UNDERWRITING AGREEMENT

June 27, 2003

CHUM Limited
1331 Yonge Street
Toronto, Ontario
M4T 1Y1

Attention: Mr. Taylor C. Baiden
Vice President, Finance

Allan Waters Enterprises Limited
1331 Yonge Street
Toronto, Ontario
M4T 1Y1

Attention: Mr. James A. Waters

Dear Sirs:

We understand that (A) CHUM Limited (the "**Company**") desires to issue and sell Non-Voting Class B Shares (as hereinafter defined), (B) Allan Waters Enterprises Limited ("**AWEL**") desires to sell Non-Voting Class B Shares, and (C) the Company is prepared to: (i) prepare and file any documents and amendments to such documents necessary to qualify the Non-Voting Class B Shares for Distribution (as hereinafter defined) in each of the Provinces of Canada (collectively, the "**Qualifying Provinces**"); and (ii) sell the Non-Voting Class B Shares on a private placement basis in the United States (as hereinafter defined).

TD Securities Inc. ("**TDSI**"), RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Scotia Capital Inc. and CIBC World Markets Inc. (each, an "**Underwriter**" and collectively, the "**Underwriters**") hereby severally agree to purchase from the Company and AWEL in the respective percentages set forth in Section 17, upon and subject to the terms and conditions contained herein, and by their respective acceptances hereof, the Company and AWEL agree to sell to the Underwriters, at the Closing Time (as hereinafter defined), 1,700,000 Non-Voting Class B Shares and 59,400 Non-Voting Class B Shares, respectively, (collectively, the "**Purchased Shares**") at a price per Share (the "**Price per Share**") of $50.50 for an aggregate purchase price of $88,849,700 (the "**Purchase Price**"). In consideration of the Underwriters' agreement to purchase the Purchased Shares provided for herein and in consideration of the services to be rendered by the Underwriters in connection therewith, the Company agrees to pay to the Underwriters, at the Closing Time a fee of $3,434,000 and AWEL agrees to pay the Underwriters at the Closing Time a fee of $119,988 (collectively, the "**Underwriting Fee**"), being a fee equal to 4% of the aggregate Purchase Price for the Purchased Shares.

In addition, the Company hereby grants to the Underwriters an option (the "**Underwriter Option**"), exercisable until the Option Expiry Date (as hereinafter defined), to purchase up to an additional 400,000 Non-Voting Class B Shares (the "**Option Shares**") at the Price per Share. If the Underwriters exercise the Underwriter Option to acquire the Option Shares, the Company agrees to sell to each of the Underwriters and each of the Underwriters agrees severally to purchase from the Company the Option Shares in the respective percentages set forth in Section 17. In consideration of the Underwriters' agreement to purchase the Option Shares, the Company agrees to pay to the Underwriters, at the Closing Time (as hereinafter defined) a fee equal to 4% of the product obtained by multiplying the number of Option Shares issued in accordance with the Underwriter Option by the Price per Share (the "**Underwriting Fee (Underwriter Option**")).

In this Agreement:

"**1933 Act**" means the United States *Securities Act of 1933*, including the Rules and Regulations;

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, including the rules and regulations adopted by the SEC thereunder;

"**affiliate**", "**material change**", "**material fact**", "**misrepresentation**" and "**Subsidiary**" have the respective meanings ascribed thereto in the Canadian Securities Laws in effect in the Province of Ontario;

"**Annual Information Form**" means the Renewal Annual Information Form of the Company dated January 17, 2003, for the year ended August 31, 2002;

"**Agreement**" means the agreement resulting from the acceptance by the Company and AWEL of the offer made by the Underwriters by this letter;

"**Approvals**" has the meaning ascribed thereto in Section 6(w);

"**AWEL**" has the meaning ascribed thereto above;

"**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in the City of Toronto;

"**Canadian Preliminary Prospectus**" means the short form preliminary prospectus of the Company to be dated June 27, 2003, including the documents incorporated therein by reference, relating to the Distribution of the Shares in the Qualifying Provinces;

"**Canadian Prospectus**" means the short form (final) prospectus of the Company, including the documents incorporated therein by reference, relating to the Distribution of the Shares in the Qualifying Provinces;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Provinces and the respective regulations made thereunder together with applicable published national and local policy statements, rules, notices, blanket orders and rulings of the securities regulatory authorities in such Qualifying Provinces and includes the rules, by-laws and requirements of the TSX;

"**Claim**" and "**Claims**" have the meanings ascribed thereto in Section 14;

"**Closing**" means the completion of the issue and sale by the Company and the sale by AWEL of the Purchased Shares and the purchase by the Underwriters of the Purchased Shares pursuant to this Agreement;

"**Closing Date**" means July 14, 2003 or such other date as the Company and the Underwriters may agree upon in writing and as such date may be extended pursuant to Section 17, but in any event no later than July 28, 2003;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Underwriters may agree upon in writing;

"**Common Shares**" means common shares in the capital of the Company;

"**Communication**" has the meaning ascribed thereto in Section 21;

"**Company**" has the meaning ascribed thereto above;

"**Distribution**" means "distribution" of the Shares or "distribution to the public" of the Shares as those terms are defined in the Canadian Securities Laws;

"**Financial Information**" has the meaning ascribed thereto in Section 2(1)(iv);

"**Indemnified Party**" and "**Indemnified Parties**" have the meanings ascribed thereto in Section 14;

"**Material Subsidiaries**" means, collectively, CHUM Television Vancouver Inc., Learning and Skills Television of Alberta Limited, 1487442 Ontario Inc., CHUM (Ottawa) Inc., CHUMCity International Inc., CHUMCity International Ltd. and CHUMCity International Corp.;

"**MRRS**" means the mutual reliance review system procedures provided for under National Policy 43-201, Mutual Reliance Review System for Prospectuses and Annual Information Forms of the Canadian securities regulatory authorities;

"**Non-Voting Class B Shares**" means non-voting class B shares in the capital of the Company;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Option Shares**" has the meaning ascribed thereto above;

"**Option Expiry Date**" means two Business Days prior to the Closing Date;

"**OSC**" means the Ontario Securities Commission;

"**Person**" includes any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation, with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body, agency, government or governmental agency, authority or entity, in each case howsoever designated or constituted;

"**POP System**" means the system established by the Canadian securities regulatory authorities as described in National Instrument 44-101, Short Form Prospectus Distributions relating to the ability of an issuer to file a short form prospectus;

"**Preliminary Prospectus**" means the Canadian Preliminary Prospectus;

"**Price per Share**" has the meaning ascribed thereto above;

"**Prospectuses**" means the Canadian Prospectus and the US Private Placement Memorandum;

"**Purchased Shares**" has the meaning ascribed thereto above;

"**Purchase Price**" has the meaning ascribed thereto above;

"**Qualifying Provinces**" has the meaning ascribed thereto above;

"**Rule 144A**" means Rule 144A adopted by the SEC pursuant to the 1933 Act;

"**Rules and Regulations**" means the rules and regulations adopted by the SEC under the 1933 Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Laws**" means the Canadian Securities Laws and the US Securities Laws;

"**Selling Firms**" means the Underwriters together with such other investment dealers and brokers through which the Underwriters may sell Shares under the terms of this Agreement, together with any US Dealers appointed as such for purposes of this Agreement by the Underwriters who shall have the sole right to appoint US Dealers;

"**Shares**" means the Purchased Shares and the Option Shares (to the extent of the portion, if any, of the Underwriter Option which is exercised);

"**Supplementary Material**" has the meaning ascribed thereto in Section 3;

"**TDSI**" has the meaning ascribed thereto above;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriter**" and "**Underwriters**" have the meanings ascribed thereto above;

"**Underwriter Option**" has the meaning ascribed thereto above;

"**Underwriting Fee**" has the meaning ascribed thereto above;

"**Underwriting Fee (Underwriter Option)**" has the meaning ascribed thereto above;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**US Dealer**" means a broker-dealer registered as such with the SEC under Section 15 of the 1934 Act and who is a member of the National Association of Securities Dealers;

"**US Person**" means "U.S. person" as that term is defined in Regulation S;

"**US Private Placement Memorandum**" means the Canadian Prospectus as supplemented by the addition of a US private placement memorandum comprised of a wrapper prepared under the Rules and Regulations in order to offer the Shares privately in the United States without registration under the 1933 Act; and

"**US Securities Laws**" means the 1933 Act, the 1934 Act and any other applicable securities regulatory requirements in the United States.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and *vice versa* and words importing gender include all genders. Any reference in this Agreement to a Section or paragraph number shall, unless otherwise indicated, refer to a section or paragraph of this Agreement. Unless the context otherwise requires, any reference to a statute shall be deemed to include regulations made pursuant thereto, all amendments in force from time to time, and any statute or regulation that may be passed which has the effect of supplementing or superseding the statute or regulation referred to.

Terms and Conditions

1. Qualification of Shares

The Company shall file the Canadian Preliminary Prospectus in each of the Qualifying Provinces and obtain a preliminary MRRS decision document issued by the OSC, in its capacity as principal regulator pursuant to the MRRS, at or prior to 5:00 p.m. (Toronto time) on June 27, 2003. The Company shall, as soon as possible after all regulatory deficiencies have been satisfied with respect to the Canadian Preliminary Prospectus on a basis acceptable to the Underwriters, acting reasonably, file the Canadian Prospectus in each of the Qualifying Provinces and obtain a final MRRS decision document issued by the OSC, in its capacity as principal regulator pursuant to the MRRS, at or prior to 5:00 p.m. (Toronto time) on July 8, 2003 (or such other date as the Company and the Underwriters may agree upon in writing) on behalf of each of the Qualifying Provinces in respect of the Canadian Prospectus other than any Qualifying Province which has opted out of MRRS (in which case the Company shall obtain a receipt for the Canadian Prospectus in any Qualifying Province which has opted out of the MRRS and shall provide the Canadian Prospectus in compliance with Section 4 on or before July 8, 2003 (or such other date as the Company and the Underwriters may agree upon in writing)).

2. Documents to be Delivered

(1) Canadian Preliminary Prospectus

Concurrently with or prior to the filing of the Canadian Preliminary Prospectus in the case of items (i) and (iii) and on or before the time of filing the Canadian Preliminary Prospectus in the French language with the securities regulatory authority in the Province of Québec in the case of items (ii), (iii), (iv) and (v), the Company shall deliver to each of the Underwriters:

(i) a copy of the Canadian Preliminary Prospectus in the English language signed and certified;

(ii) a copy of the Canadian Preliminary Prospectus in the French language signed and certified;

(iii) a copy of any other document required to be filed by the Company under the laws of each of the Qualifying Provinces in compliance with the Canadian Securities Laws;

(iv) a legal opinion dated the date of the Canadian Preliminary Prospectus, addressed to the Underwriters, the Company, and counsel to the Underwriters from counsel to the Company to the effect that the French language version of the Canadian Preliminary Prospectus, except for the financial statements of the Company and notes to such statements and the related auditors' report on such statements and portions of documents which are incorporated by reference in such prospectus that relate to financial matters (collectively, the "**Financial Information**"), as to which no opinion need be expressed by such counsel, is, in all material respects, a complete and accurate translation of the English language version thereof, and that the English and French language versions are not susceptible of any materially different interpretation with respect to any material matter contained therein; and

(v) an opinion dated the date of the Canadian Preliminary Prospectus, addressed to the Underwriters, the Company, and their respective counsel from the auditors of the Company to the effect that the French language version of the Financial Information contained in the Canadian Preliminary Prospectus is, in all material respects, a complete and proper translation of the English language version thereof.

