
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Made as of April 15, 2004

Between

OSPREY MEDIA GROUP INC.

as Borrower

and

OSPREY MEDIA HOLDINGS INC.

as Holdco

and

**EACH OF THE FINANCIAL INSTITUTIONS
FROM TIME TO TIME PARTIES HERETO**

as Credit Facility Lenders

and

CANADIAN IMPERIAL BANK OF COMMERCE

as Syndication Agent

and

BANK OF MONTREAL

as Documentation Agent

and

NATIONAL BANK OF CANADA

as Managing Agent

and

THE BANK OF NOVA SCOTIA

as Administrative Agent

McMILLAN BINCH LLP

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Second Amended and Restated Credit Agreement made as of April 15, 2004 between:

OSPREY MEDIA GROUP INC.
as Borrower

and

OSPREY MEDIA HOLDINGS INC.
as Holdco

and

**EACH OF THE FINANCIAL INSTITUTIONS FROM TIME
TO TIME PARTIES HERETO**
as Credit Facility Lenders

and

CANADIAN IMPERIAL BANK OF COMMERCE
as Syndication Agent

and

BANK OF MONTREAL
as Documentation Agent

and

NATIONAL BANK OF CANADA
as Managing Agent

and

THE BANK OF NOVA SCOTIA
as Administrative Agent

RECITALS

A. Pursuant to the Credit Agreement made as of July 31, 2001 (the “**Original Credit Agreement**”) between 3057249 Nova Scotia Company (the “**Original Borrower**”), 3057250 Nova Scotia Company (the “**Original Guarantor**”), each of the financial institutions and other entities party thereto, as lenders (the “**Original Lenders**”), The Bank of Nova Scotia, Bank of Montreal and Canadian Imperial Bank of Commerce, as Co-Arrangers (the “**Original Co-Arrangers**”) and the Administrative Agent, the Original Lenders agreed to make Credit Facilities available to the Original Borrower.

B. The Original Borrower and the Original Guarantor each (i) converted from an unlimited liability company to a limited liability company under the laws of the Province of Nova Scotia, at which time the Original Borrower changed its name to "**Osprey Media Group Inc.**", (ii) continued under the *Business Corporations Act* (Ontario) (the "**OBCA**"), and (iii) amalgamated under the OBCA to carry on business as "Osprey Media Group Inc."

C. Osprey Media Group Inc. ("**Old Osprey**") agreed to become the borrower under the Original Credit Agreement and to assume all of the obligations of the Original Borrower and the Original Guarantor under the Original Credit Agreement and the other documents to which the Original Borrower and the Original Guarantor, as the case may be, was a party under the Assumption Agreement (the "**Assumption Agreement**") between Old Osprey, the Administrative Agent and the Original Lenders executed as of the 8th day of August 2001.

D. The Original Credit Agreement was amended and restated by the Amended and Restated Credit Agreement made as of February 14, 2003, between Old Osprey, as borrower, Osprey Media Holdings Inc. (as "**Holdco**"), each of the financial institutions from time to time party thereto, as lenders (the "**Original Credit Facility Lenders**"), the Original Co-Arrangers and The Toronto-Dominion Bank, as Co-Arrangers, Bank of Montreal, Canadian Imperial Bank of Commerce and The Toronto-Dominion Bank, as Co-Syndication Agents, and the Administrative Agent, as amended by Amendment No. 1 to Amended and Restated Credit Agreement made as of September 18, 2003 (the "**Amended and Restated Credit Agreement**").

E. In connection with the creation of Osprey Media Income Fund and the offering of units in Osprey Media Income Fund to the public under the Prospectus (the "**IPO**"), (i) the Fund incorporated a subsidiary corporation ("**Acquireco**") under the OBCA; (ii) the capital of Old Osprey and Holdco were reorganized; (iii) Old Osprey amalgamated with Acquireco to continue as Osprey Media Group Inc. ("**Osprey**"); and (iv) Osprey made a repayment of the Term Facility in the amount of \$61,046,299 (collectively, the "**IPO-Related Transactions**" and, together with the IPO, the "**IPO Transaction**").

F. In connection with the IPO Transaction, Osprey has requested, and the Administrative Agent and the Credit Facility Lenders have agreed, to (i) increase the amount of the Revolving Facility to \$50,000,000 and (ii) further amend and restate the Amended and Restated Credit Agreement to reflect the IPO Transaction, subject to the terms and conditions of this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 - INTERPRETATION

1.1 Certain Defined Terms

The terms defined below shall have the indicated meanings unless the context expressly or by necessary implication requires otherwise:

(1) **Acceptance Fee** means a fee payable by the Borrower with respect to the acceptance of a Bankers' Acceptance by a Credit Facility Lender under this Agreement, as set forth in Section 3.4.

- (2) **Acquireco** means 1606348 Ontario Inc., a corporation incorporated under the laws of Ontario.
- (3) **Acquisition Target** has the meaning given to it in Section 1.1(144).
- (4) **Additional Compensation** has the meaning given to it in Section 3.10(3).
- (5) **Administrative Agent** means The Bank of Nova Scotia when acting as administrative agent and any successor administrative agent appointed under Section 12.8.
- (6) **Administrative Agent's Accounts for Payments** means for all payments under this Agreement for and by the Borrower in Canadian Dollars, the following account maintained by the Administrative Agent at its main Toronto branch, to which payments and transfers are to be effected as follows:

The Bank of Nova Scotia
Wholesale Banking Operations
Loan Administration and Agency Services
720 King Street West, 4th Floor
Toronto, Ontario M5V 2T3

Account #52712-23902-64
Attention: Loan Administration and Agency Services
Reference: Osprey Media Group Inc.

or any other account of the Administrative Agent for the Borrower as the Administrative Agent may from time to time advise the Borrower and the Credit Facility Lenders by not less than fifteen (15) days prior written notice.

- (7) **Administrative Agent's Branch of Account** means The Bank of Nova Scotia, Wholesale Banking Operations, Loan Administration and Agency Services, 720 King Street West, 4th Floor, Toronto, Ontario, M5V 2T3 or other office or branch of the Administrative Agent in Canada as the Administrative Agent may from time to time advise the Borrower and the Credit Facility Lenders by not less than fifteen (15) days prior written notice.
- (8) **Advance** means an extension of credit under the Credit Facilities by a Credit Facility Lender to the Borrower by way of the advance of a Prime Loan, the acceptance of Bankers' Acceptances or the issuance of a Letter of Credit or Letter of Guarantee.
- (9) **Affected Borrowing** has the meaning given to it in Section 3.11.
- (10) **Affiliate** shall have the meaning given to it in the OBCA as of the date hereof; provided that all references to a "body corporate" in such definition and in each definition referred to therein shall be deemed to be a reference to a "Person"; provided further, however, that the term "Affiliate" shall specifically exclude the Administrative Agent and each Lender.
- (11) **Agency Fee Letter** means the fee letter dated April 15, 2004 relating to the Credit Facilities.

- (12) **Agreed Currency** has the meaning given to it in Section 15.5.
- (13) **Agreement** means this Second Amended and Restated Credit Agreement, including the Schedules hereto, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time.
- (14) **Amalgamation** means the amalgamation of Old Osprey and Acquireco to continue as Osprey.
- (15) **Amended and Restated Credit Agreement** has the meaning given to it in Recital D.
- (16) **Applicable Law** means, in respect of any Person, property, transaction or event, all present and future laws, statutes, regulations, treaties, judgments and decrees applicable to that Person, property, transaction or event (whether or not having the force of law when used in reference to regulatory matters applicable to the Administrative Agent and the Credit Facility Lenders) and all applicable requirements, requests, official directives, consents, approvals, authorizations, guidelines, rules, orders and policies having the force of law of any Governmental Authority having authority over that Person property, transaction or event.
- (17) **Applicable Margin** means the number of basis points applicable to a type of Advance as determined in accordance with Section 3.4.
- (18) **Asset Sale Proceeds** has the meaning given to it in Section 4.5.
- (19) **Assignee** has the meaning given to it in Section 14.1(3)(b).
- (20) **Assigning Lender** has the meaning given to it in Section 14.1(3)(b).
- (21) **Assumption Agreement** has the meaning given to it in Recital C.
- (22) **Associate** has the meaning given to it in the OBCA as of the date hereof.
- (23) **Auditors** means an independent chartered accounting firm of national standing or otherwise acceptable to the Administrative Agent appointed by either the shareholders or the board of directors of the Borrower to provide audit services from time to time.
- (24) **Authorized Signatory** means, in respect of the Fund, the Person or Persons authorized in accordance with the Fund Declaration of Trust to sign on behalf of the Board of Trustees of the Fund.
- (25) **BA Equivalent Loan** means an Advance made by a Non BA Lender evidenced by a Discount Note.
- (26) **Bankers' Acceptance and B/A** each means a bill of exchange within the meaning of the *Bills of Exchange Act* (Canada), and each a depository bill issued in accordance with the *Depository Bills and Notes Act* (Canada), denominated in Canadian Dollars, drawn by the Borrower and accepted by a Credit Facility Lender and includes a Discount Note.

(27) **Board of Trustees** means Michael G. Sifton, Andrew Brenton, Bruce Jackson and James Wallace and their respective successors as permitted under the Fund Declaration of Trust, not in their individual capacity but only in their capacity as trustees of the Fund.

(28) **Borrower** means Osprey and its respective permitted successors and assigns.

(29) **Borrower's Account** means an account of the Borrower maintained at the Administrative Agent's Branch of Account in Canada, or such other accounts maintained at the Branch of Account of a Credit Facility Lender in Canada, the particulars of which the Borrower shall advise the Administrative Agent and the Credit Facility Lenders by not less than fifteen (15) days prior written notice.

(30) **Branch of Account** means, with respect to each Credit Facility Lender, the branch of the Credit Facility Lender at the address set out opposite the Credit Facility Lender's name on Schedule 1.1(30) or other branch as the Credit Facility Lender may advise the Borrower and the Administrative Agent in writing.

(31) **Business Day** means a day on which chartered banks are open for over-the-counter business in Toronto and excludes Saturday, Sunday and any other day which is a statutory holiday in Toronto.

(32) **Business** means the business of owning, operating and publishing daily and non-daily newspapers, magazines and other publications and any business ancillary thereto carried on by the Borrower and its Subsidiaries.

(33) **Canadian Benefit Plans** means all material employee benefit plans or arrangements maintained or contributed to by the Borrower or any Subsidiary that are not Canadian Pension Plans, including all profit sharing, savings, supplemental retirement, retiring allowance, severance, pension, deferred compensation, welfare, bonus, incentive compensation, phantom stock, legal services, supplementary unemployment benefit plans or arrangements and all life, health, dental and disability plans and arrangements in which the employees or former employees of the Borrower or any Subsidiary, as the case may be, participate or are eligible to participate but excluding all stock option or stock purchase plans.

(34) **Canadian Dollars** and the symbol "Cdn\$" each means lawful money of Canada.

(35) **Canadian Pension Plans** means all plans or arrangements which are considered to be pension plans for the purposes of any applicable pension benefits standards statute or regulation in Canada established, maintained or contributed to by the Borrower or any Subsidiary for its employees or former employees.

(36) **Capital Expenditures** means, for any period, the aggregate amount of all expenditures of the Borrower and the Material Subsidiaries for fixed or capital assets made during such period which, in accordance with GAAP are classified as capital expenditures excluding capital expenditures made when making Permitted Acquisitions.

(37) **Capital Lease** means, with respect to a Person, any lease or other arrangement relating to property or assets that would be required to be accounted for as a capital lease on a balance sheet

of that Person in accordance with GAAP. The amount of any Capital Lease at any date shall be the amount of the obligation in respect thereof which would be included on the balance sheet as at such date.

