

ACS MEDIA INCOME FUND

- and -

PENDO ACQUISITION ULC

SHARE PURCHASE AGREEMENT

September 25, 2006

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of this 25th day of September, 2006,

B E T W E E N:

ACS MEDIA INCOME FUND, a trust formed under the laws of the Province of Ontario

(the “**Vendor**”)

- and -

PENDO ACQUISITION ULC, a corporation incorporated under the laws of the Province of Alberta

(the “**Purchaser**”)

RECITALS:

- A. The Vendor wishes to sell all of the Purchased Shares and the Purchased Notes and the Purchaser wishes to purchase such Purchased Shares and Purchased Notes as described in section 2.1 of this Agreement, on and subject to the terms and conditions contained herein (together with the other transactions contemplated hereby, the “**Transaction**”);

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement,

1.1.1 “**Acquisition Proposal**” means any proposal or offer from any Person other than the Purchaser (whether or not in writing and whether or not delivered to the Vendor or its unitholders generally) relating to: (i) any direct or indirect acquisition or purchase of twenty percent or more of the assets of the Vendor, the Corporation or the Subsidiary; (ii) any direct or indirect acquisition, take-over bid, tender offer, exchange offer or similar transaction that, if consummated, would result in any Person owning or controlling twenty percent or more of any class of the share capital, voting securities or other equity interests of the Vendor, the Corporation or the Subsidiary; (iii) any merger, amalgamation, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Vendor, the Corporation or the Subsidiary; (iv) any other transaction the consummation of which would reasonably be expected to impede, interfere with, prevent or materially delay the Transaction; or (v) any public announcement of an intention to do any of the foregoing from any Person other than the Purchaser;

1.1.2 “**ACS Holdings**” means ACS Holdings LLC, a limited liability company existing under the laws of the State of Alaska;

- 1.1.3 **“ACS Common Shares”** means the common shares in the capital of the Corporation;
- 1.1.4 **“ACS Notes”** means all of the issued and outstanding 14% unsecured, subordinated notes of the Corporation issued pursuant to the terms of the Note Indenture;
- 1.1.5 **“Actual Knowledge”** means to the knowledge of Wesley E. Carson, Wayne P. Graham, Vicki L. Pedersen or D. Joseph Towslee after due inquiry of their direct reports and review of such other books, records and other assets of the Vendor, the Corporation and the Subsidiary as they judge, acting reasonably, to be relevant;
- 1.1.6 **“Affiliate”** has the meaning attributed to such term in the Securities Act (Ontario);
- 1.1.7 **“Agreement”** means this agreement as it may be amended or supplemented from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this agreement; and unless otherwise indicated, references to Articles and sections are to Articles and sections in this agreement;
- 1.1.8 **“annuitant”** has the meaning attributed to such term in section 10.7.2;
- 1.1.9 **“Applicable Competition Law”** means the *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended;
- 1.1.10 **“Audited Financial Statements”** means the audited consolidated balance sheets of the Vendor as at December 31, 2005 and December 31, 2004 and the accompanying consolidated statements of operations, unitholders’ equity and cash flows for the years ended December 31, 2005 and 2004 and the 275 day period beginning May 8, 2003 and ended December 31, 2003, including the notes thereto, and the report of the auditors of the Vendor thereon as contained in the Securities Reports;
- 1.1.11 **“Audited Statements Date”** means December 31, 2005;
- 1.1.12 **“Business”** means the business of designing, publishing, marketing, distributing and selling advertising in print, Internet and other directories in Alaska operated by the Subsidiary;
- 1.1.13 **“Business Day”** means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario;
- 1.1.14 **“Canadian Securities Regulatory Authorities”** means the OSC and each other securities commission or similar regulatory authority in each of the provinces and territories of Canada;
- 1.1.15 **“Change in Board Recommendation”** has the meaning attributed to that term in section 5.6.1;
- 1.1.16 **“Charge”** means any security interest, lien, charge, pledge, encumbrance, mortgage, adverse claim or title retention agreement of any nature or kind;
- 1.1.17 **“Circular”** means the notice of the Vendor Meeting and the accompanying management information circular to be sent to the holders of units of the Vendor in connection with the Vendor Meeting, as the same may be amended, supplemented or otherwise modified subject to this Agreement;

- 1.1.18 “**Claim**”, “**Indemnified Party’s Claim**” and “**Third Party Claim**” have the meanings attributed to such terms respectively in section 6.2;
- 1.1.19 “**Closing**” means the completion of the Transaction pursuant to this Agreement at the Time of Closing;
- 1.1.20 “**Closing Date**” has the meaning attributed to that term in section 9.1;
- 1.1.21 “**Code**” means the *U.S. Internal Revenue Code of 1986*, as amended;
- 1.1.22 “**Collective Bargaining Agreement**” means the Master Agreement between the Subsidiary and The International Brotherhood of Electrical Workers effective from May 8, 2003 until May 8, 2010;
- 1.1.23 “**Commitment Letters**” means that certain Equity Commitment Letter from Welsh, Carson, Anderson & Stowe X, L.P., dated as of the date hereof, and that certain Subordinated Debt Commitment Letter from WCAS Capital Partners IV, L.P., dated as of the date hereof;
- 1.1.24 “**Company Plans**” has the meaning attributed to such term in section 3.1.15.1;
- 1.1.25 “**Continuing Employees**” has the meaning attributed to such term in section 5.11.1;
- 1.1.26 “**Corporation**” means ACS Media Canada Inc., a corporation incorporated under the laws of Ontario;
- 1.1.27 “**Declaration of Trust**” has the meaning attributed to that term in section 3.1.1;
- 1.1.28 “**Disclosure Letter**” means the letter dated the date of this Agreement from the Vendor to the Purchaser in respect of the representations and warranties related to the Vendor, the Corporation and the Subsidiary;
- 1.1.29 “**Environmental Laws**” means all Laws relating to the protection of the natural environment;
- 1.1.30 “**ERISA**” means the *Employee Retirement Income Security Act of 1974*, as the same may be amended from time to time;
- 1.1.31 “**Exchange Agreement**” means the exchange agreement dated May 8, 2003 by and among the Vendor, the Corporation, ACS Holdings and the Subsidiary and such other Persons who from time to time execute the exchange agreement or are deemed to be parties thereto;
- 1.1.32 “**Excluded Software**” means any standard “shrink wrap” agreements, “click wrap” agreements or other agreements for commercially available, off-the-shelf software applications where the license fee for such commercially available software is less than \$50,000;
- 1.1.33 “**Fairness Opinion**” means the written opinion of Genuity, stating, to the effect that, as of the date thereof, and subject to the various assumptions and qualifications set forth therein, the consideration to be received under the Transaction is fair from a financial point of view to the unitholders of the Vendor;
- 1.1.34 “**Genuity**” means Genuity Capital Markets, the financial advisor to the Vendor;

1.1.35 **“Governmental Charges”** means all taxes, levies, imposts, assessments, reassessments and other charges together with all related penalties, interest and fines, due and payable to any domestic or foreign Governmental Entity (federal, provincial, municipal or otherwise) or to any regulatory authority, agency, commission or board of any domestic or foreign government, or imposed by any court or any other law, regulation or rulemaking entity having jurisdiction in relevant circumstances including, without limitation, unclaimed property, gross sales, value added, customs duty, income, estimated income, business, occupation, franchise, real property, payroll, personal property, sales, transfer, stamp, use, employment, commercial rent or withholding, occupancy, premium, gross receipts, profits, windfall profits, deemed profits, license, lease, severance, capital, production, corporation, ad valorem, excise, duty or other taxes;

1.1.36 **“Governmental Entity”** means any: (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii) any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or (iv) any arbitrator exercising jurisdiction over the affairs of the applicable Person, asset, obligation or other matter;

1.1.37 **“Immediate Termination Fee Event”** has the meaning attributed to that term in section 8.1.3;

1.1.38 **“Indebtedness”** means at a particular time, without duplication: (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money; (ii) any indebtedness evidenced by any note, bond, debenture or other debt security; (iii) any indebtedness guaranteed in any manner by a Person; (iv) any obligations under capitalized leases; and (v) obligations in respect of interest rate and currency obligations, swaps, options, hedges, or similar arrangements, including, without limitation any such arrangements entered into pursuant to an International Securities Dealers Association Master Agreement, in each case, with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, including, with respect to any indebtedness for which prepayment is permitted, any pre-payment penalties and costs associated with the pre-payment of any such indebtedness;

1.1.39 **“Intellectual Property”** means all domestic and foreign intellectual property rights, including but not limited to all: (i) inventions (whether or not patentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures; (ii) trademarks, trade names, domain names, trade dress, logos, corporate names, brand names, service marks, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (iii) copyrightable works, copyrights and website content, and all registrations, applications and renewals in connection therewith; (iv) source code and object code versions of computer software (including data and related documentation); (v) trade secrets and confidential business information (including ideas, know-how, formulas, compositions, processes and techniques, technical data, designs, drawings, specifications, research data, financial, marketing and business data, pricing and cost information, business and marketing plans and proposals and customer and supplier lists and information); and (vi) copies and tangible embodiments thereof (in whatever form or medium);

1.1.40 **“labour representatives”** has the meaning attributed to such term in section 3.1.16.4;

1.1.41 **“Laws”** means any and all laws, including all federal, state, provincial and local statutes, codes, ordinances, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards or other requirements of any other Governmental Entity, binding on or affecting the Person referred to in the context in which the term was used;

1.1.42 **“Litigation”** means an action, suit, claim, proceeding or investigation, at law or in equity, before any Governmental Entity, by any Person;

1.1.43 **“Material Adverse Change”** or **“Material Adverse Effect”**, with respect to the Corporation, the Subsidiary or the Business, means any change or effect on the Corporation, the Subsidiary or the Business, as the case may be, that is or is reasonably likely to be materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation, the Subsidiary or the Business, as the case may be, after giving effect to this Agreement and the Transaction, in each case taken as a whole, other than as a result of: (i) changes adversely affecting the United States or Canadian economy (so long as the Corporation and the Subsidiary, taken as a whole, or the Business is not disproportionately affected thereby); (ii) changes in foreign exchange (Canadian dollar relative to the U.S. dollar) or interest rates; (iii) changes adversely affecting the industry in which the Subsidiary operates (so long as the Subsidiary or the Business, taken as a whole, is not disproportionately affected thereby); (iv) the announcement or pendency of the transactions contemplated by this Agreement; (v) changes in generally accepted accounting principles in Canada or the United States; or (vi) acts of war or terrorism (so long as the Subsidiary or the Business, taken as a whole, is not disproportionately affected thereby);

1.1.44 **“Material Agreements”** means each contract, agreement, binding commitment or obligation (including all licenses and all leases of real property) to which the Vendor, the Corporation or the Subsidiary are parties: (i) that has a term equal to or in excess of three (3) years or involving expenditures by or payments to the Vendor, the Corporation or the Subsidiary aggregating in excess of \$250,000 per year; (ii) whose termination (other than those terminating by passage of time) would reasonably be expected to have a Material Adverse Effect; (iii) creating a partnership, limited liability company or joint venture; (iv) expressly limiting or restricting the ability of the Corporation or the Subsidiary to compete in, or otherwise to conduct, the Business in any material manner or place or which grants the Corporation or the Subsidiary exclusive rights relating to any product or service related to the Business in any geographic area; (v) involving the purchase or sale of any business, corporation, partnership, joint venture, association or other business organization or any division, operating unit or product line thereof or any other material assets other than in the Ordinary Course; (vi) (A) creating, incurring, assuming or guaranteeing any Indebtedness (other than pursuant to lease obligations) or (B) granting a Charge on any of the Corporation's or the Subsidiary's assets, whether tangible or intangible, to secure such Indebtedness, (vii) which is required to be filed with any Canadian Securities Regulatory Authorities or the TSX, (viii) relating to the development, ownership, licensing or use of any material Intellectual Property, other than Excluded Software; or (ix) (A) with Alaska Communications Systems Group, Inc. or any of its Affiliates or (B) with L.M. Berry and Company;

1.1.45 **“Met Life Notes”** means the 6.37% Senior Secured Notes of the Subsidiary due May 8, 2008 in the aggregate amount of US\$35,000,000 issued pursuant to that certain note purchase agreement entered into by the Subsidiary and Metropolitan Life Insurance Company dated as of April 29, 2003;

1.1.46 **“Met Life Revolving Loan Agreement”** means the revolving loan agreement dated as of April 29, 2003 among the Subsidiary, the guarantors from time to time party thereto, the lenders from time to time party thereto and Metropolitan Life Insurance Company, as administrative agent;

1.1.47 **“Met Life Repayment Amount”** means all amounts due and owing by the Subsidiary on the Closing Date under the Met Life Notes and pursuant to the Met Life Revolving Loan Agreement, if any, including in each case any make whole payments and any accrued and unpaid interest as set forth in the Payoff Letter;

1.1.48 **“Multiemployer Plan”** has the meaning attributed to such term in section 3.1.16.3;

1.1.49 **“Note Indenture”** means the note indenture between the Corporation and CIBC Mellon Trust Company dated May 8, 2003 governing the ACS Notes;

1.1.50 **“Ordinary Course”** means, with respect to an action taken by a Person, that such action: (i) is consistent in all material respect with past practices of the Person; or (ii) is taken in the ordinary course of the normal day-to-day operations of the Person;

1.1.51 **“Organizational Documents”** has the meaning attributed to such term in section 3.1.1;

1.1.52 **“OSC”** means the Ontario Securities Commission;

1.1.53 **“Outside Date”** has the meaning attributed to such term in section 7.1.2;

1.1.54 **“Payoff Letter”** has the meaning attributed to such term in section 5.9.3;

1.1.55 **“Person”** means 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 or agency, government or governmental agency, authority or entity however designated or constituted;

