

**TAB 35**

May-31-10 02:55pm From:Osler, Hoskin & Narcourt LLP

4168626666

T-120 P 002/004 F-001

Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8  
416.362.2131 MAIN  
416.862.6666 FACSIMILE

OSLER

Toronto

May 31, 2010

Montreal

Sven Poysa  
Direct Dial: 416.862.5934  
spoysa@osler.com  
Our Matter Number: 3117119

Ontario

Sent by Facsimile 514.395.0522

Calgary

Mr. Ali Gholampour  
507 Place d'Armes  
Suite 1539  
Montreal, PQ H2Y 2W8

New York

Dear Mr. Gholampour:

Re: Letter dated May 3, 2010 (the "Grievance Matter")

As you are aware, Canwest Publishing Inc./ Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc. and Canwest Limited Partnership/Canwest Societe en Commandite (collectively, the "LP Entities") filed for and obtained relief under the *Companies' Creditors Arrangement Act* pursuant to an Initial Order made by the Ontario Superior Court of Justice (the "Court") on January 8, 2010 (the "CCAA Proceedings"). FTI Consulting Canada Inc. was appointed as Monitor of the LP Entities in the CCAA Proceedings. Copies of the Initial Order and other publicly available material in the CCAA Proceedings can be found on the Monitor's website at <http://cfcanada.fticonsulting.com/clp>.

The LP Entities obtained an order from the Court on April 12, 2010, as amended May 17, 2010 (the "Claims Procedure Order") approving a claims procedure by which creditors of the LP Entities shall prove their Claims (as therein defined) against the LP Entities (the "Claims Procedure").

The Claims Procedure Order excludes certain claims from the Claims Procedure, including claims arising from grievances filed by bargaining agents (the "Unions") representing unionized employees of the LP Entities, or their members, under applicable collective bargaining agreements. Holders of Excluded Claims (as defined in the Claims Procedure Order) are not included in the Claims Procedure and can proceed to advance such claims outside of the Claims Procedure in the ordinary course. The above Grievance Matter is properly characterized as an Excluded Claim. Accordingly, your claim will not be included in the Claims Procedure.

The exclusion of Excluded Claims from the Claims Procedure should not be taken as a statement of the LP Entities' position in respect of the merits, value or otherwise in respect of any of the Excluded Claims, and the foregoing reasons for revision or disallowance are not necessarily exhaustive and accordingly the LP Entities reserve their

# OSLER

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right to assert any further legal or factual bases to revise or disallow your claim in the future.

Please note that pursuant to an Order of the Court made May 17, 2010, the Court approved a transaction to sell certain of the LP Entities' assets pursuant to an asset purchase agreement dated as of May 10, 2010 among 7535538 Canada Inc., CW Acquisition Limited Partnership (the "Purchaser"), and the LP Entities. Pursuant to such transaction, the Purchaser will assume certain liabilities of the LP Entities on closing, which may include the Grievance Matter.

Should you have any questions in connection herewith, or with respect to the procedures applicable to the Litigation Matter please contact the Monitor at:

FTI Consulting Canada Inc.  
Court appointed Monitor of Canwest Publications Inc./Publications Canwest Inc.  
et al  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, PO Box 104  
Toronto, ON M5K 1G8  
Attention: Pamela Luthra  
  
Telephone: 1.888.310.7627  
Facsimile: 416.649.8101  
Email: CanwestLP@fticonsulting.com

Yours very truly,



Sven Poysa  
SP:jdf

c: Michelle Hall, Senior Vice President, People  
Pamela Luthra, FTI Consulting Canada Inc.



**URGENT**

**BY FAX: 416 649 8101**

July 18, 2010

Ms. Pamela Luthra  
Mr. Paul Bishop  
Mr. Steve Bissell  
Mr. Jodi Porepa  
FTI Consulting Canada Inc.  
Court-appointed Monitor  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P. O. Box 104  
Toronto, Ontario  
M5K 1G8

**Re: Status of Claims – Eriberto Di Paolo and Rita Blondin**

Madam Luthra, Mr. Bishop,  
Mr. Bissell and Mr. Porepa:

On Friday July 16, 2010, Eriberto Di Paolo; Luisa Di Paolo; Rita Blondin; Réjean Blondin; (Ms. Blondin’s spouse) participated in a tele-conference call at the request of Mtres. Mary Konyukhova and Nancy Ramalho.