(38) **Cash Interest** means with respect to any fiscal period of the Borrower and the Material Subsidiaries on a consolidated basis, the aggregate amount of interest accrued during such period, calculated in accordance with GAAP for the Borrower and the Material Subsidiaries but does not include any interest (i) in respect of the Osprey Notes; (ii) accrued during the applicable period prior to the Closing Date on the amount of the term loan under the Existing Credit Facilities repaid on or before the Closing Date as part of the IPO Transaction; and (iii) accrued during the applicable period prior to the Closing Date on the amount of the Revolving Facility outstanding as at the Closing Date.

(39) **Cash Interest Coverage Ratio** means, for any fiscal period of the Borrower, the ratio obtained by dividing EBITDA of the Borrower and the Material Subsidiaries, for such fiscal period, by the aggregate Cash Interest for such fiscal period.

(40) **CBCA** means the *Canada Business Corporations Act*.

(41) **CDOR Rate** means, on any day, the annual rate of interest which is the arithmetic average of the "BA 1 month" rates applicable to Canadian Dollar bankers' acceptances identified as such on the Reuters Screen CDOR Page at approximately 10:00 a.m. on such day (as adjusted by the Administrative Agent after 10:00 a.m. to reflect any error in any posted rate or in the posted average annual rate). If the rate does not appear on the Reuters Screen CDOR Page as contemplated above, then the CDOR Rate on any day shall be calculated as the arithmetic average of the discount rates applicable to one month Canadian Dollar Bankers' Acceptances), and as quoted by, any two of the Schedule I Lenders, chosen by the Administrative Agent in its discretion, as of 10:00 a.m. on the day, or if the day is not a Business Day, then on the immediately preceding Business Day. If less than two Credit Facility Lenders quote the aforementioned rate, the CDOR Rate shall be the rate quoted by the Administrative Agent.

(42) **Certificate** means, in respect of the Borrower, a written certificate signed in the name of the Borrower by an appropriate officer thereof; in respect of the Fund, a written certificate signed in the name of the Fund by an Authorized Signatory thereof; in respect of Holdco, a written certificate signed in the name of Holdco by an appropriate officer thereof; and, in respect of any Material Subsidiary, a certificate signed in the name of such Material Subsidiary by an appropriate officer under the constating documents of such Material Subsidiary.

(43) **Change of Control** means any event as a result of which (a) any Person or group of Persons acting in concert (a "**Controlling Party**") shall acquire control, directly or indirectly, of more than 50% of the issued and outstanding units of the Fund having the right to vote for trustees of the Fund, other than the OTPPB or Scotia Merchant Capital Corporation, acting alone or with an Affiliate, (b) any Controlling Party shall acquire control, directly or indirectly, of more than 50% of the issued and outstanding Securities of the Borrower having the right to vote for directors of the Borrower (other than the OTPPB or Scotia Merchant Capital Corporation, acting alone or with an Affiliate), (c) any Controlling Party shall acquire control, directly or indirectly, of a sufficient percentage of the issued and outstanding units of the Fund having the

right to vote for a majority of trustees of the Fund (other than the OTPPB or Scotia Merchant Capital Corporation, acting alone or with an Affiliate), and such Controlling Party shall (A) replace a majority of the trustees of the Fund who were either (i) appointed prior to such acquisition of control or (ii) new trustees who were nominated for appointment by those trustees of the Fund appointed prior to such acquisition of control, or (B) replace a majority of the directors of the Borrower who were either (i) elected prior to such acquisition of control, or (ii) new directors of the Borrower who were nominated by the directors appointed prior to such acquisition of control; or (d) any Controlling Party shall acquire control, directly or indirectly, of a sufficient percentage of the issued and outstanding Securities of the Borrower having the right to vote for a majority of directors of the Borrower (other than the OTPPB or Scotia Merchant Capital Corporation, acting alone or with an Affiliate), and such Controlling Party shall replace a majority of the directors of the Borrower who were either (i) elected prior to such acquisition of control, or (ii) new directors of the Borrower who were nominated by the directors appointed prior to such acquisition of control.

(44) **Claim** has the meaning given to it in Section 3.13(1).

(45) **Closing Date** means April 15, 2004 or such earlier date upon which the conditions precedent in Section 7.1 have been satisfied or waived.

(46) **Collateral** means the undertaking, property and assets covered by the Security Documents and any other property, real or personal, tangible or intangible, now existing or hereafter acquired by the Borrower or any Material Subsidiary, that may at any time be or become subject to a Lien in favour of the Administrative Agent on behalf of the Lenders to secure any or all of the Obligations or any guarantee thereof.

(47) **Commitment** means, with respect to any Credit Facility Lender, the aggregate of the Revolving Commitment and Term Commitment of such Credit Facility Lender.

(48) **Commitment Fee** has the meaning given to it in Section 3.6(1).

(49) **Commitment Fee Payment Date** has the meaning given to it in Section 3.6(1).

(50) **Compliance Certificate** means a Compliance Certificate substantially in the form attached as Schedule 1.1(50) signed by the President and the Chief Executive Officer or the Vice President, Finance of the Borrower or other officer acceptable to the Administrative Agent.

(51) **Contaminant** means any pollutant, dangerous, toxic or hazardous substance, waste of any description whatsoever, hazardous material or contaminant, including any of the foregoing as defined in any Environmental Laws.

(52) **Contract Period** means the period selected by the Borrower in accordance with Section 2.8(1) or, as regards Hedge Facilities, agreed with the Lender, commencing on the Drawdown Date, Rollover Date or Conversion Date, as applicable, and expiring on a Business Day, subject to the terms of:

(a) Section 2.8 with respect to Banker's Acceptances;

- (b) Section 2.10 with respect to Letters of Credit; and
 - (c) Section 2.11 with respect to Hedge Facilities.
- (53) **Conversion** means the conversion of an outstanding Advance, or a portion of an outstanding Advance, into an alternative type of Advance under Section 2.12.
- (54) **Conversion Date** means the Business Day that the Borrower elects as the date on which a Conversion is to occur.
- (55) **Credit Facility Lenders** means, at any time, all of the banks and other financial institutions to which Credit Facility Obligations are outstanding or which have existing Commitments under this Agreement and their permitted successors and assigns, including the Swing Line Lenders and “**Credit Facility Lender**” means any one of them.
- (56) **Credit Facility Obligations** means all Obligations other than Other Secured Obligations.
- (57) **Credit Facilities** means the Revolving Facility and the Term Facility.
- (58) **Debt of a Person** means without duplication:
- (a) all debts and liabilities of the Person for borrowed money;
 - (b) any obligation, contingent or other, which is required to be classified in accordance with GAAP upon the Person’s balance sheet as a liability;
 - (c) any obligation secured by any Lien existing on property owned or acquired by the Person subject to the Lien whether or not the obligation secured thereby shall have been assumed;
 - (d) any debt or liability of the Person representing the deferred acquisition cost of property or assets created or arising under any conditional sale agreement or other title retention agreement even though the rights and remedies of the seller under that agreement in the event of default are limited to repossession or sale of property or assets covered thereby;
 - (e) any liabilities, contingent, unmatured or other, under indemnities given in respect of any bankers’ acceptance, letter of credit or letter of guarantee;
 - (f) all obligations of such Person under any operating lease under which the Person has furnished a residual value guarantee and in respect of which the Person is liable as lessee;
 - (g) all obligations of such Person under any Capital Lease by which the Person is bound;
 - (h) the out of the money mark-to-market exposure of the Person to any counterparty arising under Hedge Contracts entered into with such counterparty; and

- (i) Financial Assistance provided by such Person in respect of the Debt of another Person of the type referred to in clause (a) to (h) of this definition.

but "**Debt**" does not include deferred taxes or minority interests.

(59) **Default** means an event, circumstance or omission which constitutes an Event of Default or which, with any or all of the giving of notice, lapse of time, or a failure to remedy the event, circumstance or omission within a lapse of time, would constitute an Event of Default.

(60) **Disbursement** has the meaning given to it in Section 2.10(8).

(61) **Disbursement Date** has the meaning given to it in Section 2.10(8).

(62) **Discount Note** means a non-interest bearing promissory note denominated in Canadian Dollars, substantially in the form of Schedule 1.1(62), issued by the Borrower to a Non BA Lender to evidence a BA Equivalent Loan.

(63) **Discount Proceeds** means, for any Bankers' Acceptance issued hereunder, an amount calculated on the applicable Drawdown Date, Rollover Date or Conversion Date by multiplying:

- (a) the face amount of the Bankers' Acceptance

by

- (b) the quotient obtained by dividing:

- (i) one

by

- (ii) the sum of one plus the product of:

- (A) the Discount Rate applicable to the Bankers' Acceptance

and

- (B) a fraction, the numerator of which is the applicable Contract Period and the denominator of which is 365

with the quotient being rounded up or down to the fifth decimal place and .00005 being rounded up.

(64) **Discount Rate** means with respect to an issue of Bankers' Acceptances in Canadian Dollars with the same maturity date, (a) for a Credit Facility Lender which is a Schedule I Lender or a Non BA Lender, (i) the simple average of the B/A discount rate for the appropriate term as quoted on Reuters Screen CDOR Page for Schedule I Reference Banks (rounded upwards to the nearest $\frac{1}{100}$ th of one percent) determined at or about 10:00 a.m. (Toronto time) on that day or, (ii) if the discount rate for a particular term is not quoted on Reuters Screen CDOR Page, the arithmetic average of the actual discount rates for B/As for such term accepted by the

Schedule I Reference Banks and (b) for a Credit Facility Lender which is a Schedule II/III Lender, the arithmetic average of the actual discount rates for B/As for such term accepted by the Schedule II/III Reference Banks but not to exceed the discount rate set out in (a) by more than 10 basis point.

(65) **Distribution** shall mean, with respect to any Person, (a) the declaration or payment of any dividend or any other payment or distribution of cash or other property or assets in respect of a Security issued by such Person; (b) any payment on account of the purchase, redemption, defeasance, sinking fund or other retirement of a Security issued by such Person or any other payment or distribution made in respect thereof, either directly or indirectly; (c) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any subordinated debt; (d) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Security issued by such Person now or hereafter outstanding; (e) any payment of a claim for the rescission of the purchase or sale of, or for material damages arising from the purchase or sale of, any Securities issued by such Person or of a claim for reimbursement, indemnification or contribution arising out of or related to any such claim for damages or rescission; and (f) any payment, loan, contribution, or other transfer of funds or other property to any Security holder of such Person, other than payment of compensation and management fees to Security holders who are employees or managers of such Person and payment of the purchase price for goods and services supplied by such Security holder, in each case in the ordinary course of business and on terms no less favourable than such Person could obtain from an arm's length third party in ordinary market conditions.

(66) **Documents** means this Agreement, the Bankers' Acceptances, the Security Documents, and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Administrative Agent, for itself or for the benefit of any of the Lenders, and the Credit Facility Lenders under this Agreement or any other Document and, when used in relation to any Person, the term **Documents** means the Documents executed and delivered by the Person; provided, that for greater certainty, the term "**Documents**" does not include any agreement or other document under which any Other Secured Obligations arise.

(67) **Drawdown Date** means a Business Day on which an Advance is made or is deemed to be made.

(68) **EBITDA** means consolidated net income of a Person on a 12-month rolling basis, before interest, taxes, depreciation and amortization for such period as determined in accordance with GAAP, but excluding (i) all non-recurring one time extraordinary gains or losses realized from time to time and reasonable transaction costs incurred in respect of a Permitted Acquisition or any other acquisition or disposition of assets permitted by this Agreement; and (ii) EBITDA from non-wholly owned subsidiaries or investments; provided that EBITDA is to be determined without any reduction on account of any Permitted Distributions, other than any Permitted Distributions which have been deducted in the calculation of consolidated net income in accordance with GAAP. For the purpose of calculating the EBITDA of the Borrower, such EBITDA shall be calculated based on a consolidation of the Borrower and the Material

Subsidiaries plus any cash distribution received by the Borrower or any Material Subsidiary from a Subsidiary which is not a Material Subsidiary.