1.1.56 **“Purchase Price”** has the meaning attributed to such term in section 2.1;

1.1.57 **“Purchased Shares”** has the meaning attributed to such term in section 2.1;

1.1.58 **“Purchased Notes”** means all of the issued and outstanding ACS Notes and the Vendor Intercompany Debt;

1.1.59 **“Purchaser Expenses”** means all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, financing sources, experts and consultants to Purchaser and its Affiliates) incurred by Purchaser or on its behalf up to a maximum of \$1,500,000, including the authorization, preparation, negotiation, execution and performance of this Agreement, the Commitment Letters, and the other transactions contemplated hereby and thereby (including the third party debt financing), and all other matters related to the closing of the Transaction;

1.1.60 **“Purchaser’s Counsel”** means the firms of Latham & Watkins LLP, McCarthy Tétrault LLP or such other counsel as the Purchaser may appoint with respect to this Agreement and the matters contemplated hereby;

1.1.61 “**Scheduled Intellectual Property**” has the meaning attributed to that term in section 3.1.25.1;

1.1.62 “**Securities Act (Ontario)**” shall mean the *Securities Act* (Ontario), as now in effect and as it may be amended;

1.1.63 “**Securities Laws**” shall mean the Securities Act (Ontario) and the equivalent legislation in each of the other provinces and territories of Canada, the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder, and the requirements and policies of the TSX, all as now enacted or adopted or as the same may from time to time be amended, and the applicable rules, regulations and policies promulgated thereunder;

1.1.64 “**Securities Reports**” means all forms, reports and documents, including annual information forms, management’s discussion and analysis, financial statements, material change reports, management proxy circulars, press releases and all such other documents required to be filed or filed by or on behalf of the Vendor, the Corporation and/or the Subsidiary pursuant to applicable Securities Laws and publicly available on SEDAR;

1.1.65 “**Securityholders Agreement**” means the securityholders agreement dated May 8, 2003 by and among the Corporation, ACS Holdings and the Subsidiary;

1.1.66 “**SEDAR**” has the meaning attributed to such term in National Instrument 13-101 - *System for Electronic Document Analysis and Retrieval (SEDAR)*;

1.1.67 “**subsidiaries**” has the meaning attributed to such term in the *Business Corporations Act* (Ontario) as the same may be amended from time to time and any successor legislation thereto;

1.1.68 “**Subsidiary**” means ACS Media LLC, a limited liability company organized under the laws of the State of Alaska;

1.1.69 “**Subsidiary Intercompany Debt**” means the aggregate amount of Indebtedness owed by the Corporation to the Subsidiary (including any accrued interest thereon);

1.1.70 “**Superior Proposal**” means an unsolicited *bona fide* written Acquisition Proposal that relates to the acquisition of: (i) more than fifty percent of the outstanding voting securities of the Vendor, the Corporation or the Subsidiary; or (ii) all or substantially all of the assets of the Vendor, the Corporation and the Subsidiary, taken as a whole, that the board of trustees of the Vendor has determined in good faith, after consultation with a financial advisor of nationally recognized reputation in the United States or Canada and outside legal advisors, would, if consummated in accordance with its terms, result in a transaction which (A) is more favourable to the unitholders of the Vendor (in their capacity as unitholders) than the Transaction (including any amendment to the terms and conditions of this Agreement) and (B) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal;

1.1.71 “**Tax Return**” means all tax returns, reports and similar statements (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to any Governmental Entity relating to Governmental Charges;

1.1.72 **“Terminating Purchaser Breach”** has the meaning attributed to such term in section 7.1.4.1;

1.1.73 **“Terminating Vendor Breach”** has the meaning attributed to such term in section 7.1.3.1;

1.1.74 **“Termination Date”** has the meaning attributed to that term in section 7.1;

1.1.75 **“Termination Fee”** means a fee equal to \$6,600,000;

1.1.76 **“Third Party”** has the meaning attributed to such term in section 6.4.4;

1.1.77 **“Time of Closing”** means 10:00 a.m., Toronto time, on the Closing Date or such other time on the Closing Date as may be agreed upon in writing by the parties;

1.1.78 **“Transaction”** has the meaning attributed to such term in the recitals to this Agreement;

1.1.79 **“Transaction Funding Amount”** has the meaning attributed to that term in section 5.9;

1.1.80 **“TSX”** means the Toronto Stock Exchange;

1.1.81 **“Unaudited Financial Statements”** means the consolidated balance sheet of the Vendor as at June 30, 2006 and the accompanying consolidated statements of operations, unitholders’ equity and cash flows, including the notes thereto, for the 6 months then ended as contained in the Securities Reports;

1.1.82 **“Unitholder Approval”** has the meaning attributed to that term in section 3.1.32.2;

1.1.83 **“Vendor’s Counsel”** means the firm of Torys LLP or such other counsel as the Vendor may appoint with respect to this Agreement and the matters contemplated hereby;

1.1.84 **“Vendor Dividend Amount”** has the meaning attributed to that term in section 5.2.4;

1.1.85 **“Vendor Meeting”** means the special meeting of the holders of units of the Vendor, including any adjournment or postponement thereof, to be called and held to consider the Transaction; and

1.1.86 **“Vendor Intercompany Debt”** means the aggregate amount of Indebtedness (other than the ACS Notes) owed by the Corporation to the Vendor (including any accrued interest thereon).

1.2 **Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.3 **Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders or the neuter, and words importing the neuter include all genders.

1.4 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian currency.

1.5 Generally Accepted Accounting Principles

In this Agreement, except to the extent otherwise expressly provided, references to “generally accepted accounting principles” mean, for all principles stated in the Handbook of the Canadian Institute of Chartered Accountants, such principles so stated.

1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties waive any provision of Law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.7 Entire Agreement

This Agreement, the Disclosure Letter and the Confidentiality Agreement constitute the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement, the Disclosure Letter and the Confidentiality Agreement. Except in respect of the matters contemplated by the terms of the Confidentiality Agreement, no reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement thereto, by any party to this Agreement or its directors, trustees, officers, employees or agents, to any other party to this Agreement or its directors, trustees, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement or the Disclosure Letter, and none of the parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

1.8 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.9 Governing Law; Jurisdiction

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein. The parties to this Agreement hereby

irrevocably and unconditionally consent to and submit to the jurisdiction of the courts of the Province of Ontario, Canada for any action, suit or proceeding arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any such action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document in accordance with section 10.5 shall be effective service of process for any action, suit or proceeding brought in such court. The parties to this Agreement hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario, Canada and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase and Sell and Purchase Price

Subject to the terms of this Agreement, at the Closing the Vendor shall sell and the Purchaser shall purchase all of the issued and outstanding ACS Common Shares (other than the ACS Common Shares issued to the Purchaser pursuant to section 5.9.1) (the “**Purchased Shares**”) and all of the Purchased Notes, in each case, free and clear of all Charges, for an aggregate price of One Hundred Eighty Eight Million Dollars (\$188,000,000) (the “**Purchase Price**”). The parties agree that the Purchase Price will be allocated such that an amount equal to: (i) the aggregate amount outstanding under the ACS Notes (including any interest thereon) will be allocated to the ACS Notes; (ii) the aggregate amount outstanding under the Vendor Intercompany Debt (including any interest thereon) will be allocated to the Vendor Intercompany Debt; and (iii) the balance of the Purchase Price will be allocated to the Purchased Shares.

2.2 Payment of Purchase Price and Delivery of Share Certificates and Purchased Notes

Subject to the terms and conditions of this Agreement, the Purchase Price shall be paid in full at the Closing by the Purchaser by electronic transfer of funds to the Vendor in the amount of the Purchase Price against delivery by the Vendor of share certificates representing the Purchased Shares duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank, notes representing the ACS Notes (and evidence of the entry of Purchaser’s name and address into the Register (as defined in the Note Indenture) with respect to the ACS Notes) and evidence reasonably satisfactory to the Purchaser of the satisfaction and discharge of all of the Vendor Intercompany Debt.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 By the Vendor

Contemporaneously with the execution and delivery of this Agreement, the Vendor is delivering to the Purchaser the Disclosure Letter required to be delivered pursuant to this Agreement, which is deemed to constitute an integral part of this Agreement and to modify the representations and warranties of the Vendor contained in this Agreement in the manner described in the following sentence. For greater clarity, each reference in a section of this Agreement to the Disclosure Letter should be deemed to refer to the corresponding schedule of the Disclosure Letter and any disclosure in a schedule of the Disclosure Letter that is disclosed in such a way as to make its relevance or applicability to information called for by another schedule of the Disclosure Letter reasonably apparent shall be deemed to be disclosed with respect to such other schedule whether or not the particular disclosure references a

particular representation or warranty or schedule. The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares and the Purchased Notes:

3.1.1 Formation and Status of the Vendor. The Vendor has been properly established and settled and is validly existing under the laws of the Province of Ontario. The Vendor has made available to Purchaser a complete and correct copy of: (i) the declaration of trust establishing the Vendor, as amended to date (the “**Declaration of Trust**”); (ii) the articles of incorporation and by-laws of the Corporation and (iii) the limited liability company agreement of the Subsidiary (collectively, the “**Organizational Documents**”). Each of the Organizational Documents is in full force and effect. Except as set out in the Disclosure Letter, since its settlement, the only assets owned by the Vendor have been the Purchased Shares and the Purchased Notes.

3.1.2 Power of the Vendor and Due Authorization. The Vendor has the power and capacity to enter into, and to perform its obligations under, this Agreement. Each of this Agreement and the agreements, contracts and instruments required by this Agreement to be delivered by the Vendor at the Closing has been duly authorized by the Vendor. This Agreement has been duly executed and delivered by the Vendor and is a valid and binding obligation of the Vendor, enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy, insolvency and similar Laws and the availability of equitable remedies.

3.1.3 Incorporation and Status of the Corporation. The Corporation is duly incorporated and validly existing under the Laws of the Province of Ontario. The Corporation is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification, except to the extent that any failure to be so qualified, either individually or in the aggregate, would not have a Material Adverse Effect. Except as set forth in the Disclosure Letter, the Corporation has been a holding company since its incorporation, and since such incorporation the only assets that it has owned are the membership interests of the Subsidiary.

3.1.4 Formation and Status of the Subsidiary. The Subsidiary is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Alaska. The Subsidiary is duly qualified to carry on the Business in each jurisdiction in which the conduct of the Business or the ownership, leasing or operation of the Subsidiary’s property and assets, requires such qualification, except to the extent that any failure to be so qualified, either individually or in the aggregate, would not have a Material Adverse Effect. Except as set forth in the Disclosure Letter, no Person who held direct or indirect ownership of the membership interests of the Subsidiary prior to the purchase by the Corporation of the membership interests in the Subsidiary, holds or has held a direct or indirect interest in the Corporation that was received in exchange for, or by reason of, such Person’s prior direct or indirect ownership of membership interests of the Subsidiary.

3.1.5 Power of the Corporation and the Subsidiary. Each of the Corporation and the Subsidiary has the power, capacity and authority to own or lease its assets and to carry on its business as the same is presently conducted.

3.1.6 Capital of the Corporation and the Subsidiary. The Disclosure Letter sets out particulars of all of the authorized and issued capital of the Corporation and the Subsidiary and the names of the Persons who are the registered owners of such securities or membership interests. All the securities and membership interests indicated in the Disclosure Letter as being issued and outstanding have been validly issued and are outstanding as fully paid and non-assessable securities

and membership interests of the Corporation or the Subsidiary, as applicable. Other than this Agreement, the Declaration of Trust, the Securityholders Agreement and the Exchange Agreement, there are no shareholders agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the securities or equity interests of the Vendor, the Corporation or the Subsidiary or the voting of the securities or equity interests of the Vendor, the Corporation or the Subsidiary. The Corporation has good and marketable title, free of all Charges, to the membership interests of the Subsidiary which are owned by the Corporation as set out in the Disclosure Letter. Except as set forth in the Disclosure Letter, there are no preemptive rights in respect of any voting or other equity securities or equity interests of the Corporation or the Subsidiary.

3.1.7 Subsidiaries. The Subsidiary is the only subsidiary of the Corporation. Neither the Corporation nor the Subsidiary beneficially owns directly or indirectly any capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any Person except for the membership interests of the Subsidiary owned by the Corporation. The Subsidiary has no subsidiaries.

3.1.8 No Obligations to Issue Securities. Except as set forth in this Agreement, the Exchange Agreement or the Securityholders Agreement there are no agreements, options, warrants, rights of conversion or other rights pursuant to which the Corporation or the Subsidiary is, or may become obligated to, issue any securities or other equity interests or any securities convertible or exchangeable, directly or indirectly, into any shares or membership interests or other equity interests of the Corporation or the Subsidiary, as the case may be. Except as set forth in the Disclosure Letter, and except as contemplated hereby, there are no outstanding contracts, agreements, arrangements or other commitments of any of the Vendor, the Corporation or the Subsidiary to repurchase, redeem or otherwise acquire, or requiring the registration for sale of, any equity security or equity interest of the Corporation or the Subsidiary, as the case may be.

3.1.9 Title to, and Right to Sell, the Purchased Shares and the Purchased Notes. Except as set forth in the Disclosure Letter, the Vendor is the sole registered and beneficial owner of the Purchased Shares and the Purchased Notes with good and marketable title thereto, free of all Charges. Except as set forth in the Disclosure Letter, there are no agreements or restrictions which in any way limit or restrict the transfer to the Purchaser of any of the Purchased Shares (other than share transfer restrictions contained in the Corporation's articles of incorporation) or the Purchased Notes and there are no shareholders agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of the Purchased Shares or any of them other than as set out in the Disclosure Letter. At or prior to the Time of Closing, such agreements and restrictions with respect to the Purchased Shares will have been complied with or terminated and at the Time of Closing the Vendor will have full legal right, power and authority to sell the Purchased Shares to the Purchaser free of all Charges.