(2) Canadian Prospectus

Concurrently with or prior to the filing of the Canadian Prospectus in the case of items (i), (iii), (iv), (vii) and (viii) and on or before the time of filing the Canadian Prospectus in the French language with the securities regulatory authority in the Province of Québec in the case of items (ii), (iii), (iv), (v) and (vi), the Company shall deliver to each of the Underwriters:

(i) a copy of the Canadian Prospectus in the English language signed and certified;

(ii) a copy of the Canadian Prospectus in the French language signed and certified;

(iii) a copy of the certificates of authentication in respect of the Canadian Prospectus signed and certified as required by the Canadian Securities Laws;

(iv) a copy of any other document required to be filed by the Company under the laws of each of the Qualifying Provinces in compliance with the Canadian Securities Laws;

(v) a legal opinion dated the date of the Canadian Prospectus, addressed to the Underwriters, the Company, and counsel to the Underwriters from counsel to the Company to the effect that the French language version of the Canadian Prospectus, except for the Financial Information, as to which no opinion need be expressed by such counsel, is, in all material respects, a complete and accurate translation of the English language version thereof, and that the English and French language versions are not susceptible of any materially different interpretation with respect to any material matter contained therein;

(vi) an opinion dated the date of the Canadian Prospectus, addressed to the Underwriters, the Company, and their respective counsel from the auditors of the Company to the effect that the French language version of the Financial Information contained in the Canadian Prospectus is, in all material respects, a complete and proper translation of the English language version thereof;

(vii) a "long-form" comfort letter dated the date of the Canadian Prospectus, in form and substance satisfactory to the Underwriters, addressed to the Underwriters and the Company from the auditors of the Company and based on a review completed not more than two Business Days prior to the date of the letter, with respect to the Financial Information relating to the Company in the Canadian Prospectus, which letter shall be in addition to the auditors' report contained in the Canadian Prospectus and any auditors' comfort letter addressed to the securities regulatory authorities in the Qualifying Provinces; and

(viii) a copy of the letter from the TSX advising the Company that approval to the conditional listing of the Shares has been granted by the TSX, subject to the satisfaction of certain usual conditions set out therein.

(3) During the period commencing on the date hereof and until completion of the Distribution of the Shares, the Company will promptly provide to the Underwriters drafts of any press releases of the Company required by Canadian Securities Laws for review and comment by the Underwriters and the Underwriters' counsel prior to issuance which review and comment shall be provided in a timely manner.

(4) As soon as possible after the filing of the Canadian Preliminary Prospectus (but in any event prior to the filing of the Canadian Prospectus) and concurrently with the filing of the Canadian Prospectus, each of the Company and AWEL shall deliver a certificate addressed to the Underwriters, counsel to the Company and counsel to the Underwriters and signed on behalf of the Company and AWEL, as applicable, by an officer acceptable to the Underwriters, for and

on behalf of the Company and AWEL, as applicable, and not in their personal capacity, confirming the grandfathered share status of the Shares to be sold by AWEL hereunder (in particular, that they were issued before 1987 and none of the facts that would deem them to be issued after 1987 apply).

3. Supplementary Material

The Company shall deliver to the Underwriters duly signed copies of all amendments or supplements or any other supplemental documents to the Preliminary Prospectus or the Prospectuses (in the English and French languages), as the case may be, that the Company prepares or that are required to be prepared by the Company under Securities Laws (collectively, the "**Supplementary Material**") or other documents required to be filed under Section 5. The Supplementary Material shall be in form and substance satisfactory to the Underwriters. Prior to the filing of any Supplementary Material, the Company shall deliver to the Underwriters with respect to such Supplementary Material, letters similar to that referred to in Section 2(2)(v), (vi) and, to the extent appropriate given the nature of such Supplementary Material, (vii).

4. Commercial Copies

The Company shall cause commercial copies of the Preliminary Prospectus and the Prospectuses to be delivered to the Underwriters without charge in such numbers and (i) in such cities in the Qualifying Provinces (in the case of the offering of the Shares in Canada), and (ii) in such cities in the United States mutually agreed to between the Company and the Underwriters (in the case of the private placement of the Shares as contemplated by this Agreement), as the Underwriters may reasonably request on oral or written instruction from TDSI (on behalf of the Underwriters) to the Company or the printer of such documents given on or about the dates the Canadian Preliminary Prospectus and the Canadian Prospectus are filed in each of the Qualifying Provinces. Such delivery shall be effected as soon as possible after the MRRS decision document has been issued by the OSC in respect thereof and, in any event, not later than 9:00 a.m. (Toronto time) on June 30, 2003 in respect of the Preliminary Prospectus and not later than 9:00 a.m. (Toronto time) on the day following filing and issuance of a receipt for the Canadian Prospectus in respect of the Prospectuses. The Company shall similarly cause to be delivered commercial copies of the Supplementary Material required to be delivered or copies of the documents incorporated by reference in the Preliminary Prospectus or Prospectuses, on request or otherwise, to the Underwriters. The commercial copies of the Canadian Preliminary Prospectus, the Canadian Prospectus and any Supplementary Material shall be identical in content to the electronically transmitted versions thereof filed with Canadian securities regulatory authorities pursuant to the System for Electronic Document Analysis and Retrieval.

5. Material Changes

(1) Commencing on the date hereof and until the completion of the Distribution of the Shares, the Company and, to the extent that it has knowledge or information, AWEL shall promptly notify the Underwriters in writing of:

(i) any change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects or capital of the Company and its Subsidiaries that would be material to the Company and its Subsidiaries (considered as a whole);

(ii) any material fact that has arisen or has been discovered which would have been required to have been stated in the Preliminary Prospectus or the Prospectuses had the fact arisen or been discovered on, or prior to, the date of the Preliminary Prospectus, the Prospectuses, as the case may be; and

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) in the Preliminary Prospectus, the Prospectuses or Supplementary Material, or the existence of any new material fact,

which change or new material fact is, or may be, of such a nature as:

(iv) to render the Preliminary Prospectus, the Prospectuses or Supplementary Material, as they exist taken together in their entirety immediately prior to such change or material fact, misleading or untrue or would result in any of such documents, as they exist taken together in their entirety immediately prior to such change or material fact, containing a misrepresentation;

(v) would result in the Preliminary Prospectus, the Prospectuses or any Supplementary Material, as they exist taken together in their entirety immediately prior to such change or material fact, not complying with any of the Securities Laws;

(vi) would reasonably be expected to have a significant effect on the market price or value of the Shares; or

(vii) would be material to a prospective purchaser of the Shares.

(2) The Company shall promptly, and in any event within any applicable time limitation, comply with all applicable filing and other requirements under the Securities Laws arising as a result of such fact or change; provided that the Company shall not file any Supplementary Material or other document without first consulting with the Underwriters as to the form and content thereof. The Company and AWEL shall, in good faith, discuss with the Underwriters any fact or change (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is any doubt as to whether notice in writing need be given to the Underwriters pursuant to this Section 5.

(3) If during the period of Distribution of the Shares in Canada or the private placement of the Shares in the United States, there is any change in any applicable Securities Laws which results in a requirement to file Supplementary Material, the Company shall, to the reasonable satisfaction of the Underwriters and the Underwriters' counsel in the applicable jurisdiction(s), promptly make any such filing required to be made by it.

6. Representations and Warranties of the Company

The Company represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Shares, that:

(a) the Company is a company duly constituted, organized and validly existing under the laws of its jurisdiction of amalgamation;

(b) the Company is (i) a "reporting issuer" (or equivalent thereof) not in default of any requirement under the Canadian Securities Laws, and (ii) not in default of any requirement under the US Securities Laws;

(c) each of the Subsidiaries of the Company is duly constituted and validly existing under the laws of its jurisdiction of incorporation and is properly registered under the laws of all jurisdictions in which such registration is necessary in order to carry on its business and where failure to be so registered would have a material adverse effect on such Subsidiary;

(d) the Company and each of its Subsidiaries has the requisite corporate power, authority and capacity to own, lease and to operate its property and assets, including licences or other similar rights, and to carry on its business customarily carried on by it and as described in the Preliminary Prospectus and the Prospectuses;

(e) except as disclosed in the Annual Information Form, and for rights arising in favour of other parties to shareholder agreements relating to such Subsidiaries, the Company owns all of the issued and outstanding shares of each of the Subsidiaries of the Company, in each case free and clear of any pledge, lien, security interest, charge, claim or encumbrance;

(f) the authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Non-Voting Class B Shares of which, as at the date hereof, 3,374,015 Common Shares and 8,259,551 Non-Voting Class B Shares were issued and outstanding as fully paid and non-assessable shares in the capital of the Company; the authorized capital of the Company conforms in all material respects to the description thereof contained in the Preliminary Prospectus and the Prospectuses. No Person has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company of any unissued shares, securities or warrants of the Company except as otherwise described in the Preliminary Prospectus and the Prospectuses;

(g) except as disclosed in the Preliminary Prospectus and the Prospectuses, there is no action, proceeding or investigation pending, or to the knowledge of the Company, threatened against the Company or any of its Subsidiaries before or by any federal, provincial, municipal or other governmental department, commission, board or agency, domestic or foreign (nor are there any matters under discussion with any such authority), which is reasonably expected to result in any material change in the business or in the condition (financial or otherwise) of the Company or any of its Subsidiaries or their properties or assets (taken as a whole), or which questions the validity of any action taken or to be taken by the Company pursuant to or in connection with this Agreement or as contemplated by the Preliminary Prospectus and the Prospectuses, or which questions in any aspect material to the business of the Company or any of its Subsidiaries (taken as a whole), the authority of any party or of any authority or jurisdiction which has purported to grant the same, to grant licences or other similar interests referred to in the Preliminary Prospectus and the Prospectuses;

(h) to the knowledge of the Company, no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use of the Preliminary Prospectus, the Prospectuses, or any Supplementary Material or preventing the Distribution of the Shares in any Qualifying Province or the private placement of the Shares in the United States, nor instituted proceedings for that purpose and, to the knowledge of the Company, no such proceedings are pending or contemplated;

(i) each of the Company and its Subsidiaries is in material compliance with any and all applicable laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants;

(j) Computershare Trust Company of Canada, at its principal office in the City of Toronto, has been duly appointed as registrar and transfer agent for the Non-Voting Class B Shares;

(k) this Agreement has been duly authorized, executed and delivered by the Company, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms except as enforcement of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and to the fact that the rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(l) the allotment and issue of the Shares to be sold by the Company hereunder has been duly authorized and, upon issue and receipt of the Purchase Price therefor, such Shares will be validly issued and outstanding as fully paid and non-assessable shares in the capital of the Company;