(69) ***Environmental Activity*** means any activity, event or circumstance in respect of a Contaminant including its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation or its Release into the natural environment including movement through or in the air, soil, subsoil, surface water or groundwater.

(70) ***Environmental Laws*** means any and all federal, provincial, state, municipal and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, grants, licences, agreements or other governmental restrictions of, as applicable, Canada, its provinces and all applicable municipalities thereof relating to the environment, occupational health and safety, health protection or any Environmental Activity.

(71) ***Equivalent Amount*** in one currency on any day means the amount of that currency into which a specified amount of another currency can be converted at the Bank of Canada's noon spot rate (or at any other rate to which the parties agree) on such day and if that day is not a Business Day, on the immediately preceding Business Day.

(72) ***Excluded Taxes*** has the meaning given to it in Section 5.2(4).

(73) ***Event of Default*** means any of the events or circumstances specified in Section 11.1.

(74) ***Financial Assistance*** means, with respect to any Person and without duplication, any loan to or Investment in or other form of direct or indirect financial support of any other Person or any obligation (contingent or other) intended by such Person to enable another Person to incur or pay any Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Debt of the other Person and includes any guarantee of the Debt of the other Person and any absolute or contingent obligation:

- (a) to advance or supply funds for the purpose of the payment or purchase of any Debt of any other Person;
- (b) to purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Debt or to assure the holder thereof against loss in respect of any Debt; or
- (c) to indemnify or hold harmless any creditor of any other Person from or against any losses, liabilities or damages in respect of any Debt;

but excluding endorsements of negotiable instruments payable to such Person for collection or deposit in the ordinary course of business.

The amount of any Financial Assistance is the amount of any loan or Investment or direct or indirect financial support, without duplication, made or given, or all Debt of the obligor to which

the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount.

(75) **Fiscal Quarter** means the fiscal quarters of the Borrower, which end on March 31, June 30, September 30 and December 31 in each Fiscal Year.

(76) **Fiscal Year** means the fiscal year of the Borrower, which currently ends on December 31.

(77) **Free Cash Flow** for any Fiscal Quarter means an amount equal to 25% of EBITDA for the four Fiscal Quarter period ended on the last day of the immediately preceding Fiscal Quarter (adjusted to take into account the appropriate portion of any Synergy Credit and, for greater certainty, excluding the balance of the LCT Reserve) minus 25% of the sum of:

- (a) the amount of Minimum Maintenance Capital Expenditures for the preceding four Fiscal Quarter period;
- (b) Capital Expenditures not funded with the proceeds of Debt, equity, Asset Sale Proceeds or Insurance Proceeds for the preceding four Fiscal Quarter period and without duplication of the amount referred to in (a) above;
- (c) cash payments made to fund Permitted Acquisitions other than from the proceeds of Debt, equity, Asset Sale Proceeds or Insurance Proceeds for the preceding four Fiscal Quarter period;
- (d) Cash Interest for the preceding four Fiscal Quarter period;
- (e) cash payments made or payable on account of capital and income taxes during the preceding four Fiscal Quarter period excluding the amounts paid on account of the large corporations tax from the LCT Reserve; and
- (f) distributions in respect of the Long Term Incentive Plan during the preceding four Fiscal Quarter period, to the extent not deducted in calculating the consolidated net income of the Borrower for such period;

plus the aggregate of:

- (g) Asset Sale Proceeds from any sale of assets permitted under Section 9.2(1) and any Insurance Proceeds not required to be reinvested or set aside for reinvestment or paid to the Administrative Agent on behalf of the Credit Facility Lenders to be applied to the Term Loan, in each case, in accordance with Section 4.5(1), during such preceding Fiscal Quarter not previously applied during the preceding Fiscal Quarter to make Permitted Acquisitions, Capital Expenditures, principal payments on the Term Facility or Permitted Distributions to the Fund, Holdco or the OTPPB;
- (h) the maximum amount of the Revolving Facility permitted to be used to fund Permitted Distributions to the Fund, Holdco or the OTPPB under Section 2.5 less

the aggregate of all Advances used to fund Permitted Distributions to the Fund, Holdco or the OTPPB and not repaid as at the end of such preceding Fiscal Quarter; and

- (i) the amount of Free Cash Flow for the preceding Fiscal Quarter less the amount of Permitted Distributions to the Fund, Holdco or the OTPPB made during such preceding Fiscal Quarter pursuant to clause (b) of the definition of "Permitted Distributions".

(78) **Fund** means the Board of Trustees, solely in their capacity as trustees of Osprey Media Income Fund, an open-ended limited purpose trust established under the laws of the Province of Ontario.

(79) **Fund Declaration of Trust** means the declaration of trust of the Fund dated January 1, 2004, as amended by the amendment to declaration of trust dated April 15, 2004 as amended, restated, supplemented or otherwise modified from time to time.

(80) **Fund Guarantee** means the limited recourse guarantee dated as of April 15, 2004 executed by the Fund in favour of the Administrative Agent, for its benefit and for the benefit of the Lenders, as amended, restated, supplemented or otherwise modified from time to time.

(81) **Fund Pledge Agreement** means the pledge agreement dated as of April 15, 2004 between the Fund and the Administrative Agent, for its benefit and for the benefit of the Lenders, as amended, restated, supplemented or otherwise modified from time to time.

(82) **GAAP** means generally accepted accounting principles in effect from time to time in Canada applied in a consistent manner from period to period, including, without limitation, the accounting recommendations published in the Handbook of the Canadian Institute of Chartered Accountants.

(83) **Government Approvals** means, with respect to any Person, all licences, permits, consents, authorizations and approvals from any and all Governmental Authorities required for the conduct of that Person's business as presently conducted.

(84) **Governmental Authority** means, with respect to any Person, any domestic or foreign government including any federal, provincial, state, territorial or municipal government and any government agency, tribunal, commission or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

(85) **Granting Lender** has the meaning given to it in Section 14.1(3)(a).

(86) **Gross-Up** has the meaning given to it in Section 5.2(6).

(87) **Gross-Up Payment** has the meaning given to it in Section 5.2(6).

- (88) **Hedge Contract** means a contract for the purchase of any currency with any other currency at an agreed rate of exchange on a specified date, an interest rate or currency swap or any other interest or exchange rate exposure management arrangements.
- (89) **Hedging Facilities** means interest rate and foreign exchange hedging facilities permitted by the terms of this Agreement provided by one or more of the Credit Facility Lenders on a senior secured *pari passu* basis with the Credit Facilities.
- (90) **Holdco** means Osprey Media Holdings Inc., a corporation incorporated under the laws of the Province of Ontario.
- (91) **Holdco Guarantee** means the limited recourse guarantee dated as of April 15, 2004 executed by Holdco in favour of the Administrative Agent, for its benefit and for the benefit of the Lenders, as amended, restated, supplemented or otherwise modified from time to time.
- (92) **Holdco Pledge Agreement** means the pledge agreement dated as of April 15, 2004 between Holdco and the Administrative Agent, for its benefit and for the benefit of the Lenders, as amended, restated, supplemented or otherwise modified from time to time.
- (93) **including** means *including without limitation* and **includes** means *includes without limitation*.
- (94) **Indemnified Person** has the meaning given to it in Section 3.13(1).
- (95) **Insurance Proceeds** has the meaning given to it in Section 4.5.
- (96) **Interest Payment Date** means the first Business Day of each month.
- (97) **Intellectual Property** has the meaning given to it in Section 8.1(20).
- (98) **Investment** means, for any Person, the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make that acquisition but, for greater certainty, does not include Permitted Debt.
- (99) **IPO** has the meaning given to it in Recital E.
- (100) **IPO Documents** means the Prospectus, the Fund Declaration of Trust, the Osprey Notes, the Osprey Notes Indenture, the Securityholders Agreement and all other material documents and agreements entered into in connection with the IPO Transaction.
- (101) **IPO-Related Transactions** has the meaning given to it in Recital E.
- (102) **IPO Transaction** has the meaning given to it in Recital E.
- (103) **ISDA** means the International Swap and Derivatives Association, Inc. and any successor thereto.

(104) **Issuance Date** means the date on which a Letter of Credit or Letter of Guarantee is issued by the L/C Issuer in favour of a third party at the request of the Borrower.

(105) **ITA** means the *Income Tax Act* (Canada), as amended, and any successor thereto, and any regulations promulgated thereunder.

(106) **Judgment Currency** has the meaning given to it in Section 15.5.

(107) **L/C Agreement** has the meaning given to it in Section 2.10(3).

(108) **L/C Issuer** means the Swing Line Lender at the time a Letter of Credit or Letter of Guarantee is issued.

(109) **LCT Reserve** means the reserve established by Osprey from a portion of the proceeds of the Osprey Notes in an amount not to exceed \$1,000,000 for the purpose of funding large corporation taxes payable by Osprey after the Closing Date.

(110) **Leased Property** has the meaning given to it in Section 8.1(23).

(111) **Lenders** means all of the Credit Facility Lenders; in respect of any Hedging Facilities, "Lenders" shall also include any Affiliate of any Credit Facility Lender that is providing Hedging Facilities to the Borrower and, in respect of any Other Secured Obligations, "Lenders" shall also include any Credit Facility Lender, or Affiliate thereof in respect of Hedging Facilities, that was a Credit Facility Lender at the time any agreement under which the Other Secured Obligations arise was entered into.

(112) **Letter of Credit** means a commercial or standby letter of credit issued by the Swing Line Lender at the request and for the account of the Borrower.

(113) **Letter of Guarantee** means a guarantee or other documentary credit issued by the Swing Line Lender on behalf of the Borrower under this Agreement for the purpose of providing security to a third party that the Borrower or the Borrower's designee will perform a contractual obligation owed to that party.

(114) **Lien** means any mortgage, charge, lien, hypothec or encumbrance, whether fixed or floating on, or any security interest in, any property, whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any deposit arrangement, priority, conditional sale agreement, other title retention agreement or equipment trust, Capital Lease or other security arrangement of any kind.

(115) **Loan** means a Prime Loan.

(116) **Long Term Incentive Plan** means the employee benefit plan established by the Borrower pursuant to April 15, 2004.

(117) **Maintenance Capital Expenditures** shall mean, for any fiscal period of the Borrower and the Material Subsidiaries on a consolidated basis, Capital Expenditures for the purposes of

replacing or substituting or acquiring fixed assets or equipment in order to sustain the Borrower's and the Material Subsidiaries' level of operations for the relevant fiscal period.

(118) **Majority Lenders** means, at the time of determination, those Credit Facility Lenders whose Commitments, in the aggregate, equal or exceed 66 2/3% of the Total Commitment.

(119) **Material Adverse Change** means, where used in relation to the affairs of the Borrower, a change in the business, operations or financial condition of the Borrower that would have a Material Adverse Effect and, where used in relation to any other entity, has a similar meaning.

(120) **Material Adverse Effect** means a material adverse effect on (a) the business, operations, property or financial or other condition of the Borrower and the Material Subsidiaries considered as a whole which would materially adversely affect the ability of the Borrower or the Material Subsidiaries to perform and discharge their obligations under this Agreement or any of the other material Documents to which it is a party, (b) the Collateral, the Administrative Agent's or the Lenders' Liens on the Collateral or the priority of those Liens except as contemplated hereby, or (c) the Administrative Agent's or the Lenders' ability to enforce their rights or remedies under this Agreement or any of the other Documents; and, where used in relation to any other entity, has a similar meaning.