3.1.10 No Contravention. Except as set out in the Disclosure Letter, none of the entering into of this Agreement, the sale of the Purchased Shares or the Purchased Notes or the performance by the Vendor of any of its other obligations under this Agreement or the consummation of the Transaction will: (i) contravene, breach or result in any default under (whether upon lapse of time and/or the occurrence of any act or event or otherwise), or require the consent of any other Person under, or give any party thereto the right to terminate, materially modify or amend (A) the Organizational Documents or (B) any mortgage, lease, agreement, other legally binding instrument, licence or permit to which any of them is a party or by which the Vendor, the Corporation or the Subsidiary may be bound; (ii) violate any statute, regulation, order, judgment, decree or Law to which any of them is a party or by which any of them may be bound; or (iii) result in the

imposition of any Charge against any assets or properties of any of them, except in the case of the foregoing clauses (i)(B), (ii) and (iii) for any such contraventions, breaches, violations and defaults which would not, either individually or in the aggregate, have a Material Adverse Effect.

3.1.11 Approvals and Consents. Except in respect of such notifications, consents or approvals required under Applicable Competition Law and except as set out in the Disclosure Letter, no authorization, consent, approval, license, permit, or order of, or filing with or notice to, any Governmental Entity or other Person is required in connection with the execution, delivery or performance of this Agreement by the Vendor, the consummation of the Transaction or the sale of any of the Purchased Shares or the Purchased Notes hereunder except those that the failure of which to obtain or complete would not, either individually or in the aggregate, have a Material Adverse Effect.

3.1.12 Financial Statements. The Audited Financial Statements and the Unaudited Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods indicated and fairly, completely and accurately present the consolidated financial position of the Vendor and the consolidated results of its operations as of the dates and throughout the periods indicated (subject to usual year-end adjustments in the case of the Unaudited Financial Statements).

3.1.13 Conduct of Business in Ordinary Course. Except as set forth in the Securities Reports (excluding any risk factor disclosure contained in such Securities Reports under the headings "Risk Factors," "Risks and Uncertainties", "Commitments and Contingencies" or "Forward Looking Statements" to the extent any such disclosure is predictive or forward looking in nature) or in the Disclosure Letter, since the Audited Statements Date, the Business has been carried on in the Ordinary Course and none of the Vendor, the Corporation or the Subsidiary has taken or failed to take any action during such period that would violate the terms of the last sentence of section 5.2.4 or section 5.3 if such action were to occur (or fail to occur) between the date hereof and the Closing Date.

3.1.14 Material Agreements. The Disclosure Letter sets forth all of the Material Agreements. True and complete copies of the Material Agreements, including all substantive amendments, waivers and modifications thereto have been made available to the Purchaser. Each Material Agreement is a valid and binding obligation of the Vendor, the Corporation and/or the Subsidiary, as applicable, is in full force and effect and is enforceable against the Vendor, the Corporation and/or the Subsidiary, as applicable, and, to the Actual Knowledge of the Vendor, the other parties thereto, in each case, in accordance with its terms, except: (i) that such enforcement may be subject to applicable bankruptcy, insolvency or other similar Laws, now or hereafter in effect, affecting creditors' rights generally; (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought; and (iii) as would not, either individually or in the aggregate, have a Material Adverse Effect. Each of the Vendor, the Corporation and the Subsidiary, as applicable, (A) has performed any accrued obligations thereunder, (B) is not nor, to the Actual Knowledge of the Vendor, is any other party thereto, in default of the terms of any such Material Agreement in any material respect or has any intention of breaching or defaulting under such Material Agreement, nor to the Actual Knowledge of Vendor has any event occurred which would result in a default of the terms of any such Material Agreement in any material respect (with or without notice or lapse of time or both) and (C) has not received written notice alleging a material default under a Material Agreement (that has not been cured or waived). The Disclosure Letter sets forth to the Actual Knowledge of the Vendor, a current good faith estimate of all of the aggregate fees and expenses incurred (and to be incurred)

by the Vendor in connection with the negotiation and settlement of this Agreement and the completion of the Transaction and the subsequent wind-up of the Vendor, including, without limitation, the fees and expenses of the Vendor's legal advisers, accountants and other professional advisers.

3.1.15 Employee Arrangements.

3.1.15.1 The Disclosure Letter lists, as of the date of this Agreement, all stock option plans, equity-based incentive plans, employment and severance agreements, collective bargaining agreements, pension, profit sharing and retirement plans, deferred compensation plans and all bonus and other employee benefit or fringe benefit plans, including, without limitation, "employee benefit plans" as such term is defined under section 3(3) of ERISA, maintained or with respect to which contributions are made by the Corporation or the Subsidiary or with respect to which the Corporation or the Subsidiary has any material liability(collectively, the "**Company Plans**").

3.1.15.2 (i) Each Company Plan which is intended to be qualified under section 401(a) of the Code has received a favourable determination letter from the Internal Revenue Service that it is so qualified, and nothing has occurred since the date of such letter that could reasonably be expected to affect the qualified status of such Company Plan; (ii) each Company Plan has been operated in all material respects in accordance with its terms and the requirements of applicable Law; and (iii) neither the Corporation nor the Subsidiary has incurred a direct or indirect liability under, arising out of or by operation of Title IV of ERISA in connection with the termination of, or withdrawal from, any of its Company Plans or other retirement plan or arrangement (including, without limitation, any "employee pension benefit plan" as defined in section 3(2) of ERISA that the Corporation or the Subsidiary, or any other entity that together with either is treated as a single employer under section 414 of the Code, maintains or has ever maintained or to which it contributes, has ever contributed, or has ever been required to contribute), and, to the Actual Knowledge of the Vendor, no fact or event exists that could reasonably be expected to give rise to any such liability.

3.1.15.3 Except as disclosed in the Disclosure Letter, no Company Plan is a "defined benefit plan" (within the meaning of section 3(35) of ERISA) or is a "multiemployer plan" (within the meaning of section 3(37) of ERISA) ("**Multiemployer Plan**") or is subject to Title IV of ERISA.

3.1.15.4 Except as disclosed in the Disclosure Letter, neither the Corporation nor the Subsidiary has any obligation to provide health or other welfare benefits to former, retired or terminated employees, except as specifically required under section 4980B of the Code or section 601 of ERISA.

3.1.15.5 (i) Neither the Corporation nor the Subsidiary has (A) at any time, withdrawn from a Multiemployer Plan in a "complete withdrawal" or a "partial withdrawal" as defined in sections 4203 and 4205 of ERISA, respectively, so as to result in a liability, contingent or otherwise (including without limitation the obligations pursuant to an agreement entered into in accordance with section 4204 of ERISA), of the Corporation or the Subsidiary or (B) engaged in, or is a successor or parent corporation to an entity that has engaged in, a transaction described in section 4212(c) of ERISA; (ii) all contributions required to be made by the Corporation or the Subsidiary to each Multiemployer Plan have been made when due; and (iii) to the Actual Knowledge of the Vendor, with respect

to each Multiemployer Plan (A) no such Multiemployer Plan has been terminated or has been in reorganization under ERISA so as to result, directly or indirectly, in any material liability, contingent or otherwise, of the Corporation or the Subsidiary under Title IV of ERISA, (B) no proceeding has been initiated by any person (including the Pension Benefit Guaranty Corporation) to terminate any Multiemployer Plan and (C) the Corporation and the Subsidiary have no reason to believe that any Multiemployer Plan will be terminated or will be reorganized under ERISA.

3.1.15.6 Neither the Corporation nor the Subsidiary maintains any Company Plan that is not subject to the laws of the United States or a political subdivision thereof.

3.1.15.7 There have been no prohibited transactions (within the meaning of section 4975(c) of the Code or section 406 of ERISA) with respect to any Company Plan for which there is no exemption and with respect to which either of the Corporation or the Subsidiary incurred any liability except as would not individually or in the aggregate have a Material Adverse Effect. No fiduciary (within the meaning of section 3(21) of ERISA) has any liability for breach of fiduciary duty or for any other failure to act or comply in connection with the administration or investment of the assets of any such Company Plan except as would not individually or in the aggregate have a Material Adverse Effect. There have been no acts or omissions by any person with respect to any Company Plan that have given rise to, or could reasonably be expected to give rise, to any liability under section 502 of ERISA except as would not individually or in the aggregate have a Material Adverse Effect.

3.1.15.8 Except as set forth in the Disclosure Letter, no person or entity has an employment, severance, consulting or independent contractor agreement with the Corporation or the Subsidiary. The Corporation and the Subsidiary do not have any liability, whether absolute or contingent, including any obligations under the Company Plans, with respect to any misclassification of a person performing services for the Corporation or the Subsidiary as an independent contractor rather than as an employee (or with respect to any misclassification of any person performing services for the Corporation or the Subsidiary as an employee of another entity rather than as an employee of the Corporation or the Subsidiary), except as would not, individually or in the aggregate, have a Material Adverse Effect.

3.1.15.9 As of the Closing Date, the Corporation and the Subsidiary shall have paid all compensation and made all contributions required to be made by them up to and including the Closing Date with respect to the Company Plans (except to the extent adequate accruals therefor have been provided for and reflected on the Unaudited Financial Statements). No Company Plan provides to any "service provider" (within the meaning of section 409A of the Code and proposed regulations and other guidance thereunder) any compensation, benefits or payments which could subject such service provider to gross income inclusion or tax pursuant to section 409A(a)(1) of the Code.

3.1.16 Labour Matters. Except as set out in the Disclosure Letter:

3.1.16.1 neither of the Corporation nor the Subsidiary are a party to or bound by any oral or written contract or commitment for the employment or retainer of any individual, including, for greater certainty, any contract or commitment with directors, officers, employees, independent contractors or agents, other than for contracts of indefinite hire

terminable by the Corporation or the Subsidiary, as applicable, without cause on reasonable notice;

3.1.16.2 neither of the Corporation nor the Subsidiary are a party to or bound by any oral or written contract or commitment providing for bonus, severance, termination of employment, retirement or similar payments, or any accelerated or enhanced payment or benefit, including on a change of control of the Corporation or the Subsidiary;

3.1.16.3 no amount that could be received (whether in cash or property or the vesting of property) as a result of any transaction contemplated hereby by any employee, officer or director of the Corporation or the Subsidiary who is a "disqualified individual" (as such term is defined in proposed Treasury Regulation section 1.280G-1) under any employment, severance or termination agreement, other compensation arrangement or Company Plan could: (i) be characterized as an "excess parachute payment" (as defined in section 280G(b)(1) of the Code); or (ii) not be deductible under section 162(a)(1) or 404 of the Code;

3.1.16.4 neither of the Corporation nor the Subsidiary are a party to or bound by any contract with or commitment to any trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent (collectively called "**labour representatives**") and neither the Corporation nor the Subsidiary have conducted negotiations with respect to any such future contracts or commitments;

3.1.16.5 there is no strike, work stoppage or unfair labor practice pending or, to the Actual Knowledge of the Vendor, threatened against the Corporation or the Subsidiary;

3.1.16.6 no labour representatives hold bargaining rights with respect to any employees of the Subsidiary; and

3.1.16.7 the Corporation and the Subsidiary are in compliance with all applicable Laws regarding employment practices, employee documentation and terms and conditions of employment, except as would not, individually or in the aggregate, have a Material Adverse Effect.

3.1.17 **Liabilities and Guarantees.** Neither the Vendor, the Corporation nor the Subsidiary has any outstanding liabilities, contingent or otherwise, and neither the Vendor, the Corporation nor the Subsidiary is a party to or bound by any agreement of guarantee, support, indemnification, assumption, or endorsement of, or any other similar commitment with respect to, the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, other than:

3.1.17.1 those described in the Securities Reports (excluding any risk factor disclosure contained in such Securities Reports under the headings "Risk Factors," "Risks and Uncertainties", "Commitments and Contingencies" or "Forward Looking Statements" to the extent any such disclosure is predictive or forward looking in nature);

3.1.17.2 liabilities in respect of trade or business obligations incurred after the Audited Statements Date in the Ordinary Course, none of which has been materially adverse to the nature, results of operations, assets or financial condition of, or manner of conducting, the Business; and

3.1.17.3 those set out in the Disclosure Letter.

3.1.18 **Indebtedness.** Except as set out in the Securities Reports or the Disclosure Letter, neither the Vendor, the Corporation nor the Subsidiary has outstanding any Indebtedness and neither the Vendor, the Corporation nor any Subsidiary has agreed to create or issue any Indebtedness. The Disclosure Letter sets forth, as of August 31, 2006, the aggregate amount of outstanding Indebtedness of the Vendor, the Corporation and the Subsidiary.

3.1.19 **Insurance.** All physical assets of the Subsidiary are covered by fire and other insurance with responsible insurers against such risks and in such amounts as are reasonable for prudent owners of comparable assets. The Disclosure Letter sets forth a list of insurance policies maintained by the Subsidiary.

3.1.20 **Corporate Records.** The corporate minute books of the Corporation and the Subsidiary contain minutes of all meetings and resolutions of the directors and securityholders held, except for those minutes which are not yet finalized. The Vendor has made available to the Purchaser and the Purchaser's Counsel complete and correct copies of the minutes (or in the case of minutes that have not been finalized, drafts thereof) of all such meetings.

