasonably required to protect the interests of the Lenders.
- (3) The Agent may take the following actions only if the prior unanimous consent of the Lenders is obtained, unless otherwise specified herein:
- (a) amend, modify, discharge, terminate or waive any of the terms of this Agreement or the Guarantees if such amendment, modification, discharge, termination or waiver would increase the amount of the Credit, amend the purpose of the Credit, reduce the interest rates and similar charges applicable to the Credit, reduce the fees payable with respect to the Credit, reduce the principal amount payable to a Lender, extend any date fixed for payment of

principal, interest or any other amount relating to the Credit or extend the term of the Credit;

- (b) amend the definition of "Required Lenders" or this Section 9.2(3);
- (c) subject to Section 9.2(5), discharge any security, if any; and
- (d) enter into or amend, modify or waive any material term of any Intercreditor Agreement.

For greater certainty, no Lender's Commitment or Applicable Percentage may be amended without the consent of that Lender. In addition, no amendment, modification or waiver affecting the rights or obligations of the Agent may be made without their respective consent.

- (4) Notwithstanding anything other provision of this Agreement, where a matter requiring the consent of Required Lenders as provided in Section 9.2(3) or elsewhere in this Agreement or the consent of all Lenders, as provided in Section 9.2(2) or elsewhere in this Agreement, pertains solely to one but not more than one Credit, the required consent of the Required Lenders or all Lenders, as applicable, shall mean the consent of the Required Lenders or all Lenders, as applicable, holding Applicable Percentages under the particular Credit.
- (5) Notwithstanding Sections 9.2(2) and 9.2(3), the Agent may, without the consent of the Lenders (but with the consent of the Borrower), make, or cause to be made, amendments to the Loan Documents that are for the sole purpose of curing any immaterial or administrative ambiguity, defect or inconsistency, but shall immediately notify the Lenders of any such action. The Agent may also discharge or cause to be discharged, any security, if any, to the extent necessary to allow any Obligor to complete any sale or other disposition of Property permitted by this Agreement (including pursuant to any consent, waiver or other decision by, as applicable, the Lenders or the Required Lenders).
- (6) To the extent that any Obligor or any Affiliate of an Obligor becomes a Lender, such Lender shall not be permitted to vote on or consent to any matter under this Agreement on or to which a Lender may vote or consent and the Commitment of such Lender shall be deemed not to be outstanding for the purposes of determining whether a specified majority has been achieved.
- (7) As between the Obligors, on the one hand, and the Agent and the Lenders, on the other hand:
 - (a) all statements, certificates, consents and other documents which the Agent purports to deliver on behalf of the Lenders or the Required Lenders shall be binding on each of the Lenders, and none of the Obligors shall be required to ascertain or confirm the authority of the Agent in delivering such documents;

- (b) all certificates, statements, notices and other documents which are delivered by any Obligor to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders; and
 - (c) all payments which are delivered by the Borrower to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders.
- (8) Except in its own right as a Lender, the Agent shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds insurance premiums, Taxes or public utility charges or the cost of repairs or maintenance with respect to any Property of the Obligors, nor shall it be required to pay with its own funds the fees of solicitors, counsel, auditors, experts or agents engaged by it as permitted hereby.
- (9) To the extent that any Obligor or any Affiliate of an Obligor becomes a Lender, such Lender shall not be permitted to vote on or consent to any matter under this Agreement on or to which a Lender may vote or consent and the Commitment of such Lender shall be deemed not to be outstanding for the purposes of determining whether a specified majority has been achieved.
- (10) All actions taken and consents and approvals given by the Agent under or in connection with this Agreement shall be valid and binding on all Lenders, and will be deemed to be consented to by the Lenders, if taken or given by the Agent in accordance with the terms (including requisite levels of approval) of this Agreement, and the Agent shall be fully protected in taking such actions and granting consents and approvals.

9.3 Acknowledgements, Representations and Covenants of Lenders

- (1) Each Lender represents and warrants that it has the legal capacity to enter into this Agreement pursuant to its charter and any Applicable Law and has not violated its charter, constating documents or any applicable legislation by so doing.
- (2) Each of the Lenders acknowledges and confirms that in the event that the Agent does not receive payment in accordance with this Agreement, it shall not be the obligation of the Agent to maintain the Credit in good standing nor shall any Lender have recourse to the Agent in respect of any amounts owing to such Lender under this Agreement.
- (3) Each Lender acknowledges and agrees that its obligation to advance its Applicable Percentage of Advances in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender hereunder.
- (4) Each Lender hereby acknowledges receipt of a copy of this Agreement and the Guarantees (to the extent that the Guarantees have been delivered) and acknowledges that it is satisfied with the form and content of such documents.

9.4 Authorization of the Intercreditor Agreement

Each of the Lenders hereby acknowledges that it has reviewed the Intercreditor Agreement, authorizes and directs the Agent to execute and deliver the Intercreditor Agreement on its behalf and agrees that the Intercreditor Agreement shall be binding on it as if had been a signatory thereto.

9.5 Provisions Operative Between Lenders and Agent Only

Except for the provisions of Sections 9.2(7), 9.3(1), 9.3(3) and this Section 9.5, the provisions of this Article 9 relating to the rights and obligations of the Lenders and the Agent *inter se* shall be operative as between the Lenders and the Agent only, and no Obligor shall have any rights or obligations under or be entitled to rely for any purpose upon such provisions.

**ARTICLE 10
MISCELLANEOUS PROVISIONS**

10.1 Accounting Terms

Subject to the last paragraph of Section 7.2, wherever in this Agreement reference is made to GAAP or to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to GAAP as at the date on which such calculation or action is made or taken or required to be made or taken in accordance with GAAP.

10.2 Defined Terms

All terms used in any of the Loan Documents (other than this Agreement) which are defined in this Agreement shall have the meanings defined herein unless otherwise defined in the other Loan Document.

10.3 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not thereby be affected.

10.4 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of the Loan Documents, nor any consent to any departure by an Obligor therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Agent for and on behalf of the Lenders or the Required Lenders, as the case may be, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for

which given. In addition, any amendment or supplement shall require the written consent of the other parties to the Loan Document in question. No waiver or act or omission of the Agent, the Lenders, or any of them, shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or breach by an Obligor of any provision of the Loan Documents or the rights resulting therefrom.