(121) **Material Contract** means any contract or agreement to which the Borrower or a Subsidiary is a party or by which it is bound, the termination or cancellation of which (prior to its scheduled termination date) would have a Material Adverse Effect including, without limitation, the agreements listed on Schedule 1.1(121).

(122) **Material Default** means a Default in respect of any of Sections 9.1(1), 9.1(3), 9.1(5)(c), 9.1(6), 9.1(9), 9.2 (other than Sections 9.2(1), 9.2(2), 9.2(3), 9.2(8), 9.2(9), 9.2(10), 9.2(14) and 9.2(16)), 9.3, 9.4(2), 9.4(3), 10.1, 11.1(2) and 11.1(12) and any event, circumstance or omission which with the giving of notice by the Administrative Agent to the Borrower declaring such event, circumstance or omission an Event of Default, would constitute an Event of Default without, for greater certainty, any requirement that the Administrative Agent deliver such notice to the Borrower.

(123) **Material Subsidiary** means each Subsidiary of the Borrower, established or acquired by the Borrower or a Subsidiary of the Borrower, that is each wholly owned, directly or indirectly; provided, that a Subsidiary established or acquired with the proceeds of equity or Permitted Subordinated Debt may not, at the option of the Borrower, be a Material Subsidiary so long as (i) the aggregate Net Asset Value of all Subsidiaries which are not Material Subsidiaries (determined in accordance with GAAP and calculated as at the end of the Fiscal Quarter immediately preceding the date of determination) shall not at any time exceed an amount equal to \$25,000,000; and (ii) the aggregate annual EBITDA of all Subsidiaries which are not Material Subsidiaries shall not exceed \$3,000,000 for the 12-month period ending on the last day of the Fiscal Quarter immediately preceding the date of determination; provided further, for greater certainty that Holdco does not constitute a Material Subsidiary, notwithstanding that the Borrower owns Securities of Holdco or that Holdco has entered into Documents as required under this Agreement.

(124) **Maturity Date** means April 15, 2008.

(125) **Minimum Maintenance Capital Expenditures** shall have the meaning given to it in Section 9.1(5).

(126) **Net Asset Value** means, at any time, the amount by which the assets of a Person and its subsidiaries on a consolidated basis exceed the liabilities of such Person and its subsidiaries on a consolidated basis as reflected on the consolidated balance sheet of such Person as at such time.

(127) **Non BA Lender** means a Credit Facility Lender that cannot or does not as a matter of policy issue bankers' acceptances.

(128) **Non-Swing Line Advances** has the meaning given it in Section 2.9(4).

(129) **OBCA** has the meaning given to it in Recital B.

(130) **Obligations** means the Other Secured Obligations and all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for the payment of monetary amounts (whether or not performance is then required or contingent, or those amounts are liquidated or determinable) owing by the Borrower to the Administrative Agent or any Lender under any or all of the Documents and all covenants and duties regarding those amounts, of any kind or nature, present or future, whether or not evidenced by any agreement or other instrument, owing under any or all of the Documents including without limitation all obligations owed by the Borrower to the Credit Facility Lenders under the Credit Facilities.

(131) **Old Osprey** has the meaning given to it in Recital C.

(132) **OTPPB** means the Ontario Teachers' Pension Plan Board.

(133) **Original Closing Date** means July 31, 2001.

(134) **Original Co-Arrangers** has the meaning given to it in Recital B.

(135) **Original Credit Facility Lenders** has the meaning given to it in Recital D.

(136) **Original Credit Agreement** has the meaning given to it in Recital A.

(137) **Original Lenders** has the meaning given to it in Recital A.

(138) **Osprey** means Osprey Media Group Inc., the corporation resulting from the Amalgamation.

(139) **Osprey Note Indenture** means the trust indenture dated as of April 15, 2004 between Acquireco and Computershare Trust Company of Canada, as amended, restated, supplemented or otherwise modified from time to time.

(140) **Osprey Notes** means Permitted Subordinated Debt of the Borrower which comprises (i) the notes in the initial aggregate principal amount of \$373,771,270 issued by the Borrower to the Fund and the OTPPB on the date hereof, (ii) other amounts which from time to time may be

loaned by the Fund or the OTPPB to the Borrower or any Material Subsidiary, and (iii) notes issued to unit holders of the Fund in satisfaction of the redemption price in respect of units of the Fund tendered for redemption and not redeemed for cash; provided that the notes referred to in this clause (iii) shall expressly provide that they are postponed and subordinated in all respects to the Obligations.

(141) **Other Secured Obligations** has the meaning given to it in Section 6.4.

(142) **Overdraft** means a Swing Line Loan advanced by the Swing Line Lender pursuant to Section 2.9(1)(b).

(143) **Participant** has the meaning given to it in Section 14.1(3)(a).

(144) **Permitted Acquisitions** means acquisitions by the Borrower or a Material Subsidiary of a business or operation, whether the purchase of assets or shares (in any case, the “**Acquisition Target**”), that comply with the following conditions precedent:

- (a) the Acquisition Target shall be in, or used for, substantially the same line of business as the Business;
- (b) the Acquisition Target and all assets and operations ancillary thereto shall be located in Canada; provided that at any time assets or operations of an Acquisition Target may be located in any of the northern States of the United States of America, so long as the acquisition costs for all such non-Canadian assets (including all Transaction Costs) do not exceed in aggregate in respect of all Permitted Acquisitions, an amount greater than \$10,000,000;
- (c) *pro forma* compliance, based on the Borrower’s reasonable projections, with all covenants in Section 9.3 for a period of one year following the closing date of such acquisition;
- (d) the Acquisition Target must be cash flow positive for a period of one year prior to the closing date of such acquisition;
- (e) such acquisition shall be approved by the Borrower’s board of directors and the Board of Trustees, following the completion of satisfactory business, legal, accounting, financial and other due diligence with respect to the Acquisition Target by the Borrower;
- (f) the Acquisition Target shall be free and clear of all Liens other than Permitted Liens and the Administrative Agent, for itself and the benefit of the Lenders, shall have obtained a first priority perfected Lien (subject to Permitted Liens) in the Acquisition Target; under such documents, agreements and instruments and with such legal opinions in respect thereof as reasonably requested by the Administrative Agent; and
- (g) in respect of each Permitted Acquisition where all or a portion of the purchase price for the business or assets acquired (including all Transactions Costs) is

funded from advances under the Revolving Facility, the sum of all amounts payable (including the purchase price and all Transaction Costs) of such acquisition or series of related acquisitions permitted hereunder shall not exceed Cdn\$50,000,000 or the Equivalent Amount in any other currency;

provided that, for greater certainty, Capital Expenditures shall not be considered to be an acquisition by this definition.

(145) ***Permitted Debt*** of any Person means the following Debt of such Person:

- (a) the Obligations;
- (b) trade payables and other Debt to customers or suppliers of such Person (including obligations under carrier bonds) incurred in the ordinary course of business as part of or related to the purchase of goods and services provided to or by such Person;
- (c) Permitted Subordinated Debt;
- (d) Debt in respect of any Hedging Facilities and other Debt to any of the Lenders referred to in Section 6.4(b) whether or not it constitutes Other Secured Obligations;
- (e) Debt of the Borrower to any of its Material Subsidiaries or of any Material Subsidiary to the Borrower or any other Material Subsidiary;
- (f) Debt in respect of Taxes, assessments or other governmental charges or levies incurred in the ordinary course of business and which are not at the time due or delinquent or the validity of which are being contested in good faith by proper legal proceedings and as to which appropriate reserves are being maintained in accordance with GAAP and any Lien in connection therewith has been stayed or enforcement has not commenced;
- (g) Debt of any corporation which shall be acquired as a Permitted Acquisition or Debt of any vendor of assets which are purchased by the Borrower or any Material Subsidiary as a Permitted Acquisition which Debt is assumed as part of such purchase transaction, provided that (i) the recourse of such Debt is limited to the assets being acquired; (ii) any Lien in respect of such Debt does not extend to any assets other than such assets which are acquired; (iii) such Debt was not created as a result of or in contemplation of such acquisition; and (iv) the aggregate of all such Debt for all acquisitions which is not otherwise Permitted Debt shall not exceed in the aggregate \$5,000,000;
- (h) Debt under operating leases entered into in the ordinary course of business;
- (i) Debt under Capital Leases;
- (j) Debt which is represented by a Permitted Lien;

- (k) any Financial Assistance provided by such Person in respect of any Debt (in the case of the Borrower, only in respect to Debt of Material Subsidiaries, and in the case of a Material Subsidiary, only in respect to Debt of the Borrower or another Material Subsidiary) referred to in clauses (a) to (j) of this definition;
- (l) net employee pension liabilities and post-retirement liabilities of the Borrower and the Material Subsidiaries for up to a maximum amount of \$10,000,000 in the aggregate, so long as the Borrower and each Material Subsidiary is at all times in compliance with its obligations under Section 9.1(12);
- (m) month-end accruals for taxes, benefits, salaries and other accruals including, without limitation, accruals on the amount set out in (l) and (m) above, all arising in the ordinary course of business and not yet due; and
- (n) Debt incurred or assumed in connection with the IPO Transactions in an amount not to exceed \$16,000,000; provided that such Debt shall be fully paid from the proceeds of the Osprey Notes not later than five (5) Business Days following the Closing Date.

(146) ***Permitted Distributions*** means:

- (a) any Distribution paid or made in shares or other ownership interests, provided that such shares, or other ownership interests comply with Section 9.2(14);
- (b) any Distribution in cash by the Borrower or any Material Subsidiary to the Fund, Holdco or the OTPPB, so long as the total value of all such Distributions paid, or proposed to be paid, on any date during any Fiscal Quarter do not exceed Free Cash Flow as determined on the immediately preceding date on which Free Cash Flow was reported to the Administration Agent and so long as the aggregate of all Distributions made by the Borrower or any Material Subsidiary to the Fund, Holdco or the OTPPB during the preceding four Fiscal Quarter period do not exceed Free Cash Flow for such period less all amounts of Free Cash Flow attributable to availability under the Revolving Facility as set forth in part (h) of the definition of Free Cash Flow, in all cases subject to the terms of the Subordination Agreement;
- (c) any Distribution in accordance with the Long Term Incentive Plan; and
- (d) any Distributions between or among the Borrower and any Material Subsidiary;

provided, in the case of each of clauses (a) to (c) inclusive, that no Material Default or Event of Default has occurred and is continuing and that no Material Default or Event of Default will result from the making of any such Distribution and in the case of clause (d), that no Event of Default has occurred and is continuing and that no Event of Default will result from the making of such Distribution.