Mtre. Konyukhova’s locutions were void of direction. She formulated such comments as:

- a) re-structuring to allow companies to continue;
- b) compromised creditors (as opposed to secured creditors);
- c) who is the LP Entity in our claims;
- c) our lack of understanding because of absence of legal counsel;
- d) the confusion of us changing our stance as indicated in our emails sent (which emails? (!)
- e) no date limit for our claims to be resolved;
- f) our claim to be resolved in Montreal;
- g) “if you have a claim,” – re-iterated several times;
- h) shares in new company;
- i) the need for legal counsel;
- g) etc.

Mtre. Konyukhova specifically reiterated that since we had backtracked in our emails, they were acting according to our wishes. (?) We did not know what Mtre. Konyukhova was referring to. Not once did Mtre. Konyukhova's conversations follow a logical train of thought. So much so that Luisa Di Paolo interjected claiming that Mtre. Konyukhova must have been commenting on other claimants.

Mtre. Konyukhova stated that Mtre. Sven Posy, legal counsel for the LP Entity, was out of the picture. Finally, since the exchange was not going anywhere, Mtre. Konyukhova re-iterated a number of times that she would have to verify her papers and contact the LP Entity concerning our claims. Luisa Di Paolo then asked the question whether the sale had gone through. Mtre. Konyukhova responded that it did on Tuesday, July 13, 2010. Mrs. Di Paolo's retorted with disbelief and surprise: "I find it very bizarre that the sale went through and our claim is still not resolved." Mtre. Konyukhova then abruptly terminated the conference call by saying that she would get back to us.

We are going to pretend that last Friday's conference call was all a big misunderstanding. Furthermore, we will firmly and succinctly affirm and assert ourselves stipulating the present juncture of our Claims.

**FACTS:**

Claims as defined in the ASSET PURCHASE AGREEMENT, article 1, Section 1.1, page 6, #30:

"**Claims**" means any right of any Person against any of the LP Entities in connection with Indebtedness, liability or obligation of any kind of such LP Entity owed to such Person any interest accrued thereon or costs or other amounts payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such rights in executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, and for greater certainty, includes any claim that would have been provable if the LP Entities had become bankrupt on the Filing Date.

Eriberto Di Paolo and Rita Blondin have filed, with the FTI Consulting Court-appointed Monitor, within prescription times, factual claims substantiated with a plethora of proof in the amounts of \$6,604,376.80 and \$6,431,536.80 respectively. The above claims were intentionally created and perpetrated against the above Claimants over a 17-year span and counting. The claims have been the ill-intentioned pre-meditated conducted end-products and by-products of *The Gazette*, a Division of Southam, *The Gazette*, a Division of Hollinger, and *The Gazette*, a Division of CanWest.

**ADJUDICATION OF CLAIMS**, page 14, #26.

... If the LP Entities intend to revise or reject a Restructuring Period Claim, the LP Entities shall by no later than **14 Calendar Days** after the LP Restructuring Period Claims

Bar Date, or such other date as may be agreed to by the Monitor, notify each LP Creditor who has delivered an LP Proof of Claim in respect of a Restructuring Period Claim whether such LP Creditor's Claim as set out therein has been revised or rejected and the reasons therefore, by sending an LP Notice of Revision or Disallowance. Where the LP Entities do not send by such dates, or other dates as may be agreed to by the Monitor, an LP Notice of Revision or Disallowance to an LP Creditor, **the LP Entities shall be deemed to have accepted such LP Creditor's Claim in the amount set out in that LP Creditor's LP Proof of Claim.** (emphasis added)

Therefore the \$13M-claim that we always categorized as assumed liabilities was accepted since the LP Entity did not send no later than 14 calendar days an LP Notice of Revision or Disallowance to us, the LP Creditor. Hence, the LP entity accepted our claim and became payable on July 13, 2010, the date of purchase.