(m) the Company will use the proceeds from the sale of the Shares to be sold by the Company hereunder as described in the Canadian Preliminary Prospectus and the Canadian Prospectus under the heading "Use of Proceeds";

(n) each of the Company and its Subsidiaries is not (i) in breach or violation of any of the terms or provisions of, or in default under, any material indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject, or (ii) in violation of the provisions of its constating documents, by-laws or resolutions or any statute or any judgement, decree, order, rule or regulation of any court or government agency or body having jurisdiction over it or any of its properties;

(o) the execution and delivery of this Agreement, the grant of the Underwriter Option, the issue and sale of the Shares to be sold by the Company hereunder pursuant to this Agreement, the performance and consummation of the transactions contemplated in this Agreement by the Company, and the compliance by the Company with the terms of this Agreement, do not and will not conflict with, or result in a breach or violation of, or constitute a default under (whether after notice or lapse of time, or both), any of the terms or provisions of any note, indenture, mortgage, deed of trust, loan agreement, lease or other material agreement (written or oral), instrument or other document to which the Company or any of its Subsidiaries is a party, or by which any of them is bound, or to which any of their property or assets are subject, nor will such action conflict with or result in any violation of the provisions of the constating documents, by-laws or resolutions of the Company or its directors or shareholders or any statute or any judgement, decree, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its Subsidiaries or any of their respective property or assets;

(p) other than as may be required under the Canadian Securities Laws (which consents or approvals the Company has applied for or has obtained or will have obtained prior to Closing), no consent, approval, permit, authorization, order, registration or qualification of, or with, any court or governmental agency or body is required for the issue and sale of the Shares to be sold by the Company hereunder as contemplated by this Agreement, the performance and consummation by the Company of the transactions contemplated in this Agreement and the compliance by the Company with the terms of this Agreement;

(q) the Company is eligible to distribute securities pursuant to the POP System in each of the Qualifying Provinces;

(r) contemporaneously with filing the Canadian Preliminary Prospectus, the Company shall have made application to have the Shares listed on the TSX;

(s) (i) at the respective times of filing and at all times subsequent to the filing thereof during the Distribution, the Canadian Preliminary Prospectus, the Canadian Prospectus and any Supplementary Material will comply with the requirements of the Canadian Securities Laws, and the Canadian Preliminary Prospectus and the Canadian Prospectus will provide full, true and plain disclosure of all material facts relating to the Company, and to the Shares as required by the Canadian Securities Laws and the Canadian Preliminary Prospectus and the Canadian Prospectus will not contain any misrepresentation (provided that the foregoing representation and warranty of the Company shall not apply, in each case, to the facts or information relating solely to the Underwriters or which have been provided by the Underwriters or which are modified or superseded by facts or information contained in the Canadian Preliminary Prospectus, the Canadian Prospectus or any Supplementary Material, as the case may be), and (ii) at the respective times of delivery and at all times subsequent to the delivery thereof until completion of the private placement of the Shares in the United States, the US Preliminary Private Placement Memorandum, the US Private Placement Memorandum and any Supplementary Material will comply with the requirements of the US Securities Laws and the US Preliminary Private Placement Memorandum, the US Private Placement Memorandum and any Supplementary Material will not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made (provided that the foregoing representation and warranty of the Company shall not apply, in each case, to facts or information relating solely to the Underwriters or which have been provided by the Underwriters or which are modified or superseded by facts or information contained in the US Preliminary Private Placement Memorandum, the US Private Placement Memorandum or any Supplementary Material, as the case may be);

(t) delivery by the Company to the Underwriters of commercial copies of the Preliminary Prospectus and the Prospectuses and any Supplementary Material shall constitute the consent of the Company to use such documents in connection with the Distribution of the Shares in the Qualifying Provinces and the private placement of the Shares in the United States, subject to the provisions of all relevant Securities Laws;

(u) the financial statements included in the Preliminary Prospectus and the Prospectuses present fairly, in all material respects, the consolidated financial position of the Company and its Subsidiaries considered as a whole as at the date indicated and the consolidated results of operations and changes in equity and cash flows of the Company and its Subsidiaries considered as a whole for the periods specified, and, except as otherwise stated in such documents, such financial statements have been prepared in conformity with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods involved;

(v) except as referred to in the Canadian Preliminary Prospectus, the Canadian Prospectus or any Supplementary Material, since February 28, 2003 (i) there has not been any material change or a change in material fact (actual, or the knowledge of the Company, threatened or contemplated) in the business, affairs, operations, business prospects, assets, liabilities or obligations, contingent or otherwise, or capital of the Company or its Subsidiaries, and (ii) there has been no transaction entered into by the Company or its Subsidiaries, other than those in the ordinary course of business, which is material to the Company or its Subsidiaries taken as a whole;

(w) the Company and its Subsidiaries (i) hold all licences or authorizations, and possess adequate certificates, authorities, approvals, consents, orders, licences or permits (the "**Approvals**") of, or issued by, appropriate governmental agencies or bodies necessary to conduct the business now operated by them (the absence of which would have material adverse effect on the Company and its Subsidiaries (taken as a whole)), (ii) have not received any notice of proceedings relating to the revocation or modification of any such Approval, and (iii) to the best of their knowledge, are not aware of any information that would lead them to believe that any of the Approvals that are material to the business of the Company or its Subsidiaries will not be renewed at the appropriate time by the applicable regulatory authority in the ordinary course without conditions that would have a material adverse effect on the Company and its Subsidiaries (taken as a whole) or that any of the Approvals will expire prior to such renewal;

(x) the Company and its Subsidiaries, to the best of their knowledge, are in material compliance with (i) the conditions of their broadcasting licences issued by the Canadian Radio-television and Telecommunications Commission and (ii) all statutes, regulations, polices, decisions, orders and public notices under which its broadcasting businesses are regulated;

(y) the Company and its Subsidiaries, as applicable, are in compliance with the Canadian ownership and control requirements pursuant to the *Direction to the CRTC (Ineligibility of Non-Canadians)* SOR/97-192, Order in Council P.C. 1997-486, as amended;

(z) neither the Company nor any of its Subsidiaries is involved in any labour dispute nor, to the knowledge of the Company, is any such dispute threatened, which would have a material adverse effect on the Company or its Subsidiaries, taken as a whole;

(aa) the Company and its Subsidiaries own or possess adequate trademarks, service marks and trade names necessary to conduct their business as presently conducted and neither the Company nor any of its Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any trademarks, service marks or trade names that in the aggregate, if subject of an unfavourable decision, ruling or finding, would have a material adverse effect on the Company and its Subsidiaries, taken as a whole;

(bb) there are no "significant acquisitions", "significant dispositions" or "significant probable acquisitions" for which the Company is required, pursuant to applicable Canadian Securities Laws to include additional financial disclosure other than such, the requirements for which have been waived by the applicable securities regulators under the Canadian Securities Laws;

(cc) the Company has not filed any confidential material change reports since February 28, 2003; and

(dd) to the knowledge of the Company, other than the shareholders agreement relating to AWEL, no agreement is in force or effect which in any manner affects the voting or control of the Non-Voting Class B Shares.

7. Representations and Warranties of AWEL

AWEL represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Shares to be sold by AWEL hereunder, that:

(a) all the information and statements relating to AWEL contained in the Preliminary Prospectus, the Prospectuses, or any Supplementary Material were, at the respective dates of delivery thereof, true and correct in all material respects;

(b) AWEL is duly constituted and validly existing under the laws of its jurisdiction of incorporation with all necessary corporate power and authority to own, lease and operate its properties and to conduct its business;

(c) no material fact or information related solely to AWEL which is required to be disclosed pursuant to the applicable securities laws of the Qualifying Provinces or the applicable provisions of the 1933 Act has been omitted from the Preliminary Prospectus, the Prospectuses, or any Supplementary Material and no other fact or information related solely to AWEL has been omitted therefrom which is necessary to make the statements contained therein related solely to AWEL not misleading in light of the circumstances in which they were made;

(d) other than as may be required under the Canadian Securities Laws (which consents or approvals the Company has applied for or has obtained or shall have obtained prior to Closing), no consent, approval, permit, authorization, order, registration or qualification of, or with, any court or governmental agency or body is required for the sale of the Shares by AWEL as contemplated by this Agreement, the performance and consummation by AWEL of the transactions contemplated in this Agreement and the compliance by AWEL with the terms of this Agreement;

(e) the sale and delivery of the Purchased Shares by AWEL has been duly authorized by AWEL;

(f) at the Closing Time, AWEL will have good and marketable title to the Purchased Shares, free and clear of any pledge, lien, security interest, encumbrance, claim or equity and upon delivery of the Purchased Shares to be sold by AWEL hereunder against payment of the proceeds as contemplated herein, the Underwriters will receive good and marketable title to such Purchased Shares free and clear of any pledge, lien, security interest, encumbrances, claim or equity;

(g) AWEL, in making its decision to sell the Purchased Shares to be sold by AWEL hereunder, did not rely on any material information concerning the Company that is not publicly disclosed;

(h) this Agreement has been duly authorized, executed and delivered by AWEL, and this Agreement constitutes a legal, valid and binding obligation of AWEL, enforceable against it in accordance with its terms except as enforcement of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and to the fact that the rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(i) there is no action, proceeding or investigation pending or, to the knowledge of AWEL, threatened against AWEL before or by any federal, provincial, municipal or other governmental department, commission, board or agency, domestic or foreign (nor are there any matters under discussion with any such authority), which questions the validity of any action taken or to be taken by AWEL pursuant to or in connection with this Agreement or as contemplated by the Preliminary Prospectus and the Prospectuses;

(j) AWEL is not (i) in breach or violation of any of the terms or provisions of, or in default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject, or (ii) in violation of the provisions of its constating documents, by-laws or resolutions or any statute or any judgement, decree, order, rule or regulation of any court or government agency or body having jurisdiction over it or any of its properties which would prevent it from fulfilling its obligations hereunder; and

(k) the execution and delivery of this Agreement, the sale of the Purchased Shares to be sold by AWEL, the performance and consummation of the transactions contemplated in this Agreement by AWEL hereunder, and the compliance by AWEL with the terms of this Agreement, do not and will not conflict with, or result in a breach or violation of, or constitute a default under (whether after notice or lapse of time, or both), any of the terms or provisions of any note, indenture, mortgage, deed of trust, loan agreement, lease or other material agreement (written or oral), instrument or other document to which AWEL is a party, or by which it is bound, or to which its property or assets are subject, nor will such action conflict with or result in any violation of the provisions of the constating documents, by-laws or resolutions of AWEL or its directors or shareholders or any statute or any judgement, decree, order, rule or regulation of any court or governmental agency or body having jurisdiction over AWEL or its property or assets.