(147) *Permitted Liens* means:

- (a) any Lien created by, or arising under any statute or regulation or common law (in contrast with Liens voluntarily granted) in connection with, without limiting the foregoing, workers' compensation, unemployment insurance, employers' health tax or other social security or statutory obligations that secure amounts that are not yet due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's books and records and so long as no proceedings to enforce such Lien have been commenced;
- (b) Liens made or incurred in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the borrowing of money), leases, statutory obligations or surety and performance bonds;
- (c) any construction, workers', materialmen's or other like Lien created by law (in contrast with Liens voluntarily granted), arising in connection with construction or maintenance in the ordinary course of business, in respect of obligations which are not due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's books and records and so long as no proceedings to enforce such Liens have been commenced and, in respect only of Liens claiming in excess of \$20,000, such Lien has not been registered against any real property or has been removed from any assets by way of lien bond or other manner acceptable to the Credit Facility Lenders;
- (d) any Lien for Taxes not due or being contested in good faith by appropriate proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's or a Subsidiary's books and records and so long as no proceedings to enforce such Lien have been commenced;
- (e) minor imperfections in title on real property that do not materially detract from the value of the real property subject thereto and do not materially impair the Borrower's or a Subsidiary's, as the case may be, ability to carry on its business or the Administrative Agent's or the Lenders' rights and remedies under the Documents;
- (f) any purchase money Lien on specific assets (including Capital Leases) to secure indebtedness incurred to finance the acquisition of those assets where the amount of the obligations secured does not exceed 100% of the lesser of the cost or fair market value of the assets and the amount secured by all such Liens does not exceed \$5,000,000 in the aggregate in any one Fiscal Year; and extensions, renewals or replacements thereof upon the assets if the amount of the obligations secured thereby is not increased;
- (g) restrictions, licenses, easements, rights-of-way, servitudes or other similar rights in land (including rights-of-way and servitudes for railways, sewers, drains, gas

and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons which in the aggregate do not materially impair the usefulness, in the operation of the business of the Borrower and its Subsidiaries, considered as a whole, of the real property subject to the restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons;

- (h) the rights reserved to or vested in any Person by the terms of any lease, licence, franchise, grant or permit held by the Borrower or a Subsidiary, as the case may be, or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (i) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown and any statutory exceptions to title;
- (j) restrictive covenants affecting the use to which real property may be put, provided that the covenants are complied with and do not materially detract from the value of the real property concerned or materially impair its use in the operations of the Borrower or a Subsidiary, as the case may be;
- (k) the Security Documents;
- (l) the right reserved to or vested in any municipality or governmental or any other public authority by the terms of any lease, license, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (m) Liens resulting from the deposit of cash or securities in connection with surety and appeal bonds and costs of litigation when required by law provided that such Lien does not extend beyond the cash or securities deposited and provided that the aggregate amount of all such Liens outstanding at any time shall not exceed \$500,000;
- (n) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;
- (o) any Lien securing Permitted Debt which was existing on any property or asset when acquired by the Borrower provided such Lien does not extend beyond the properties acquired and extensions, renewals or replacements thereof upon such property if the amount of the obligations secured thereby are not increased;
- (p) undetermined or inchoate Liens, rights of distress and charges incidental to current operation which have not at such time been filed or exercised and of

which none of the Credit Facility Lenders nor the Administrative Agent has been given notice, and which relate to obligations not due or payable;

- (q) zoning by-laws and other land use restrictions including, without limitation, site plan agreements, development agreements and contract zoning agreements;
- (r) restrictive covenants, private deed restrictions or other agreements that relate to the use of real property provided that such agreements would not have a material adverse effect on such real property; and
- (s) those Liens set out in Schedule 1.1(147) and extensions, renewals or replacements thereof provided such extension, renewal or replacement does not increase the obligations in respect of such Lien or extend the Lien to any additional property.

(148) **Permitted Subordinated Debt** means subordinated indebtedness evidenced in writing, including the Osprey Notes, which, to the prior satisfaction of the Credit Facility Lenders, shall: (i) be contractually subordinate in payment of principal, interest and fees and subordinate in priority to the Credit Facilities and Other Secured Obligations owing to the Lenders pursuant to the terms of an intercreditor or subordination agreement satisfactory to the Credit Facility Lenders, acting reasonably, (ii) have a maturity in excess of the Maturity Date, (iii) be unsecured, unless the total amount of all outstanding Permitted Subordinated Debt (other than the Osprey Notes) is equal to or less than 1:00 x the EBITDA of the Borrower and the Material Subsidiaries on a rolling 12-month basis as measured by the most recent available financial statements after taking into account the transaction providing for the Permitted Subordinated Debt, in which event the Permitted Subordinated Debt may be secured with a subordinated second ranking security interest granted by the Borrower and only those Material Subsidiaries that are party to an agreement of the type referred to in clause (i) above in respect of such subordinated indebtedness and such intercreditor or subordination agreement shall be on terms satisfactory to the Lenders; (iv) not be repayable during the term of the Credit Facilities with respect to principal and, in respect of the Osprey Notes, principal and interest, except, in any case, by way of Permitted Distributions, (v) contain satisfactory standstill and drag along provisions, (vi) have covenants or restrictions which, in the reasonable opinion of the Credit Facility Lenders, are less onerous than the Credit Facilities, (vii) may only accelerate after acceleration of the Credit Facilities, and (viii) include incurrence and performance based financial tests which are, in the reasonable opinion of the Credit Facility Lenders, less onerous than those contained herein.

(149) **Person** means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated entity or association of any nature.

(150) **Prime Loan** means an Advance which is denominated in Canadian Dollars and in respect of which the Borrower is obligated to pay interest in accordance with Section 3.1.

(151) **Prime Rate** means, with respect to a Prime Loan, on any day the greater of:

- (a) the annual rate of interest announced from time to time by the Administrative Agent as being the reference rate of the Administrative Agent, or if the Administrative Agent shall not be a Schedule I Lender, a Schedule I Lender selected by the Administrative Agent, then in effect for determining interest rates on Canadian Dollar denominated commercial loans made by it in Canada; and
- (b) the CDOR Rate in effect on such date plus 75 basis points per annum.

Any change in the Prime Rate shall be effective on the date the change becomes effective generally.

(152) **Prospectus** means the final prospectus of the Fund dated April 6, 2004.

(153) **Proceeds of Realization** means the amount actually realized by the Administrative Agent and the Lenders upon enforcement of the Security Documents.

(154) **Rateable Portion**, with respect to a Lender, means with respect to the Revolving Facility the fraction of the Total Revolving Commitment represented by that Lender's Revolving Commitment and with respect to the Term Facility the fraction of the Total Term Commitment represented by that Lender's Term Commitment and, with respect to Other Secured Obligations, the fraction of the total of all Lenders' Other Secured Obligations represented by that Lender's Other Secured Obligations.

(155) **Real Property** has the meaning given to it in Section 8.1(22).

(156) **Reimbursement Date** has the meaning given to it in Section 2.10(8).

(157) **Reimbursement Obligation** has the meaning given to it in Section 2.10(8).

(158) **Release** means the method by which a Contaminant comes to be in the environment at large and includes discharging, spraying, injection, abandonment, depositing, spilling, leaking, seeping, pouring, emitting, emptying, throwing, dumping, placing and exhausting, and when used as a noun has a correlative meaning.

(159) **Repeating Representations and Warranties** means those representations and warranties set out in Section 8.1(1), (3), (4), (5)(a), (6), (7) (in relation to the Borrower's most recent financial statements), (9), (11), (12), (17), (21) and (24).

(160) **Reuters Screen CDOR Page** means the display designated as page CDOR on the Reuters Monitor Money Rates Service or other page as may, from time to time, replace that page on that service for the purpose of displaying bid quotations for bankers' acceptances accepted by leading Canadian banks.

(161) **Revolving Commitment** means, with respect to any Credit Facility Lender, the principal amount set out opposite the Lender's name in Schedule 1.1(161) under the heading "Amended

Revolving Commitment”, as the same may be reduced from time to time or cancelled from time to time in accordance with this Agreement.

(162) **Revolving Facility** has the meaning given to it in Section 2.1.

(163) **Rollover** means the rollover of an Advance by way of Bankers’ Acceptance, Letter of Credit or Letter of Guarantee for an additional Contract Period under Section 2.8(8) or Section 2.10(7), respectively.

(164) **Rollover Date** means the Business Day on which a Rollover occurs.

(165) **Schedule I Lender** means any Credit Facility Lender named on Schedule I to the *Bank Act* (Canada).

(166) **Schedule II/III Lender** means any Credit Facility Lender named on Schedule II or Schedule III to the *Bank Act* (Canada) or any other financial institution that carries on the business of lending.

(167) **Schedule I Reference Banks** means at least one but no more than two banks named on Schedule I to the *Bank Act* (Canada) as agreed by the Administrative Agent and the Borrower.

(168) **Schedule II/III Reference Banks** means at least one but no more than two banks named on Schedule II to the *Bank Act* (Canada) as agreed by the Administrative Agent and the Borrower.

(169) **Schedules** means the schedules attached to and forming part of this Agreement, as particularized in Section 1.15.

(170) **Security** has the meaning given to it in the *Securities Act* (Ontario).

(171) **Security Documents** means the Documents creating Liens on the assets of the Borrower, any Material Subsidiary, Holdco or the Fund in favour of the Administrative Agent on behalf of the Lenders to secure the Obligations or any guarantee thereof, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, including, without limitation, the Documents set out in Section 6.

(172) **Senior Debt** means the debt outstanding under the Credit Facilities, and such other Total Debt of the Borrower and the Material Subsidiaries as is not specifically subordinated to the Credit Facilities.

(173) **Securityholders Agreement** means the shareholders agreement dated as of April 15, 2004 between the Fund, Holdco and the OTPPB with respect to Securities of the Borrower.

(174) **Subordination Agreement** means the subordination agreement dated as of the date hereof between the Administrative Agent, for its benefit and the benefit of the Lenders, the Fund, the OTPPB and the Borrower.

(175) **Subsidiary** of a Person means (a) any corporation of which the Person and/or any one of its Affiliates holds, directly or beneficially, other than by way of security only, securities to which are attached more than 50% of the votes that may be cast to elect directors of such corporation, (b) any corporation of which the Person and/or any one of its Affiliates has, through operation of law or otherwise, the ability to elect or cause the election of a majority of the directors of such corporation and (c) any partnership, limited liability company or joint venture in which such Person and/or one or more Subsidiaries of such Person shall have, directly or indirectly, more than 50% of the votes that may be cast to elect the governing body of such entity.

(176) **Sufficient Copies** means, in respect of documents required to be delivered under this Agreement, the number of copies of each document equal to the number of Credit Facility Lenders plus the Administrative Agent at the time the document is delivered, unless the Borrower is otherwise notified by the Administrative Agent.

(177) **Swing Line Account** has the meaning given to it in Section 2.9(1).

(178) **Swing Line Facility** means the credit facility made available to the Borrower by the Swing Line Lender pursuant to Section 2.9.

(179) **Swing Line Lender** means Canadian Imperial Bank of Commerce when acting in its capacity as Swing Line Lender and any successor Swing Line Lender appointed from time to time with the consent of the Credit Facility Lenders and the Borrower.

(180) **Swing Line Loan** means a loan or advance made under this Agreement in accordance with Section 2.9.

(181) **Synergy Credit** means the amount or value of synergies, efficiencies and savings realized by the Borrower and its Material Subsidiaries during the 12-month period following a Permitted Acquisition (up to a maximum of \$3,000,000 for each Permitted Acquisition) as a result of actions taken during such period in connection with a Permitted Acquisition as identified and calculated by the Borrower from time to time and approved by the Credit Facility Lenders, such approval not to be unreasonably withheld after completion of the Credit Facility Lenders' due diligence; provided that in making such calculation, the amount or value of any such synergies, efficiencies and savings in respect of which the Borrower has taken a credit in any Fiscal Quarter shall have been realized in such Fiscal Quarter and the amount or value of such synergies, efficiencies and savings which have been identified but not fully realized shall be credited during the Fiscal Quarter (for up to three (3) additional Fiscal Quarters) in which such amount or value is realized.

(182) **Tax Credit** has the meaning given to it in Section 5.2(6).

(183) **Taxes** means all taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority (including income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business,

school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and charges) together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges.

(184) **Term Commitment** means, with respect to any Credit Facility Lender, the aggregate principal amount set out opposite the Lender's name in Schedule 1.1(184) under the heading "Amended Term Commitment", as such amount may be reduced from time to time or cancelled in accordance with this Agreement.

(185) **Term Facility** has the meaning given to it in Section 2.2.

(186) **Total Commitment** means the aggregate of the Total Revolving Commitment and the Total Term Commitment.