10.5 Governing Law

The Province referred to in Sections 11(a) and (b) of the Provisions is the Province of Ontario. The law governing this Agreement shall also govern each of the other Loan Documents, except for those that expressly provide otherwise.

10.6 This Agreement to Govern

In the event of any conflict or inconsistency between the terms of this Agreement and the terms of any other Loan Document, the provisions of this Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

10.7 Currency

- (1) All payments made hereunder shall be made in the currency in respect of which the obligation requiring such payment arose. Unless the context otherwise requires, all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars.
- (2) Except as otherwise expressly provided in this Agreement, wherever this Agreement contemplates or requires the calculation of the equivalent in one currency of an amount expressed in another currency, the calculation shall be made on the basis of the Exchange Rate, at the effective date of the calculation.

10.8 Liability of Lenders

The liability of the Lenders in respect of all matters relating to this Agreement and the other Loan Documents is several and not joint or joint and several. Without limiting that statement, the obligations of the Lenders to make Advances is limited to their respective Applicable Percentages of any Advance that is requested, and, in the aggregate, to their respective Applicable Percentages of the total amounts of the Credit.

10.9 Interest on Miscellaneous Amounts

- (1) If the Borrower fails to pay any amount payable hereunder (other than principal, interest thereon, interest upon interest or any other amount on which interest is payable as otherwise provided in this Agreement) on the due date, the Borrower shall, on demand, pay interest on such overdue amount to the Agent from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at a rate of interest per annum equal to, in the case of amounts payable in Cdn. Dollars, the sum of the Prime Rate plus 2.0% per annum, and, in the

case of amounts payable in US Dollars, the sum of the Base Rate plus 2% per annum, in each case compounded monthly.

- (2) If the Borrower deposits cash as Collateral pursuant to a requirement under this Agreement, the Agent, Lender or Lenders, as applicable, holding the cash shall pay the Borrower interest on the cash while it continues to be held as Collateral at the rate offered by such Agent, Lender or Lenders from time to time for deposits in the relevant currency of comparable size and term.

10.10 Judgment Currency

In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing to the Lenders or any of them under this Agreement or for the payment of damages in respect of any breach of this Agreement or under or in respect of a judgment or order of another court or tribunal for the payment of such amounts or damages, such judgment or order being expressed in a currency (the "Judgment Currency") other than the currency payable hereunder or thereunder (the "Agreed Currency"), the party against whom the judgment or order is made shall indemnify and hold the Lenders harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Lenders arising or resulting from any variation as between (a) the exchange rate at which the Agreed Currency is converted into the Judgment Currency for the purposes of such judgment or order, and (b) the exchange rate at which each Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Lender on the date of such receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Obligors hereunder, shall apply irrespective of any indulgence granted by the Lenders, and shall be supported by the Guarantees.

10.11 Address for Notice

As of the date of this Agreement, the addresses and telecopier numbers of the Borrower and the Lenders contemplated in Section 8(a) of the Provisions are as specified beside their respective signatures to this Agreement. Notices to the other Obligors shall be sent in care of the Borrower.

10.12 Time of the Essence

Time shall be of the essence in this Agreement.

10.13 Further Assurances

Each Obligor shall, at its expense, at the request of the Agent acting on the instructions of the Required Lenders, do all such further acts and execute and deliver all such further documents, agreements, certificates and instruments as may, in the reasonable opinion of the Required Lenders, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Loan Documents.

10.14 Term of Agreement

Except as otherwise provided herein, this Agreement shall remain in full force and effect until the indefeasible payment and performance in full in cash of all of the Obligations and Guarantor Obligations and the termination of the Commitments. The obligations of the Obligor in Sections 3.1, 3.2 and 9 of the Provisions and of the Lenders in Section 7.5 of the Provisions shall continue for the benefit of those to whom the obligations are owed notwithstanding the termination of this Agreement or the termination of any particular Person's role as Obligor, Administrative Agent or Lender.

10.15 Payments on Business Day

Whenever any payment or performance under the Loan Documents would otherwise be due on a day other than a Business Day, such payment shall be made on the following Business Day, unless the following Business Day is in a different calendar month, in which case the payment shall be made on the preceding Business Day.

10.16 Whole Agreement

Except in relation to matters contemplated by the other Loan Documents and as to matters set forth in the next sentence, this Agreement constitutes the whole and entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancels and supersedes any prior agreements, undertakings, declarations, commitments or representations, written or verbal, in respect thereof. The Fee Letter, the Senior Fee Letter and the confidential amended and restated commitment letter dated June 29, 2007 made by Citigroup Global Markets Inc. and The Bank of Nova Scotia addressed to the Borrower providing for the establishment of the Credit and related matters, accepted and agreed to by the Borrower of even date therewith, together with the amended and restated term sheet annexed thereto shall survive the execution and delivery of this Agreement and the making of the initial Advance hereunder.

10.17 English Language

The Loan Documents have been negotiated in English and will be or have been executed in the English language. Les soussigné ont expressément demandé que ce document soit rédigé en langue anglaise. All paper writings given or delivered pursuant to this Agreement and the other Loan Documents shall, if requested by the Agent, be in the English language or, if not, shall be accompanied by a certified English translation thereof. The English language version of any document shall, absent manifest error, control the meaning and interpretation of the matters set forth therein.

10.18 Date of Agreement

This Agreement may be referred to as being dated July 10, 2007 or as of July 10, 2007, notwithstanding the actual date of execution.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

The Bank of Nova Scotia, as Agent
Scotia Capital
Corporate Banking – Loan Syndications
62nd Floor
Scotia Plaza
40 King Street West
Toronto, Ontario M5W 2X6

Attention: Unit Head

Facsimile: 416-866-3329


THE BANK OF NOVA SCOTIA,
as Agent

By:



J. Hunt
Director

By:



S. Holyman
Associate Director

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CanWest MediaWorks Limited Partnership
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

**CANWEST MEDIAWORKS LIMITED
PARTNERSHIP/CANWEST
MEDIAWORKS SOCIETE EN
COMMANDITE**, by its general partner,
**CANWEST MEDIAWORKS (CANADA)
INC.**

Attention: CanWest MediaWorks (Canada) Inc.,
as General Partner

Facsimile: (204) 947-9841

By: 

Name: Thomas C. Strike
Title: Director

By: _____

Name:
Title:

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CanWest MediaWorks Limited Partnership
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