3.1.21 **Books of Account; Internal Controls.** The books and records of the Corporation and the Subsidiary fairly present and disclose the respective financial positions of the Corporation and the Subsidiaries as at the relevant dates and all material financial transactions of the Corporation and the Subsidiaries have been accurately recorded in such books and records. The Vendor and the Corporation have each designed and implemented such internal controls over financial reporting so as to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

3.1.22 **Title to Assets.** The Subsidiary has good and marketable title, free of all Charges, to, or a valid, enforceable right to use, all the assets, properties and rights of any kind, tangible or intangible, used in connection with the Business, except as set forth in the Disclosure Letter and except for Charges that individually or in the aggregate with all others would not cause a Material Adverse Effect. The Subsidiary does not own or have any interest (other than leasehold interests) in any real property.

3.1.23 **Tax, etc. Matters.** Each of the Corporation and the Subsidiary has timely filed all Tax Returns that were required to be filed and all such Tax Returns are correct and complete in all material respects. Each of the Corporation and the Subsidiary has timely paid or caused to be timely paid all material Governmental Charges due and payable. There are no audits, examinations or proceedings either in progress, pending or to the Actual Knowledge of the Vendor, threatened in connection with any Governmental Charges in respect of the Corporation or the Subsidiary. The Corporation has not been a United States real property holding corporation within the meaning of section 897(c)(2) of the Code during the applicable period specified in section 897(c)(1)(A)(ii) of the Code. Neither the Corporation nor the Subsidiary has waived or requested a waiver of any statute of limitations in respect of Governmental Charges or agreed to or requested any extension of time with respect to an assessment or deficiency which extension is still in effect. As of June 30, 2006, the material unpaid Governmental Charges of the Corporation and the Subsidiary did not exceed the reserve for such liability (excluding any reserve for deferred Governmental Charges established to reflect timing differences between book and tax income) set forth or included in the Unaudited Financial Statements. Since June 30, 2006, the Corporation and the Subsidiary have not incurred any liability for Governmental Charges outside of the Ordinary Course. All material deficiencies asserted or assessments made as a result of any examinations of the Corporation or the Subsidiary have been fully paid, are fully reflected as a liability in the Audited Financial Statements or are being contested and an adequate reserve therefor has been established and is fully

reflected in the Audited Financial Statements. Neither the Corporation nor the Subsidiary has received written notice from any Governmental Entity in a jurisdiction in which such entity does not file a Tax Return stating that such entity is or may be subject to taxation by that jurisdiction. Each of the Corporation and the Subsidiary have withheld and paid all Governmental Charges required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, member or other third party. There are no Charges for Governmental Charges (other than for current taxes not yet due and payable) on any of the assets of the Corporation or the Subsidiary. Neither the Corporation nor the Subsidiary has entered into any closing agreements relating to any Governmental Charges with any Governmental Entity. The Corporation has never been a member of an affiliated group of corporations, within the meaning of section 1504 of the Code (or any similar provision of state, local or other Law). The Corporation or any Affiliate or predecessors by merger or consolidation has not within the past three (3) years been a party to a transaction intended to qualify under section 355 of the Code or under so much of section 356 of the Code as relates to section 355 of the Code. Neither the Corporation nor the Subsidiary has been asked or agreed to make any changes in accounting method. The Subsidiary is, and has been since inception, properly classified as a partnership for U.S. federal, and applicable state, income tax purposes and not as a publicly traded partnership within the meaning of section 7704 of the Code. As of the Closing, neither the Corporation nor the Subsidiary will have any liability or obligation under any allocation (other than the LLC Agreement of the Subsidiary), sharing or indemnity agreement with respect to Governmental Charges. The Corporation is not a passive foreign investment company, within the meaning of section 1297 of the Code or a controlled foreign corporation, within the meaning of section 957 of the Code.

3.1.24 Intellectual Property.

3.1.24.1 Set forth in the Disclosure Letter is a list of all domestic and foreign: (i) issued patents and pending patent applications; (ii) trademark and service mark registrations and applications for registration thereof; (iii) copyright registrations and applications for registration thereof; (iv) material unregistered trademarks, service marks and copyrights; and (v) internet domain name registrations and applications and reservations therefor, in each case that are owned by the Subsidiary (the “**Scheduled Intellectual Property**”), including for each item listed in (i) through (iii), as applicable, the owner, the jurisdiction, the serial/application number, the patent or registration number, the filing date, and the issuance or registration date, and for each item listed in (v), the record owner, the registrar, and the expiration date. Except as disclosed in the Disclosure Letter, the Subsidiary owns or has a valid right to use all Intellectual Property that is necessary or otherwise used, or held for use, in the conduct of the Business, except as would not, individually or in the aggregate, have a Material Adverse Effect. With respect to each item of Scheduled Intellectual Property, except as set forth in the Disclosure Letter and except as would not, individually or in the aggregate, have a Material Adverse Effect: (i) the Subsidiary is the sole owner and possesses all right, title, and interest in and to the item, free and clear of any Charges; (ii) none of the Vendor, the Corporation or the Subsidiary has granted to any Person any license, option or other rights in or to such item; and (iii) none of the Vendor, the Corporation or the Subsidiary has received written notice of any pending or threatened action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand that challenges the legality, validity, enforceability, registrations, use, or ownership of the item.

3.1.24.2 No Person has submitted a claim, demand or other notice in writing to the Vendor, the Corporation or the Subsidiary that the conduct of the Corporation or the

Subsidiary is infringing, misappropriating, diluting or otherwise violating any Intellectual Property owned by any other Person and, except as would not, individually or in the aggregate, have a Material Adverse Effect, to the Actual Knowledge of the Vendor, neither the Corporation nor the Subsidiary is infringing, misappropriating, diluting or otherwise violating the Intellectual Property rights of any Person.

3.1.24.3 Except as would not, individually or in the aggregate, have a Material Adverse Effect, during the past two years (or earlier, if not resolved), to the Actual Knowledge of the Vendor, no Person has infringed, misappropriated, diluted or otherwise violated any Intellectual Property rights of the Subsidiary.

3.1.25 Compliance with Laws; No Defaults.

3.1.25.1 Except as set forth in the Disclosure Letter, the Corporation and the Subsidiary are in compliance with all applicable provisions of all applicable Laws and have been in compliance since May 8, 2003, except where such failure would not, individually or in the aggregate, result in a Material Adverse Effect. Except as set forth in the Disclosure Letter, neither the Corporation nor the Subsidiary is presently subject to any material consent, injunction, order, judgment or decree of any Governmental Entity or other Person, which resulted from a violation or threatened violation of applicable Laws (including Environmental Laws) and, to the Actual Knowledge of the Vendor, no such injunction, order, judgment or decree is threatened.

3.1.25.2 Each of the Corporation and the Subsidiary holds and is operating in compliance with, all permits, leases, by-laws, licences, waivers, exemptions, consents, certificates, registrations, authorizations, approvals, rights, rights of way and entitlements and the like which are required from any Governmental Entity or any other Person required or necessary to conduct the Business as currently conducted, the failure of which to hold or obtain, individually or in the aggregate, would have a Material Adverse Effect, and all such permits, leases, by-laws, licences, waivers, exemptions, consents, certificates, registrations, authorizations, approvals, rights, rights of way and entitlements and the like are in full force and effect and in good standing, except where such failure would not, individually or in the aggregate, result in a Material Adverse Effect, and to the Actual Knowledge of the Vendor, no suspension, cancellation or termination of any of the foregoing is threatened or imminent, except as would not, individually or in the aggregate, have a Material Adverse Effect.

3.1.25.3 Except as set forth in the Disclosure Letter, the Corporation and the Subsidiary are not in material default under, and no condition exists that with notice or lapse of time or both would constitute a material default under, any judgment, order, decree, consent or injunction of any Governmental Entity.

3.1.26 Litigation. Except as set forth in the Disclosure Letter, there is no Litigation pending, or, to the Actual Knowledge of the Vendor, threatened against or affecting the Vendor, the Corporation, or the Subsidiary, or any of their properties or rights or any of their assets which would, either individually, or in the aggregate, have a Material Adverse Effect or otherwise prevent or materially delay the consummation of the Transaction.

3.1.27 Vendor Resident of Canada. The Vendor is not a non-resident of Canada under the *Income Tax Act* (Canada).

3.1.28 No Material Adverse Change. Except as set forth in the Securities Reports (excluding any risk factor disclosure contained in such Securities Reports under the headings "Risk Factors," "Risks and Uncertainties", "Commitments and Contingencies" or "Forward Looking Statements" to the extent any such disclosure is predictive or forward looking in nature), since the Audited Statement Date there has not been any Material Adverse Change.

3.1.29 Transactions with Affiliates. Except as set forth in the Disclosure Letter, there are no transactions, agreements, arrangements or understandings: (i) between (A) the Corporation or the Subsidiary, on the one hand and (B) the Vendor or any Affiliate of the Vendor (other than the Corporation or the Subsidiary), on the other hand; or (ii) that would be required to be disclosed under applicable Securities Laws.

3.1.30 Securities Reports. Except as set forth in the Disclosure Letter: (i) since May 8, 2003, each of the Vendor, the Corporation and the Subsidiary has filed with each of the Canadian Securities Regulatory Authorities and the TSX, as applicable, all required Securities Reports; (ii) other than filings made by or on behalf of the Vendor, the Corporation or the Subsidiary with the Canadian Securities Regulatory Authorities and the TSX, none of the Vendor, the Corporation or the Subsidiary has filed, and none of the Vendor, the Corporation or the Subsidiary is required to file, any reports or other documents with any securities regulatory authority or securities exchange; (iii) the Securities Reports (including the Circular), at the time filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such amended filing), complied (or will comply) in all material respects with the requirements of applicable Securities Laws and none of the Securities Reports (including the Circular) or any other communication disseminated (or that will be disseminated) by the Vendor to its unitholders since May 8, 2003 as of the respective dissemination dates, contained (or will contain) any untrue statement of a material fact or omitted (or will omit) to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iv) none of the Vendor, the Corporation or the Subsidiary has filed any confidential material change report with any of the Canadian Securities Regulatory Authorities, the TSX or any stock exchange or other self-regulatory authority which remains confidential. To the Actual Knowledge of the Vendor and except as set forth in the Disclosure Letter, no investigation by any of the Canadian Securities Regulatory Authorities with respect to the Vendor, the Corporation or the Subsidiary is pending or threatened.

3.1.31 Environmental Liability. To the Actual Knowledge of the Vendor, there is no pending or threatened Litigation, environmental remediation activities, or requests for information or notices of violation of any nature seeking to impose, or that would reasonably be executed to result in the imposition, on the Corporation or the Subsidiary of any liability pursuant to Environmental Laws, including the *Comprehensive Environmental Response, Compensation and Liability Act of 1980*, as amended, which liability would, individually or in the aggregate, have a Material Adverse Effect.

3.1.32 Board Approval; Vote Required.

3.1.32.1 The board of trustees of the Vendor, by resolutions duly adopted at a meeting duly called and held, which resolutions, subject to section 5.7.3, have not been subsequently rescinded, modified or withdrawn in any way, has by unanimous vote of those trustees present (who constituted 100% of the trustees then in office) duly: (i) determined that this Agreement is fair to and in the best interests of the unitholders of the Vendor; (ii) approved this Agreement and declared its advisability; and (iii) recommended that the unitholders of the Vendor adopt this Agreement and directed

that this Agreement be submitted for consideration and approval by the Vendor's unitholders at the Vendor Meeting.

3.1.32.2 The only vote of the holders of the units of the Vendor necessary to approve the Transaction is a resolution passed at a duly convened Vendor Meeting at which two or more individuals present in person holding personally or represented as proxies not less than 10% in aggregate of the number of votes attaching to units of the Vendor then outstanding and passed by the affirmative vote of unitholders of not less than 66^{2/3}% of the units represented at the meeting and voted on a poll upon such resolution (the "Unitholder Approval").

3.1.32.3 The board of directors of the Corporation has consented to the transfer of the Purchased Shares to the Purchaser as contemplated in this Agreement.

3.1.33 **Opinion of Financial Advisors.** Vendor has received the Fairness Opinion and an executed copy of the Fairness Opinion has been delivered to the Purchaser.

3.2 By the Purchaser

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying upon the following representations and warranties in connection with its sale of the Purchased Shares and the Purchased Notes:

3.2.1 **Incorporation and Status of the Purchaser.** The Purchaser is duly incorporated and validly existing under the laws of the Province of Alberta.

3.2.2 **Corporate Power of the Purchaser and Due Authorization.** The Purchaser has the corporate power, capacity and authority to enter into, and to perform its obligations under, this Agreement. Each of this Agreement and the agreements, contracts and instruments required by this Agreement to be delivered by the Purchaser at Closing has been, or will prior to Closing be, duly authorized by the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and is a valid and binding obligation of the Purchaser, enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy, insolvency and similar Laws and the availability of equitable remedies.

3.2.3 **Approvals and Consents.** Except for any consents and approvals required under Applicable Competition Law and as set out in section 3.1.11 of the Disclosure Letter, no authorization, consent or approval of, or filing with or notice to, any Governmental Entity or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser hereunder except those that the failure of which to obtain or complete would not, either individually or in the aggregate, have a Material Adverse Effect.

3.2.4 **Foreign Investment Review.** The Purchaser is a WTO investor within the meaning of the *Investment Canada Act* (Canada).

3.2.5 **Financing.** The Purchaser has secured committed financing through the receipt of the Commitment Letters and, subject to the terms and conditions set forth therein, at the Closing the required funds will be available to effect the payment for and subscription of ACS Common Shares in accordance with section 5.9.1 and the payment of the Purchase Price for the Purchased Shares and the Purchased Notes pursuant to section 2.1.

3.3 No Finder's Fees

Except as disclosed in the Disclosure Letter by the Vendor, each of the parties represents and warrants to the other that such party has not taken, and agrees that it will not take, any action that would cause the other party (including, in the case of actions by the Vendor, that would cause the Vendor, the Corporation or the Subsidiary) to become liable to any claim or demand for a brokerage commission, finder's fee or other similar payment.