8. Covenants

The Company and AWEL, as applicable, covenant to the Underwriters that:

(a) prior to the finalization (and, where applicable, filing) of the Preliminary Prospectus, the Prospectuses and any Supplementary Material, the Company and AWEL shall permit the Underwriters and their counsel to participate fully in the preparation of such documents and allow the Underwriters and their counsel to conduct all due diligence which the Underwriters may reasonably require in order to fulfil their obligations under Securities Laws and in order to enable the Underwriters to execute responsibly any certificate required to be executed by the Underwriters in connection with the Canadian Preliminary Prospectus, the Canadian Prospectus or any Supplementary Material;

(b) the Company shall use its best efforts to ensure that the Shares will be listed and posted for trading on the TSX as of the Closing Date;

(c) the Company will advise the Underwriters, promptly after receiving notice thereof, of the time when the Canadian Preliminary Prospectus, the Canadian Prospectus and any Supplementary Material has been filed and receipts therefor have been obtained and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts;

(d) the Company shall, prior to the completion of the Distribution of the Shares in Canada and the completion of the private placement of the Shares in the United States, take or use their best efforts to cause to be taken all steps and proceedings that may be required under Securities Laws to qualify the Shares for Distribution in the Qualifying Provinces and for sale on a private placement basis in the United States through registrants registered under applicable laws who have complied with the relevant provisions of applicable Securities Laws; and

(e) prior to the completion of the Distribution of the Shares in Canada and the private placement of the Shares in the United States, the Company will cause the Prospectuses and the Supplementary Material to comply with the requirements of Securities Laws, to provide full, true and plain disclosure of all material facts relating to the Company and to the Shares as required by Securities Laws and to not contain any misrepresentation (provided that the foregoing covenant of the Company shall not apply to facts or information relating solely to the Underwriters or which have been provided by the Underwriters or which are modified by or superseded by facts or information contained in the Prospectuses or any Supplementary Material, as the case may be).

9. Distribution of Shares

(1) The Underwriters shall offer the Shares for sale to the public in Canada and on a private placement basis in the United States, directly and through Selling Firms, only as permitted by applicable Securities Laws and only at a price not exceeding the Price per Share. The Underwriters will not directly sell or distribute any Shares in the United States, but may

offer and sell the Shares in the United States through their respective US Dealer affilites as contemplated by Schedule A hereto, the provisions of which are agreed to by the Company and the Underwriters. The Underwriters will not solicit offers to purchase or sell the Shares so as to require registration thereof or the filing of a prospectus, registration statement or other similar document with respect thereto under the laws of any jurisdiction (other than the Qualifying Provinces) and will require each Selling Firm to agree with the Underwriters not to so solicit or sell. The Underwriters shall be entitled to assume that the Shares are qualified for Distribution in each Qualifying Province where a receipt or similar document for the Canadian Prospectus shall have been obtained from the applicable securities regulatory authority (including a decision document for the Canadian Prospectus issued under the MRRS) following the filing of the Canadian Prospectus unless otherwise notified in writing, and that the Shares may be offered for sale on a private placement basis in the United States.

(2) The Underwriters shall:

(a) use their respective commercially reasonable efforts to complete, and to cause each Selling Firm to complete, the Distribution of the Shares in Canada and the private placement of the Shares in the United States in accordance with the terms of this Agreement as promptly as possible and shall notify the Company as promptly as possible after the Closing Date when, in the opinion of the Underwriters, such Distribution and private placement have ceased;

(b) promptly notify the Company of sales in each Qualifying Province and provide a breakdown of the total proceeds realized in each of the Qualifying Provinces;

(c) conduct (and shall require each Selling Firm to agree with such Underwriters, for the benefit of the Company, so to conduct) its activities in connection with the Distribution in Canada and the private placement of the Shares in the United States in compliance with Securities Laws and in accordance with the terms and conditions of this Agreement; and

(d) while acting in the capacity as underwriter during the period of Distribution (and, for greater certainty, not in any other capacity), not make any representations or warranties with respect to the Company, AWEL or the Shares other than as set forth in the Prospectuses, any Supplementary Material or this Agreement.

(3) Notwithstanding the foregoing provisions of Section 9, an Underwriter will not be liable to the Company under Section 9 with respect to a default under Section 9 or Schedule A hereto by another Underwriter or another Underwriter's US Dealer affiliate, as the case may be.

(4) Each of the Underwriters represents and warrants that it has the requisite registrations or licences under applicable Canadian Securities Laws to distribute the Shares being distributed by it in each of the Qualifying Provinces where it is distributing the Shares.

10. Closing

The Closing shall occur at the Closing Time at the offices of Fasken Martineau DuMoulin LLP, Toronto, or such other place as the Company, AWEL and the Underwriters may agree in writing.

At the Closing Time,

(a) the Company will deliver a certificate in definitive form representing 1,700,000 of the Purchased Shares and such number of the Option Shares, to the extent the Underwriter Option has been exercised, registered in the name of TDSI or its nominee, shall be delivered to TDSI on behalf of the Underwriters, against delivery of payment by TDSI on behalf of the Underwriters of the applicable Purchase Price together with the Price per Share for the Option Shares, if any, to be purchased, by certified cheque, bank draft or electronic funds transfer, payable to the order of the Company in Canadian funds payable at par in the City of Toronto less the amount of the Underwriting Fee payable by the Company (and, if applicable, the Underwriting Fee (Underwriter Option)); and

(b) AWEL will deliver a certificate in definitive form representing 59,400 of the Purchased Shares registered in the name of TDSI or its nominee, shall be delivered to TDSI on behalf of the Underwriters, against delivery of payment by TDSI on behalf of the Underwriters of the applicable Purchase Price by certified cheque, bank draft or electronic funds transfer, payable to the order of AWEL in Canadian funds payable at par in the City of Toronto less the amount of the Underwriting Fee payable by AWEL.

11. Exchange of Certificates

The Company and AWEL, as applicable, shall, prior to the Closing Time, make all necessary arrangements for the exchange on the date of delivery of the certificate issued in the name of TDSI or its designee pursuant to Section 10 at the principal offices of Computershare Trust Company of Canada in the City of Toronto for certificates representing such number of the Purchased Shares registered in such names as shall be designated in writing by the Underwriters not less than one Business Day prior to the Closing Time. The Company and AWEL shall pay all fees and expenses payable to Computershare Trust Company of Canada in connection with the preparation, delivery, certification and exchange of the Purchased Shares to be sold by it hereunder and the certificate therefor contemplated by this Section 11 and the fees and expenses payable to Computershare Trust Company of Canada in connection with the initial or additional transfers as may be required in the course of the Distribution or private placement of the Purchased Shares.

12. Closing Conditions

The Underwriters' obligation to purchase the Purchased Shares at the Closing shall be subject to the following conditions being fulfilled at or prior to the Closing, which conditions may be waived in writing in whole or in part by the Underwriters:

(a) the Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, addressed to the Underwriters and counsel to the Underwriters from counsel to the Company and AWEL, Fasken Martineau DuMoulin LLP, regarding the following matters and such other matters as the Underwriters and their counsel may reasonably request:

(i) that the Company has been amalgamated under the laws of the Province of Ontario and has not been dissolved and the Company has all requisite corporate power to conduct its business as described in the Prospectuses and to enter into and carry out its obligations under this Agreement and to issue the Shares to be sold by it hereunder;

(ii) that each of the Material Subsidiaries has been incorporated under the laws of its jurisdiction of incorporation and has not been dissolved and has all requisite corporate power to conduct its business as described in the Prospectuses;

(iii) as to the legal ownership of the Material Subsidiaries;

(iv) that AWEL has been incorporated under the laws of the Province of Ontario and has not been dissolved and AWEL has all requisite corporate power to enter into and carry out its obligations under this Agreement and to sell the Purchased Shares to be sold by it hereunder;

(v) that the execution and delivery of this Agreement and the grant of the Underwriter Option by the Company, the fulfilment of the terms hereof by the Company and the issue, sale and delivery on the Closing Date of the Shares by the Company do not and the fulfilment of the terms hereof will not contravene any laws of the Province of Ontario or of Canada applicable therein and do not and will not conflict with or result in a breach of, and do not and will not create a state of facts which, after notice or lapse of time, or both, will result in a breach of any of the terms, conditions or provisions of the constating documents, by-laws or resolutions of the directors or shareholders of the Company;

(vi) that the execution and delivery of this Agreement, the fulfilment of the terms hereof by AWEL and the sale and delivery on the Closing Date of the Purchased Shares by AWEL do not and the fulfilment of the terms hereof will not contravene any laws of the Province of Ontario or of Canada applicable therein and do not and will not conflict with or result in a breach of, and do not and will not create a state of facts which, after notice or lapse of time, or both, will result in a breach of any of the terms, conditions or provisions of the constating documents, by-laws or resolutions of the directors or shareholders of AWEL;

(vii) that all requisite corporate action has been taken by and on behalf of the Company to authorize the creation, issuance and sale of the Shares to be sold by it hereunder;

(viii) that all requisite corporate action has been taken by and on behalf of AWEL to authorize the sale of the Purchased Shares to be sold by it hereunder;

(ix) the authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Non-Voting Class B Shares of which, 3,374,015 Common Shares and 8,259,551 Non-Voting Class B Shares were issued and outstanding as fully paid and non-assessable shares in the capital of the Company as of the Closing Date and immediately prior to the Closing; the authorized capital of the Company conforms in all material respects to the description thereof contained in the Canadian Prospectus;

(x) that the Company has all requisite corporate power and authority under the laws of the Province of Ontario and all other jurisdictions in Canada where it carries on its business or owns any property to, and is qualified to, carry on its business as presently carried on except where the failure to be so qualified will not have a material adverse effect on the Company and its Subsidiaries, taken as a whole, and to carry out the transactions contemplated by the Canadian Prospectus and any Supplementary Material;

(xi) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus and the Prospectuses and, if applicable, any Supplementary Material and the filing of the Canadian Preliminary Prospectus, the Canadian Prospectus and any Supplementary Material under the Canadian Securities Laws in each of the Qualifying Provinces;

(xii) that the Company is a "reporting issuer" not in default within the meaning of the *Securities Act* (Ontario) and has the equivalent or similar status in each of the other Qualifying Provinces;

(xiii) that the Purchased Shares to be sold by the Company have been duly authorized and, when issued and delivered, and upon receipt of the consideration therefor, will be validly issued by the Company and will be outstanding as fully paid and non-assessable shares in the capital of the Company;

(xiv) that the Underwriter Option has been validly created and, upon the exercise of the Underwriter Option in accordance with the terms thereof, and upon receipt of the consideration therefor, the Option Shares will be validly issued and outstanding as fully paid and non-assessable shares in the capital of the Company;

(xv) that the attributes of the Shares are consistent in all material respects with the description in the Prospectuses;

(xvi) that this Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company and is enforceable in accordance with its terms, except as enforcement of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought; provided that such counsel need not express an opinion as to the enforceability of the indemnity provisions of Section 14, the contribution provisions of Section 15 and the severability provisions of Section 26;

(xvii) that this Agreement has been duly authorized, executed and delivered by AWEL and constitutes a legal, valid and binding obligation of AWEL and is enforceable in accordance with its terms, except as enforcement of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought; provided that such counsel need not express an opinion as to the enforceability of the indemnity provisions of Section 14, the contribution provisions of Section 15 and the severability provisions of Section 26;

(xviii) the confirmation of the accuracy of the sections in the Canadian Prospectus entitled "Eligibility for Investment" (as to qualification under the *Income Tax* Act (Canada) only) and "Certain Canadian Federal Income Tax Considerations";

(xix) that the form and terms of the certificates representing the Non-Voting Class B Shares meet all legal requirements under the OBCA and the rules of the TSX and have been duly approved by the Company;

(xx) that Computershare Trust Company of Canada, at its principal office in the City of Toronto, has been duly appointed as the transfer agent and registrar for the Non-Voting Class B Shares;

(xxi) that no consent, approval, authorization or order, or filing with any court or public, governmental or regulatory agency or body is required for the execution, delivery and performance by the Company of this Agreement or for the consummation by the Company of the offering contemplated hereby, except as have been made or obtained under the Canadian Securities Laws;

(xxii) that no consent, approval, authorization or order, or filing with any court or public, governmental or regulatory agency or body is required for the execution, delivery and performance by AWEL of this Agreement or for the consummation by AWEL of the offering contemplated hereby, except as have been made or obtained under the Canadian Securities Laws;

(xxiii) that all necessary actions has been taken by AWEL to validly transfer beneficial ownership of the Purchased Shares to the Underwriters;

(xxiv) that all documents have been filed, all requisite proceedings have been taken and all approvals, permits, consents and authorizations of the appropriate regulatory authorities under the Canadian Securities Laws have been obtained by the Company to qualify the Shares for Distribution in each of the Qualifying Provinces through investment dealers or brokers registered under the applicable laws of the Qualifying Provinces who have complied with such applicable laws; and

(xxv) that the Shares to be sold by the Company hereunder have been conditionally approved for listing by the TSX on or before the Closing Date.