**ASSET PURCHASE AGREEMENT**, Page 22, Article 2 – Purchase and sale Acquired assets

Section 2.1 Purchase and Sale

...and Purchaser shall assume the Assumed Liabilities, ...

(c) \$150,000,000 less the amount payable under Section 2.2 (1)(b); and

(d) **the amount of the Assumed Liabilities.** (emphasis added)

**COURT ORDERS** Administrative Reserve July 7, 2010 - MONITOR PROTECTIONS, page 10, #23

**THIS COURT ORDERS** that in addition to the rights and protections afforded the Monitor under the CCAA, the Plan and the Orders, the Monitor shall not be liable for any act or omission on the part of the Monitor, or any reliance thereon, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of duties or obligation under the Orders or the Plan or as requested by the LP Entities, **save and except for any claim or liability arising out of any gross negligence or willful misconduct on the part of the Monitor.**

(emphasis added)

**COURT ORDERS** Administrative Reserve July 7, 2010 - TRANSITION POWERES OF THE MONITOR, page 7, #13

**THIS COURT ORDERS** that on and after the Plan Implementation Date, the Monitor shall continue to be authorized and directed to (a) **complete the claims procedure** established by the Amended Claims Procedure Order without consulting with the LP Entities, the LP CRA or any other Person; and (B) **take such steps and seek such amendments to the Amended Claims Procedure Order or additional as the Monitor considers necessary or appropriate in order to fully determine, resolve or deal with any Claims.** (emphasis added)

At present, we do not seek and cannot seek legal counsel: to seek legal counsel means that we would wish for this grave and near-fatal injury perpetrated against us for the last 17 years to continue. The members of the *Barreau du Québec*, of which you have been

given a list, permitted the continuation of rampant deception in this most extreme scandal recorded in the annals of Quebec's Legal System. Quebec's Legal System and the *Barreau du Québec* will sooner or later have to reckon with the 'legal' monster that they have created. It has not hit them yet for they suffer of the titanic syndrome. They fail to acknowledge that the unsinkable Titanic ultimately sank.

We would have been ecstatic had we succeeded in finding an honest lawyer. But the years-extended and exhaustive exercise proved to be in vain. And, anybody advising us to seek legal counsel, knowingly aware of our experience with the lawyers in Quebec, seems to be wanting to perpetuate this sordid scandal and grave prejudice against us. Besides, we do not need legal counsel. The FTI Court-appointed Monitor is the entity nominated to oversee that a sham is not continued, regardless of the status of being legally represented or not. High-g geared vigilance and time are of the essence for the Court-appointed Monitor to honour and fulfill its mandate, especially in our case.

We know what we possess; we know right from wrong; by necessity, we have become experts in our own case. Moreover, nobody is better able to represent us better than we can as demonstrated by our case's history. Finally, we fully understand the aforementioned and much much more. Consequently, our **Claims** became due on Implementation Date, July 13, 2010, the time the new Owners Post Media network acquired the company.

In virtue of the Implementation Date, July 13, 2010, FTI Consulting Court-Appointed Monitor **must** vigilantly, legally, and ethically oversee that the **Orders** issued by Judge Pepall become immediately applicable in order for our **Claims** to be fully honoured.

Kindly advise within the next three days.

Yours truly,  
*Eriberto Di Paolo*  
Eriberto Di Paolo and Rita Blondin  
6752 Jean Milot *by Eriberto Di Paolo*  
Montreal, Quebec  
H1M 2Y9  
T. & F.: 514 256 8617

Cc.: Luisa Mariotti Di Paolo

N. B.:  
Enclos.: Please acknowledge the three emails and one fax among many more stipulating unequivocally the category of our claims as assumed liability.



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**STIKEMAN ELLIOTT**

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9  
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

Direct: (416) 869-5683  
E-mail: nramalho@stikeman.com

August 3, 2010

Eriberto Di Paolo  
c/o Ali Gholampour  
307 Place D' Armes, Suite 1539  
Montreal, Quebec  
H2Y 2W8

Dear Mr. Di Paolo

**RE: Claims of Di Paolo and Blondin as set out in the May 3, 2010 letter (the "Grievance Matter")**

Thank you for your fax dated July 26, 2010.