(187) **Total Debt** of a Person means, without duplication:

- (a) the Credit Facility Obligations;
- (b) all debts and liabilities of such Person for borrowed money;
- (c) obligations of such Person under Capital Leases;
- (d) all obligations of such Person under any operating leases under which the person has furnished a residual value guarantee and in respect of which the Person is liable as lessee;
- (e) indebtedness of such Person for the deferred purchase price of property other than Debt referred to in clause (b) of the definition of Permitted Debt;
- (f) indebtedness of such Person evidenced by notes, bonds, debentures or similar instruments;
- (g) reimbursement obligations of such Person in respect of letters of credit, letters of guarantee, bankers' acceptances and similar agreement;
- (h) the out of the money mark-to-market exposure of the Person to any counterparty arising under Hedge Contracts entered into with such counterparty;
- (i) all Debt of the type referred to in clauses (a) to (h) above directly or indirectly guaranteed by such Person or for which such Person may be contingently liable; and
- (j) to the extent that the Debt in clauses (a) to (h) above would be classified as a liability on a balance sheet of such Person in accordance with GAAP, provided that Total Debt shall not include the Osprey Notes or any Debt described in clause (e) of the definition of Permitted Debt.

(188) **Total Revolving Commitment** means the aggregate Revolving Commitment of all Lenders.

(189) **Total Term Commitment** means the aggregate Term Commitment of all Lenders.

(190) **Transaction Costs** means all professional fees, brokers fees paid on an arms length market basis, sales taxes and other direct costs and expenses of a transaction, plus a reasonable estimate of the income taxes payable in connection with such transaction to be based on a detailed proposal of the Borrower, acceptable to the Credit Facility Lenders, acting reasonably, but for greater certainty does not include any other charges, not directly attributed to such transaction.

(191) **U.S. Dollars** and the symbol “**US\$**” each mean lawful money of The United States of America.

(192) **Written or in writing** includes printing, typewriting, or any electronic means of communication capable of being legibly reproduced at the point of reception.

1.2 Business Day

If under this Agreement any payment or calculation is to be made, or any other action is to be taken, on or as of a day which is not a Business Day, that payment or calculation is to be made, and that other action is to be taken, as applicable, on or as of the next day that is a Business Day.

1.3 Conflict

If there is a conflict between any provision of this Agreement and any provision of a Security Document, the relevant provision of this Agreement is to prevail.

1.4 Currency

Unless otherwise specified, all amounts are stated and all payments are to be made in Canadian Dollars.

1.5 Time

Time shall be of the essence in all provisions of this Agreement.

1.6 GAAP

Unless otherwise expressly provided, all accounting terms, determinations and computations used in this Agreement shall be interpreted and all financial information shall be prepared in accordance with GAAP from time to time, consistently applied. The Borrower and the Material Subsidiaries shall not change their accounting policies or practices without the prior written consent of the Majority Lenders or unless otherwise required by GAAP.

1.7 Headings and Table of Contents

The division of this Agreement into sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.8 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.9 References

Unless otherwise specified, references in this Agreement to Sections and Schedules are to sections of, and schedules to, this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof.

1.10 Statutory References

Unless otherwise specified, each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as in force from time to time.

1.11 Time of Day

Unless otherwise specified, references to time of day or date mean the local time or date in the City of Toronto, Province of Ontario.

1.12 Governing Law

This Agreement and each of the Documents are governed by, and are to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario, but without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower or any Material Subsidiary may be found.

1.13 Entire Agreement

This Agreement and all Documents constitute the entire agreement between the parties with respect to the subject matter and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.

1.14 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or

- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

1.15 Schedules

The following Schedules are attached to and form part of this Agreement:

- Schedule 1.1(30) - Branches of Account
- Schedule 1.1(50) - Compliance Certificate
- Schedule 1.1(62) - Discount Note
- Schedule 1.1(121) - Material Contracts
- Schedule 1.1(147) - Permitted Liens
- Schedule 1.1(161) - Revolving Commitment
- Schedule 1.1(184) - Term Commitment
- Schedule 2.6(1) - Notice of Requested Advance
- Schedule 2.8(8) - Notice of Rollover or Payment of Bankers' Acceptances
- Schedule 2.10(7) - Notice of Rollover of Letter of Credit or Letter of Guarantee
- Schedule 2.12 - Conversion Option Notice
- Schedule 4.6 - Notice of Prepayment
- Schedule 4.7 - Notice of Cancellation of Credit Facilities
- Schedule 8.1(15) - Canadian Benefit Plans and Pension Plans
- Schedule 8.1(18) - Corporate Organization Chart
- Schedule 8.1(19) - Environmental Matters
- Schedule 8.1(20) - Intellectual Property
- Schedule 8.1(22) - Real Property
- Schedule 8.1(23) - Leased Property
- Schedule 14.1(3)(b) - Assignee's Undertaking

SECTION 2 - THE CREDIT FACILITIES

2.1 Establishment of Revolving Facility

Revolving Facility. Subject to the terms and conditions of this Agreement, the Credit Facility Lenders hereby establish in favour of the Borrower a committed revolving credit facility (the "**Revolving Facility**") in an aggregate amount equal to the Total Revolving Commitment. Each Credit Facility Lender severally agrees to make its Revolving Commitment available to the Borrower by way of the following:

- (a) Prime Loans; and
- (b) Bankers' Acceptances.

Subject to the provisions of this Agreement, the Borrower may borrow, repay and reborrow under the Revolving Facility up to the amount of the Total Revolving Commitment.

2.2 Establishment of Term Facility

Subject to the terms and conditions of this Agreement, the Credit Facility Lenders hereby agree to maintain in favour of the Borrower a term credit facility (the “**Term Facility**”) in the amount of the Total Term Commitment. As at the Closing Date, the Term Facility is fully drawn. The Term Facility is non-revolving and amounts repaid (excluding Rollovers and Conversions otherwise permitted hereunder of B/A’s on the maturity thereof) may not be reborrowed under the Term Facility and any such repayments received by a Credit Facility Lender shall be a permanent reduction of the Term Commitment of any such Credit Facility Lender. Each Credit Facility Lender severally agrees to make its Term Commitment available to the Borrower by way of Prime Loans and Bankers’ Acceptances.

2.3 Obligations of the Lenders and the Administrative Agent

(1) **Rateable Portion.** Subject to the provisions of this Agreement, each Credit Facility Lender agrees to make available its Rateable Portion of each Advance (or Rollover or Conversion thereof) other than a Swing Line Loan to the Borrower. No Credit Facility Lender shall be responsible for a Commitment of any other Credit Facility Lender. The failure of a Credit Facility Lender to make available an Advance, (or Rollover or Conversion thereof) other than a Swing Line Loan in accordance with its obligations under this Agreement shall not release any other Credit Facility Lender from its obligations. Notwithstanding anything to the contrary in this Agreement, no Credit Facility Lender shall be obligated to make Advances available to the Borrower in excess of its Term Commitment or Revolving Commitment, as the case may be. If a Credit Facility Lender does not make available its Rateable Portion of an Advance to which the Borrower is otherwise entitled, one or more other Credit Facility Lenders may, in their sole discretion, make such portion of the Advance available and such additional Advance shall be added to the Obligations due to such Credit Facility Lender or Credit Facility Lenders notwithstanding that such Advance may be in excess of such Credit Facility Lender’s Rateable Portion or Term Commitment or Revolving Commitment, as the case may be. Nothing herein shall obligate any Credit Facility Lender to make available the Rateable Portion of another Credit Facility Lender.

(2) **Separate Obligation.** The obligation of each Credit Facility Lender to make its Commitment available to the Borrower is a separate obligation between each Credit Facility Lender and the Borrower, and that obligation is not the several or joint and several obligation of any other Credit Facility Lender.

2.4 Revolving Nature of Revolving Facility

Subject to the provisions of this Agreement, the Borrower may increase or reduce the amount of Advances outstanding under the Revolving Facility by borrowing, repaying and reborrowing Prime Loans, Swing Line Loans and by causing the acceptance of Bankers’ Acceptances and funding them at maturity, and by causing the issue and re-issue of Letters of Credit or Letters of Guarantee from time to time. If and so long as there shall be outstanding any Advance or Advances under the Revolving Facility referred to in Section 2.5(4), all repayments made on account of the Revolving Facility shall be deemed first to be repayments on account of such Advance or Advances.

2.5 Purpose

The proceeds of Advances made under the Revolving Facility shall be used solely for (1) Permitted Acquisitions, including any related Transaction Costs in connection therewith; (2) Capital Expenditures; (3) general corporate purposes of the Borrower and its Material Subsidiaries; and (4) for Permitted Distributions referred to in clause (b) of the definition of Permitted Distributions from the Borrower to the Fund, Holdco or the OTPPB where short term financing is required to address timing issues relating to such Distributions or to avoid periodic fluctuations in the amount of such Distributions, in an aggregate amount not to exceed \$10,000,000 at any time; provided, that the aggregate amount outstanding of all Advances used to fund Permitted Distributions hereunder shall be reduced to zero at least once during each four Fiscal Quarter period prior to the Maturity Date. For greater certainty, there will be no further Advance under the Term Facility on or after the Closing Date and the Term Facility was fully Advanced under the Original Credit Agreement for the purpose of financing the acquisition of certain assets of Osprey and the Material Subsidiaries.

2.6 Borrowing Procedures - General

(1) **Notice of Borrowing.** All Advances other than the Swing Line Loans require notice. To request an Advance, the Borrower shall give to the Administrative Agent written notice substantially in the form attached as Schedule 2.6(1), indicating the purpose of the Advance, the amount of the requested Advance, at or before the time set out below opposite the type of Advance that the Borrower wishes to request:

<u>Type of Advance</u>	<u>Time of Notice</u>
Prime Loans or Swing Line Loans (other than Overdrafts)	Before 10:00 a.m. one Business Day prior to the Drawdown Date.
Bankers' Acceptances	Before 10:00 a.m. two Business Days prior to the requested Drawdown Date.
Letters of Credit and Letters of Guarantee	Before 10:00 a.m. two Business Days prior to the Issuance Date.

Each notice given in respect of an Advance by way of Prime Loan shall indicate the amount of the required Advance and the date funds are required. Each notice given in respect of an Advance by way of Bankers' Acceptances shall indicate the amount of the Bankers' Acceptances to be issued and the applicable Contract Period of the Bankers' Acceptances (which shall be identical for each Credit Facility Lender). Each notice given in respect of an Advance by way of Letters of Credit and Letters of Guarantee shall indicate the amount of the Letter of Credit or Letter of Guarantee to be issued, the applicable Contract Period, the beneficiary, the terms of draw under the requested Letter of Credit or Letter of Guarantee and all other relevant information.

(2) **Limits on Advances.** Notwithstanding any other term of this Agreement, the Borrower shall not request from the Administrative Agent an Advance if, on the day notice of the Advance is given pursuant to Section 2.6(1), after giving effect to the Advance, the principal amount of all Advances outstanding from any Credit Facility Lender would exceed the Commitment of the Credit Facility Lender. No Advance shall have a term that extends beyond the Maturity Date.

(3) **Administrative Agent Determination.** Each determination by the Administrative Agent of the Prime Rate shall, in the absence of manifest error, be final, conclusive and binding on the Borrower and the Credit Facility Lenders.

2.7 Minimum Advances

Each Advance by way of Prime Loan shall be in a minimum aggregate amount of Cdn\$1,000,000. Each Advance by way of Bankers' Acceptance shall be in a minimum aggregate face amount of Cdn\$2,000,000 and larger whole multiples of Cdn\$100,000.