**CANWEST MEDIAWORKS LIMITED
PARTNERSHIP/CANWEST
MEDIAWORKS SOCIETE EN
COMMANDITE**, by its general partner,
**CANWEST MEDIAWORKS (CANADA)
INC.**

Attention: CanWest MediaWorks (Canada) Inc.,
as General Partner

Facsimile: (204) 947-9841

By: _____
Name:
Title:

By: *John E. Maguire*
Name: *John E. Maguire*
Title: *Director.*

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CanWest MediaWorks (Canada) Inc.
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

Attention: Legal Department

Facsimile: (204) 947-9841

**CANWEST MEDIAWORKS (CANADA)
INC.**

By: _____

Name: Thomas C. Strike
Title: Director

By: _____

Name:
Title:

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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confidential

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

Can West MediaWorks (Canada) Inc.
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

Attention: Legal Department

Facsimile: (204) 947-9841

**CANWEST MEDIAWORKS (CANADA)
INC.**

By: _____
Name:
Title:

By: *John E. Maguire*
Name: *John E. Maguire*
Title: *Director*

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CanWest MediaWorks Publications Inc.
c/o CanWest MediaWorks Limited Partnership
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7


Attention: Legal Department

Facsimile: (204) 947-9841

**CANWEST MEDIAWORKS
PUBLICATIONS INC. PUBLICATIONS
CANWEST MEDIAWORKS INC.**

By:

Name:
Title:


Richard M. Leipsic
Vice-President

By:

Name
Title:

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice


CanWest MediaWorks Publications Inc.
c/o CanWest MediaWorks Limited Partnership
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

Attention: Legal Department

Facsimile: (204) 947-9841

**CANWEST MEDIAWORKS
PUBLICATIONS INC. PUBLICATIONS
CANWEST MEDIAWORKS INC.**

By: _____
Name:
Title:

By: 
Name: John E. Maguire
Title: Vice-President

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]


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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CANWEST BOOKS INC.

CanWest Books Inc.
c/o CanWest MediaWorks Limited Partnership
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

By: 
Name: Thomas C. Strike
Title: Vice-President

Attention: Legal Department

By: _____
Name
Title:

Facsimile: (204) 947-9841

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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confidential

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CANWEST BOOKS INC.

CanWest Books Inc.

c/o CanWest MediaWorks Limited Partnership
31st Floor, CanWest Global Place
201 Portage Avenue
Winnipeg, MB R3B 3L7

By: _____

Name:

Title:

Attention: Legal Department

By: _____

Name: *John E. Daquira*

Title: *Vice-president*

Facsimile: (204) 947-9841

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.


Address For Notice

The Bank of Nova Scotia, as Lender
Scotia Capital
Corporate Banking – Communications, Media &
Technology
62nd Floor
Scotia Plaza
40 King Street West
Toronto, Ontario M5W 2X6

Attention: Unit Head

Facsimile: 416-866-2010

THE BANK OF NOVA SCOTIA

By: 

R. King
Director

By: 

B. Walker
Associate Director

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

CITIBANK, N.A., CANADIAN BRANCH

Citibank, N.A., Canadian Branch
123 Front Street West
Toronto, ON M5J 2M3

By: *Dejeets/amba*
Name:
Title:

Attention: Director

By:
Name:
Title:

Facsimile: (416) 915-6292

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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- S8 -

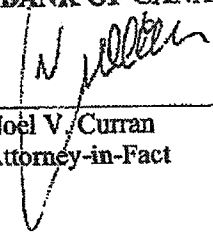
IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

Royal Bank of Canada
4th Floor
South Tower
Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2W7

ROYAL BANK OF CANADA

By:



Noel V. Curran
Attorney-in-Fact

**Attention: Noel V. Curran
Corporate Banking**

Facsimile: (416) 842-5320

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

The Toronto-Dominion Bank

TD Tower
9th Floor
66 Wellington Street West
Toronto, ON M5K 1A2

Attention: Paul Cunha

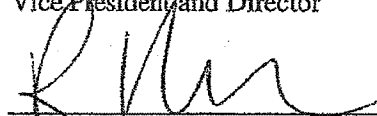
Facsimile: (416) 944-5164

THE TORONTO-DOMINION BANK

By:


per Paul Cunha
Vice President and Director

By:


Rita Romano
Vice President

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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- 810 -

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

GOLDMAN SACHS CANADA CREDIT PARTNERS CO.

Goldman Sachs Canada Credit Partners Co.
150 King Street West
Suite 1201
Toronto, ON M5H 1J9

By: 

Name: BRUCE H. MENDELSON
Title: AUTHORIZED SIGNATORY

Attention: Bruce Mendelsohn

Facsimile: (212) 902-3000
(Global GS fax number)

By: _____

Name:
Title:

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

BANK OF MONTREAL

Bank of Montreal
4th Floor
1, First Canadian Place
Toronto, ON M5X 1H3

By: 

Martin Stevenson
Vice President

**Attention: Vice President,
Loan Products Group**

Facsimile: (416) 359-7796

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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IN WITNESS WHEREOF, the parties have duly executed this Agreement.

Address For Notice

Canadian Imperial Bank of Commerce
BCE Place
8th Floor
161 Bay Street
P.O. Box 500
Toronto, ON M5J 2S8

**CANADIAN IMPERIAL BANK OF
COMMERCE**

By:



Bill Chumka
Executive Director

**Attention: Technology, Media & Telecom
Credit Capital Markets**

By:



Steve Nishimura
Managing Director

Facsimile: (416) 956-3816

[signature page for Term Loan C Credit Agreement relating to CanWest MediaWorks Limited Partnership et al.]

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**SCHEDULE A
FORM OF NOTICE OF ADVANCE OR PAYMENT**

[see reference in Section 5.4]

<p>TO: The Bank of Nova Scotia Scotia Capital GWS – Loan Administration & Agency Services 720 King Street West 4th Floor Global Wholesale Services Toronto, Ontario M5V 2T3</p> <p>Attention: Managing Director Facsimile: (416) 866-5991</p>	<p>c.c. The Bank of Nova Scotia Scotia Capital Corporate Banking – Loan Syndications 62nd Floor, Scotia Plaza 40 King Street West Toronto, Ontario M5W 2X6</p> <p>Attention: Unit Head Facsimile: 416-866-3329</p>	<p>c.c. The Bank of Nova Scotia Scotia Capital Corporate Banking – Communications, Media & Technology 62nd Floor, Scotia Plaza 40 King Street West Toronto, Ontario M5W 2X6</p> <p>Attention: Director Facsimile: (416) 866-2010</p>
--	--	--

We refer to the senior subordinated credit agreement dated as of the 10th day of July, 2007 between CanWest MediaWorks Limited Partnership, as Borrower, others, as Guarantors, The Bank of Nova Scotia, as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All terms used in this certificate and that are defined in the Credit Agreement will have the meanings defined in the Credit Agreement.