As you are aware, Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc. and Canwest Limited Partnership/Canwest Societe en Commandite (collectively, the "LP Entities") filed for and obtained relief under the *Companies' Creditors Arrangement Act* pursuant to an Initial Order made by the Ontario Superior Court of Justice (the "Court") on January 8, 2010 (the "CCAA Proceedings"). FTI Consulting Canada Inc. was appointed as Monitor of the LP Entities (the "Monitor") in the CCAA Proceedings.

The LP Entities obtained an order from the Court on April 12, 2010, as amended May 17, 2010 (the "Claims Procedure Order") approving a claims procedure by which creditors of the LP Entities shall prove their Claims (as therein defined) against the LP Entities (the "Claims Procedure").

The LP Entities also entered into an Asset Purchase Agreement with 7535538 Canada Inc., as amended (the "APA") pursuant to which Postmedia Network Inc. (formerly 7535538 Canada Inc) (the "Purchaser") agreed to purchase substantially all of the assets and assume substantially all of the liabilities of the LP Entities. The APA was to be implemented through a plan of compromise and arrangement filed by the LP Entities, as amended (the "Plan") which was subsequently approved by the creditors of the LP Entities and sanctioned by the Court. The transaction contemplated under the APA was completed on July 13, 2010.

As we explained in our July 16, 2010 call, all Claims which are subject to the Claims Procedure will be subject to compromise and will not receive payment in full, but rather will receive pro rata distributions of shares of the parent company of the Purchaser (or, in limited circumstances, cash up to \$1,000) as contemplated under the Plan. The Claims Procedure Order excludes certain claims from the Claims Procedure, including claims arising from grievances filed by bargaining agents

TORONTO  
MONTREAL  
OTTAWA  
CALGARY  
VANCOUVER  
NEW YORK  
LONDON  
SYDNEY

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representing unionized employees of the LP Entities, or their members, under applicable collective bargaining agreements which are Assumed Liabilities under the APA. Holders of Excluded Claims (as defined in the Claims Procedure Order) are not included in the Claims Procedure and can proceed to advance such claims outside of the Claims Procedure in the ordinary course, which in the case of Assumed Liabilities is against the Purchaser.

Counsel for the LP Entities wrote to you on May 31, 2010 stating that the above Grievance Matter is properly characterized as an Excluded Claim and that, accordingly, your claim will not be included in the Claims Procedure. Counsel for the LP Entities also stated that pursuant to the transaction contemplated under the APA, the Purchaser would assume certain liabilities of the LP Entities on closing, which may include the Grievance Matter. Finally, the letter requested that you withdraw your claim from the Claims Procedure. A copy of the May 31, 2010 letter is attached.

Your counsel had responded to the May 31, 2010 letter stating that it was his position that your claim ought to be part of the Claims Procedure, which means it would be subject to compromise.

Following our telephone discussion on July 16, 2010, we understand that your position is that your claim should not be part of the Claims Procedure and should be treated as an Assumed Liability under the APA and an Excluded Claim under the Claims Procedure Order.

As we discussed on our July 16, 2010 call and as we reiterated in our e-mail to you dated July 26, 2010, your claim cannot be both a claim within the Claim Procedure and an Assumed Liability under the APA. Accordingly, if your position remains that your claim is an Assumed Liability under the APA, you must withdraw your claim from the Claims Procedure and pursue your claim against and through the Purchaser. Please note that if you withdraw your claim from the Claims Procedure and are ultimately unsuccessful in establishing that your claim is an Assumed Liability under the APA, you will not be able to share in the distributions to be made under the Plan to the LP Entities' creditors.

If your position remains that your claim is an Assumed Liability under the APA and an Excluded Claim under the Claims Procedure Order, please execute this letter below and return the signed letter to the Monitor.

We are happy to convene another call to discuss the foregoing and continue to encourage you to retain counsel who might assist you through this process.

