

**TAB F (cont't)**

- 59 -

- (c) on the fourth Business Day of each week, a weekly and cumulative cash flow comparison, with explanations as to variances therein from projected to actual results (by more than 5%), certified by a Responsible Officer and, after the Restructuring Event Date, the Monitor;
- (d) on the fourth Business Day of each week, a weekly statement of the payment of Priority Payables (including confirmation as to when such Priority Payables are due and payable), certified by a Responsible Officer and, after the Restructuring Event Date, the Monitor;
- (e) on the fourth Business Day of each week, a weekly statement of the payment of such other amounts as provided for in the Weekly Cash Flow Projections, certified by a Responsible Officer and, after the Restructuring Event Date, the Monitor;
- (f) as soon as available and in any event within 90 days after the end of each Fiscal Year of the Borrower, its audited consolidated balance sheet and related statements of income, retained earnings and changes in financial position as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PriceWaterhouseCoopers or other independent auditors of recognized national standing (without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;
- (g) as soon as available and in any event within 45 days after the end of each Fiscal Quarter, its unaudited consolidated and consolidating balance sheet (for the Borrower and Guarantors) and related statements of income, retained earnings and changes in financial position as of the end of such Fiscal Quarter and the then elapsed portion of the Fiscal Year which includes such Fiscal Quarter, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Responsible Officer as presenting fairly in all material respects the financial condition and results of operations of the Credit Parties on a consolidated and consolidating basis (for the Borrower and Guarantors) in accordance with GAAP consistently applied, subject to normal year-end audit adjustments;
- (h) concurrently with the financial statements required pursuant to Sections 5.1(f) and (g) above, a certificate of the Borrower, signed by a Responsible Officer in the form of Exhibit K;
- (i) copies of each management letter issued to the Borrower by its auditors promptly following consideration or review thereof by the Board of Directors of the Borrower, or any committee thereof (together with any response thereto prepared by the Borrower);
- (j) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any other Credit Party with any securities commission, stock exchange or similar entity, and all materials distributed out of the ordinary course by the Borrower to its shareholders and which relate to

- 60 -

matters in which any Lender or the Agent, in such capacities, can reasonably be expected to have an interest;

(k) as soon as available to the Borrower, copy of any report issued by the Monitor in connection with the CCAA Proceedings, and copies of all motions, pleadings, applications, judicial information, financial information and any other Court filings made pursuant to the CCAA Proceedings;

(l) promptly upon the request of the Agent, and in any event no less frequently than the 10<sup>th</sup> Business Day of each calendar month, (together with a copy of all or any part of the following reports requested by any Lender in writing after the Effective Date), a Borrowing Base Report, signed by a Responsible Officer and, after the Restructuring Event Date, certified by the Monitor, as of the last day of the immediately preceding calendar month, accompanied by such supporting detail and documentation as shall be requested by the Agent in its reasonable discretion including:

- (i) an accounts receivable aging (including both summary and detail format) showing Accounts outstanding, aged from invoice date as follows: 1 to 30 days past due, 31 to 60 days past due, 61 to 90 days past due, and 91 days or more past due, accompanied by such supporting detail and documentation as shall be requested by the Agent in its reasonable discretion, including the ledger for disputed/legal accounts;
- (ii) a calculation of the Accounts which would not meet the criteria of an Eligible Account Receivable;
- (iii) a copy of the internally generated month end cash receipts and collections journal;
- (iv) Borrower prepared reconciliation of the cash receipts journal to the blocked depository account;
- (v) an aged listing of the ten largest customer accounts for the month;
- (vi) detailed monthly accounts payable aging; and
- (vii) an aged listing of the ten largest accounts payable for the month.