In giving the opinions contemplated above, it is understood that counsel need not review corporate records prior to March 1, 2000 and that counsel may rely upon opinions of local counsel acceptable to it as to matters governed by the laws of Provinces other than Ontario or Canada and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of the Company's officers and certificates issued by securities regulatory authorities, other governmental agencies and the Company's registrar and transfer agent, and such opinions may be subject to usual qualifications and assumptions;

(b) the Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date from special United States counsel to the Company and addressed to the Underwriters to the effect that no registration of the Shares under the 1933 Act is required for the offer, issue and sale of the Shares to the Underwriters; or in connection with the initial resale of the Shares by the Underwriters through their U.S. broker-dealer affiliates in the United States, it being understood that such counsel does not express any opinion with respect to any subsequent resale of Shares, and provided that any offer or sale of the Shares in the United States is made in accordance with Schedule A;

(c) the Underwriters shall have received at the Closing Time a favourable legal opinion dated the Closing Date from the Underwriters' counsel, Blake, Cassels & Graydon LLP, with respect to such matters relating to the sale of the Purchased Shares as the Underwriters may require; provided that the Underwriters' counsel providing such opinion shall be entitled to rely on the opinions of local counsel and provided further that Underwriters' counsel shall be entitled to rely upon the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company and AWEL;

(d) the Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, addressed to the Underwriters and counsel to the Underwriters from Québec counsel to the Company as to compliance with the laws of the Province of

Québec relating to the use of the French language in connection with the documents to be delivered to purchasers in the Province of Québec;

(e) the Underwriters shall have received at the Closing Time a comfort letter dated the Closing Date from the Company's auditors, PricewaterhouseCoopers LLP, addressed to the Underwriters similar to the comfort letter to be delivered to the Underwriters pursuant to Section 2(2)(vii) with such changes as may be necessary to bring the information therein forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Underwriters, acting reasonably;

(f) the Underwriters shall have received at the Closing Time certificates dated the Closing Date, signed by appropriate officers of the Company and AWEL, addressed to the Underwriters and their counsel, with respect to the constating documents and by-laws of the Company and AWEL, all resolutions of the board of directors and other corporate action relating to this Agreement and to the creation, allotment, issue and sale (as applicable) of the Shares, the incumbency and specimen signatures of signing officers and with respect to such additional matters as the Underwriters may reasonably request;

(g) the Underwriters shall have received at the Closing Time a certificate or certificates dated the Closing Date, addressed to the Underwriters and counsel to the Underwriters and signed on behalf of the Company by the President and Chief Executive Officer and the Vice President, Finance and Secretary and Treasurer of the Company or other officers of the Company acceptable to the Underwriters, acting reasonably, certifying for and on behalf of the Company and not in their personal capacities after having made due enquiry and after having carefully examined the Prospectuses and any Supplementary Material, that:

(i) since the respective dates as of which information is given in the Prospectuses as amended by any Supplementary Material, (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company and its Subsidiaries, and (B) no transaction has been entered into by the Company or its Subsidiaries that is material to the Company and its Subsidiaries taken as a whole, other than as disclosed in the Prospectuses or the Supplementary Material, as the case may be;

(ii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Non-Voting Class B Shares or any other securities of the Company has been issued by any regulatory authority or stock exchange and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any of the Securities Laws or by any other regulatory authority or stock exchange;

(iii) the Company has complied with all covenants and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied up to the Closing Time;

(iv) the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;

(v) to the best of their knowledge, information and belief, there are no undisclosed contingent liabilities affecting the Company or any of its Subsidiaries which are material to the Company; and

(vi) such other matters as the Underwriters may reasonably request;

(h) the Underwriters shall have received at the Closing Time a certificate or certificates dated the Closing Date, addressed to the Underwriters, counsel to the Company and counsel to the Underwriters and signed on behalf of each of the Company and AWEL by an officer acceptable to the Underwriters, for and on behalf of the Company and AWEL, as applicable, and not in their personal capacity, confirming the grandfathered share status of the Shares to be sold by AWEL hereunder (in particular, that they were issued before 1987 and none of the facts that would deem them to be issued after 1987 apply);

(i) the Underwriters shall have received at the Closing Time a certificate or certificates dated the Closing Date, addressed to the Underwriters and counsel to the Underwriters and signed on behalf of AWEL by the President and Vice-President of AWEL or other officers of AWEL acceptable to the Underwriters, certifying for and on behalf of AWEL and not in their personal capacities after having made due enquiry and after having carefully examined the Prospectuses and any Supplementary Material, that:

(i) to the best of their knowledge, information and belief, no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Non-Voting Class B Shares has been issued by any regulatory authority or stock exchange and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any of the Securities Laws or by any other regulatory authority or stock exchange;

(ii) AWEL has complied with all covenants and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied up to the Closing Time;

(iii) the representations and warranties of AWEL contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; and

(iv) such other matters as the Underwriters may reasonably request;

(j) the Shares shall be listed for trading on the TSX at the opening of trading on the Closing Date;

(k) the statements as to matters of laws of the various provinces and of the federal laws of Canada set forth in the Canadian Prospectus under the heading “Eligibility for Investment” shall be true as at the Closing Time;

(l) the representations and warranties of the Company and AWEL contained in Sections 6 and 7, respectively, shall be true and correct as at the Closing Time; and

(m) the Company and AWEL shall have complied with all covenants and satisfied all terms and conditions of this Agreement on their part to be complied with or satisfied up to the Closing Time.

13. Termination

(1) Regulatory Proceedings

If, prior to the Closing Time, any inquiry, action, suit, investigation or other proceeding whether formal or informal is announced, instituted or threatened or any order is issued or made by any federal, provincial, state or other governmental department, commission, board, bureau, agency or other instrumentality in Canada, the United States or elsewhere, including, without limitation, the TSX or any securities commission or other regulatory authority having jurisdiction over a material portion of the business or affairs of the Company and any of its Subsidiaries (taken as a whole) (other than an inquiry, action, suit, investigation or proceeding or order based solely upon the activities or alleged activities of the Underwriters or the Selling Firms) or there is any change of law, which, in the sole opinion of an Underwriter acting reasonably, operates to prevent or restrict, or has a material adverse effect on, the Distribution, trading or market price of the Shares or the completion of this offering, the Underwriter shall be entitled, at its sole option, in accordance with Section 13(5), to terminate its obligations under this Agreement by notice to that effect given to the Company and AWEL at or any time prior to the Closing Time.

(2) Disaster Out

If, prior to the Closing Time, (i) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, including any act of terrorism, war or like event, or any law or regulation which, in the opinion of any of the Underwriters, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the Canadian, United States or international financial markets or the business, operations or affairs of the Company and its Subsidiaries taken as a whole, (ii) trading in any securities of the Company has been suspended or materially limited by any of the stock exchanges on which such securities normally trade or trading generally on such stock exchanges has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by such stock exchanges or by order of the OSC or any other governmental authority, or (iii) a banking moratorium has been declared by authorities, any of the Underwriters shall be entitled at their option, in accordance with Section 13(5), to terminate their obligations under this Agreement by written notice to that effect given to the Company and AWEL at any time prior to the Closing Time.

(3) **Material Change**

If, prior to the Closing Time, there should occur or be announced by the Company any material change or a change in any material fact such as is contemplated by Section 5 or a material change in the representations, warranties or covenants of the Company or the Underwriters become aware of any undisclosed material information relating to the Company and its Subsidiaries (taken as a whole), which results or, in the sole opinion of an Underwriter acting reasonably, might be expected to result, in the purchasers of a material number of Shares exercising their right under applicable legislation to withdraw from their purchase of Shares or might be expected to have a material adverse effect on the market price or value of the Shares, the Underwriter shall be entitled, at its sole option, in accordance with Section 13(5), to terminate its obligations under this Agreement by notice to that effect given to the Company and AWEL within at or any time prior to the Closing Time.

(4) **Non-Compliance With Conditions**

Each of the Company and AWEL agrees that all terms and conditions of this Agreement shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its best efforts to cause such conditions to be complied with. Any breach or failure by the Company to comply with any such conditions shall entitle the Underwriters to terminate their obligations to purchase the Shares by notice to that effect given to the Company and AWEL at or any time prior to the Closing Time, unless otherwise expressly provided in this Agreement. Any breach or failure by AWEL to comply with any such conditions shall entitle the Underwriters to terminate their obligations to purchase the Shares to be sold by AWEL hereunder by notice to that effect given to the Company and AWEL at or any time prior to the Closing Time, unless otherwise expressly provided in this Agreement. Each Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon an Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

(5) **Exercise of Termination Rights**

The rights of termination contained in Sections 13(1), (2), (3) and (4) may be exercised by any of the Underwriters and are in addition to any other rights or remedies the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by an Underwriter, there shall be no further liability on the part of that Underwriter to the Company and AWEL or on the part of the Company and AWEL to that Underwriter except in respect of any liability which may have arisen prior to or arise after such termination under any of Sections 14, 15 and 16. A notice of termination given by an

Underwriter under any of Sections 13(1), (2), (3) and (4) shall not be binding upon the other Underwriters.