Request for Advance

Notice is hereby given pursuant to Section 5.4 of the Credit Agreement that the undersigned hereby irrevocably requests as follows:

- (A) that an Advance made under the Credit.
- (B) the requested Advance represents the following [check one or more]:
 - initial Advance under the Credit ()
 - rollover of an existing Advance under the Credit ()
 - conversion of an existing Advance to another type of Advance ()
- (C) the Drawdown Date shall be _____.
- (D) the Advance shall be in the form of [check one or more and complete details]:
 - Prime Rate Advance ()
 Amount Cdn. \$ _____
 - Banker's Acceptances ()
 Face Amount: Cdn. \$ _____

Term	_____
Base Rate Advance Amount	US \$ _____
LIBOR Advance Amount	US \$ _____

(E) the proceeds of the Advance shall be deposited in *[specify Designated Account]*

The undersigned hereby confirms as follows:

- (a) the representations and warranties made in Section 6.1 of the Credit Agreement, other than those expressly stated to be made as of a specific date or otherwise expressly excluded pursuant to the provisions of Section 6.2 of the Credit Agreement, are true and correct on and as of the date hereof with the same force and effect as if such representations and warranties had been made on and as of the date hereof, but subject to the same qualifications as are contained in Section 6.2 of the Credit Agreement;
- (b) no Default has occurred and is continuing on the date hereof or will result from the Advance(s) requested herein;
- (c) the undersigned will immediately notify you if it becomes aware of the occurrence of any event which would mean that the statements in the immediately preceding paragraphs (a) or (b) would not be true if made on the Drawdown Date; and
- (d) all other conditions precedent set out in Section 3.2 [and Section 3.1] of the Credit Agreement have been fulfilled.

Notice of Payment

Pursuant to Section 5.4 of the Credit Agreement, the undersigned hereby irrevocably notifies you of the following:

- (a) that a payment will be made under the Credit.
- (b) the payment represents the following *[check one or more]*:
 - reduction in Advances under the Credit ()
 - payment of existing Advances which will be rolled over as the same type of Advance under the Credit ()
 - payment of existing Advances which will be converted to another type of Advance under the Credit ()
- (c) the payment date shall be _____

(d) the Advance to be paid shall be in the form of *[check one or more and complete details]*:

Prime Rate Advance Amount Cdn. \$ _____ ()

Banker's Acceptances Face Amount: Cdn. \$ _____ ()
Maturity Date: _____

Base Rate Advance Amount US \$ _____

LIBOR Advance Amount US \$ _____

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confidential

DATED _____

**CANWEST MEDIAWORKS LIMITED
PARTNERSHIP/CANWEST MEDIAWORKS
SOCIETE EN COMMANDITE**, by its general
partner, **CANWEST MEDIAWORKS
(CANADA) INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

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confidential

**SCHEDULE B
FORM OF AGREEMENT OF NEW GUARANTOR**

[see reference in Section 4.2]

SUPPLEMENT TO CREDIT AGREEMENT

THIS AGREEMENT supplements the senior subordinated credit agreement dated as of the 10th day of July, 2007 between CanWest MediaWorks Limited Partnership, as Borrower, others, as Guarantors, The Bank of Nova Scotia, as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement").

RECITALS:

- A. All terms used in this Agreement that are defined in the Credit Agreement will have the meanings defined in the Credit Agreement.
- B. The Credit Agreement contemplates that further Subsidiaries of the Borrower shall become Guarantors in certain circumstances.
- C. [●] (the "New Subsidiary") is required by the Credit Agreement to become a Guarantor.
- D. The New Subsidiary has delivered the documents listed on Schedule A to this Agreement, an opinion of its counsel and other resolutions and ancillary documents required by the Agent.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

- 1. The New Subsidiary hereby acknowledges and agrees to the terms of the Credit Agreement and agrees to be bound by all obligations of a Guarantor under the Credit Agreement as if it had been an original signatory thereto. The New Subsidiary represents and warrants to the Agent and the Lenders that each of the representations and warranties in Section 6.1 is true and correct in relation to it.
- 2. The New Subsidiary represents and warrants in favour of the Lenders that Schedule B attached hereto fully and fairly describes, as of the date of this Agreement, the ownership of all of its issued and outstanding Capital Stock and of Capital Stock that it owns in other Persons, the nature of the business that it carries on, the locations of its head office (and chief executive office, if different) and the jurisdictions in which its freehold (or fee as the case may be) and leasehold real property and other Property (other than accounts receivable) is located. Except as set out in Schedule B attached hereto, it does not have any Subsidiaries, is not a partner in any partnership (general or limited) and is not a co venturer in any joint venture, as of the date hereof.
- 3. The Agent, on behalf of the Lenders, acknowledges that the New Subsidiary shall be a Guarantor as of the date of this Agreement.

4. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
5. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. For the purposes of this section, the delivery of a facsimile copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery thereof.

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confidential

IN WITNESS OF WHICH, the undersigned have executed this Agreement as of [●].

THE BANK OF NOVA SCOTIA as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[NEW SUBSIDIARY]

By: _____
Name:
Title:

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By: _____
Name:
Title:

[Note: Schedule A to be attached to list Guarantee]

[Note: Schedule B to be attached to list Details of Capital Stock, Property, Etc.]

SCHEDULE C
FORM OF COMPLIANCE CERTIFICATE

[see reference in Section 7.2(1)(c)]

TO: THE LENDERS (as defined in the Credit Agreement referred to below)

AND TO: THE BANK OF NOVA SCOTIA, as Agent

We refer to Section 7.2(1)(c) of the senior subordinated credit agreement dated as of the 10th day of July, 2007 between CanWest MediaWorks Limited Partnership, as Borrower, others, as Guarantors, The Bank of Nova Scotia, as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "**Credit Agreement**"). All terms used in this certificate that are defined in the Credit Agreement will have the meanings defined in the Credit Agreement.