(m) weekly, on the second Business Day of each week for the prior week (in the case of items (i) – (v) below):

- (i) a weekly Borrowing Base Report that reflects the Accounts as at the last business day of the previous week;
- (ii) a copy of the internally generated weekly sales journal and invoice register;

- 61 -

- (iii) a copy of the internally generated weekly credit memo journal (or sales journal if included there);
  - (iv) a copy of the internally generated weekly debit memo journal (or the sales journal if included there); and
  - (v) a copy of the internally generated weekly cash receipts and collections journal.
- (n) monthly within 30 days of the last day of each calendar month:
- (i) a copy of the internally generated general ledger report as at the month end;
  - (ii) a reconciliation of Accounts aging to the general ledger and to the financial statement as at the month end;
  - (iii) copies of all material correspondence, actuarial valuation reports and other filings with any pension regulators or the applicable Governmental Entity to which such correspondence, reports and filings must be sent (including any filings furnished to the trustee under any Pension Plan and any valuation reports prepared by the Borrower's actuary and confirming that all contributions to be made in respect of the Pension Plans have been made when due);
  - (iv) copies of the most recently available investment or fund statements showing the value of the assets held in connection with each Pension Plan.
- (o) such other reports designating, identifying and describing the Accounts, Eligible Real Property or Eligible Equipment as required by the Agent and on a more frequent basis as the Agent may reasonably request in its reasonable credit discretion;
- (p) the results of each physical verification, if any, that the Borrower may have made, or caused any other Person to have made on its behalf, of all or any portion of its Eligible Real Property or Eligible Equipment, within 10 Business Days of completion of any such physical verification (and, if a Default or an Event of Default has occurred and be continuing, the Borrower shall, upon the request of the Agent, conduct, and deliver the results of, such physical verifications as the Agent may require);
- (q) such appraisals of the assets of the Borrower and the Credit Parties as the Agent may request at any time, such appraisals to be conducted at the expense of the Borrower by an appraiser that is acceptable to the Agent, and shall be in scope, form and substance acceptable to the Agent;
- (r) promptly after the Borrower learns of the receipt or occurrence of any of the following, a certificate of the Borrower, signed by a Responsible Officer, specifying (i) any official notice of any violation, possible violation, non-compliance or possible non-compliance, or claim made by any Governmental Authority pertaining to all or any part of the properties of

- 62 -

the Borrower or any other Credit Party which could reasonably be expected to have a Material Adverse Effect, (ii) any event which constitutes a Default or Event of Default, together with a detailed statement specifying the nature thereof and the steps being taken to cure such Default or Event of Default, (iii) the receipt of any notice from, or the taking of any other action by, the holder of any promissory note, debenture or other evidence of Indebtedness of the Borrower or any other Credit Party in an amount in excess of Cdn.\$100,000 with respect to an actual or alleged default, together with a detailed statement specifying the notice given or other action taken by such holder and the nature of the claimed default and what action the Borrower or the relevant Credit Party is taking or proposes to take with respect thereto, except where any action or result referred to in any such notice is stayed pursuant to the CCAA Orders, (iv) any default or non-compliance of any party to any of the Loan Documents with any of the terms and conditions thereof or any notice of termination or other proceedings or actions which could reasonably be expected to adversely affect any of the Loan Documents, (v) the creation, dissolution, merger or acquisition of any Subsidiary of the Borrower, (vi) any event or condition not previously disclosed to the Agent, which violates any Environmental Law and which could potentially, in the Borrower's reasonable judgment, have a Material Adverse Effect, (vii) except for any default arising in connection with the CCAA Proceedings, any material amendment to, termination of, or material default under a Material Contract or any execution of, or material amendment to, termination of, or material default under, any material collective bargaining agreement, and any other event, development or condition which could reasonably be expected to have a Material Adverse Effect and which is not subject to the Stay of Proceedings;

(s) promptly after the occurrence thereof, notice of the institution of or any material adverse development in any action, suit or proceeding or any governmental investigation or any arbitration before any court or arbitrator or any Governmental Authority or official against the Borrower or any other Credit Party or any of its or their Subsidiaries or any material property of any thereof which could reasonably be expected to have a Material Adverse Effect;

(t) promptly after the filing thereof with any Governmental Authority, copies of each annual and other report (including applicable schedules and actuarial reports) with respect to each Pension Plan of the Borrower or any other Credit Party or any trust created thereunder, unless such requirement is waived by the Agent;