2.8 Bankers' Acceptances

(1) **Term.** Each Bankers' Acceptance shall have a Contract Period of 1, 2, 3 or 6 months as selected by the Borrower, subject to availability. No Contract Period shall extend beyond the Maturity Date.

(2) **Discount Rate.** On each Drawdown Date on which Bankers' Acceptances are to be accepted, the Administrative Agent shall advise the Borrower as to the Administrative Agent's determination of the applicable Discount Rate for the Bankers' Acceptances which any of the Credit Facility Lenders have agreed to purchase.

(3) **Purchase.** If a Credit Facility Lender purchases a Bankers' Acceptance accepted by it, the Borrower shall sell and that Credit Facility Lender shall purchase the Bankers' Acceptance at the applicable Discount Rate. The Credit Facility Lender shall provide to the Administrative Agent's Account for Payments the Discount Proceeds less the Acceptance Fee payable by the Borrower with respect to the Bankers' Acceptance.

(4) **Sale.** Each Credit Facility Lender may from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

(5) **Power of Attorney for Execution of Bankers' Acceptances.** To facilitate availment of Advances by way of Bankers' Acceptances, the Borrower hereby appoints each Credit Facility Lender as its attorney to sign and endorse on its behalf, in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Credit Facility Lender, blank forms of Bankers' Acceptances. In this respect, it is each Credit Facility Lender's responsibility to maintain an adequate supply of blank forms of Bankers' Acceptances for acceptance under this Agreement. The Borrower recognizes and agrees that all Bankers' Acceptances signed and/or endorsed on its behalf by a Credit Facility Lender shall bind the Borrower as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of the Borrower. Each Credit Facility Lender is hereby authorized to issue such Bankers' Acceptances endorsed in blank in such face amounts as may be determined by such Credit Facility Lender; provided that the aggregate amount thereof is equal to the aggregate amount of Bankers'

Acceptances required to be accepted and purchased by such Credit Facility Lender. No Credit Facility Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except the gross negligence or wilful misconduct of the Credit Facility Lender or its officers, employees, agents or representatives. Each Credit Facility Lender shall maintain a record with respect to Bankers' Acceptances held by it in blank hereunder, voided by it for any reason, accepted and purchased by it hereunder, and cancelled at their respective maturities. Each Credit Facility Lender agrees to provide such records to the Borrower at the Borrower's expense upon request.

(6) **Execution.** Drafts drawn by the Borrower to be accepted as Bankers' Acceptances shall be signed by a duly authorized officer or officers of the Borrower or by its attorneys including attorneys appointed pursuant to Section 2.8(5). Notwithstanding that any Person whose signature appears on any Bankers' Acceptance may no longer be an authorized signatory for the Borrower at the time of issuance of a Bankers' Acceptance, that signature shall nevertheless be valid and sufficient for all purposes as if the authority had remained in force at the time of issuance and any Bankers' Acceptance so signed shall be binding on the Borrower.

(7) **Issuance.** The Administrative Agent, promptly following receipt of a notice of Advance, Rollover or Conversion by way of Bankers' Acceptances, shall advise the Credit Facility Lenders of the notice and shall advise each Credit Facility Lender of the face amount of Bankers' Acceptances to be accepted by it and the applicable Contract Period (which shall be identical for all Credit Facility Lenders). The aggregate face amount of Bankers' Acceptances to be accepted by a Credit Facility Lender shall be determined by the Administrative Agent by reference to that Credit Facility Lender's Rateable Portion of the issue of Bankers' Acceptances, except that, if the face amount of a Bankers' Acceptance which would otherwise be accepted by a Credit Facility Lender would not be Cdn\$1,000, or a whole multiple thereof, the face amount shall be increased or reduced by the Administrative Agent in its sole discretion to Cdn\$1,000, or the nearest whole multiple of that amount, as appropriate; provided that after such issuance, no Credit Facility Lender shall have aggregate outstanding advances in excess of its Commitment.

(8) **Rollover.** At or before 10:00 a.m. two (2) Business Days before the maturity date of any Bankers' Acceptances, the Borrower shall give to the Administrative Agent written notice substantially in the form attached as Schedule 2.8(8) if the Borrower intends to repay the maturing Bankers' Acceptances on the maturity date or if the Borrower intends to issue Bankers' Acceptances on the maturity date to provide for the payment of the maturing Bankers' Acceptances. Otherwise, the Borrower shall provide payment to the Administrative Agent on behalf of the Credit Facility Lenders of an amount equal to the aggregate face amount of the Bankers' Acceptances on their maturity date. If the Borrower fails to make the payment, the Borrower's obligations in respect of the maturing Bankers' Acceptances shall be deemed to have been converted on the maturity date thereof into Prime Loans.

(9) **Waiver of Presentment and Other Conditions.** The Borrower waives presentment for payment and any other defence to payment of any amounts due to a Credit Facility Lender in respect of a Bankers' Acceptance accepted and purchased by it pursuant to this Agreement which might exist solely by reason of the Bankers' Acceptance being held, at the maturity thereof, by the Credit Facility Lender in its own right and the Borrower agrees not to claim any days of

grace if the Credit Facility Lender as holder sues the Borrower on the Bankers' Acceptance for payment of the amount payable by the Borrower thereunder.

(10) ***Circumstances Making Bankers' Acceptances Unavailable.*** If the Majority Lenders determine in good faith, which determination shall be final, conclusive and binding upon the Borrower, and notifies the Borrower that, by reason of circumstances affecting the money market there is no market for Bankers' Acceptances or the demand for Bankers' Acceptances is insufficient to allow the sale or trading of the Bankers' Acceptances created hereunder, then:

- (a) the right of the Borrower to request an Advance by means of Bankers' Acceptances shall be suspended until the Majority Lenders determine that the circumstances causing such suspension no longer exist and the Administrative Agent so notifies the Borrower; and
- (b) any notice of Drawdown or Rollover in respect of a Bankers' Acceptance which is outstanding shall be cancelled and any outstanding notice of Conversion to convert a Prime Rate Loan into a Bankers' Acceptance shall be cancelled and the request for a Drawdown or Rollover by means of Bankers' Acceptance shall be deemed to be a request for a Drawdown of, or Rollover to, a Prime Loan in the face amount of the requested Bankers' Acceptance.

The Administrative Agent shall promptly notify the Borrower of the suspension of the Borrower's right to request a Drawdown by means of Bankers' Acceptances and of the termination of any such suspension.

(11) ***BA Equivalent Loans by Non BA Lenders.*** Whenever the Borrower requests an Advance under this Agreement by way of Bankers' Acceptances, each Non BA Lender shall, in lieu of accepting a Bankers' Acceptance, make a BA Equivalent Loan in an amount equal to the Non BA Lender's Rateable Portion of the Advance.

(12) ***Terms Applicable to Discount Notes.*** As set out in the definition of Bankers' Acceptances, that term includes Discount Notes and all terms of this Agreement applicable to Bankers' Acceptances shall apply equally to Discount Notes evidencing BA Equivalent Loans with such changes as may in the context be necessary. For greater certainty:

- (a) the term of a Discount Note shall be the same as the Contract Period for Bankers' Acceptances accepted and purchased on the same Drawdown Date in respect of the same Advance;
- (b) an acceptance fee will be payable in respect of a Discount Note and shall be calculated at the same rate and in the same manner as the Acceptance Fee in respect of a Bankers' Acceptance; and
- (c) the Discount Rate applicable to a Discount Note shall be the Discount Rate applicable to Bankers' Acceptances accepted by the Administrative Agent (as Credit Facility Lender) on the same Drawdown Date, Rollover Date or Conversion Date, as the case may be, in respect of the same Advance.

(13) ***Depository Bills and Notes Act.*** At the option of the Borrower and any Credit Facility Lender, Bankers' Acceptances under this Agreement to be accepted by that Credit Facility Lender may be issued in the form of depository bills for deposit with The Canadian Depository for Securities Limited pursuant to the *Depository Bills and Notes Act* (Canada). All depository bills so issued shall be governed by the provisions of this Section 2.8.

2.9 Swing Line Loans

(1) ***Swing Line Accounts.*** The Swing Line Lender has established at its Branch of Account an account for the Borrower which is referred to as a "Swing Line Account." The Swing Line Account shall record the day to day banking business of the Borrower through the Swing Line Lender (other than under this Agreement). If, at the end of any Business Day, the aggregate balance in the Swing Line Accounts:

- (a) is a credit in excess of \$100,000, the Swing Line Lender may apply the amount of the credit or any part thereof rounded down to the nearest Cdn\$25,000 as applicable, as a repayment of Swing Line Loans owing to the Swing Line Lender; or
- (b) is a debit, the Swing Line Lender shall, if there is sufficient availability under its Commitment, make available an Advance (a "**Swing Line Loan**") by way of Prime Loan in an amount rounded up to the nearest Cdn\$25,000 to place the Borrower in a minimum net credit position of zero (an "**Overdraft**").

In addition, the Borrower may request Swing Line Loans and Letters of Credit or Letters of Guarantee in accordance with the applicable notice requirement set out in Section 2.6.

(2) ***Advances.*** Advances by the Swing Line Lender outstanding under this Section are limited to Cdn\$10,000,000. The aggregate amount of all Swing Line Loans, Advances and the face amount of all issued and outstanding Letter(s) of Credit and Letter(s) of Guarantee shall be deducted from the availability under the Revolving Facility. Each Advance under the Swing Line Facility shall be available only by way of Prime Loans and Letters of Credit and Letters of Guarantee. At any time, and from time to time, the Swing Line Lender shall notify the Administrative Agent of the requirement for an Advance by way of Prime Loan under the Revolving Facility and the Administrative Agent shall notify the Credit Facility Lenders of such requirements and the amount of such Advance to be made available by each of them in an amount as nearly equal to that Credit Facility Lender's Rateable Portion of the, Advances by the Swing Line Lender outstanding under this Section as is possible under the limitations regarding amount set out in Section 2.7. The proceeds of that Advance shall be deposited by the Administrative Agent to the applicable Swing Line Account to be applied against the Swing Line Lender's Advances made available under this Section.

(3) ***Letters of Credit.*** The Swing Line Lender may, at the request of the Borrower, issue Letters of Credit or Letters of Guarantee under the Swing Line Facility, in accordance with the notice requirements of Section 2.7 and the provisions of Section 2.10. The maximum amount of exposure of the L/C Issuer to the beneficiary under all Letters of Credit and Letters of Guarantee

outstanding at any time shall be deducted from the maximum of Swing Line Loans available under Section 2.9(2).

(4) ***Provisions relating to Swing Line Facility.*** While the Swing Line Lender is the sole Lender making Advances or issuing Letters of Credit or Letters of Guarantee under the Swing Line Facility, its participation in Advances under the Revolving Facility which are not made under the Swing Line Facility (“**Non-Swing Line Advances**”) shall be reduced, and the participations of the other Credit Facility Lenders in such Non-Swing Line Advances shall be increased, and such participations may be adjusted from time to time, as determined by the Administrative Agent, so that each Credit Facility Lender’s overall Rateable Portion of the aggregate of all Advances under the Revolving Facility, including the Swing Line Facility is, to the greatest extent practicable, equal to the Rateable Portion of each Credit Facility Lender. For greater certainty, the maximum aggregate amount of Advances and Letters of Credit and Letters of Guarantee that could be outstanding under the Swing Line Facility at any time shall be deducted from the availability of the Swing Line Lender to make Non-Swing Line Advances.