The undersigned hereby certifies that:

1. The representations and warranties made in Section 6.1 of the Credit Agreement, other than those expressly stated to be made as of a specific date or otherwise expressly excluded pursuant to the provisions of Section 6.2 of the Credit Agreement, are true and correct on and as of the date hereof with the same force and effect as if such representations and warranties had been made on and as of the date hereof, but subject to the same qualifications as are contained in Section 6.2 of the Credit Agreement.
2. No Default has occurred and is continuing on the date hereof *[or as the case may be]*.
3. The undersigned hereby certifies that, as of the end of its most recently completed fiscal quarter, which ended on _____:
 - (a) the Consolidated Leverage Ratio was _____ : 1; and
 - (b) EBITDA for such fiscal quarter, and for the four fiscal quarters ending with such fiscal quarter, was Cdn. \$ _____ and Cdn. \$ _____, respectively.

4. Appendix A attached is an up-to-date version of Schedule F to the Credit Agreement. [or There has been no change to the information contained in the version of Schedule F attached to the Credit Agreement.]

DATED _____

**CANWEST MEDIAWORKS LIMITED
PARTNERSHIP/CANWEST MEDIAWORKS
SOCIETE EN COMMANDITE, by its general
partner CANWEST MEDIAWORKS (CANADA)
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

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SCHEDULE D
MODEL CREDIT AGREEMENT PROVISIONS

[see reference in Section 1.1]

The attached model credit agreement provisions, which have been revised under the direction of the Canadian Bankers' Association Secondary Loan Market Specialist Group from provisions prepared by The Loan Syndications and Trading Association, Inc., form part of this Agreement, except for the footnotes to the model credit agreement provisions and subject to the following variations:

1. The defined term "Eligible Assignee" is deleted and replaced with the following provision:

""Eligible Assignee" means any Person in respect of which any consent that is required by Section 10(b) has been obtained but in no case shall include any natural person, any Obligor, any Affiliate of an Obligor or any Person if the assignment of any rights and obligations under this Agreement in respect of any of the Credit to such Person will result in an increase in withholding tax payable under Part XIII of the *Income Tax Act* (Canada) in relation to the Credit."

2. The defined term "Related Parties" in the Provisions is deleted. Such term shall have the meaning set out in Section 1.1 of the Agreement.
3. The term "Release," which is used in section 9(b) but not defined in the Provisions, shall be interpreted as referring to any release, spill, leakage, emission, deposit, discharge, leaching, migration or disposition. The term "Environmental Liability," which is used in section 9(b) but not defined in the Provisions, shall be interpreted as referring to any remedial action taken by the Agent or any Lender relating to any Hazardous Materials or any breach of any Environmental Law.
4. Clause (a) of the defined term "Excluded Taxes" is deleted and replaced with the following provision:

"(a) taxes imposed on or measured by its net income or capital, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located "

5. Clause (c)(A) of the defined term "Excluded Taxes" is deleted and replaced with the following provision:

"(A) is imposed or assessed other than in respect of a Loan that was made on the premise that an exemption from such withholding tax would be

available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and, for greater certainty, the Loan made hereunder was not made on the premise that an exemption from withholding tax would be available,"

6. Section 3.2(a) of the Provisions is amended by adding the following sentence at the end thereof:

"Notwithstanding the foregoing provisions of this Section 3.2(a), no Obligor shall be required to pay the additional amounts contemplated in clause (i) above to any Lender who becomes a Lender by way of assignment after the occurrence of a Default."

7. Section 3.2(f) of the Provisions is amended by adding the following provision at the end thereof:

"Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States of America, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code, and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made."

8. The first reference to "the Borrower" in each of Sections 3.3(a) and 3.3(b) of the Provisions shall be interpreted as referring to "any Obligor" and the references to "the

Borrower" in Section 3.2(b), the first reference to "the Borrower" in Section 3.2(c) and the reference to "the Borrower" in the second paragraph of Section 10(d) of the Provisions shall be interpreted as referring to "each Obligor".

9. Clause 5(iii)(y) of the Provisions is deleted and replaced with the following:

"any reduction arising from an amount owing to an Obligor upon the termination of any derivative entered into between the Obligor and such Lender except for a net amount available after the termination of all derivatives entered into between the Obligors and such Lender and the setoff of resulting amounts owing by the Obligors and to the Obligors"

10. The preamble of Clause 9(b) of the Provisions is deleted and replaced with the following:

"The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Obligor, and without regard to the exclusive or contributory negligence of any Indemnitee, arising out of, in connection with, or as a result of"

11. Clause 10(b)(i) of the Provisions is deleted and replaced with the following:

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of a revolving facility, or \$5,000,000, in the case of any assignment in respect of a term facility, unless the Administrative Agent otherwise consents to a lower amount (such consent not to be unreasonably withheld or delayed);

12. Clause 10(b)(v) of the Provisions is deleted and replaced with the following:

"(v) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender or a Default has occurred and is continuing and, in the event approval of the Borrower to any assignment is not required pursuant to this Clause 10(b)(v), the Borrower shall be provided with notice of such assignment, which notice shall indicate whether the assignee is a Foreign Lender or is not a Foreign Lender, but the giving of notice is not in any way a condition to the effectiveness of any such assignment and the Administrative Agent's failure to give notice shall not impose any liability on the Administrative Agent; and"

13. Clause 10(b)(vi) of the Provisions is deleted and replaced with the following:

"(vi) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500, such fee to be waived in respect of assignments to a Lender or an Affiliate of an Approved Fund of a Lender and otherwise in the sole discretion of the Administrative Agent, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire."

14. Clause 10(f) of the Provisions is deleted and replaced with the following:

"(f) Certain Pledges. In addition to the other rights provided under this Section, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender without the consent of the Administrative Agent or the Borrower, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto."

15. Clause 14(1) of the Provisions is amended by adding the following provision at the end thereof:

"(i)(x) an investor or prospective investor in securities issued by a Approved Fund of any Lender that also agrees that Information shall be used solely for the purpose of evaluating an investment in such securities issued by a Approved Fund of any Lender, (y) to a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in securities issued by a Approved Fund of any Lender in connection with the administration, servicing and reporting on the assets serving as collateral for securities issued by such Approved Fund, or (z) to a nationally recognized rating agency that requires access to information regarding the Obligor, the Loans and Loan Documents in connection with

ratings issued in respect of securities issued by a Approved Fund of any Lender."