3.4 Survival of Covenants, Representations and Warranties

To the extent that they have not been fully performed at or prior to the Time of Closing, the covenants, representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing and shall continue for the applicable statutory limitation period provided, however, that:

3.4.1 representations, warranties and covenants (other than those that explicitly state they shall, or that otherwise by their terms, continue following Closing, including without limitation sections 5.5 and 5.18) shall terminate immediately following the Closing; and

3.4.2 no claim for breach of representation, warranty or covenant shall be valid unless the party against whom such claim is made has been given notice thereof on or before the date on which the applicable representation, warranty or covenant shall have terminated in accordance with the foregoing.

ARTICLE 4 CONDITIONS

4.1 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the purchase of the Purchased Shares and the Purchased Notes pursuant to this Agreement is subject to the satisfaction of, or compliance with, at or prior to the Time of Closing, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

4.1.1 **Accuracy of Representations of Vendor and Compliance With Covenants.** The representations and warranties of the Vendor made in or pursuant to this Agreement shall be true and correct at the Time of Closing in all material respects with the same force and effect as if made at and as of the Time of Closing (except in each case, for those representations and warranties that are subject to a materiality, Material Adverse Change or Material Adverse Effect qualification, which will be true and correct in all respects and except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only); the covenants contained in this Agreement to be performed by the Vendor at or prior to the Time of Closing shall have been performed in all material respects; and the Purchaser shall have received a certificate confirming the foregoing, signed for and on behalf of the Vendor by senior officers of the Vendor (without personal liability), in form and substance satisfactory to the Purchaser and the Purchaser's Counsel, acting reasonably.

4.1.2 **Closing Documents and Proceedings.** All documents relating to the authorization and completion of the Transaction and all actions and proceedings taken at or prior to the Time of Closing in connection with the performance by the Vendor of its obligations under this Agreement shall be satisfactory to the Purchaser and to the Purchaser's Counsel, acting reasonably, and the

Purchaser shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request, in form and substance satisfactory to the Purchaser and the Purchaser's Counsel, acting reasonably.

4.1.3 Governmental Consents. All material approvals, authorizations, consents, qualifications or registrations to consummate the Transaction required by any Governmental Entity shall have been obtained and any waiting period under the Applicable Competition Law shall have expired or been terminated.

4.1.4 No Adverse Legislation. No legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) shall have been enacted, introduced or tabled which, in the reasonable opinion of the Purchaser, causes a Material Adverse Effect or will likely cause a Material Adverse Effect or seeks to prohibit or enjoin the Transaction or make consummation of the Transaction illegal.

4.1.5 No Adverse Litigation. No Litigation shall be pending or threatened by any Person to restrain or prohibit:

4.1.5.1 the completion of the Transaction; or

4.1.5.2 the Subsidiary from carrying on the Business in the Ordinary Course.

4.1.6 Unitholder Approval. The Vendor shall have duly obtained the requisite approval from the holders of units of the Vendor at the Vendor Meeting, as contemplated in section 5.13, to complete the Transaction.

4.1.7 Repayment of the Met Life Debt. The Met Life Repayment Amount shall have been repaid in full by the Subsidiary as described in section 5.9.3.

The Purchaser, in the case of a condition set out in section 4.1, will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon by the parties hereto without prejudice to any of the Purchaser's rights in the event of non-performance of or non-compliance with any other condition in whole or in part. For clarity, any such waiver will not constitute a waiver of any other conditions in favour of the Purchaser. In such a case, the Purchaser will retain the right to complete the Transaction herein contemplated but will not have the right to sue the Vendor or be indemnified by the Vendor in respect of any breach of its covenants, obligations or any inaccuracy or misrepresentation in a representation or warranty which gave rise to the non-performance of or non-compliance with the condition so waived.

4.2 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the sale of the Purchased Shares and the Purchased Notes hereunder is subject to the satisfaction of, or compliance with, at or prior to the Time of Closing, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Vendor):

4.2.1 Accuracy of Representations of Purchaser and Compliance With Covenants. The representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and correct at the Time of Closing in all material respects with the same force and effect as if made at and as of the Time of Closing (except in each case, for those representations and warranties that are subject to a materiality, Material Adverse Change or Material Adverse Effect qualification,

which will be true and correct in all respects and except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only); the covenants contained in this Agreement to be performed by the Purchaser at or prior to the Time of Closing shall have been performed in all material respects; and the Vendor shall have received a certificate confirming the foregoing, signed for and on behalf of the Purchaser by senior officers of the Purchaser (without personal liability), in form and substance satisfactory to the Vendor and the Vendor's Counsel, acting reasonably.

4.2.2 Closing Documents and Proceedings. All documents relating to the authorization and completion of the Transaction and all actions and proceedings taken at or prior to the Time of Closing in connection with the performance by the Purchaser of its obligations under this Agreement shall be satisfactory to the Vendor and to the Vendor's Counsel, acting reasonably, and the Vendor shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request, in form and substance satisfactory to the Vendor and the Vendor's Counsel, acting reasonably.

4.2.3 Governmental Consents. All material approvals, authorizations, consents, qualifications or registrations to consummate the Transaction required by any Governmental Entity shall have been obtained and any applicable waiting period under the Applicable Competition Law shall have expired or been terminated.

4.2.4 No Adverse Legislation. No legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) shall have been enacted, introduced or tabled which, in the reasonable opinion of the Purchaser, causes a Material Adverse Effect or will likely cause a Material Adverse Effect or seeks to prohibit or enjoin the Transaction or make consummation of the Transaction illegal.

4.2.5 No Action to Restrain. No Litigation shall be pending or threatened by any Person to restrain or prohibit:

4.2.5.1 the completion of the Transaction; or

4.2.5.2 the Subsidiary from carrying on the Business in the Ordinary Course.

4.2.6 Unitholder Approval. The Vendor shall have duly obtained the requisite approval from the holders of units of the Vendor at the Vendor Meeting, as contemplated in section 5.13, to complete the Transaction.

The Vendor, in the case of a condition set out in section 4.2, will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon by the parties hereto without prejudice to any of the Vendor's rights in the event of non-performance of or non-compliance with any other condition in whole or in part. For clarity, any such waiver will not constitute a waiver of any other conditions in favour of the Vendor. In such a case, the Vendor will retain the right to complete the Transaction herein contemplated but will not have the right to sue the Purchaser or be indemnified by the Purchaser in respect of any breach of its covenants, obligations or any inaccuracy or misrepresentation in a representation or warranty which gave rise to the non-performance of or non-compliance with the condition so waived.

ARTICLE 5 ADDITIONAL AGREEMENTS OF THE PARTIES

5.1 Access to Information

The Vendor shall give, and shall cause the Corporation and the Subsidiary to give, until the Time of Closing, to the Purchaser and its accountants, legal advisers, representatives and prospective sources of financing and their counsel (subject to such entities agreeing with the Purchaser to confidentiality obligations in accordance with the terms of the Confidentiality Agreement), during normal business hours reasonable access to their premises, all their assets, books, accounts, Tax Returns, contracts, commitments and records and to their personnel and accountants and to furnish them with all such information relating to the Business and their affairs and assets as the Purchaser may reasonably request.

5.2 Conduct of Business Until Time of Closing

Except as expressly provided in this Agreement or except with the prior written consent of the Purchaser (not to be unreasonably withheld), prior to the Time of Closing the Vendor shall:

5.2.1 cause the Corporation and the Subsidiary to operate the Business only in the Ordinary Course and use their reasonable best efforts consistent with past practice to preserve the business organization of the Subsidiary, including the services of its officers and employees, and its business relationships with customers, suppliers and others having business dealings with it;

5.2.2 cause the Subsidiary to use its reasonable best efforts consistent with past practice to maintain all its assets, whether owned or leased, in good condition and repair and cause the Subsidiary to maintain insurance upon all its assets comparable in amount, scope and coverage to that in effect on the date of this Agreement;

5.2.3 cause each of the Corporation and the Subsidiary to maintain their books, records and accounts in the Ordinary Course; and

5.2.4 do or refrain from doing all acts and things in order to ensure that the representations and warranties in section 3.1 remain true and correct at the Time of Closing as contemplated by section 4.1.1 and to satisfy or cause to be satisfied the conditions in section 4.1 which are within its control. Without limiting the foregoing, the Vendor shall not: (i) amend the Declaration of Trust except as is required to complete the Transaction and wind-up the Vendor; provided that the Vendor shall provide the Purchaser an opportunity to review and comment on such amended Declaration of Trust and shall include in such document comments reasonably proposed by the Purchaser; (ii) declare any distributions or dividends on its units other than the declaration by the Vendor of an amount for each outstanding unit equal to \$0.08 (in the aggregate, the “**Vendor Dividend Amount**”) for the month of October; (iii) pay any distributions or dividends on its units other than the payment by the Vendor of the Vendor Dividend Amount for the months of August, September and October; or (iv) transfer or cause a Charge to be imposed upon any of the Purchased Shares or the Purchased Notes. Following the Closing, the Vendor shall promptly distribute the Purchase Price pro rata to the unitholders of the Vendor (less any amounts, if any, required to be withheld pursuant to the Declaration of Trust, which amounts, if applicable, shall be subsequently distributed pro rata to the unitholders of the Vendor or by Law).

5.3 Negative Covenants

Except as expressly provided in this Agreement or except with the prior written consent of the Purchaser (not to be unreasonably withheld), prior to the Time of Closing the Vendor shall ensure that neither the Corporation nor the Subsidiary:

- 5.3.1 amends its articles, by-laws, constating documents or other organizational documents;
- 5.3.2 amalgamates, merges or consolidates with, or acquires a material amount of the shares or assets of, any Person; or effects any recapitalization, reclassification or like change in its capitalization;
- 5.3.3 settles any material Litigation or settles any material liability relating to Governmental Charges or makes any new, or changes any existing, material tax election;
- 5.3.4 declares, sets aside, makes or pays any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to its capital stock, equity interests or membership interests; provided that the Subsidiary may declare and pay a dividend/distribution to the Corporation in an amount equal to no more than the Vendor Dividend Amount (and the Corporation may pay a dividend equal to such amount to the Vendor, less an amount equal to the monthly interest payment on the ACS Notes) for the months of August, September and October; and provided further that the Subsidiary may declare and pay dividends/distributions to the Corporation in the Ordinary Course, consistent with past practice, to enable the Corporation to pay its expenses;
- 5.3.5 transfers, leases, licenses, imposes a Charge on, sells or otherwise disposes of any of its assets, other than inventory in the Ordinary Course of the Business, or enters into any contract, agreement or commitment of the kind described in sections 3.1.14 and 3.1.15 or, except as required by its terms, amends in any material respect or terminates such contract, agreement or commitment;
- 5.3.6 except for intercompany Indebtedness owed by the Corporation to the Vendor or the Subsidiary incurred in the Ordinary Course, incurs any Indebtedness (including without limitation the issuance of additional Met Life Notes or under the Met Life Revolving Loan Agreement);
- 5.3.7 except to the extent required by any plan, agreement, policy or arrangement as in effect on the date of this Agreement or in the Ordinary Course or as required by applicable Law: (i) increases in any material respect the compensation, pensions, bonuses, welfare or fringe benefits of any of the current or former directors, officers or employees of the Subsidiary; (ii) enters into any material new, or amends in any material respect any existing, Company Plan; (iii) accelerates, amends or changes the period of exercisability of any equity compensation awards under any Company Plans or withdraws from a Multiemployer Plan; (iv) grants any awards under any Company Plan; or (v) grants any severance or termination pay;
- 5.3.8 makes any capital expenditures or commitments with respect thereto, except: (i) in the Ordinary Course; or (ii) pursuant to any contracts, agreements or other commitments in effect on the date hereof or entered into in compliance with this section 5.3;
- 5.3.9 subject to section 5.9, issues, sells, redeems, pledges or acquires for value any equity securities or other equity or membership interest in the Corporation or the Subsidiary or any securities convertible into, or any rights, warrants or options to acquire any such securities or

interests or, with respect to the Corporation, redeems or makes any payments on the ACS Notes other than monthly interest payments in accordance with the terms of the Note Indenture for the months of August, September and October;

5.3.10 makes any loan or advances to, or investments, by purchase, contribution to capital, property transfers or otherwise in, any other Person other than in the Ordinary Course;

5.3.11 makes any material change in accounting policies or procedures except as required by generally accepted accounting principals or a Governmental Entity, or makes any material change to practice and policies relating to the payment of accounts payable or the collection of accounts receivable or internal controls over financial reporting;

5.3.12 files an amended Tax Return in respect of any prior period or surrenders any right to claim a tax refund; or

5.3.13 agrees to or make any commitment to take any actions prohibited by this section 5.3.

5.4 Purchaser's Covenant; Efforts of the Parties

5.4.1 Except as expressly provided in this Agreement or except with the prior written consent of the Vendor, prior to the Time of Closing the Purchaser shall make reasonable best efforts: (i) to do or refrain from doing any act or thing in order to ensure that the representations and warranties in section 3.2 remain true and correct at the Time of Closing as contemplated by section 4.2.1; and (ii) to satisfy or cause to be satisfied the conditions in section 4.2 which are under its control.

