

# **TAB F**

THIS IS EXHIBIT "F" REFERRED TO IN THE

AFFIDAVIT OF JOHN E. MAGUIRE

SWORN BEFORE ME

ON THIS 5<sup>TH</sup> DAY OF OCTOBER, 2009

A handwritten signature in black ink, appearing to read 'S. Irving', is written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

Shawn Irving

Execution Version

**CREDIT AGREEMENT**

dated as of

May 22, 2009

among

**CANWEST MEDIA INC.**

as Borrower

**THE GUARANTORS FROM TIME TO TIME PARTIES HERETO**

as Guarantors

and

**THE LENDERS FROM TIME TO TIME PARTIES HERETO**

as Lenders

and

**CIT BUSINESS CREDIT CANADA INC.**

as Agent

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## CREDIT AGREEMENT

**THIS CREDIT AGREEMENT** is dated as of May 22, 2009 and is entered into among Canwest Media Inc, as Borrower, the Guarantors from time to time parties hereto, as Guarantors, the Lenders from time to time parties hereto, as Lenders, and CIT Business Credit Canada Inc., as Agent.

### RECITALS

- A. The Credit Parties require new financing to assist with the refinancing of certain indebtedness in favour of its existing senior secured lenders under the BNS Credit Agreement and for working capital purposes and have requested that the Lenders provide to the Borrower the credit facilities contemplated herein.
- B. The Guarantors have agreed to guarantee the obligations of the Borrower in connection herewith, and the Credit Parties have agreed to grant Liens over their assets on the basis contemplated in Section 2.20 of this Agreement.
- C. In light of the financial condition of the Credit Parties, the Credit Parties may seek a compromise and arrangement with their creditors under the CCAA.
- D. The Lenders have advised the Credit Parties that they would only provide the credit facilities contemplated herein if, in connection with any CCAA Proceedings, the Initial Order provides for matters substantially as set forth in section 2.19 of this Agreement, and the Credit Parties have so agreed.

NOW THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

## ARTICLE 1 DEFINITIONS

**1.1 Defined Terms.** As used in this Agreement, the following terms have the meanings specified below:

“**Accounts**” means, in respect of each Credit Party, all of such Credit Party’s now existing and future: (a) accounts (as defined in the PPSA), and any and all other receivables (whether or not specifically listed on schedules furnished to the Agent), including all accounts created by, or arising from, all of such Credit Party’s sales, leases, loans, rentals of goods or renditions of services to its customers, including those accounts arising under any of such Credit Party’s trade names or styles, or through any of such Credit Party’s divisions; (b) any and all instruments, documents, bills of exchange, notes or any other writing that evidences a monetary obligation and chattel paper (including electronic chattel paper) (all as defined in the PPSA); (c) unpaid seller’s or lessor’s rights (including rescission, replevin, reclamation, repossession and stoppage in transit) relating to the foregoing or arising therefrom; (d) rights to any goods

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represented by any of the foregoing, including rights to returned, reclaimed or repossessed goods; (e) reserves and credit balances arising in connection with or pursuant hereto; (f) guarantees, indemnification rights, supporting obligations, payment intangibles, tax refunds and letter of credit rights; (g) insurance policies or rights relating to any of the foregoing; (h) intangibles pertaining to any and all of the foregoing (including all rights to payment, including those arising in connection with bank and non-bank credit cards), and including books and records and any electronic media and software relating thereto; (i) notes, deposits or property of borrowers or other account debtors securing the obligations of any such borrowers or other account debtors to such Credit Party; (j) cash and non cash proceeds (as defined in the PPSA) of any and all of the foregoing; and (k) all monies and claims for monies now or hereafter due and payable in connection with any and all of the foregoing or otherwise.

**“Acquisition”** means any transaction, or any series of related transactions, consummated after the Effective Date, by which any Credit Party, directly or indirectly, by means of a take-over bid, tender offer, amalgamation, merger, purchase of assets or otherwise (a) acquires any business or all or substantially all of the assets of any Person engaged in any business, (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body, (c) acquires control of more than 50% of the ownership interest in any Person engaged in any business that is not managed by a board of directors or other governing body, or (d) otherwise acquires Control of a Person engaged in a business.

**“Action Request”** means any request received by any Credit Party from any Governmental Authority under any Environmental Law whereby such Governmental Authority requests that it take action or steps or do acts or things in respect of any property or assets in the charge, management or control of such Credit Party to remediate a matter which is not or is alleged not to be in compliance with all Environmental Laws.

**“Administrative Charge”** shall have the meaning given such term in Section 2.19.

**“Administrative Questionnaire”** means an administrative questionnaire in a form supplied by the Agent.

**“Affiliate”** means, (a) any Person which, directly or indirectly, Controls, is Controlled by or is under common Control with any other Person; (b) any Person which beneficially owns or holds, directly or indirectly, 10% or more of any class of voting stock or equity interest (including partnership interests) of any other Person; (c) any Person, 10% or more of any class of the voting stock (or if such Person is not a corporation, 10% or more of the equity interest, including partnership interests) of which is beneficially owned or held, directly or indirectly, by any other Person; or (d) any Person related within the meaning of the ITA to any such Person and includes any “Affiliate” within the meaning specified in the *Canada Business Corporations Act* on the date hereof. The term control (including the terms “controlled by” and “under common control with”), means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question.