14. Indemnity

(1) Indemnity of the Company

The Company, in proportion to the amount of the Purchase Price received by it out of the total Purchase Price paid by the Underwriters hereunder, agrees to indemnify and hold harmless each of the Underwriters, each of their Subsidiaries and each of their respective directors, officers, employees, partners, affiliates, agents, each other Person, if any, controlling an Underwriter or any of its Subsidiaries and each shareholder of an Underwriter (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against all liabilities, claims (including shareholder actions, derivative or otherwise), actions, losses (other than losses of profit in connection with the Distribution of the Shares), costs, damages and expenses, joint or several, including the aggregate amount paid in reasonable settlement of any action, suit, proceeding, investigation or claim and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**" and individually, a "**Claim**") to which any Indemnified Party may become subject or otherwise involved in any capacity in so far as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, or as a consequence of:

(i) any information or statement (except any statement provided by or relating solely to AWEL or the Underwriters) contained in the Prospectuses or any Supplementary Material or in any certificate of the Company delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;

(ii) any omission or alleged omission to state in the Prospectuses, any Supplementary Material or any certificate of the Company delivered pursuant to this Agreement any fact (except facts provided by or relating solely to AWEL or the Underwriters), whether material or not, required to be stated in such document or necessary to make any statement in such document not misleading in the light of the circumstances under which it was made;

(iii) any order made or inquiry, investigation or proceeding commenced or threatened by any securities commission, stock exchange or other competent authority based upon any untrue statement or omission or alleged untrue statement or alleged omission or any misrepresentation or alleged misrepresentation (except a statement or omission or alleged statement or omission provided by or relating solely to AWEL or the Underwriters) in the Prospectuses or any Supplementary Material or based upon any failure to comply with the Securities Laws (other than any failure or alleged failure to comply by AWEL, the Underwriters or by any Selling Firm), preventing or restricting the trading in or the sale or distribution of the Shares in any of the Qualifying Provinces or in the United States;

(iv) the non-compliance or alleged non-compliance by the Company with any of the Securities Laws; or

(v) any breach of the Company of its representations, warranties, covenants or obligations to be complied with under this Agreement.

(2) **Indemnity of AWEL**

AWEL, in proportion to the amount of the Purchase Price received by it out of the total Purchase Price paid by the Underwriters hereunder, agrees to indemnify and hold harmless each of the Indemnified Parties from any Claim to which any Indemnified Party may become subject or otherwise involved in any capacity in so far as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, or as a consequence of:

(i) any information or statement relating solely to AWEL contained in the Prospectuses or any Supplementary Material or in any certificate of AWEL delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;

(ii) any omission or alleged omission to state in the Prospectuses, any Supplementary Material or any certificate of AWEL delivered pursuant to this Agreement any fact relating solely to AWEL, whether material or not, required to be stated in such document or necessary to make any statement in such document not misleading in the light of the circumstances under which it was made;

(iii) any order made or inquiry, investigation or proceeding commenced or threatened by any securities commission, stock exchange or other competent authority based upon any untrue statement or omission or alleged untrue statement or alleged omission or any misrepresentation or alleged misrepresentation relating solely to AWEL in the Prospectuses or any Supplementary Material or based upon any failure of AWEL to comply with the Securities Laws, preventing or restricting the trading in or the sale or distribution of the Shares in any of the Qualifying Provinces or in the United States;

(iv) the non-compliance or alleged non-compliance by AWEL with any of the Securities Laws; or

(v) any breach of AWEL of its representations, warranties, covenants or obligations to be complied with under this Agreement.

(3) **Notification of Claims**

If any Claim is asserted against any Indemnified Party, the Indemnified Party will notify the Company or AWEL, as applicable, in writing as soon as possible of the nature of such Claim (but the omission so to notify the Company or AWEL, as applicable, of any potential Claim shall not relieve the Company or AWEL, as applicable, from any liability which it may have to any Indemnified Party and any omission so to notify the Company or AWEL, as applicable, of any actual claim shall affect the Company's or AWEL's liability only to the extent that it is materially prejudiced by that failure). The Company or AWEL, as applicable, shall be entitled to participate in and, to the extent that it shall wish, to assume the defence of any suit brought to enforce such Claim; provided, however, that the defence shall be conducted through legal counsel acceptable to the Indemnified Party, acting reasonably, that no settlement of any such Claim or admission of liability may be made by the Company, AWEL or the Indemnified Party without the prior written consent of the other parties, acting reasonably, and the Company or AWEL, as applicable, shall not be liable for any settlement of any such Claim unless the Company or AWEL, as applicable, has consented in writing to such settlement or unless such settlement, compromise or judgement: (i) includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim, or (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party, the Company or AWEL.

(4) **Right of Indemnity in Favour of Others**

With respect to any Indemnified Party who is not a party to this Agreement, it is the intention of the Company and AWEL to constitute the Underwriters as trustees for such Indemnified Party of the rights and benefits of this Section and the Underwriters agree to accept such trust and to hold the rights and benefits of this Section in trust for and on behalf of such Indemnified Party.

(5) **Retaining Counsel**

In any such Claim, the Indemnified Party shall have the right to retain other counsel to act on his or its behalf if (i) the Company or AWEL, as applicable, does not promptly assume the defence of the Claim, (ii) the Company or AWEL, as applicable, and the Indemnified Party shall have mutually agreed to the retention of the other counsel, or (iii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party on the one hand and the Company or AWEL, as applicable, on the other hand, and in the opinion of counsel to the Indemnified Party, the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them or additional defences are available to an Indemnified Party, in each of which cases the Company or AWEL, as applicable, shall not have the right to assume the defence of such suit on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for the Indemnified Party.

(6) Each Underwriter agrees to indemnify and hold harmless the Company and AWEL against any Claim to which the Company or AWEL and their respective directors, officers, employees, partners, affiliates, agents or shareholders may be subject, insofar as such Claims (or actions in respect thereof) arise out of or are based upon or caused by any untrue statement of any material fact contained in the Prospectuses or any Supplementary Material or arise out of or are based upon the omission to state therein any material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission was made in reliance on and in conformity with information relating solely to such Underwriter provided by such Underwriter, and will reimburse the Company and AWEL for any additional reasonable, legal or other

expenses incurred by the Company and AWEL, as applicable, as a result thereof. In the event that any claim for indemnity shall arise under this Section 14(6), the provisions of Section 14(3) shall apply with all necessary modifications (with references therein to the Indemnified Party being construed as references to the Company, AWEL and each of their respective directors, officers, employees, partners, affiliates, agents and shareholders and references to the Company and AWEL being, construed as references to the Underwriters).

15. Contribution

(1) To provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 14 would otherwise be available in accordance with its terms but is, for any reason, unavailable to or unenforceable by the Underwriters or insufficient to hold any Indemnified Party harmless, the Company or AWEL, as applicable, shall contribute to all Claims suffered or incurred by any Indemnified Party in such proportion as is appropriate to reflect not only the relative benefits received by the Company or AWEL, as applicable, on the one hand and any Indemnified Party on the other hand but also the relative fault of the Company or AWEL, as applicable, or any Indemnified Party as well as any relevant equitable considerations. The relative fault of the Company or AWEL, as applicable, on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the information, statement, omission, misrepresentation, order, inquiry, investigation or proceeding referred to in Section 14(1) or (2) which resulted in such Claim relates to information supplied by or steps or actions taken or done by or on behalf of the Company or AWEL or to information supplied by or steps or actions taken or done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission, misrepresentation, order, inquiry, investigation or proceeding referred to in Sections 14(1) or (2). The Company or AWEL, as applicable, shall in any event be liable to contribute to the amount paid or payable by an Indemnified Party as a result of a Claim any amounts in excess of the aggregate of the amount of the aggregate fee actually received by the Indemnified Party; but only in proportion to the amount of the Purchase Price received by it out of the total Purchase Price paid by the Underwriters hereunder. However, no party who has engaged in any fraud, fraudulent misrepresentation or gross negligence shall be entitled to claim contribution from any Person who has not engaged in such fraud, fraudulent misrepresentation or gross negligence.

(2) **Right of Contribution in Addition to Other Rights**

The rights to contribution provided in this Section shall be in addition to and not in derogation of any other right to contribution which the Underwriters may have by statute or otherwise at law.

(3) **Calculation of Contribution**

If the Company, AWEL or any Person listed in Section 14(6) as entitled to indemnification is held to be entitled to contribution from the Underwriters under the provisions of any statute or at law, the amount of such contribution shall be limited to an amount not exceeding the lesser of:

(i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriters are responsible, as determined in Section 15(1); and

(ii) the amount of the aggregate fee actually received by the Underwriters from the Company or AWEL under this Agreement,

and an Underwriter shall in no event be liable to contribute any amount in excess of such Underwriter's portion of the fee actually received from the Company or AWEL under this Agreement.

(4) If the Underwriters have reason to believe that a claim for contribution may arise, they shall give the Company or AWEL, as applicable, notice of such claim in writing, as soon as reasonably possible, but failure to notify the Company or AWEL, as applicable, shall not relieve the Company or AWEL, as applicable, of any obligation which it may have to the Underwriters under this paragraph except to the extent, but only to such extent, by which the Company or AWEL, as applicable, is prejudiced by such failure.

(5) **Right of Contribution in Favour of Others**

With respect to any Indemnified Party who is not a party to this Agreement, it is the intention of the Company and AWEL to constitute the Underwriters as trustees for such Indemnified Party of the rights and benefits of this Section and the Underwriters agree to accept such trust and to hold the rights and benefits of this Section in trust for and on behalf of such Indemnified Party. The provisions of this Section 15(5) shall apply with all necessary modifications in the event of a Claim for contribution under this Section 15 for the benefit of any of the Persons named in Section 15(3).

16. Expenses of the Offering

Whether or not the transactions herein contemplated shall be completed, except as hereinafter specifically provided, all expenses of or incidental to the authorization, allotment and issue of the Shares and all expenses of or incidental to all other matters in connection with such transactions including, without limitation, listing fees, expenses payable in connection with the qualification of the Shares for sale to the public, the fees and expenses of counsel for the Company, all fees and expenses of local counsel retained by the Company, including United States counsel, all fees and expenses of the Company's auditors, all costs relating to information meetings and all costs incurred in connection with the preparation and printing of the Preliminary Prospectus, Prospectuses, Supplementary Material and share certificates representing the Shares shall be borne by and be for the account of the Company and AWEL to be borne on a *pro rata* basis in accordance with the proportion of the Purchase Price to be received by each of them. The fees and disbursements of the Underwriters' legal counsel and any out of pocket expenses of the Underwriters, including the Underwriters' travel expenses in connection with due diligence and marketing meetings, incidental to the offering of the Shares shall be borne by the Underwriters; provided that if (i) this offering of Shares is terminated by the Underwriters as a result of a breach of this Agreement by the Company or AWEL, or (ii) the Company or AWEL decides not to proceed with the sale of the Shares (other than as a result of a breach of this

Agreement by the Underwriters or as contemplated by Section 17), the Company and AWEL, as applicable, agree to assume and pay (on a *pro rata* basis in accordance with the proportion of the Purchase Price to be received by each of them) the fees and disbursements of Underwriters' counsel and the out-of-pocket expenses of the Underwriters incidental to the offering of the Shares, including the Underwriters' reasonable travel expenses in connection with due diligence and marketing meetings.