(u) at the cost of the Borrower, a report or reports of an independent collateral field examiner (which collateral field examiner may be the Agent or an Affiliate thereof) approved (i) by the Borrower, whose approval shall not be unreasonably withheld, and (ii) by the Agent with respect to the Eligible Accounts components included in the Borrowing Base. The Agent may (and, at the direction of the Required Lenders, shall) request such reports or additional reports as it (or the Required Lenders) shall reasonably deem necessary;

(v) upon request by the Agent, a summary of the insurance coverages of the Borrower and any other Credit Party, in form and substance reasonably satisfactory to the Agent, and upon renewal of any insurance policy, a copy of an insurance certificate summarizing the terms of such policy, and upon request by the Agent, copies of the applicable policies;

- 63 -

(w) a copy of any plan of arrangement to be filed with the Court pursuant to the CCAA Proceedings, before such plan of arrangement is proposed to the creditors of the Borrower or filed with the Court;

(x) concurrently with any delivery of financial statements under Section 5.1 (f) or (g) above, a certificate of a Responsible Officer of the Borrower (i) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.1(f) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, (ii) identifying all its Subsidiaries existing on the date of such certificate and indicating, for each such Subsidiary, and whether such Subsidiary is a Guarantor and whether such Subsidiary was formed or acquired since the end of the previous calendar month (or alternatively, that there have been no changes in such information since the previous calendar month);

(y) the Borrower shall notify the Agent promptly of any material changes in the purchase, process to purchase or broadcasting of television programming by any Credit Party;

(z) the Borrower shall deliver to the Agent (i) within 30 days of delivery to the trustee or custodian of each applicable Pension Plan, a copy of the notification or remittance (or similar) prepared and delivered in respect of each Pension Plan pursuant to and in accordance with section 9.1(1) of the *Pension Benefits Standards Act, 1985* (Canada) or section 56.1 of the *Pension Benefits Act* (Ontario) or similar pension benefits standards legislation and, (ii) within 30 days of the end of each calendar month, a certificate of the Borrower, signed by a Responsible Officer, confirming the amount remitted or contributed in the previous month to each Pension Plan identified in the documentation referred to in (i); and

(aa) annually, within 45 days of the last day of each calendar year, an updated copy of Schedule 3.11 and copies of the most recent CICA 3461 (or similar) valuations prepared in connection with any Pension Plan or any non-pension post-retirement benefit plan of Borrower or any Subsidiary.

**5.2 Existence; Conduct of Business.** Each Credit Party will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence (subject only to Section 6.3), and obtain, preserve, renew and keep in full force and effect any and all rights, licenses, permits, privileges and franchises material to the conduct of its business.

**5.3 Payment of Obligations.** Each Credit Party will pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such other Credit Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

**5.4 Maintenance of Properties.** Each Credit Party will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

**5.5 Books and Records; Inspection Rights.** Each Credit Party will keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Each Credit Party will permit any representatives designated by the Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

**5.6 Compliance with Applicable Laws and Material Contracts.** Each Credit Party will comply with all Applicable Laws and orders of any Governmental Authority applicable to it or its property and with all of its material contractual obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Credit Party shall modify, amend or alter its certificate or articles of incorporation.

**5.7 [Intentionally Deleted.]**

**5.8 Further Assurances.** Each Credit Party will cure promptly any defects in the execution and delivery of the Loan Documents, including this Agreement. Upon request, each Credit Party will, at its expense, as promptly as practical, execute and deliver to the Agent, all such other and further documents, agreements and instruments in compliance with or performance of the covenants and agreements of the Borrower or any other Credit Party in any of the Loan Documents, including this Agreement, or to further evidence and more fully describe the Collateral, or to correct any omissions in any of the Loan Documents, or more fully to state the security obligations set out herein or in any of the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or obtain any consents, all as may be necessary or appropriate in connection therewith, in the judgment of the Agent.