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**"Agent"** means CIT Business Credit Canada Inc., in its capacity as Agent for the Lenders hereunder, or any successor Agent appointed pursuant to Section 8.9.

**"Agreement"** means this credit agreement and the schedules and exhibits hereto and any amendments, restatements, supplements or other modifications to this credit agreement or the schedules or exhibits made at any time and from time to time.

**"Applicable Law"** means all federal, provincial, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any Governmental Authority binding on or affecting the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority).

**"Applicable Margin"** means, with respect to any Loan, 6% rate per annum.

**"Applicable Percentage"** means with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If any Commitments have terminated or expired, the Applicable Percentages in respect of the terminated or expired Commitments shall be determined based upon the relevant Commitments most recently in effect (*i.e.*, immediately prior to their termination or expiry), giving effect to any assignments.

**"Assignment and Assumption"** means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.4), and accepted by the Agent, in the form of Exhibit I or any other form approved by the Agent.

**"Authorization"** means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person, whether or not having the force of law.

**"Authorization and Direction"** means the authorization and direction dated as of May 21, 2009 made in favour of the Collateral Agent by The Bank of Nova Scotia, in its capacity as agent of the existing Secured Creditors under and as defined in the Collateral Agency Agreement.

**"Availability Block"** means \$15,000,000 at all times.

**"Availability Reserves"** means, as of any date of determination, the Availability Block and, without duplication, such other amounts as the Agent may from time to time establish and revise in its sole discretion reducing the Borrowing Base which would otherwise be available to the Borrower under the lending formulas provided for herein (a) to reflect criteria, events, conditions, contingencies or risks which, as determined by the Agent in its sole discretion, do or may affect either (i) any component of the Borrowing Base or its value, (ii) the assets, business,

operations, industry, financial performance, financial condition or prospects of the Credit Parties, or (iii) the security interests and other rights of the Agent in the Collateral (including the enforceability, perfection and priority thereof), or (b) to reflect the Agent's reasonable belief that any collateral report or financial information furnished by or on behalf of the Borrower to the Agent is or may have been incomplete, inaccurate or misleading, or (c) in respect of any state of facts which the Agent determines constitutes a Default or an Event of Default. Without limiting the foregoing, the Agent, in its sole discretion, may establish and/or increase Availability Reserves in respect of: (a) (i) three months' rental payments or similar charges for any of the Borrower's leased premises or other collateral locations for which the Borrower has not delivered to the Agent a landlord's waiver or bailee's letter substantially in the form attached hereto as Exhibits G and H, respectively, plus (ii) any other fees or charges owing by the Borrower to any applicable warehousemen or third party processor (all as determined by the Agent in its reasonable business judgement); (b) any reserve established by the Agent on account of statutory claims, deemed trusts, or inventory subject to rights of suppliers under Section 81.1 of the BIA (generally known as the "30-day goods" rule); (c) liabilities of any Credit Party under any Blocked Account Agreement, (d) employee or employee benefit related liabilities and any other claims which may have priority over the claims of the Agent and the Lenders, including Priority Payables and potential claims under the *Wage Earners' Protection Program Act* (Canada); (e) the Administrative Charge; and (f) such other reserves as the Agent may at any time or times deem necessary in its reasonable judgment as a result of (x) negative forecasts and/or trends in the Borrower's business, operations, industry, prospects, profits, operations or financial condition or assets or (y) other issues, circumstances or facts that could otherwise negatively impact the Borrower, its business, operations, industry, prospects, profits, operations or financial condition or assets.

**"Base Rate"** means, on any day, the annual rate of interest equal to the greater of (i) the annual rate of interest announced from time to time by CIBC and in effect as its base rate at its principal office in Toronto, Ontario on such day for determining interest rates on U.S. Dollar-denominated commercial loans made in Canada, (ii) the Federal Funds Effective Rate plus 1.00%, and (iii) 2.25%. The Base Rate is a rate set by CIBC based upon various factors including CIBC's cost and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans; however, CIBC may price loans at, above or below such announced rate.

**"Base Rate Borrowing"** means a Borrowing comprised of one or more Base Rate Loans.

**"Base Rate Loan"** means a Loan denominated in U.S. Dollars made by the Lenders to the Borrower hereunder pursuant to a drawdown, rollover or conversion of a Loan on which interest is payable upon the Base Rate.

**"BIA"** means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time (or any successor statute).

**"Blocked Account Agreement"** has the meaning set out in Section 2.17(c).

**"Blocked Accounts"** has the meaning set out in Section 2.17(c).