17. Underwriting Percentages

(1) The obligation of the Underwriters to purchase the Purchased Shares at the Closing Time shall be several and shall be limited to the percentages of the aggregate number of Purchased Shares set forth opposite the name of the Underwriters below:

TD Securities Inc	52.78%
RBC Dominion Securities Inc.	21.11%
BMO Nesbitt Burns Inc.	10.56%
CIBC World Markets Inc.	4.99%
National Bank Financial Inc.	5.28%
Scotia Capital Inc.	5.28%

(2) In the event that any Underwriter shall fail to purchase its applicable percentage of the Purchased Shares at the Closing Time, the others shall have the right, but shall not be obligated, to purchase on a *pro rata* basis (or on such other basis as they may agree) all of the percentage of the Purchased Shares which would otherwise have been purchased by that one of the Underwriters which is in default. In the event that such right is not exercised, the Underwriters which are not in default shall be relieved of all obligations to the Company and AWEL and there shall be no further liability on the part of such Underwriters to the Company and AWEL; the Company and AWEL may complete the sale of the Purchased Shares with the other Underwriters who have severally agreed to purchase or may terminate this Agreement. In the case where the Company and AWEL proceed with the completion of the sale of the Purchased Shares, either the non-defaulting Underwriters, the Company or AWEL shall have the right to postpone the Closing Date for such period, not exceeding five Business Days in order that the required changes, if any, in the Prospectuses or in any other documents or arrangements may be effected. Nothing in this Section shall oblige the Company and AWEL to sell to the Underwriters less than all of the Purchased Shares or relieve from liability to the Company or AWEL any Underwriter which shall be so in default. In the event of a termination by the Company or AWEL of its obligations under this Agreement under this Section, there shall be no further liability on the part of the Company or AWEL to the Underwriters except in respect of any liability which may have arisen or may thereafter arise under Sections 14, 15 and 16.

18. Underwriter Option

(1) The Underwriter Option may be exercised in whole or in part at any time prior to the Option Expiry Date by TDSI on behalf of the Underwriters, by delivery by TDSI on behalf of the Underwriters of written notice to the Company confirming the number of Option Shares in respect of which the Underwriter Option is being exercised and the purchase and sale of the Option Shares shall be completed at the Closing Time. In the event the Company shall

subdivide, consolidate or otherwise change its Non-Voting Class B Shares during the period during which the Underwriter Option is exercisable, the number of Option Shares into which the Underwriter Option is convertible shall be similarly subdivided, consolidated or changed such that the Underwriters would be entitled to receive the same number and type of securities that they otherwise would have been entitled to receive had they held the Non-Voting Class B Shares issuable pursuant to the Underwriter Option prior to such subdivision, consolidation or change. The subscription price shall be adjusted accordingly and notice shall be given to TDSI, on behalf of the Underwriters, of such adjustment. In the event that TDSI shall disagree with the foregoing adjustment, such adjustment shall be determined conclusively by the Company's auditors at the Company's expense.

(2) The issuance of Option Shares pursuant to the Underwriter Option will take place upon exercise of the Underwriter Option in accordance with the terms of this Agreement and payment by the Underwriters of the Price per Share. At the Closing Time, at which the Underwriter Option, or any portion thereof, is exercised, the Company shall deliver to the Underwriters definitive certificates representing the Option Shares registered in the name of TDSI, or in such other names as TDSI may notify the Company in writing not less than 24 hours prior to the Closing Time, together with a receipt signed by the Company for the payment of the aggregate purchase price for the Option Shares, against payment by the Underwriters to the Company of the aggregate purchase price for the Option Shares by certified cheque, bank draft or electronic funds transfer less the Underwriting Fee (Underwriter Option), together with a receipt signed by TDSI for such definitive share certificates and the Underwriting Fee (Underwriter Option).

(3) The Underwriters shall not be under any obligation to purchase any of the Option Shares prior to the exercise of the Underwriter Option. TDSI on behalf of the Underwriters may exercise the Underwriter Option at any time prior to the Option Expiry Date. The Closing Time shall be determined by TDSI but shall not be earlier than two Business Days or later than seven Business Days after such exercise of the Underwriter Option and, in any event, shall not be later than the Option Expiry Date. Upon exercise of the Underwriter Option as provided herein, the Company shall become obligated to sell the number of the Option Shares as to which the Underwriters are exercising the Underwriter Option, to each of the Underwriters and, subject to the terms and conditions herein set forth, each of the Underwriters severally and not jointly shall become obligated to purchase from the Company the same percentage of the total number of the Option Shares as to which the Underwriters are exercising the Underwriter Option as such Underwriter is obligated to purchase of the aggregate number of Purchased Shares, as adjusted by the Underwriters in such manner as they deem advisable to avoid fractional shares. If the Underwriter Option is exercised as to all or any portion of the Option Shares, an opinion and a letter shall be delivered at the Closing Time in the manner, and upon the terms and conditions, set forth in Sections 12(a), (b) and (d), except that reference therein to the Purchased Shares and the Closing Time shall be deemed, for purposes of this Section 18, to refer to such Option Shares and the Closing Time, respectively.

19. Concurrent Offerings

None of the Company, AWEL, Allan Waters, Marjorie Waters, Jim Waters, Ron Waters and Sheryl Bourne shall, without TDSI's prior written consent, such consent not to be unreasonably withheld, (i) offer, pledge, sell, contract to sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, lend or dispose of directly or indirectly, Common Shares, Non-Voting Class B Shares or any securities convertible into or exercisable or exchangeable for Common Shares or Non-Voting Class B Shares, or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such Common Shares, Non-Voting Class B Shares or such other securities, whether any such transaction at (i) or (ii) of this Section is to be settled by delivery of such Common Shares, Non-Voting Class B Shares or such other securities, in cash or otherwise, (other than the Shares or issuances of Common Shares or Non-Voting Class B Shares as consideration for the purchase of assets or shares having a value substantially equivalent to the value of the shares so issued, provided that notice of such acquisition is provided to TDSI, on behalf of the Underwriters), or agree to do so or publicly announce any intention to do so, at any time from the date hereof until 90 days after the Closing Date.

20. Survival of Representations, etc.

(1) The representations, warranties, obligations and agreements of the Company and AWEL contained herein and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Shares shall survive the purchase of the Shares and shall continue in full force and effect unaffected by any subsequent disposition of the Shares by the Underwriters or the termination of the Underwriters' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the preparation of the Preliminary Prospectus, the Prospectuses or any Supplementary Material or the Distribution of the Shares in Canada or the private placement of the Shares in the United States.

(2) The representations, warranties, obligations and agreements of the Underwriters contained herein shall survive the purchase of the Shares and shall continue in full force and effect unaffected by any subsequent disposition of the Shares by the Underwriters or the termination of the Underwriters obligations under this Agreement.

21. Notices

(1) Unless herein otherwise expressly provided, any notice, request, direction, consent, waiver, extension, agreement or other communication (a "**Communication**") that is or may be given or may hereunder shall be in writing addressed as follows:

If to the Company, addressed and sent to:

CHUM Limited
1331 Yonge Street
Toronto, Ontario
M4T 1Y1

Attention: Taylor C. Baiden
Fax: 416.926.0279

With a copy to:

Fasken Martineau DuMoulin LLP
66 Wellington Street West
Suite 4200, Toronto Dominion Centre
Toronto, Ontario
M5K 1N6

Attention: Roxanne E. McCormick
Fax: 416.364.7813

If to AWEL, addressed and sent to:

Allan Waters Enterprises Limited
1331 Yonge Street
Toronto, Ontario
M4T 1Y1

Attention: James A. Waters
Fax: 416.926.1380

With a copy to:

Fasken Martineau DuMoulin LLP
66 Wellington Street West
Suite 4200, Toronto Dominion Centre
Toronto, Ontario
M5K 1N6

Attention: Roxanne E. McCormick
Fax: 416.364.7813

If to TDSI, addressed and sent to:

TD Securities Inc.
66 Wellington Street West
Suite 800, Toronto Dominion Centre
Toronto, Ontario
M5K 1A2

Attention: Alan Mayne
Fax: 416.983.3716

<u>If to RBC Dominion Securities Inc., addressed and sent to:</u>

RBC Dominion Securities Inc.
200 Bay Street
4th Floor, South Tower
Royal Bank Plaza
Toronto, Ontario M5J 2W7

Attention: John Grant
Fax: 416.842.7555

<u>If to BMO Nesbitt Burns Inc., addressed and sent to:</u>

BMO Nesbitt Burns Inc.
PO Box 150, 5th Floor
1 First Canadian Place
Toronto, Ontario M5X 1H3

Attention: Ashi Mathur
Fax: 416.359.5685

<u>If to CIBC World Markets Inc., addressed and sent to:</u>

CIBC World Markets Inc.
BCE Place, 7th Floor
161 Bay Street
Toronto, ON M5J 2S8

Attention: Blake Corbet
Fax: 416.594.7226

<u>If to National Bank Financial Inc., addressed and sent to:</u>

National Bank Financial Inc.
The Exchange Tower
130 King Street West
Suite 3200, P.O. Box 21
Toronto, ON M5X 1J9

Attention: James Hardy
Fax: 416.869.6411

If to Scotia Capital Inc., addressed and sent to:

Scotia Capital Inc.
1002 Sherbrooke Street West
Tour Scotia, 9th Floor
Montreal, Quebec H3A 3L6

Attention: Pierre LeFevre
Fax: 514.499.8454

In case of any Communication to an Underwriter, with a copy to:

Blake, Cassels & Graydon LLP
Box 25, Commerce Court West
199 Bay Street, Suite 2800
Toronto, Ontario
M5L 1A9

Attention: Frank Arnone
Fax: 416.863.2653

or to such other address as any of the Persons may designate by notice given to the others in accordance with this Section.

(2) Each Communication shall be personally delivered or sent by commercial courier to the addressee or sent by fax to the addressee and (a) a Communication which is couriered or personally delivered shall, if delivered before 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered, and (b) a Communication which is sent by facsimile transmission shall, if sent on a Business Day and the machine on which it is sent receives the answer back code of the party to whom it is sent before 5:00 p.m. (Toronto time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

22. Authority of TDSI

TDSI is hereby authorized by each of the other Underwriters to act on its behalf and the Company shall be entitled to and shall act on any notice given in accordance with Section 21 or agreement entered into by or on behalf of the Underwriters by TDSI, which represents and warrants that it has irrevocable authority to bind the Underwriters, except in respect of a notice of termination pursuant to Section 13 which notice may be given by any of the Underwriters, any waiver pursuant to Section 13(4), which waiver must be signed by all of the Underwriters, or any consent to a settlement pursuant to Section 14(2) which consent shall be given by the Indemnified Party. TDSI shall consult with the other Underwriters concerning any matter in respect of which it acts as representative of the Underwriters.

23. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

24. Time

Time shall be of the essence of this Agreement.

25. Headings/Schedule

Headings are inserted for convenience of reference only and shall not affect the interpretation of this Agreement. Schedule A forms an integral part of this Agreement.

26. Severability

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Agreement and shall be severable from this Agreement.

27. Funds

All funds referred to in this Agreement shall be in Canadian dollars.