5.4.2 Upon the terms and subject to the conditions of this Agreement, the Vendor and the Purchaser will cooperate with each other and use their respective reasonable best efforts to effect the consummation of the Transaction as soon as practicable after the date hereof. Without limiting the foregoing, each of the Vendor and Purchaser will promptly prepare and file all necessary documentation (including all documentation as may be required in respect of the Vendor Meeting and under Applicable Competition Law) to effect all applications, notices, petitions and filings, and to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and Governmental Entities that are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Transaction) and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such Governmental Entities; provided that neither the Vendor, the Purchaser nor any of their respective Affiliates shall be required to make any material concessions in connection therewith. The parties will consult with each other with respect to obtaining all permits, consents, approvals and authorizations of, and filing all notices and other documentation with, all third parties and Governmental Entities necessary or advisable to consummate the Transaction, and each party will keep the other apprised of the status of matters relating to completion of the Transaction. Each party will promptly advise the other as to: (i) any communication from any Governmental Entity regarding this Agreement or the transactions contemplated hereby and promptly provide the other party with copies of any correspondence received from any Governmental Authority with respect thereto; or (ii) any Litigation pending or, to such party's knowledge, threatened, that challenges this Agreement or the Transaction.

5.5 D&O Insurance; Indemnification

5.5.1 From and after the Time of Closing for a period of not less than six (6) years after the Time of Closing, unless otherwise required by applicable Law, the Purchaser shall indemnify the

individuals who at or prior to the Time of Closing were trustees, directors or officers (or equivalent) of the Vendor, the Corporation or the Subsidiary, as applicable, with respect to all acts or omissions to act by them in their capacities as such at any time prior to the Time of Closing to the fullest extent permitted by their respective certificates of incorporation, by-laws or other constating documents in effect as of the date hereof with respect to the Vendor; provided, however, that: (i) the Purchaser shall not be liable for any settlement effected without its consent; and (ii) the Purchaser shall not be obligated to pay the fees and expenses of more than one counsel with respect to any single action or related actions except to the extent that two or more trustees, directors and/or officers shall have conflicting interests in the outcome of such transaction.

5.5.2 At the Time of Closing the Purchaser will provide, or cause to be provided, for a period of not less than six years after the Time of Closing, the trustees, directors and officers (or equivalent) of the Vendor, the Corporation and the Subsidiary, as applicable, with an insurance and indemnification policy (from an insurer selected by the Purchaser in its reasonable discretion after consultation with the Vendor) that provides coverage for events occurring at or prior to the Time of Closing (the “**D&O Insurance**”), and contains terms, that are no less favourable than their existing policy or, if substantially equivalent insurance coverage is unavailable, the best available coverage; provided that the Purchaser shall not be required to pay more than US\$370,000 to purchase the D&O Insurance.

5.5.3 The individuals who at or prior to the Time of Closing were trustees, directors or officers (or equivalent) of the Vendor, the Corporation and the Subsidiary, as applicable, to whom this section 5.5 applies shall be third party beneficiaries of this section 5.5. The provisions of this section 5.5 are intended to be for the benefit of each such individual, his or her heirs and his or her representatives. The Vendor is hereby constituted trustee in favour of the trustees, directors and officers (or equivalent) of the Vendor, the Corporation and the Subsidiary in respect of their rights under this section 5.5.

5.5.4 In the event that the Vendor, the Corporation or the Subsidiary or any of their respective successors or assigns: (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger; or (ii) transfers or conveys all or a majority of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of such corporation or entity shall succeed to the obligations of this section 5.5.

5.6 No Solicitation, etc.

Subject to section 5.7 and applicable Laws (other than applicable Laws governing fiduciary duties which the parties agree are otherwise addressed in this Agreement), the Vendor agrees, except as permitted by this Agreement, and shall cause the Corporation and the Subsidiary and their respective officers, trustees, directors, employees, representatives and agents:

5.6.1 not to: (i) solicit, initiate or knowingly encourage or facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals regarding, or that could reasonably be expected to lead to, an Acquisition Proposal; (ii) participate in any negotiations or like discussions regarding any Acquisition Proposal; (iii) withdraw or modify, or propose publicly to withdraw or modify, or resolve to withdraw or modify, in a manner adverse to the Purchaser, the approval of the Vendor’s board of trustees of the Transaction; (iv) accept or approve or recommend, or propose publicly to accept, approve or recommend, or resolve to accept, approve or recommend, any Acquisition Proposal (any of the actions referred to in the foregoing clauses (iii) and (iv), whether taken by the

board of trustees of the Vendor or a committee thereof, a “**Change in Board Recommendation**”); (v) approve or recommend, or cause the Vendor, the Corporation or the Subsidiary to enter into, any agreement, arrangement or understanding related to, or that is intended to or that could reasonably be expected to lead to, an Acquisition Proposal; or (vi) effect any Acquisition Proposal;

5.6.2 to immediately cease and cause to be terminated any existing discussions or negotiations with any parties (other than the Purchaser) with respect to any potential Acquisition Proposal and request the prompt return or destruction of all confidential information previously furnished to such parties or their representatives;

5.6.3 (i) not to modify, release or permit the release of any third party from or waive any confidentiality, non-solicitation, standstill or similar agreement to which such third party is a party or bound; and (ii) to enforce the provisions of any such agreement; and

5.6.4 to immediately cease to provide any other party with access to confidential information concerning the Vendor, the Corporation or the Subsidiary, in connection with any Acquisition Proposal.

5.7 Acquisition Proposals, Changes in Recommendation, Etc.

5.7.1 **Acquisition Proposals.** The Vendor will immediately notify the Purchaser of any Acquisition Proposal, any *bona fide* inquiry or proposal with respect to any potential Acquisition Proposal, or any request for non-public information relating to the Vendor, the Corporation or the Subsidiary or for access to the properties, books or records of the Vendor, the Corporation or the Subsidiary by any Person in circumstances where it knows, or reasonably expects, that such information will be used by the recipient in connection with, or in order to propose, make or evaluate the making of, an Acquisition Proposal and such notice will include any known material terms and conditions of such Acquisition Proposal, inquiry, proposal, or request. Such notice to the Purchaser shall be made orally and in writing within 24 hours of the receipt thereof by any of the Vendor, the Corporation or the Subsidiary or their respective representatives, and shall indicate such details, to the extent known, of the proposal, inquiry or contact, including the identity of the Person making such proposal, inquiry or contact and the terms and conditions of such Acquisition Proposal, inquiry, proposal, or request. To the extent that the Vendor is permitted to provide information to such Person pursuant to section 5.7.2, the Vendor shall provide the Purchaser (within such 24 hour time frame) with a copy of all written materials provided to or by the Vendor, the Corporation or the Subsidiary in connection with such Acquisition Proposal, inquiry, proposal, or request to the extent such written materials have not already been provided to the Purchaser. To the extent that the Vendor is permitted to provide information or to participate in discussions or negotiations pursuant to section 5.7.2, the Vendor shall keep the Purchaser fully informed of the status and general progress, including notifying the Purchaser (as promptly as practicable and in any event within 24 hours) orally and in writing of any modifications, amendments or proposed amendments of any such Acquisition Proposal, inquiry, proposal, discussion, negotiation or request and keep the Purchaser fully informed as to the details of any information requested of or provided by the Vendor and as to the details of all discussions or negotiations.

5.7.2 **Access to Information.** The Vendor will not make available, after the date hereof, any information to any Person (other than the Purchaser) in connection with any potential or actual Acquisition Proposal, except as required under applicable Laws (other than applicable Laws governing fiduciary duties which the parties agree are otherwise addressed in this Agreement). Notwithstanding the foregoing sentence, if prior to obtaining the Unitholder Approval at the Vendor Meeting, the board of trustees of the Vendor receives a written request for non-public

information from a Person who proposes to the Vendor an unsolicited bona fide Acquisition Proposal after the date of this Agreement and which bona fide Acquisition Proposal did not result from a breach of section 5.6 and the board of trustees of the Vendor determines in good faith, after consultation with financial advisors of nationally recognized reputation in Canada or the United States and its outside legal advisors, that such proposal, if consummated in accordance with its terms, is reasonably likely to constitute a Superior Proposal and that the actions set forth in clauses (i) and (ii) of this section 5.7.2 are necessary in order to discharge the board's fiduciary duties and if, prior to providing such Person with access to such non-public information, the Vendor provides the Purchaser with written notice of the identity of such Person and of the Vendor's intention to provide such Person with access to information, then, and only in such case, the Vendor may, subject to the execution by such Person of a confidentiality agreement substantially similar to and no more favorable to such Person than the Confidentiality Agreement: (i) provide such Person with access to such non-public information regarding the Vendor, the Corporation and the Subsidiary; and (ii) participate in discussions and negotiations regarding such Acquisition Proposal; provided that all such information has previously been provided to Purchaser or is provided to Purchaser substantially concurrently with the time it is provided to such Person in accordance with section 5.7.1 and Vendor has otherwise complied with section 5.7.1.

5.7.3 Changes in Recommendation. If the Vendor receives an Acquisition Proposal that has not been withdrawn, then prior to the Vendor Meeting, the board of trustees of the Vendor may: (i) make a Change in Board Recommendation; and/or (ii) terminate this Agreement in order to enter into a definitive agreement (in addition to any confidentiality agreement entered into in accordance with section 5.7.2), in each case in respect of such Acquisition Proposal if it constitutes a Superior Proposal and if:

5.7.3.1 the board of trustees of the Vendor determines in good faith, after consultation with financial advisors and outside legal advisors, that taking such action is necessary in order to discharge its fiduciary duties;

5.7.3.2 the Vendor has given notice to the Purchaser of its intention to do so, and such notice includes the identity of the party making the Acquisition Proposal that constitutes the Superior Proposal and the terms and conditions therein;

5.7.3.3 the Vendor has complied with this section 5.7;

5.7.3.4 the Vendor is not in default under section 5.6 of this Agreement; and

5.7.3.5 three (3) days shall have elapsed from the later of: (i) the date the Purchaser received the notice referred to in section 5.7.3.2; and (ii) the date the Purchaser was provided with a copy of such Acquisition Proposal (during which time Vendor shall, if requested by Purchaser, negotiate in good faith with Purchaser to revise this Agreement so that the Acquisition Proposal that constituted a Superior Proposal no longer constitutes a Superior Proposal).

5.7.4 Amendments to Acquisition Proposals. For greater certainty, each successive amendment or modification of an Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this section 5.7 and require a new three (3) day period.

5.8 [Reserved].

5.9 Subscription for ACS Common Shares; Satisfaction of Subsidiary Intercompany Debt and Met Life Repayment Amount, Payment of Transaction Funding Amount.

Immediately prior to the Time of Closing and subsequent to the satisfaction or waiver of the conditions set forth in Article 4 (other the repayment of the Met Life Repayment Amount), the Purchaser and the Vendor shall take the following steps in respect of the repayment or payment of: (i) the Subsidiary Intercompany Debt; (ii) the Met Life Repayment Amount; and (iii) the payment of Transaction expenses (including wind-up expenses of the Vendor) at the Closing Date to be paid by the Subsidiary in accordance with section 10.3, minus any cash on hand of the Subsidiary (the “**Transaction Funding Amount**”):

5.9.1 five Business Days prior to the Closing Date, the Vendor shall provide to Purchaser, by written notice, the Transaction Funding Amount, including a reasonably detailed schedule of particulars in respect thereof;

5.9.2 at a price equal to the Met Life Repayment Amount plus the Transaction Funding Amount, the Purchaser shall subscribe for and purchase, and the Vendor shall cause the Corporation to issue and sell, five (5) ACS Common Shares, free and clear of all Charges; and

5.9.3 following the issuance of ACS Common Shares to the Purchaser in accordance with the terms of section 5.9.1, the Vendor shall: (i) cause the Corporation to satisfy and repay the Subsidiary Intercompany Debt, (ii) cause the Corporation to contribute the aggregate of all amounts received from the Purchaser in accordance with the terms of section 5.9.1 (less the amount used in clause (i) to satisfy the Subsidiary Intercompany Debt) to the capital of the Subsidiary; (iii) cause the Subsidiary to use the amounts so contributed by the Corporation to the Subsidiary in order to satisfy and repay the Met Life Repayment Amount and to obtain the release of all related security interests and the Vendor shall have provided the Purchaser with written evidence reasonably satisfactory to the Purchaser with respect thereto; and (iv) cause the Transaction Funding Amount to be used to pay Transaction expenses in accordance with the detailed schedule of particulars provided to the Purchaser in accordance with section 5.9.1 (including the funding of the escrow in accordance with section 10.3). Five (5) Business Days prior to the Closing Date, the Vendor shall deliver to the Purchaser a payoff letter from Metropolitan Life Insurance Company specifying the Met Life Repayment Amount (such letter, the “**Payoff Letter**”) and written evidence reasonably satisfactory to the Purchaser of the satisfaction and discharge of all of the Subsidiary Intercompany Debt.

5.10 Bulk Sales Act

The Purchaser hereby agrees to notify the Vendor in writing within fifteen Business Days of the date hereof if it wishes the Vendor to comply with the Bulk Sales Act (Ontario), otherwise the Purchaser hereby waives compliance with the provisions of all applicable Laws relating to bulk transfers or bulk sales, including the *Bulk Sales Act* (Ontario), as it may pertain to the transactions contemplated by this Agreement.

5.11 Management of the Business

5.11.1 For a period of twelve months from the Closing Date, Purchaser agrees that it will cause the Subsidiary to, provide the current employees of the Subsidiary (the “**Continuing Employees**”) with compensation and benefits coverage that, in the aggregate, is substantially comparable to the compensation and benefits coverage provided to such Continuing Employees immediately prior to the Closing Date. Purchaser shall cause the Subsidiary to honor and assume the vacation or other

paid time off for each Continuing Employee that has been accrued but remains unused as of the Closing Date.

5.11.2 Purchaser will cause the Subsidiary to: (i) waive all limitations as to pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Continuing Employees under any health and welfare plans in which such Continuing Employees are eligible to participate after the Closing Date to the extent that such limitations were waived under the applicable employee plan; (ii) provide each Continuing Employee with credit for any co-payments and deductibles paid prior to the Closing Date in satisfying any applicable deductible or out-of-pocket requirements under any health and welfare plans that such Continuing Employees are eligible to participate after the Closing Date; and (iii) provide each Continuing Employee with full credit for all service with the Corporation or the Subsidiary for purposes of eligibility and vesting under any such plans or arrangements provided after the Closing Date pursuant to this section 5.11.