**5.9 Insurance.** Each Credit Party shall maintain insurance on its property and assets under such policies of insurance, with such insurance companies, in such reasonable amounts and covering such insurable risks as are at all times reasonably satisfactory to the Agent. All such policies are subject to the rights of any holders of Permitted Liens holding claims senior to the Agent, to be made payable to the Collateral Agent, to the extent required herein, in case of loss, under a standard non contributory "mortgagee", "lender" or "secured party" clause and are to contain such other provisions as the Agent or the Collateral Agent may require to fully protect the Collateral Agent's interest in the property and assets subject to the Liens in favour of the Collateral Agent and to any payments to be made under such policies. All original policies or true copies thereof are to be delivered to the Collateral Agent, with the loss payable endorsement in the Collateral Agent's favour, and shall provide for not less than thirty (30) days prior written notice to the Collateral Agent of the exercise of any right of cancellation. Upon the occurrence and continuance of an Event of Default which is not waived in writing by the Agent, the Collateral Agent shall, subject to the rights of any holders of Permitted Liens holding claims senior to the Agent, have the sole right, in the name of the Collateral Agent, the Borrower or any other applicable Credit Party, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such

- 65 -

insurance policies. Amounts received by the Collateral Agent on account of insurance proceeds shall be dealt with in accordance with the Collateral Agency Agreement. The Agent may apply insurance proceeds received by the Agent to the Obligations in such manner as it may deem advisable in its sole discretion. In the event the Borrower fails to provide the Agent with timely evidence, acceptable to the Agent, of the maintenance of insurance coverage required pursuant to this Section 5.9, or in the event that any Credit Party fails to maintain such insurance, the Agent may purchase or otherwise arrange for such insurance, but at the Borrower's expense and without any responsibility on the Agent's part for: (i) obtaining the insurance; (ii) the solvency of the insurance companies; (iii) the adequacy of the coverage; or (iv) the collection of claims. The insurance acquired by the Agent may, but need not, protect the Borrower's or any other Credit Party's interest in the Collateral, and therefore such insurance may not pay claims which the Borrower may have with respect to the Collateral or pay any claim which may be made against the Borrower in connection with the Collateral. In the event the Agent purchases, obtains or acquires insurance covering all or any portion of the Collateral, the Borrower shall be responsible for all of the applicable costs of such insurance, including premiums, interest (at the applicable interest rate for Revolving Loans set forth in Section 2.5), fees and any other charges with respect thereto, until the effective date of the cancellation or the expiration of such insurance. The Agent may charge all of such premiums, fees, costs, interest and other charges to the Borrower's loan account. The Borrower hereby acknowledges that the costs of the premiums of any insurance acquired by the Agent may exceed the costs of insurance which the Borrower may be able to purchase on its own. In the event that the Agent purchases such insurance, the Agent will promptly, and in any event within fifteen (15) days, notify the Borrower of said purchase.

**5.10 Operation and Maintenance of Property.** Each Credit Party will, subject to the CCAA Orders, manage and operate its business or cause its business to be managed and operated (i) in accordance with prudent industry practice in all material respects and in compliance in all material respects with the terms and provisions of all applicable licenses, leases, contracts and agreements, (ii) in compliance with the Weekly Cash Flow Projections, and (iii) in compliance with the CCAA Orders and all Applicable Laws of the jurisdiction in which such businesses are carried on, and all Applicable Laws of every other Governmental Authority from time to time constituted to regulate the ownership, management and operation of such businesses, except where a failure to so manage and operate would not have a Material Adverse Effect.

**5.11 Additional Subsidiaries; Additional Liens.** If, at any time on or after the Effective Date, the Borrower or any other Credit Party creates or acquires an additional Subsidiary or in some other fashion becomes the holder of any Equity Securities of a new Subsidiary:

(a) the Borrower and the other Credit Parties will, as applicable, as soon as practicable execute and deliver to the Collateral Agent a securities pledge agreement, in form and substance satisfactory to the Agent, granting a Lien in favour of the Collateral Agent over 100% of the Equity Securities of such new Subsidiary owned by the Borrower or such other Credit Party; and

(b) to the extent permitted by Applicable Law, the Borrower and the other Credit Parties will cause such new Subsidiary to execute and deliver to the Collateral Agent as soon as practicable (i) a guarantee, and (ii) mortgages, security agreements, hypothecs and other