16. Clause 14(2) of the Provisions is amended by deleting the reference to "its own confidential information" and replacing it with reference to "its other customers' confidential information".

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MODEL CREDIT AGREEMENT PROVISIONS

1. Definitions

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means the credit agreement of which these Provisions form part.

"Applicable Law" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"Applicable Percentage" means with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitments. If the Commitments have terminated or expired, the Applicable Percentages shall be the percentage of the total outstanding Loans and participations in respect of Letters of Credit represented by such Lender's outstanding Loans and participations in respect of Letters of Credit.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have corresponding meanings.

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

"Eligible Assignee" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 10(b) has been obtained.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of an Obligor hereunder, (a) taxes imposed on or measured by its net income, and franchise taxes imposed on

it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located and (c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 3.3(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that (A) is not imposed or assessed in respect of a Loan that was made on the premise that an exemption from such withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and (B) is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.2(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 3.2(a). For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the Income Tax Act (Canada) or any successor provision thereto.¹

"Foreign Lender" means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes, and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction, or purposes of this definition Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Issuing Bank" means the Person named elsewhere in this Agreement² as the issuer of Letters of Credit on the basis that it is "fronting" for other Lenders and not on the basis that it is the attorney of other Lenders to sign Letters of Credit on their behalf, or any successor issuer of Letters of

¹ Please note that this definition of "Excluded Taxes" will result in Foreign Lenders not being grossed up for withholding taxes that exist at the time of execution and delivery of the Credit Agreement, except in the circumstances specified. If a loan is intended to be exempt from withholding tax as a "5/25" structure or otherwise, this premise should be specified in the Credit Agreement.

² Ensure that the Credit Agreement identifies the Issuing Bank or indicates that there is none.

Credit. For greater certainty, where the context requires, references to "Lenders" in these Provisions include the Issuing Bank.

"Loan" means any extension of credit by a Lender under this Agreement, including by way of bankers' acceptance or LIBO Rate Loan, except for any Letter of Credit or participation in a Letter of Credit.

"Obligors" means, collectively, the Borrower and each of the guarantors of the Borrower's obligations that are identified elsewhere in this Agreement.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant" has the meaning assigned to such term in Section 10(d).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Provisions" means these model credit agreement provisions.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

2. Terms Generally

(1) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) unless otherwise expressly stated, all references in these Provisions to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, these Provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these Provisions, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(2) If there is any conflict or inconsistency between these Provisions and the other terms of this Agreement, the other terms of this Agreement shall govern to the extent necessary to resolve the conflict or inconsistency.

3. Yield Protection

3.1 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 3.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

3.2 Taxes.

(a) Payments Subject to Taxes. If any Obligor, the Administrative Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Law and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(a) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or justly imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.

(f) Treatment of Certain Refunds and Tax Reductions. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the

Administrative Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender if the Administrative Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

3.3 Mitigation Obligations: Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders.³ If any Lender requests compensation under Section 3.1, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, if any Lender's obligations are suspended pursuant to Section 3.4 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower pays the Administrative Agent the assignment fee specified in Section 10(b)(vi);

(ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.1 or payments required to be made pursuant to Section 3.2, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with Applicable Law.

³ Please note that the Breakfunding section in the Credit Agreement should expressly include any amounts payable as a result of an assignment required by this Section.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

3.4 Illegality.

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.5 Inability to Determine Rates Etc.

If the Required Lenders determine that for any reason a market for bankers' acceptances does not exist at any time or the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the Borrower's right to request the acceptance of bankers' acceptances shall be and remain suspended until the Required Lenders determine and the Agent notifies the Borrower and each Lender that the condition causing such determination no longer exists. If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or that the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein.

4. Right of Setoff.

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmaturing or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not

affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 4, it shall share the benefit received in accordance with Section 5 as if the benefit had been received by the Lender of which it is an Affiliate.

5. Sharing of Payments by Lenders.

If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Loans and accrued interest thereon or other obligations hereunder greater than its pro rata share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest,

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(iii) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

6. Administrative Agent's Clawback

(a) Funding by Lenders: Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that

⁴ Those preparing Credit Agreements should consider whether this exclusion of proceeds of derivatives is appropriate in the particular circumstances of the Credit Agreement. It may be appropriate to provide for sharing of, for example, any net amount available after the termination of all derivatives entered into between the Obligors and a Lender and the setoff of resulting amounts owing by the Obligors and to the Obligors if there is more than one such derivative.

such Lender will not make available to the Administrative Agent such Lender's share of such advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such advance. If the Lender does not do so forthwith, the Borrower shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Administrative Agent.

(b) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

7. Agency.

7.1 Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Person identified elsewhere in this Agreement as the Administrative Agent⁵ to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

7.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Administrative Agent and without any duty to account to the Lenders.

⁵ Ensure that the Credit Agreement identifies the Administrative Agent for the purpose of this reference

7.3 Exculpatory Provisions.

(1) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents.⁶ Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Administrative Agent or any of its Affiliates in any capacity.

(2) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.

(3) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent

⁶ It is anticipated that the Credit Agreement will require the Borrower to be responsible for compliance with all requirements to maintain perfection of security.

accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

7.5 Indemnification of Administrative Agent. Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

7.6 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent from among the Lenders (including the Person serving as Administrative Agent) and their respective Affiliates. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

7.7 Replacement of Administrative Agent.

(1) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montréal, Québec, or an Affiliate of any such Lender with an office in Toronto or Montréal. The Administrative Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto or Montréal, or an Affiliate of any such Lender with an office in Toronto or Montréal.

(2) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 7.7(1), provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative

Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Section 7 and of Section 9 shall continue in effect for the benefit of such former Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent was acting as Administrative Agent.

7.8 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

7.9 Collective Action of the Lenders. Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Administrative Agent upon the decision of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent with the prior written agreement of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Administrative Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

7.10 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or holders of similar titles, if any, specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

8. Notices: Effectiveness; Electronic Communication

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as-provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement⁷ or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been

⁷ Ensure that the Credit Agreement contains the contact information referred to.

given when sent (except that, if not given on a business day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent,⁸ provided that the foregoing shall not apply to notices to any Lender of Loans to be made or Letters of Credit to be issued if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address. Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

9. Expenses; Indemnity; Damage Waiver⁹

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of

⁸ Administrative Agents may wish to prescribe procedures for electronic communications and to disseminate those procedures to Lenders.

⁹ A reference to this Section should be included in the Survival Section, if any, of the Credit Agreement.

the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 3.1, 3.2 and 9(a).