*I have read, understand and accept the foregoing and confirm that it is my position that the Claim asserted in the letter dated May 3, 2010 is an Assumed Liability under the APA and an Excluded Claim under the Claims Procedure Order and as such I do not wish to pursue my Claim in and through the LP Entities' Claims Procedure and am withdrawing the Claim asserted in the letter dated May 3, 2010 from the LP Entities' Claims Procedure. Such withdrawal of my Claim from the LP Entities'*

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*Claims Procedure is without prejudice to my right to pursue my claim outside of the LP Entities' Claims Procedure against the Purchaser. I acknowledge that I have had the opportunity to obtain independent legal advice with respect thereto.*

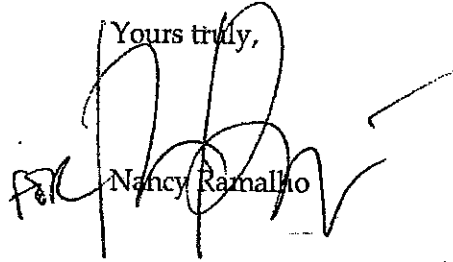
\_\_\_\_\_  
Witness

\_\_\_\_\_  
Eriberto Di Paulo

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Rita Blondin

Yours truly,



Nancy Ramalho

NR

cc: Robert Chadwick, *Goodmans LLP*  
Paul Bishop, *FTI Consulting*

Sunday August 8, 2010

FTI Consulting Canada Inc.  
Court-appointed Monitor  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario  
M5K 1G8

Re: Status of Claims – Eriberto Di Paolo and Rita Blondin

Dear Mr. Bishop:

As you are aware, Eriberto Di Paolo and Rita Blondin have submitted claims against the Montreal Gazette, of which Postmedia Network became the new owners.

The LP entities entered into an Asset Purchase Agreement (APA) pursuant to which Postmedia Network Inc. agreed to purchase substantially all of the assets and assume substantially all of the liabilities of the LP Entities. The transaction contemplated under the APA was completed on July 13, 2010.

In your letter of August 3, you reproduced what was explained in a conference call July 16, 2001: all Claims which are subject to the Claims Procedure will be subject to compromise and will not receive payment in full. Also as explained in your August 3, 2010 letter that the Claims Procedure Order excludes certain claims from the Claims Procedure, including claims arising from grievances filed by bargaining agents representing unionized employees of the LP Entities, or their members, under applicable collective bargaining agreements which are Assumed Liabilities under the APA.

Furthermore, my legal counsel at the time was not following our mandate as is evidenced with numerous e-mails stating that we fall under the Assumed Liability. We also faxed and e-mailed our position to Sven Poysa and Pamela Luthra; therefore, everyone concerned has known our position for the longest time, since January 2010. In addition, my wife, Luisa Mariotti Di Paolo also faxed several letters and documents re-iterating our position.

Mr. Poysa asked us to sign a letter to withdraw our claim, and now you are asking us to sign a letter withdrawing the Claim asserted in the letter dated May 3, 2010 from the LP Entities' Claims Procedure.

I cannot sign a letter withdrawing my claim dated May 3, 2010 and drawn up by Me Ali Gholampour, the author of the letter. Our claims were forwarded to the FTI and Sven Poysa representing the LP Entities in the prescribed time.

Madame Blondin and myself will however sign a release based under the Quebec Code of Civil Procedure (Book I) CHAPTER VI – DISAVOWAL.

Article 243. A party may disavow an attorney who has exceeded his powers or who has acted for him without a mandate.

So now, we have disavowed what Me. Gholampour carried out without a mandate to do so: he put us in the Claims Procedure so that we fall under the unsecured Creditors. So we do not belong in the Claims Procedure to be categorized under the unsecured. Besides, by the plethora of claims letters substantiated by legal documents, and most importantly, our

Tripartite Agreement, anyone with minimum legal knowledge would have come to the same conclusion. As a matter of fact, two weeks ago, another Appeals Court of Quebec Judgement again re-validated the above contracts. Consequently as we have been stating on many occasions that we are an Assumed Liability under the Tripartite Agreements, the FTI has no other option than to categorize our claim as Assumed Liabilities, which should have to be honoured before or on Acquisition Date of July 13, 2010.