5.11.3 Purchaser and the Vendor acknowledge and agree that nothing contained in this section 5.11 shall be construed to limit in any way the ability of Purchaser or the Subsidiary to terminate the employment of any Continuing Employee from and after the Closing Date.

5.11.4 The provisions of this section 5.11 shall not create any third party beneficiaries.

5.12 Collective Bargaining Agreement

Following the Closing, the Purchaser agrees to cause the Subsidiary (or any successor thereto) to comply with the terms and conditions of the Collective Bargaining Agreement and to fulfill all of its obligations thereunder.

5.13 Unitholder Meeting

5.13.1 As promptly as reasonably practicable after the execution and delivery of this Agreement (but in any event within 18 Business Days thereafter), the Vendor shall complete the Circular together with any other documents required by applicable Securities Laws or other applicable Laws in connection with the Vendor Meeting. As promptly as practicable after the record date established for such meeting, the Vendor shall, unless otherwise agreed to by the parties, cause the Circular and other documentation required in connection with the Vendor Meeting to be sent to each holder of units of the Vendor as of the record date established for such meeting and filed as required by applicable securities Laws.

5.13.2 Subject to section 5.7.3: (i) the Circular shall include a recommendation by the board of trustees of the Vendor that the unitholders of the Vendor provide the requisite approval of the Transaction and a copy of the Fairness Opinion; and (ii) the Vendor will use reasonable best efforts (without the payment of any consideration to any unitholder for such unitholder's proxy) to solicit from its unitholders proxies in favor of such resolution and will take any other action necessary or advisable to secure the vote or consent of its unitholders required by the Declaration of Trust and applicable Securities Laws. The parties agree to consult with each other to determine whether to hire a proxy solicitor. If at any time prior to the Time of Closing any event shall occur, or fact or information shall be discovered, that should be set forth in an amendment of or a supplement to the Circular, the Vendor shall, to the extent required by applicable Law, prepare such amendment or supplement as soon thereafter as is reasonably practicable and cause such amendment or supplement to be distributed to each holder of units of the Vendor and filed as required under applicable Securities Laws. Notwithstanding anything to the contrary stated above, prior to filing

or mailing the Circular (or, in each case, any amendment or supplement thereto), the Vendor shall provide the Purchaser an opportunity to review and comment on such document and shall include in such document comments reasonably proposed by the Purchaser.

5.13.3 The Vendor shall, as soon as practicable following the date of this Agreement, establish a record date for, duly call, give notice of, convene and hold the Vendor Meeting. The Purchaser agrees that a record date of October 16, 2006 and a meeting date of November 20, 2006 shall satisfy the requirements of the previous sentence. The Vendor shall keep Purchaser updated with respect to proxy solicitation results as reasonably requested by Purchaser. The Vendor shall not, without Purchaser's prior written consent, adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the Vendor Meeting, except as required: (i) by applicable Laws (other than applicable Laws governing fiduciary duties which the parties agree are otherwise addressed in this Agreement) or an order of any court or Government Entity; or (ii) for quorum purposes. Without limiting the generality of the foregoing, the Vendor's obligations pursuant to this section 5.13.3 shall not be affected by: (i) the commencement, public proposal, public disclosure or communication to the Vendor of any Acquisition Proposal; or (ii) a Change in Board Recommendation.

5.14 Cooperation

The parties hereto shall cooperate fully in good faith with each other and their respective legal advisers, accountants and other representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement. In furtherance of the foregoing, the Vendor shall and shall cause the Corporation and the Subsidiary and its and their respective representatives to provide such cooperation (including with respect to timeliness) as may be necessary in connection with any application made by the Purchaser and the Corporation for relief from compliance with the requirements of Part XX of the *Securities Act* (Ontario) and the equivalent provisions in the Securities Laws of other applicable jurisdictions in Canada in respect of the purchase of the Purchased Shares. The Vendor shall cause that certain Management Services Agreement by and among the Vendor, the Corporation and the Subsidiary to be terminated at the Closing.

5.15 Financing

The Vendor agrees to provide, and shall cause the Corporation and the Subsidiary and its and their respective representatives to provide, at the Purchaser's cost, such cooperation (including with respect to timeliness) in connection with the arrangement of and syndication process for the Purchaser's debt financing as may be reasonably requested by Purchaser including, without limitation, cooperating, and causing the Vendor's, the Corporation's and the Subsidiary's independent accounting firm to cooperate, in the preparation of financial statements for the Corporation and the Subsidiary as the Purchaser and the arrangers for the Purchaser's debt financing shall reasonably request, including audited, unaudited and pro forma financial statements for such periods as the Purchaser and such arrangers shall reasonably request.

5.16 Resignations

The Vendor shall obtain and deliver to the Purchaser at the Closing evidence reasonably satisfactory to Purchaser of the resignation effective as of the Closing, of the directors and managers of the Corporation and the Subsidiary, respectively (other than the manager of the Subsidiary designated by ACS Holdings).

5.17 **FIRPTA Affidavit**

At the Closing, the Corporation shall deliver to the Purchaser an affidavit, dated the Closing Date, stating, under penalty of perjury, that the Corporation is not and has not been a United States real property holding corporation, within the meaning of Code section 897(c)(2) during the applicable period described in Code section 897(c)(1)(A)(ii).

5.18 **Assistance with the Wind-up of the Vendor**

Following the Closing Date, the Purchaser hereby covenants and agrees to take, or cause to be taken by the Corporation and the Subsidiary, all reasonable actions and to do, or cause to be done, all things reasonably necessary, proper or advisable, in each case as reasonably requested by the Vendor, in order to: (i) provide the Vendor with any information, documentation and administrative assistance it requires in order to prepare and file all tax returns; and (ii) assist the Vendor in connection with (A) providing notices and information (in respect of tax matters) to its unitholders (B) ceasing to have its units listed on the TSX (C) ceasing to be a reporting issuer of each of the applicable provinces and territories of Canada and (D) otherwise completing all administrative matters necessary or advisable to properly wind-up the Vendor in accordance with the terms of the Declaration of Trust (as may be amended in accordance with this Agreement). For greater clarity, nothing in this section 5.18 shall require the Purchaser, the Corporation or the Subsidiary to assist or otherwise take any actions in connection with the payment of any distribution to the Vendor's unitholders or make any of them or any of their respective directors, officers, employees, Affiliates, agents or assigns liable or responsible therefor. The Vendor agrees to reimburse the Purchaser, the Corporation and the Subsidiary in respect of any third party out of pocket costs incurred by them in connection therewith.

ARTICLE 6 INDEMNIFICATION

6.1 **Right to Indemnification**

Each party hereto shall indemnify (an "**Indemnifying Party**") and save the other party and its respective directors, trustees, officers, employees, Affiliates, agents and assigns (each, an "**Indemnified Party**") harmless for and from :

6.1.1 any loss, damages or deficiencies suffered by an Indemnified Party as a result of any breach of representation, warranty or covenant on the part of the Indemnifying Party contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and

6.1.2 all claims, demands, reasonable costs and expenses, including reasonable legal fees, in respect of the foregoing.

6.2 **Notice of Claim**

An Indemnified Party shall promptly (it being understood that no delay on the part of the Indemnified Party in notifying the Indemnifying Party will relieve the Indemnifying Party from any obligation under this Article 6, except to the extent such delay materially prejudices the Indemnifying Party) give notice to the Indemnifying Party of any claim for indemnification pursuant to section 6.1 (a "**Claim**", which term may include more than one Claim). Such notice shall specify whether the Claim arises as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or

whether the Claim does not so arise (a “**Indemnified Party’s Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

6.2.1 the factual basis for the Claim; and

6.2.2 the amount of the Claim, or, if an amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

6.3 Procedure for Indemnification

6.3.1 **Indemnified Party’s Claims.** With respect to an Indemnified Party’s Claim, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make an investigation of the Claim. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party and its authorized representatives the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim. At any time, the parties hereto agree that the Indemnified Party shall be entitled to bring an action in a court of law to recover the full amount of the Claim and any reasonable costs incidental to the action.

6.3.2 Third Party Claims.

6.3.2.1 With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party’s reasonable out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel by the Indemnifying Party, in which case counsel reasonably satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party; provided, however, that the Indemnifying Party shall pay the fees and disbursements of separate counsel to the Indemnifying Party if the named parties to the proceeding in which such claim, demand, action or cause of action has been asserted include both the Indemnifying Party and such Indemnified Party and, in the reasonable judgment of counsel to such Indemnified Party, there exists one or more good faith defenses that may be available to the Indemnified Party that are in conflict with those available to the Indemnifying Party or that the Indemnifying Party and Indemnified Party have actual material conflicting interests with respect to such claim, demand, action or course of action.

6.3.2.2 If the Indemnifying Party, having elected to assume control as contemplated in section 6.3.2.1 thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

6.4 Additional Rules and Procedures

The obligation of the Indemnifying Party under this Article 6 to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

6.4.1 Any Claim arising as a result of a breach of a representation or warranty contained in section 3.1, 3.2 or 3.3, as applicable, shall be made not later than the date on which, pursuant to section 3.4, such representation or warranty terminated; provided that any matter as to which a Claim has been asserted hereunder that is pending on such date of termination shall continue to be covered by this Article 6 notwithstanding any such termination until such matter is fully resolved.

6.4.2 The Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims, in the aggregate, exceed \$1,000,000, after which amount the Indemnified Party shall be entitled to receive the full amount of all such Claims in excess of \$1,000,000; provided however, except in respect of the Purchaser's obligations to pay the Purchase Price pursuant to Article 2, in no event shall the aggregate liability of the Indemnifying Party under this Article 6 exceed \$56,400,000; provided, however, the parties agree that except in respect of covenants that explicitly state that they shall, or that otherwise by their terms, continue following Closing, that upon Closing the aggregate liability of the Indemnifying Party under this Article 6 shall in no event exceed \$10.

6.4.3 Notwithstanding anything to the contrary in this Agreement, an Indemnifying Party shall not be liable to an Indemnified Party under any circumstances whatsoever under this Agreement for any loss of profits or revenues, losses due to business interruption, or for any indirect, consequential, incidental, economic or special damages, including punitive or exemplary damages, whether any of such liability, loss, or damage arises under statute, contract, tort or otherwise except to the extent such damages are payable to or have been recovered by a third Person and are the subject of a Third Party Claim for which indemnification is available hereunder; provided that the forgoing limitation shall not preclude recovery by Purchaser or its directors, officers, employees, Affiliates, agents or assigns for any diminution in the value of the Business resulting from a breach of any representation, warranty, covenant or agreement by the Vendor.

6.4.4 In the event that any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law to make a payment to any Person (a "**Third Party**") with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment, with the approval of the Indemnifying Party (not to be unreasonably withheld), and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for any such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after such determination, pay the amount of such difference to the Indemnifying Party.

6.4.5 Except in the circumstance contemplated by sections 6.3.2.2 and 6.4.4 and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld).

6.4.6 The Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party reasonable notice thereof and a reasonable opportunity to contest such Third Party Claim.

6.4.7 The Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims, shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available) and shall each designate a senior officer who will keep informed about and be prepared to discuss the Third Party Claim with his counterpart and with counsel at all reasonable times.

6.4.8 Notwithstanding section 6.3.2, the Indemnifying Party shall not settle any Third Party Claim and shall make reasonable efforts to not conduct any related legal or administrative proceeding in a manner which would, in the opinion of the Indemnified Party, acting reasonably, have a material adverse impact on the Indemnified Party.

6.5 Indemnification Claims

Following the Closing and except for claims for fraud, the parties agree that Article 6 sets out the sole and exclusive manner by which the Purchaser may seek monetary compensation from the Vendor for any matter in respect of which the Purchaser may make a Claim under this Agreement, including, for greater certainty, any matter that could be made a Claim under that section but for section 6.4.2.

6.6 Third Party Beneficiary

The Vendor is hereby constituted trustee in favour of its directors, trustees, officers, employees, Affiliates, agents and assigns in respect of their rights under this Article 6 and the Purchaser is hereby constituted trustee in favour of its directors, officers, employees, Affiliates, agents and assigns in respect of their rights under this Article 6 and each Party agrees to accept such trusts and to hold the benefit of and enforce performance of such rights on behalf of any and all such persons.

ARTICLE 7 TERMINATION

7.1 Termination

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Time of Closing (the "**Termination Date**"):

7.1.1 by the mutual written consent of the Vendor and the Purchaser duly authorized by their respective board of trustees or board of directors, as the case may be;

7.1.2 by either the Vendor or the Purchaser if the sale of the Purchased Shares shall not have been completed by December 29, 2006 (the "**Outside Date**"); provided, however, that the right to terminate this Agreement under this section 7.1.2 shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the sale of the Purchased Shares or the Purchased Notes to occur on or before such date; or

7.1.3 by the Purchaser:

7.1.3.1 if the Vendor shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, or if any representation or warranty of the Vendor shall have become untrue, in either case such that the conditions set forth in section 4.1.1 would not be satisfied (a “**Terminating Vendor Breach**”); provided however, that if such Terminating Vendor Breach is cured by the Vendor by the 30th day following receipt of notice from the Purchaser of such Terminating Vendor Breach, the Purchaser may not terminate this Agreement under this section 7.1.3.1;

7.1.3.2 if the Transaction shall fail to receive the Unitholder Approval at the Vendor Meeting; or

7.1.3.3 an Immediate Termination Fee Event shall have occurred; or

7.1.4 by the Vendor:

7.1.4.1 if the Purchaser shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, or if any representation or warranty of the Purchaser shall have become untrue, in either case such that the conditions set forth in section 4.2.1 would not be satisfied (a “**Terminating Purchaser Breach**”); provided however, that if such Terminating Purchaser Breach is cured by the Purchaser by the 30th day following receipt of notice from the Vendor of such Terminating Purchaser Breach, the Vendor may not terminate this Agreement under this section 7.1.4.1;

7.1.4.2 by the Vendor if the Transaction shall fail to receive the Unitholder Approval at the Vendor Meeting; or

7.1.4.3 pursuant to section 5.7.3; provided that no termination under this section 7.1.4.3 shall be effective unless and until the Vendor shall have paid the Termination Fee to the Purchaser by bank draft or wire transfer.