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Administrative Agent or a Lender setting forth the amount or amounts owing to the Administrative Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

10. Successors and Assigns

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that:

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund, with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of a revolving facility, or \$1,000,000, in the case of any assignment in respect of a term facility, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-*pro rata* basis;

(iii) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(iv) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:

(x) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment,

(y) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced, or

(z) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;

(v) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment or a Default has occurred and is continuing; and

(vi) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount specified elsewhere in this Agreement¹⁰ and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3 and 9, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(c) Register. The Administrative Agent shall maintain at one of its offices in Toronto, Ontario or Montréal, Québec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor¹¹) (each, a "Participant") in all or a portion of such Lender's rights

¹⁰ Ensure that the Credit Agreement specifies the amount of this fee.

¹¹ Consideration should be given to the percentage of Lenders required to permit the sale of a participation to an Obligor or any Affiliate or Subsidiary of an Obligor.

and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4 as though it were a Lender, provided such Participant agrees to be subject to Section 5 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.1 and 3.2 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.2 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.2(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

11. Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Province specified elsewhere in this Agreement¹² and the laws of Canada applicable in that Province.

(b) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province specified elsewhere in this Agreement, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

¹² Ensure that the Credit Agreement identifies the Province referred to here and in paragraph (b) immediately below.

12. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13. Counterparts: Integration: Effectiveness: Electronic Execution

(a) Counterparts: Integration: Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in the conditions precedent Section(s) of this Agreement, this Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereto that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the Personal Information Protection and Electronic Documents Act (Canada), the Electronic Commerce Act, 2000 (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

14. Treatment of Certain Information: Confidentiality

(1) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or

(y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(2) For purposes of this Section, "Information" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers

(3) In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Exhibit B concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.

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ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*]]¹
3. Borrower(s): _____
4. Administrative Agent: _____, as the administrative agent under the Credit Agreement
5. Credit Agreement: [The [*amount*] Credit Agreement dated as of _____ among [*name of Borrower(s)*], the Lenders parties thereto, [*name of Administrative Agent*], as Administrative Agent, and the other agents parties thereto]

¹ Select as applicable.

6. Assigned Interest:

Facility Assigned ²	Aggregate Amount of Commitment/Loans for all Lenders ³	Amount of Commitment/Loans Assigned ³	Percentage Assigned of Commitment/Loans ⁴	CUSIP Number
	\$	\$	%	
	\$	\$	%	
	\$	\$	%	

[7. Trade Date: _____]⁵

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² Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment," "Term Loan Commitment," etc.)

³ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁴ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁵ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and]⁶ Accepted:

[NAME OF ADMINISTRATIVE AGENT], as
Administrative Agent

By _____
Title:

[Consented to:]⁷

[NAME OF RELEVANT PARTY]

By _____
Title:

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⁶ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁷ To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, L/C Issuer) is required by the terms of the Credit Agreement.

[]¹

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

1.1 **Assignor.** The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document², (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 **Assignee.** The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section ___ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender³, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

¹ Describe Credit Agreement at option of Administrative Agent.

² The term "Loan Document" should be conformed to the term used in the Credit Agreement.

³ The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

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LOAN MARKET DATA TEMPLATE

Recommended Data Fields – At Close

The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

<u>Company Level</u>	<u>Deal Specific</u>	<u>Facility Specific</u>
Issuer Name	Currency/Amount	Currency/Amount
Location	Date	Type
SIC (Cdn)	Purpose	Purpose
Identification Number(s)	Sponsor	Tenor
Revenue	Financial Covenants	Term Out Option
	Target Company	Expiration Date
*Measurement of Risk	Assignment Language	Facility Signing Date
S&P Sr. Debt	Law Firms	Pricing
S&P Issuer	MAC Clause	Base Rate(s)/Spread(s)/BA/LIBOR
Moody's Sr. Debt	Springing lien	Initial Pricing Level
Moody's Issuer	Cash Dominion	Pricing Grid (tied to, levels)
Fitch Sr. Debt	Mandatory Prepays	Grid Effective Date
Fitch Issuer	Restrict'd Payments (Neg Covenants)	Fees
S&P Implied (internal assessment)	Other Restrictions	Participation Fee (tiered also)
DBRS		Commitment Fee
Other Ratings		Annual Fee
*Industry Classification		Utilization Fee
Moody's Industry		LC Fee(s)
S&P Industry		BA Fee
Parent		Prepayment Fee
Financial Ratios		Other Fees to Market
		Security
		Secured/Unsecured
		Collateral and Seniority of Claim
		Collateral Value
		Guarantors
		Lenders Names/Titles
		Lender Commitment (\$)
		Committed/Uncommitted
		Distribution method
		Amortization Schedule
		Borrowing Base/Advance Rates
		New Money Amount
		Country of Syndication
		Facility Rating (Loss given default)
		S&P Bank Loan
		Moody's Bank Loan
		Fitch Bank Loan
		DBRS
		Other Ratings

* These items would be considered useful to capture from an analytical perspective

**SCHEDULE E
APPLICABLE PERCENTAGES OF LENDERS**

[see references in Section 1.1]

Lender	Commitment (Applicable Percentage) under the Credit (Cdn. \$)
The Bank of Nova Scotia	25,312,500 (33.75%)
Citibank, N.A., Canadian Branch	25,312,500 (33.75%)
Royal Bank of Canada	5,625,000 (7.50%)
The Toronto-Dominion Bank	5,625,000 (7.50%)
Goldman Sachs Canada Credit Partners Co.	5,625,000 (7.50%)
Bank of Montreal	3,750,000 (5.00%)
Canadian Imperial Bank of Commerce	3,750,000 (5.00%)

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SCHEDULE F
DETAILS OF CAPITAL STOCK, PROPERTY, ETC.