28. Counterparts/Facsimile Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. The transmission by facsimile of a copy of the execution page hereof reflecting the execution of this Agreement by any party hereto shall be effective to evidence that party's intention to be bound by this Agreement and that party's agreement to the terms, provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page.

29. Entire Agreement

This Agreement constitutes the entire agreement between the Company and the Underwriters in connection with the offering of the Shares and supersedes all prior agreements (including the letter agreement dated June 25, 2003 relating to the offering of the Shares), understandings, negotiations and discussions, whether oral or written.

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to TDSI upon which this letter as so accepted shall constitute an agreement among us.

Yours very truly,

TD SECURITIES INC.

By: *"Alan Mayne"*
Name: Alan S. Mayne
Title: Managing Director

RBC DOMINION SECURITIES INC.

By: *"John Grant"*
Name: John D. Grant
Title: Managing Director

BMO NESBITT BURNS INC.

By: *"Ashish Mathur"*
Name: Ashish Mathur
Title: Vice President

CIBC WORLD MARKETS INC.

By: *"Blake Corbet"*
Name: Blake Corbet
Title: Executive Director

NATIONAL BANK FINANCIAL INC.

By: *"James Hardy"*
Name: James R. Hardy
Title: Managing Director

SCOTIA CAPITAL INC.

By: *“Pierre LeFevre”*
Name: Pierre LeFevre
Title: Managing Director

The foregoing offer is accepted and agreed to as of the date first above written.

CHUM LIMITED

By: *“Jay Switzer”*
Name: Jay Switzer
Title: Chief Executive Officer and President

By: *“Taylor Baiden”*
Name: Taylor Baiden
Title: Vice-President, Finance and Secretary and Treasurer

ALLAN WATERS ENTERPRISES LIMITED

By: *“Jim Waters”*
Name: Jim Waters
Title: President

SCHEDULE A

UNITED STATES OFFERS AND SALES

As used in this Schedule A, capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the underwriting agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

(a) "Directed Selling Efforts" means directed selling efforts as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Shares;

(b) "Qualified Institutional Buyer" means a qualified institutional buyer as that term is defined in Rule 144A;

(c) "Regulation D" means Regulation D adopted by the SEC under the 1933 Act;

(d) "Regulation S" means Regulation S adopted by the SEC under the 1933 Act; and

(e) "Substantial U.S. Market Interest" means substantial U.S. market interest as that term is defined in Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule A shall have the meanings assigned to them in the Agreement to which the Schedule A is attached.

Representations, Warranties and Covenants of the Underwriters

Each Underwriter acknowledges that the Shares have not been and will not be registered under the 1933 Act and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the 1933 Act. Accordingly, neither the Underwriter nor any of its affiliates, nor any person acting on their behalf, has made or will make any Directed Selling Efforts in the United States with respect to the Shares.

Each Underwriter represents and agrees to and with the Company and AWEL that:

1. It has not offered and sold, and will not offer and sell, any Shares forming part of its allotment except (a) in an offshore transaction in accordance with Rule 903 of Regulation S or (b) in the United States in accordance with Rule 144A as provided in paragraphs 3 through 8 below.

2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Shares, except with its affiliates, any selling group members or with

the prior written consent of the Company. It shall require each selling group member to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that each selling group member complies with, the same provisions of this Schedule as apply to such Underwriter as if such provisions applied to such selling group member.

3. All offers and sales of Shares in the United States shall be made through the Underwriter's U.S. registered broker-dealer affiliate in compliance with all applicable U.S. broker-dealer requirements. Such broker-dealer affiliate is a Qualified Institutional Buyer.

4. Offers and sales of Shares in the United States shall not be made by any form of general solicitation or general advertising (as those terms are used in Regulation D) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act.

5. Offers to sell and solicitations of offers to buy the Shares shall be made in accordance with Rule 144A only to persons reasonably believed to be Qualified Institutional Buyers.

6. All purchasers of the Shares in the United States shall be informed that the Shares have not been and will not be registered under the 1933 Act and are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the 1933 Act provided by Rule 144A thereunder.

7. Each offeree in the United States has been or shall be provided with a U.S. Private Placement Memorandum including the Canadian Prospectus and all documents incorporated by reference therein, and each purchaser will have received at or prior to the time of purchase of any Shares a U.S. Private Placement Memorandum including the Canadian Prospectus and all documents incorporated by reference therein. The U.S. Private Placement Memorandum shall set forth the following:

"The Shares have not been and will not be registered under the 1933 Act and are being offered and sold within the United States exclusively to persons reasonably believed by the underwriters to be Qualified Institutional Buyers (as defined in rule 144A under the 1933 Act). Each purchaser of Shares is hereby notified that the offer and sale of Shares to it is being made in reliance upon the exemption from the registration requirements of the 1933 Act provided by rule 144A thereunder.

Each U.S. purchaser will, by its purchase of such Shares, be deemed to have represented, warranted and agreed for the benefit of the Company, AWEL, the Underwriters and the U.S. Affiliates as follows:

(i) you are aware that the Shares have not been and will not be registered under the 1933 Act and that the offer and sale of Shares to you are being made in reliance on Rule 144A;

(ii) you are a Qualified Institutional Buyer and are acquiring the Shares for your own account or for the account of a Qualified Institutional Buyer with respect to which you exercise sole investment discretion and not with a view to any resale, distribution or other disposition of the Shares in violation of United States federal or state securities laws;

(iii) you acknowledge that you have not purchased the Shares as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(iv) you understand that if you decide to offer, sell or otherwise transfer any of the Shares, such Shares may be offered, sold or otherwise transferred only, (I) to the Company, (II) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act, or (III) within the United States in accordance with (A) Rule 144A to a person the seller reasonably believes is a Qualified Institutional Buyer that is purchasing for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (B) the exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available;

(v) you understand and acknowledge that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the 1933 Act or applicable state securities laws, certificates representing the Shares, and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE COMPANY IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S AT THE TIME OF SALE, A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM COMPUTERSHARE TRUST COMPANY OF CANADA UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM

SATISFACTORY TO COMPUTERSHARE TRUST COMPANY OF CANADA AND THE COMPANY, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.";

provided, that if Shares are being sold under paragraph (iv)(II) above, and provided that the Company is a "foreign issuer" within the meaning of Regulation S at the time of sale, the legend may be removed by providing a declaration to Computershare Trust Company of Canada as registrar and transfer agent, as set forth in Exhibit A hereto (or as the Company may prescribe from time to time); and provided, further, that, if any such securities are being sold under paragraph (iv)(III)(B) above, the legend may be removed by delivery to Computershare Trust Company of Canada of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws; and

(vi) you consent to the Company making a notation on its records or giving instructions to any transfer agent of the Shares in order to implement the restrictions on transfer set forth and described herein."

The Exhibit A referred in this Section 7 is set forth as Exhibit A to this Schedule.

8. Any offer, sale or solicitation of an offer to buy Shares that has been made or will be made in the United States was or will be made only to Qualified Institutional Buyers in transactions that are exempt from registration under applicable state securities laws.

9. At closing, the lead Underwriter, together with its U.S. affiliate selling Shares in the United States, will provide a certificate, substantially in the form of Exhibit B to this Schedule relating to the manner of the offer and sale of the Shares in the United States.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees that:

1. (a) The Company is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Shares; (b) the Company is not now and as a result of the sale of Shares contemplated hereby will not be, an "investment company" as defined in the United States Investment Company Act of 1940, as amended; (c) none of the Company, any of its affiliates, or any person acting on their behalf has made or will make any Directed Selling Efforts in the United States, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D) in connection with the offer or sale of the Shares in the United States; and (d) the Shares are not, and as of the Closing Time will not be, and no securities of the same class as the Shares are or will be, (i) listed on a national securities exchange in the United States registered under Section 6 of the 1934 Act, (ii) quoted in an "automated inter-dealer quotation system", as such term is used in the 1934 Act, or (iii) convertible or exchangeable at an effective conversion premium

(calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted.

2. For so long as any of the Shares are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act, and if the Company is not subject to and in compliance with the reporting requirements of Section 13 or Section 15(d) of the 1934 Act or exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Company will provide to any holder of such Shares, or to any prospective purchaser of such Shares designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4).

Representation, Warranty and Covenant of AWEL

AWEL represents, warrants, covenants and agrees that neither it nor any of its affiliates, nor any person acting on its behalf has made or will make any Directed Selling Efforts in the United States or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D) with respect to offers or sales of the Offered Shares in the United States.

EXHIBIT A TO SCHEDULE A

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Computershare Trust Company of Canada
as registrar and transfer agent
for Class B Non-Voting Shares of
CHUM Limited
Toronto, Ontario

The undersigned:

- acknowledges that the sale of the securities of CHUM Limited (the "Company") to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "1933 Act"), and

- certifies that:

(i) it is not an affiliate of the Company (as defined in Rule 405 under the 1933 Act);

(ii) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(iii) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities;

(iv) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the 1933 Act);

(v) the seller does not intend to replace the securities sold in reliance on Rule 904 of the 1933 Act with fungible unrestricted securities, and

(vi) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with

Regulation S, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S.

Dated: ____________

By: ___________________________
Name:
Title:

EXHIBIT B TO SCHEDULE A

UNDERWRITERS' CERTIFICATE

In connection with the resale of the Shares of CHUM Limited to Qualified Institutional Buyers pursuant to Rule 144A and pursuant to the terms of the Underwriting Agreement dated June 27, 2003 (the "**Underwriting Agreement**") between the Company, AWEL and the Underwriters, the undersigned do hereby certify as follows:

(A) **[U.S. broker-dealer affiliate]** is a Qualified Institutional Buyer, a duly registered broker or dealer with the United States Shares and Exchange Commission and a member of, and in good standing with, the National Association of Shares Dealers, Inc. on the date hereof;

(B) All offers and sales of Shares in the United States have been effected in accordance with all applicable U.S. broker-dealer requirements;

(C) Each offeree of Shares in the United States was provided a copy of the US Private Placement Memorandum, and no other written material was used in connection with the offer or sale of the Shares in the United States;

(D) Immediately prior to our transmitting the US Private Placement Memorandum to each such offeree, we had reasonable grounds to believe and did believe that such offeree was a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each U.S. purchaser is a Qualified Institutional Buyer;

(E) Each U.S. purchaser of the Shares has been informed that such Shares have not been registered under the 1933 Act or the securities laws of any state and the sale to it of such Shares is being made without registration under the 1933 Act in reliance on Rule 144A;

(F) Neither the Underwriters, the Placement Agent or any of their respective affiliates nor any persons acting on any or all of their behalf have engaged or will engage in any directed selling efforts with respect to the Shares;

(G) no form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act) was used by us in connection with the offer or sale of the Shares in the United States; and

(H) the offering of the Shares in the United States has been conducted by us in accordance with the terms of the Underwriting Agreement.

Terms used in this Certificate have the meanings given to them in the Underwriting Agreement, including Schedule A thereof; certain other terms used in this Certificate have the meanings ascribed thereto by Regulation S.

Dated this ___ day of July, 2003.

[NAME OF UNDERWRITER]	**[NAME OF U.S. BROKER-DEALER AFFILIATE]**
By: ________________________________	By: ________________________________