7.2 Effect of Termination

In the event of termination of this Agreement as provided in section 7.1, written notice thereof shall be given to the other party, specifying the provision hereof pursuant to which such termination is made, and this Agreement shall forthwith become null and void (other than the provisions of this section 7.2, Article 8 and sections 7.1.4.3, 10.1 and 10.7, which shall survive termination of this Agreement), and there shall be no liability on the part of the Purchaser, the Vendor or their respective directors, trustees, officers, shareholders, unitholders, annuitants and Affiliates, as the case may be (except as provided in the sections that survive termination); provided that nothing herein shall relieve any party for liability for any intentional misrepresentation or willful breach.

ARTICLE 8 TERMINATION FEE

8.1 Termination Fee

The Vendor agrees that if this Agreement shall be terminated:

8.1.1 by Vendor or the Purchaser pursuant to section 7.1.2 or by the Purchaser pursuant to sections 7.1.3.1 and if: (i) at or prior to the Termination Date, a Person or group shall have made an Acquisition Proposal to the Vendor, the Corporation or the Subsidiary or the unitholders of the Vendor or an Acquisition Proposal shall have otherwise become publicly known or any Person or group shall have publicly announced an intention (whether or not conditional) to make an Acquisition Proposal; and (ii) no later than twelve (12) months after the Termination Date, the Vendor, the Corporation or the Subsidiary enters into an agreement with respect to an Acquisition Proposal, or an Acquisition Proposal (which in each case need not be the same Acquisition Proposal as the Acquisition Proposal described in clause (i)) is consummated, then the Vendor will pay to the Purchaser the Termination Fee in accordance with section 8.2;

8.1.2 by the Purchaser or the Vendor pursuant to section 7.1.3.2 or section 7.1.4.2, as the case may be, then the Vendor shall pay to the Purchaser, on the Termination Date, the Purchaser Expenses in immediately available funds, as directed by the Purchaser in writing and, further, if: (i) at or prior to the Termination Date, a Person or group shall have made an Acquisition Proposal to the Vendor, the Corporation or the Subsidiary or the unitholders of the Vendor or an Acquisition Proposal shall have otherwise become publicly known or any Person or group shall have publicly announced an intention (whether or not conditional) to make an Acquisition Proposal; and (ii) no later than twelve (12) months after the Termination Date, the Vendor, the Corporation or the Subsidiary enters into an agreement with respect to an Acquisition Proposal, or an Acquisition Proposal (which in each case need not be the same Acquisition Proposal as the Acquisition Proposal described in clause (i)) is consummated, then the Vendor will pay to the Purchaser the Termination Fee (less any amounts previously paid to the Purchaser in respect of the Purchaser Expenses pursuant to this section 8.1.2) in accordance with section 8.2; or

8.1.3 by the Purchaser if the board of trustees of the Vendor: (i) makes a Change in Board Recommendation; or (ii) fails to reaffirm its recommendation of the Transaction by press release within a reasonable time after the public announcement or commencement of any Acquisition Proposal or within a reasonable period of time of having been requested to do so by the Purchaser (each of the events set forth in this section 8.1.3, an “**Immediate Termination Fee Event**”), then the Vendor will pay to the Purchaser the Termination Fee in accordance with section 8.2.

8.2 Payment of Termination Fee

The Vendor shall pay the Termination Fee to the Purchaser pursuant to section 8.1 by bank draft or wire transfer no later than the first Business Day following: (i) an Immediate Termination Fee Event; or (ii) in the case of a Termination Fee payable pursuant to section 8.1.1 or section 8.1.2, the date of the consummation of the transaction in respect of such Acquisition Proposal (or the date of the consummation of any alternative Acquisition Proposal). Each of the Vendor and the Purchaser acknowledges that the agreements contained in Article 7 and this Article 8 are an integral part of the transactions contemplated by this Agreement. In the event that the Vendor shall fail to pay to the Purchaser the Termination Fee, the Vendor shall reimburse the Purchaser for all reasonable costs and expenses actually incurred or accrued by the Purchaser (including reasonable fees and expenses of counsel) in connection with the collection under and the enforcement of section 7.1.4.3 and this section 8.2.

8.3 Liquidated Damages

In the event the Termination Fee is paid to the Purchaser, no other amounts will be due and payable as damages or otherwise by the Vendor and the Purchaser hereby accepts that the Termination Fee is in lieu of any damages or any other payment or remedy which it may be entitled to.

The Purchaser agrees that the Termination Fee constitutes payment of liquidated damages which are a genuine anticipated assessment or estimate of the damages which it will suffer or incur as a result of the event giving rise to such damages and resulting in the termination of this Agreement and does not and will not constitute payment of a penalty. Notwithstanding the foregoing, nothing herein shall release the Vendor from an liability for any breach of this Agreement.

ARTICLE 9 CLOSING

9.1 Location and Time of the Closing

Unless this Agreement shall have been terminated pursuant to Article 7, and subject to the satisfaction or waiver of the conditions set forth in Article 4 (other than conditions which, by their nature, are to be satisfied on the Closing Date), the Closing shall take place at a closing at the offices of Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, at the Time of Closing on the: (i) second Business Day following the satisfaction or waiver of the conditions set forth in Article 4 (other than conditions which, by their nature, are to be satisfied on the Closing Date); (ii) such later date as requested by Purchaser; provided, that such date shall not be later than the Outside Date; or (iii) on such other date as may be agreed upon in writing by the Vendor and the Purchaser (the date on which the Closing occurs is herein referred to as the “**Closing Date**”).

9.2 Deliveries at the Closing

At the Closing, the Vendor shall deliver the share certificates representing the Purchased Shares and the notes representing the Purchased Notes and such other documents as are reasonably required or contemplated to be delivered by the Purchaser or the Purchaser’s Counsel pursuant to this Agreement, including, with respect to the Purchased Notes, causing the CIBC Mellon Trust Company, as Trustee under the Note Indenture, to enter Purchaser’s name and address into the Register (as defined in the Note Indenture) for the Purchased Notes to effect transfer of the Purchased Notes in accordance with the terms of the Note Indenture, and the Purchaser shall pay the Purchase Price and shall deliver such documents as are reasonably required or contemplated to be delivered by the Vendor or the Vendor’s Counsel pursuant to this Agreement.

ARTICLE 10 GENERAL MATTERS

10.1 Confidentiality

The parties acknowledge and agree that the terms of the confidentiality agreement (“**Confidentiality Agreement**”) between them dated June 16, 2006 shall continue in full force and effect until the Time of Closing and if the Transaction is not completed or this Agreement is terminated pursuant to section 7.1, the Confidentiality Agreement shall continue in full force and effect in accordance with its terms.

10.2 Public Notices

No press release or other announcement concerning the Transaction or the terms of this Agreement shall be made by the Vendor or by the Purchaser without the prior written consent of the other (such consent not to be unreasonably withheld) provided, however, that any party may, without such consent, make such disclosure if the same is required under applicable securities Laws, by any stock exchange on which any of the securities of such party or any of its Affiliates are listed or by any securities

commission or other similar regulatory authority having jurisdiction over such party or any of its Affiliates, and if such disclosure is required, the party making the disclosure shall use best efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure.

10.3 Expenses

Each of the Vendor and the Purchaser shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the Transaction; provided that: (i) certain of the expenses of the Purchaser may be paid by the Vendor in accordance with sections 8.1 and 8.2; and (ii) (A) such expenses of the Vendor that are incurred prior to Closing, and (B) the expenses to wind-up the Vendor not to exceed \$500,000, in the case of clauses (A) and (B), shall be paid by the Subsidiary. Immediately following the Closing, the Purchaser shall cause the Subsidiary to fund an amount equal to \$500,000 into escrow at Torys LLP pursuant to an escrow agreement in form and substance reasonably satisfactory to the Vendor and the Purchaser to be used for the Vendor's wind-up expenses.

10.4 Assignment

Except as provided in this section, no party may assign its rights or benefits under this Agreement. The Purchaser may:

10.4.1 assign all (but not less than all) of its rights and benefits under this Agreement to any Person if:

10.4.1.1 the Vendor's prior written consent has been obtained; and

10.4.1.2 the assignee delivers to the Vendor an instrument in writing executed by the assignee confirming that it is bound by and shall perform all of the obligations of the Purchaser under this Agreement as if it were an original signatory;

10.4.2 assign all (but not less than all) of its rights and benefits under this Agreement to any Affiliate of the Purchaser who delivers an instrument in writing to the Vendor similar to the one contemplated by section 10.4.1.2;

10.4.3 assign all (but not less than all) of its rights and benefits under this Agreement to any third party in connection with the sale of all or substantially all of the Business by the Purchaser after the Closing; and

10.4.4 assign its rights and benefits under this Agreement to its lenders for collateral security purposes;

provided that no assignment contemplated above shall relieve the Purchaser of its obligations under this Agreement. In the event of an assignment contemplated above, any reference in this Agreement to "Purchaser" shall be deemed to include the assignee.

10.5 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid mail, by facsimile or other means of electronic communication or

by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lockout or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as follows:

(a) if to the Vendor:

ACS Media Income Fund
c/o Torys LLP
79 Wellington Street West
Suite 3000
Toronto, Ontario M5K 1N2

Attention: Secretary
Telecopier number: (907) 297-1409

with a copy to the Vendor's Counsel at:

Torys LLP
79 Wellington Street West
Suite 3000
Toronto, Ontario M5K 1N2

Attention: Phil Brown
Telecopier number: (416) 865-7380

(b) if to the Purchaser:

Pendo Acquisition ULC
c/o Welsh Carson Anderson & Stowe
320 Park Avenue, Suite 2500
New York, NY 10022

Attention: John Almeida, Jr.
Telecopier number: (212) 893-9562

With a copy to:

Caribe Acquisition Holdings, LLC
8310 South Valley Highway
3rd Floor
Englewood, CO 80112

Attention: John S. Fischer, Esq.
Telecopier number: (212) 751-4864

with a copy to the Purchaser's Counsel at:

Latham & Watkins LLP
885 Third Avenue, Suite 1000
New York, NY 10022

Attention: R. Ronald Hopkinson, Esq.
Jennifer Perkins, Esq.
Telecopier number: (212) 751-4864

The failure to send or deliver a copy of a notice to the Purchaser's Counsel or to the Vendor's Counsel, as the case may be, shall not invalidate any notice given under this section.

10.6 Fiduciary Duties of Directors or Officers

No provision of this Agreement shall require the Vendor to cause the board of trustees to refrain from making a Change in Board Recommendation if required (after consultation with outside legal counsel) to fulfill their fiduciary legal obligations as trustees under applicable Law (subject to Vendor's compliance with sections 5.6 and 5.7 hereof).

10.7 Limitation of Liability in Respect of the Vendor

10.7.1 The trustees of the Vendor, in incurring any debts liabilities or obligations, or in taking or omitting any other actions for or in connection with the affairs of the Vendor are, and will be conclusively deemed to be, acting for and on behalf of the Vendor, and not in their own personal capacities. None of the trustees of the Vendor will be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses (including legal expenses) against or with respect to the Vendor or in respect of the affairs of the Vendor. No property or assets of the trustees of the Vendor, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Agreement. No recourse may be had or taken, directly or indirectly, against the trustees of the Vendor in their personal capacity including, without limitation, if the Vendor is wound up or dissolved and its residual property is distributed to the holders of its units. The Vendor will be solely liable therefor and resort will be had solely to the property and assets of the Vendor for payment or performance thereof.

10.7.2 No holder of units of the Vendor or any annuitant under a registered retirement savings plan, registered retirement income fund or deferred profit sharing plan of which a unitholder of the Vendor acts as a trustee (an "annuitant") as such will be subject to any personal liability whatsoever, in tort, contract or otherwise, to any party to this Agreement in connection with the obligations or the affairs of the Vendor or the acts or omissions of the trustees of the Vendor,

whether under this Agreement or otherwise, and the parties to this Agreement will look solely to the property and assets of the Vendor for satisfaction of claims of any nature arising out of or in connection therewith and the property and assets of the Vendor only will be subject to levy or execution.

10.7.3 For greater clarity, as a result of this section 10.7, the Purchaser acknowledges that upon any wind-up or dissolution of the Vendor, it will not have any recourse to any Person for any breach or default under this Agreement.

10.7.4 The trustees of the Vendor, the unitholders of the Vendor and annuitants to whom this section 10.7 applies shall be third party beneficiaries of this section 10.7. The provisions of this section 10.7 are intended to be for the benefit of each such Persons, their respective heirs, successors, and assigns and their representatives. The Vendor is hereby constituted trustee in favour of the trustees of the Vendor, the unitholders of the Vendor and annuitants to whom this section 10.7 applies in respect of their rights under this section 10.7.

10.8 Time of Essence

Time is of the essence of this Agreement.

10.9 Further Assurances

Each of the parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

10.10 Counterparts

This Agreement may be signed in counterparts and each such counterpart shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

ACS MEDIA INCOME FUND

by: "Wesley E. Carson"

Wesley E. Carson
Secretary

PENDO ACQUISITION ULC

by: "Scott Pomeroy"

Scott Pomeroy
President