[see reference in Section 6.1(4)(a)]

FOR THE BORROWER, CANWEST MEDIA WORKS LIMITED PARTNERSHIP

Entity	Ownership of entity's Capital Stock	Capital Stock owned by entity in other Persons	Nature of business	Head office (and chief executive office, if different)	Freehold real property	Leasehold property	Jurisdiction in which other Property located
CanWest MediaWorks Limited Partnership/CanWest MediaWorks Société En Commandite	Can West MediaWorks Inc. (99.99% of Class B Units) Can West MediaWorks (Canada) Inc. (0.001% GP Units)	Can West MediaWorks Publications Can West MediaWorks Inc. (100% of Common Shares)	Canadian print and online media businesses (other than the <i>National Post</i>) together with ancillary and supporting operations	1450 Don Mills Road Toronto, Ontario	N/A	1. 30th Floor – 201 Portage Avenue, Winnipeg, Manitoba (licensed from tenant). 2. 5th and 6th Floors – 300 Carleton Street, Winnipeg, Manitoba	N/A
Can West MediaWorks (Canada) Inc.	Can West MediaWorks Inc. (100%)	CanWest MediaWorks Limited Partnership/CanWest MediaWorks Société En Commandite (0.001% of GP Units) Can West MediaWorks Publications Inc. Can West MediaWorks Inc. (100% of Special Voting Shares)	Newspapers and Related Business	31st Floor, 201 Portage Avenue Winnipeg, Manitoba	N/A	N/A	N/A
Can West MediaWorks	Can West	Can West Books Inc.	Newspapers and	31st Floor, 201	1. 12091-88th	1. 1058-72 Avenue NE	N/A

Entity	Ownership of entity's Capital Stock	Capital Stock owned by entity in other Persons	Nature of business	Head office (and chief executive office, if different)	Freehold real property	Leasehold property	Jurisdiction in which other Property located
Publications Inc. Publications CanWest Media Works Inc.	Media Works Limited Partnership/ Can West Media Works Société En Commandite (100% of Common Shares) Can West Media Works (Canada) Inc. (100% Special Voting Shares)	(100%)	Related Business	Portage Avenue Winnipeg, Manitoba	Avenue Surrey, British Columbia 2. 30887 Peardonville Road Abbotsford, British Columbia 3. 45951 Tretthewey Avenue Chilliwack, British Columbia 4. 5731 No. 3 Road Richmond, British Columbia 5. 4918 Napier Street Port Alberni, British Columbia (beneficial interest) 6. 2575 McCullough Road Nanaimo, British Columbia (beneficial interest) 7. 2621 to 2629 Douglas Street Victoria, British Columbia 8. 215 16th Street SE	Calgary, Alberta 2. 800 Macleod Trail SE Calgary, AB 3. 250-355 Burrard Street Vancouver, B.C. 4. 44 Frid Street Hamilton, Ontario 5. Rm 354 Legislative Building Ottawa, Ontario 6. 10006-101 Street Edmonton, Alberta 7. 9303-28 Avenue Edmonton, Alberta 8. 201A & 202A -3430 Brighton Avenue Burnaby, B.C. 9. 1-2700 Barnet Highway Coquitlam, B.C. 10. 2406 Canoe Avenue Coquitlam, B.C. 11. 112-6375-202nd	

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Entity	Ownership of entity's Capital Stock	Capital Stock owned by entity in other Persons	Nature of business	Head office (and chief executive office, if different)	Freehold real property	Leasehold property	Jurisdiction in which other Property located
					<p>Calgary, Alberta</p> <p>9. 10006-101 Street NW Edmonton, Alberta</p> <p>10. 9301 49th Street NW Edmonton, Alberta</p> <p>11. 9333 49th Street NW Edmonton, Alberta</p> <p>12. 1922 Park Street Regina, Saskatchewan</p> <p>13. 535 12th Avenue East Regina, Saskatchewan</p> <p>14. 204 5th Avenue North Saskatoon, Saskatchewan</p> <p>15. 219 5th Avenue North Saskatoon, Saskatchewan</p> <p>16. 350 Hoffer Drive Regina, Saskatchewan</p>	<p>Street Langley, B.C.</p> <p>12. Units 1&2 - 22345 North Avenue Maple Ridge, B.C.</p> <p>13. 100 & 301 126 East 15th Street North Vancouver, B.C.</p> <p>14. 110-7280 River Road Richmond, B.C.</p> <p>15. 201-7889-132nd Street Surrey, B.C.</p> <p>16. 1574 West 6th Avenue Vancouver, B.C.</p> <p>17. 3355 Grandview Highway Vancouver, B.C.</p> <p>18. 502-189 Hymus Blvd. Pointe Claire, Q.C.</p> <p>19. The Molson Center - Box D5.33 Montreal, Q.C.</p>	

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Entity	Ownership of entity's Capital Stock	Capital Stock owned by entity in other Persons	Nature of business	Head office (and chief executive office, if different)	Freehold real property	Leasehold property	Jurisdiction in which other Property located
					17. 1450 Don Mills Road Don Mills, Ontario 18. 1101 Baxter Road Ottawa, Ontario 19. 167 Ferry Street, Windsor, Ontario 20. 3000 Starway Windsor, Ontario 21. 2605 Temple Windsor, Ontario 22. 7001 Saint- Jacques Street Montreal, Quebec	20. 1010 Ste. Catherine Street, West Montreal, Q.C. 21. 75.56 to 75.59 Mile Victoria, B.C. 22. 405 - 408 -1230 Old Innes Road Ottawa, Ontario 23. 110 Laurier Avenue, W Ottawa, Ontario 24. 1-200 Granville Street Vancouver, B.C. 25. 3017 Third Avenue, Port Alberni, B.C. 26. 1701 Peninsula Street Ucluelet, B.C. 27. 1502 Quebec Avenue Saskatoon, Saskatchewan 28. 1040 Cedar Street Campbell River, B.C. 29. 407-D Fifth Street	

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Entity	Ownership of entity's Capital Stock	Capital Stock owned by entity in other Persons	Nature of business	Head office (and chief executive office, if different)	Freehold real property	Leasehold property	Jurisdiction in which other Property located
CanWest Books Inc.	CanWest MediaWorks Publications Inc. CanWest MediaWorks Inc. (100%)	N/A	Publishing	1st Floor, 201 Portage Avenue Winnipeg, Manitoba	N/A	N/A	N/A
						Courtenay, B.C. 30. 469 Whistler Street Duncan, B.C. 31. 3-141 Memorial Avenue Parksville, B.C. 32. 207 & 208 Delta Street Delta, B.C. 33. 2188 Yukon Street Vancouver, B.C. 34. 50 O'Conner Street Ottawa, O.N.	

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**SCHEDULE G
ORGANIZATION STRUCTURE**

[see reference in Section 6.1(4)(j)]

**CanWest MediaWorks Limited Partnership
Organizational Chart
Post-closing of Privatization Transaction
All holdings are 100% unless otherwise noted**