According to Motion Material Exhibit D Record of the applicant May 10. Article 2 – purchase and sale of acquired assets, we remain under the jurisdiction of the FTI and in the Ontario jurisdiction.

In a previous e-mail sent by Nancy Ramalho, she stated that our action will not be transferred to Toronto or come under the jurisdiction of CCAA court or the Monitor.

MOTION MATERIAL Exhibit D Record of the applicant May 10  
ARTICLE 2 – PURCHASE AND SALE OF ACQUIRED ASSETS

Section 2.1 Purchase and Sale

On the Acquisition Date effective as at the Acquisition Time, pursuant to the Sanction and Vesting Orders, the LP Entities shall sell and Purchaser shall purchase the Acquired Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), and Purchaser shall ASSUME THE ASSUMED LIABILITIES, in each case, on the terms and subject to the CONDITIONS OF THIS AGREEMENT, the CCAA Plan and the Sanction and Vesting Orders.

Section 2.2 Purchase Price

The purchase price payable by Purchaser.....shall be the aggregate of:

- (c) \$150,000,000 less the amount payable under Section 2.2(1)(b); and
- (d) THE AMOUNT OF THE ASSUMED LIABILITIES.

Section 2.3 Payment of Purchase Price

(e) Purchaser shall ASSUME THE ASSUMED LIABILITIES effective at the ACQUISITION TIME.

Section 3.2 Excluded Liabilities

EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, Purchaser shall not assume and shall not be obliged to pay, perform or discharge any Liabilities of any LP Entity which arise or relate to the Business .....

Section 5.4 Unionized Employees

The provisions of this Article 5 insofar as they relate to unionized Employees shall be subject and subordinate to the provisions of the relevant collective agreements (including expired collective agreements that continue by operation of law) and Purchaser shall BE BOUND AS A SUCCESSOR EMPLOYER to such collective agreements to the extent REQUIRED BY APPLICABLE LAW.

Our Damage Claims stems from a contractual fault committed by the Montreal Gazette and recognized by the highest court in Quebec as well and maintained by the Supreme Court of Canada. These Tripartite Agreements that were incorporated in the collective agreement provided us a job guarantee and a wage guarantee, and these guarantees would come into

effect at the expiration of the collective agreement.

In May 1994, the National Assembly amended article 65 of the Labour Code to include article 37. Article 37 clearly stipulated that the annexes (Tripartite Agreements) had a different expiry date than the collective agreement. The annexes were valid until their stated duration, which is at that persons 65<sup>th</sup> birthday, then the guarantee would cease to apply for that person.

The government made those amendments to the Labour Code so that the Montreal Gazette and the Journal de Montreal would be obliged to respect the guarantees, instead of keeping their employees on a perpetual lockout as is evidenced by what the Gazette did to its 11 remaining typographers from May 17, 1993 to May 12, 2002

Our annexes of 1982 and 1987; Paragraph V in the 1983 annex, and Paragraph VII in the 1987 annex states that;  
EMPLOYER'S EXISTENCE – This agreement will be applicable for its terms, irrespective of the owner(s) of the Gazette (even if the name is later changed). Therefore, it will be binding on purchasers, successors, or assigns of the Company.

So yes Mr. Bishop, under the (APA) agreement, paragraph 5.4, the new employer is Bound by our annexes of 1982 and 1987, and is also Bound by Labour Code Article 37 to respect the duration of our contracts.

Madame Blondin and myself originally put in our first claims on January 25<sup>th</sup>, 2010. Then we put in our Claim again on May 3<sup>rd</sup>, 2010. Now we are being asked to withdraw our claim of May 3<sup>rd</sup> 2010. Me. Sven Poysa received our Motion on June 29<sup>th</sup>, 2010, he did nothing with it. He had 15 days to study our dossier, our case should have been resolved before July 13, 2010. And according to your literature, since we have not received anything during 14 calendar days after June 29, the LP is deemed to have accepted the claim.

There has been too many delays pertaining to the adjudication of our claims. People that hold a position of power seem to be unwilling to step up to the plate and help us end this 17 year saga that has been perpetrated by three different owners, and now it seems a fourth one.

We want a response concerning your intentions to this letter before Tuesday August 10, 5:00 P.M.

If we do not hear from you by then, on Wednesday, August 11, we will initially make the Honourable Judge Pepall aware of our predicament and inform her Honour that the full dossier will follow in the briefest of delays once it is ready to for shipment.

Sincerely,  
*Eriberto Di Paolo*  
Eriberto Di Paolo  
6752 Jean Milot  
Montreal, Quebec  
H1M 2Y9  
T. & F.: 514 256 8617

*by Eriberto Di Paolo*  
*for* Rita Blondin

cc: Nancy Ramalho, Stikeman Elliott  
Maria Konyukhova, Stikeman Elliott  
Robert Chadwick, Goodmans LLP

871

**STIKEMAN ELLIOTT**

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9  
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

Direct: (416) 869-5683  
E-mail: nramalho@stikeman.com

**BY EMAIL**

August 12, 2010

Eriberito Di Paolo and Rita Blondin  
6752 Jean Milot St.  
Montreal, Quebec  
H1M 2Y9

Facsimile: 514-256-8617

Dear Mr. Di Paolo and Ms. Blondin,

**RE: Claims of Di Paolo and Blondin as set out in the May 3, 2010 letter**

Thank you for your letter dated August 8, 2010 to Mr. Paul Bishop of FTI Consulting Canada Inc. in response to our letter to you of August 3, 2010. For ease of reference capitalized terms in this letter will have the same meaning as in our earlier letter of August 3, 2010.

We understand your position to be that your claims arising under your Tripartite Agreement and filed with the Monitor of Canwest Publishing Inc./Publications Canwest Inc. et al are an Assumed Liability under the APA and not an Affected Claim compromised under the Plan.

The remaining function of FTI Consulting Canada Inc. as Court-appointed Monitor under the CCAA is to administer the distribution of the Unsecured Creditors' Pool to Affected Creditors under the Plan. Affected Creditors holding Affected Claims are subject to compromise under the Plan, do not receive payment in full but rather receive pro rata distribution of shares of the parent company of the Purchaser (or, in limited circumstances, cash up to \$1,000) all as set out in the Plan.

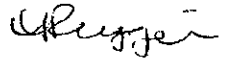
The Monitor does not have any power or function with respect to Assumed Liabilities or the Purchaser. Any claim which constitutes an Assumed Liability must be pursued directly against PostMedia Network Inc., the Purchaser. To that end we have copied PostMedia's counsel, Robert Chadwick on this letter. We continue to encourage you to retain counsel who might assist you through this process.

Please confirm your agreement (by signing the below acknowledgment) that regardless of the outcome of the assertion of your claim against PostMedia Network Inc. as an Assumed Liability, your claim is not an Affected Claim under the Plan and should be withdrawn from the Claims Procedure process.

TORONTO  
MONTREAL  
OTTAWA  
CALGARY  
VANCOUVER  
NEW YORK  
LONDON  
SYDNEY



Yours truly,



Per:  
Nancy Ramalho

NR

cc: Robert Chadwick, *Goodmans LLP*  
Paul Bishop, *FTI Consulting Canada Inc. as Court-appointed Monitor of Canwest Publishing Inc./Publications Canwest Inc. et al*

**Acknowledgment and Agreement**

*I have read, understand and accept the foregoing and confirm that it is my position that the Claim asserted in the letter dated May 3, 2010 is an Assumed Liability under the APA and an Excluded Claim under the Claims Procedure Order and as such I do not wish to pursue my Claim in and through the LP Entities' Claims Procedure and am withdrawing the Claim asserted in the letter dated May 3, 2010 from the LP Entities' Claims Procedure.*

*Such withdrawal of my Claim from the LP Entities' Claims Procedure is without prejudice to my right to pursue my claim outside of the LP Entities' Claims Procedure against the Purchaser.*

*I acknowledge that I have had the opportunity to obtain independent legal advice with respect thereto.*

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Eriberto Di Paolo

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Rita Blondin