(5) ***Transfer Relating to Rateable Portion.*** Notwithstanding that Advances and Letters of Credit and Letters of Guarantee under the Swing Line Facility are from time to time made by the Swing Line Lender and the Swing Line Lender’s participation in Non-Swing Line Advances is reduced, and the participation of the other Credit Facility Lenders in Non-Swing Line Advances is increased in accordance with Section 2.9(4), it is the intention of the parties that the ultimate credit risk and exposure of each Credit Facility Lender in respect of the Revolving Facility be in accordance with its Rateable Portion of the entire amount of the Revolving Facility. Accordingly, upon the Obligations becoming due and payable under Section 11.2, each Credit Facility Lender shall (and hereby absolutely, unconditionally and irrevocably agrees to) do all such things, including delivery of indemnity agreements and assignments to other Credit Facility Lenders of Advances and Letters of Credit and Letters of Guarantee made by the Swing Line Lender under the Swing Line Facility or assignments to the Swing Line Lender of Non-Swing Line Advances made by other Credit Facility Lenders as shall be required to ensure that result. Any such action on the part of the Credit Facility Lenders shall be binding on the Borrower and the Material Subsidiaries.

If any Credit Facility Lender fails to take the actions required by this Section, the Administrative Agent may, without prejudice to the other rights of the Credit Facility Lenders, make such adjustments to the payments to the defaulting Credit Facility Lender under this Agreement as are necessary to compensate the other Credit Facility Lenders for the defaulting Credit Facility Lender’s failure.

(6) ***Swing Line Facility After Acceleration.*** Subject to the provisions of Section 2.9(5) regarding the assignment of interests in Advances and Letters of Credit and Letters of Guarantee under the Swing Line Facility in the event of acceleration of payment of the Obligations, the provisions of this Agreement do not apply to Advances and issuance of Letters of Credit and Letters of Guarantee under the Swing Line Facility to the extent that the provisions contemplate the participation by any Credit Facility Lender other than the Swing Line Lender in making Advances and issuing Letters of Credit and Letters of Guarantee and receiving payments in respect of Advances and Letters of Credit and Letters of Guarantee under the Swing Line Facility. All Advances and issuing Letters of Credit and Letters of Guarantee under the Swing

Line Facility shall be made solely by the Swing Line Lender and records concerning such Advances and Letters of Credit and Letters of Guarantee shall be maintained solely by the Swing Line Lender. All Payments of principal, interest, fees and other amounts relating to Advances and Letters of Credit and Letters of Guarantee under the Swing Line Facility shall be made solely to the Swing Line Lender. Any notices by the Borrower in connection with the Swing Line Facility shall be made to the Swing Line Lender. Notice and minimum amount requirements in respect of Advances shall not apply to Advances by way of Overdrafts under the Swing Line Facility.

2.10 Letters of Credit and Letters of Guarantee

- (1) **Currency.** Each Letter of Credit and Letter of Guarantee shall be issued in Canadian Dollars or U.S. Dollars and shall mature on a Business Day.
- (2) **Maximum Amount.** The aggregate Advances which may be outstanding by way of Letter of Credit and Letter of Guarantee shall not exceed Cdn\$2,000,000 or the Equivalent Amount in U.S. Dollars.
- (3) **Other Documentation.** The issue of a Letter of Credit or a Letter of Guarantee is subject to the execution and delivery of an application and agreement or other specific agreement relative to the instrument in form and substance satisfactory to the L/C Issuer acting reasonably ("**L/C Agreement**"). In the event of a conflict between the terms and conditions of the L/C Agreement and this Agreement, this Agreement shall prevail.
- (4) **Retirement.** A Letter of Credit or a Letter of Guarantee may only be retired on its maturity date unless and to the extent it has been honoured or unless the written consent of the beneficiary of the instrument has been obtained and the original instrument has been returned to the issuing Credit Facility Lender.
- (5) **Drawings.** Any drawing under a Letter of Credit or Letter of Guarantee shall be funded by an Advance by way of a Swing Line Loan.
- (6) **Term.** Each Letter of Credit and Letter of Guarantee shall have a Contract Period of not less than thirty (30) days or more than 365 days. No Contract Period shall extend beyond the Maturity Date.
- (7) **Rollover.** Before the maturity date of any Letter of Credit or Letter of Guarantee the Borrower shall notify the L/C Issuer and the Swing Line Lender by notice substantially in the form attached as Schedule 2.10(7) if it wishes the issue of a replacement Letter of Credit or Letter of Guarantee on the maturity date. If the Borrower fails to provide the foregoing notice, the maturing Letter of Credit or Letter of Guarantee shall expire on its maturity date.
- (8) **Reimbursement.** The L/C Issuer will notify the Borrower and the Administrative Agent promptly following the presentment for payment of any Letter of Credit or Letter of Guarantee which notice shall include the date (a "**Disbursement Date**") such payment shall be made. Subject to the terms and provisions of such Letter of Credit or Letter of Guarantee, the L/C Issuer shall make such payment to the beneficiary (or its designee) of such Letter of Credit or Letter of Guarantee (each, a "**Disbursement**"). Unless the Borrower has made alternative

arrangements with the L/C Issuer with respect to payment of an amount sufficient to permit the L/C Issuer to discharge its obligations under the Letter of Credit or Letter of Guarantee together with that amount equal to any and all charges and expenses which the L/C Issuer may pay or incur in respect to such Letter of Credit or Letter of Guarantee, on or prior to 12:00 noon, Toronto time on the Disbursement Date, the Borrower will reimburse the L/C Issuer for all amounts disbursed under the Letter of Credit or Letter of Guarantee together with that amount equal to any and all charges and expenses which the L/C Issuer may pay or incur in respect of such Letter of Credit or Letter of Guarantee failing which, any such payment so payable shall be deemed to be an Advance in accordance with Section 2.10(5) hereof; provided that the provisions of Section 7 regarding conditions for Advances shall not apply to such Advances. In the event that any amount so payable by the L/C Issuer exceeds the amount available to be drawn down by the Borrower under the Swing Line Facility, then forthwith upon receipt of such notice, the Borrower shall provide to the L/C Issuer an amount equal to such excess amount. The Borrower's obligation (a "**Reimbursement Obligation**") to reimburse the L/C Issuer with respect to each Disbursement, shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim, or defence to payment which the Borrower may have or have had against any Credit Facility Lender or any beneficiary of a Letter of Credit or Letter of Guarantee, including any defence based upon the occurrence of any Default, any draft, demand or certificate or other document presented under a Letter of Credit or Letter of Guarantee proving to be forged, fraudulent, invalid or insufficient, the failure of any Disbursement to conform to the terms of the applicable Letter of Credit or Letter of Guarantee (if, in the L/C Issuer's good faith opinion, acting reasonably, such Disbursement is determined to be appropriate) or any non-application or misapplication by the beneficiary of the proceeds of such Disbursement, or the legality, validity, form, regularity, or enforceability of such Letter of Credit or Letter of Guarantee; provided, however, that nothing herein shall adversely affect the right of the Borrower to commence any proceeding against the L/C Issuer for any wrongful Disbursement made by the L/C Issuer under a Letter of Credit or Letter of Guarantee as a result of gross negligence or wilful misconduct on the part of the L/C Issuer.

(9) **Deemed Disbursements.** Upon the declaration by the Administrative Agent that all Advances are immediately due and payable or are due and payable on demand pursuant to Section 11.2 or the occurrence of the Maturity Date, an amount equal to any portion of an outstanding and undrawn Letter of Credit or Letter of Guarantee shall, at the election of the L/C Issuer acting on instructions from the Majority Lenders, and without demand upon or notice to the Borrower, be deemed to have been paid or disbursed by the L/C Issuer under such Letter of Credit or Letter of Guarantee (notwithstanding that such amount may not in fact have been so paid or disbursed), and, upon notification by the L/C Issuer to the Administrative Agent and the Borrower of its obligations under this Section 2.10(9), the Borrower shall be immediately obligated to reimburse the L/C Issuer for the amount deemed to have been so paid or disbursed by the L/C Issuer. Any amounts so received by the L/C Issuer from the Borrower pursuant to this Section 2.10(9) shall be held in an interest bearing account with the L/C Issuer as collateral security for the repayment of the Borrower's obligations in connection with the Letters of Credit or Letters of Guarantee issued by the L/C Issuer. At any time when such Letters of Credit or Letters of Guarantee shall terminate or be reduced the obligations of the Borrower under this Section 2.10(9) shall be reduced accordingly (subject, however, to reinstatement in the event any payment in respect of such Letters of Credit or Letters of Guarantee is recovered in any manner from the L/C Issuer), and the L/C Issuer will return to the Borrower the amount, if any, by which

(i) the amount deposited by the Borrower with the L/C Issuer together with accrued interest thereon; (ii) exceeds the amount applied by the L/C Issuer to any Reimbursement Obligation of the Borrower less the amount of all Reimbursement Obligations of the Borrower.

If, pursuant to Section 11.2, the Administrative Agent withdraws its declaration that all Advances are immediately due and payable or are due and payable on demand, or at such time when all Events of Default shall have been cured or waived, the L/C Issuer shall return to the Borrower all amounts then on deposit with such L/C Issuer pursuant to this Section 2.10(9).

(10) ***Nature of Reimbursement Obligations.*** The Borrower shall assume all risks of the acts, omissions, or misuse of any Letter of Credit or Letter of Guarantee it has requested by the beneficiary thereof. Neither the L/C Issuer nor any Credit Facility Lender (except to the extent of its own gross negligence or wilful misconduct) shall be responsible for:

- (a) the form, validity, sufficiency, accuracy, genuineness, or legal effect of any Letter of Credit or Letter of Guarantee or any document submitted by any party in connection with the application for or issuance of a Letter of Credit or Letter of Guarantee, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent, or forged;
- (b) the form, validity, sufficiency, accuracy, genuineness, or legal effect of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or Letter of Guarantee or the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason;
- (c) failure of the beneficiary to comply fully with conditions required in order to demand payment under a Letter of Credit or Letter of Guarantee;
- (d) errors, omissions, interruptions, or delays in transmission or delivery of any messages, by mail, telecopier, or otherwise; or
- (e) any loss or delay in the transmission or otherwise of any document or draft required in order to make a Disbursement under a Letter of Credit or Letter of Guarantee or of the proceeds thereof.

None of the foregoing shall affect, impair, or prevent the vesting of any of the rights or powers granted to the L/C Issuer or any Credit Facility Lender hereunder. Any action taken or omitted to be taken by the L/C Issuer in good faith (other than gross negligence or wilful misconduct) shall be binding upon the Borrower and shall not subject the L/C Issuer to any resulting liability to the Borrower.

(11) ***Indemnity for Costs.*** The Borrower shall indemnify the L/C Issuer against any and all costs, damages, expenses, taxes (other than taxes on overall net income, assets or capital), claims and demands which the L/C Issuer may incur or sustain by reason of or arising in any way whatsoever in connection with the operating, establishing or paying of the amounts payable under the Letter of Credit or Letter of Guarantee or arising in connection with any amounts payable by the L/C Issuer thereunder.

2.11 Hedge Contracts

- (1) **Procedure.** Each Lender may establish an uncommitted Hedging Facility in favour of the Borrower. The Borrower may enter into Hedge Contracts under the Hedging Facilities from time to time over the telephone with representatives of a Lender's trading unit, the terms of which shall be confirmed in writing in accordance with the procedures established by the trading unit of the relevant Lender. Any Hedge Contracts entered into with a Lender must be permitted by the terms of this Agreement.
- (2) **Terms and Conditions.** Each Hedge Contract is governed by the terms and conditions set out in the confirmation forwarded by the applicable Lender to the Borrower on entering into the Hedge Contract and any applicable ISDA agreement. If there is a conflict between the terms and conditions set out in the confirmation or ISDA agreement and this Agreement, the confirmation or ISDA agreement shall govern unless otherwise expressly provided herein.
- (3) **Maturity.** Hedge Contracts may, at the discretion of each Lender, have Contract Periods extending beyond the Maturity Date. Any Hedge Contract entered into with any Lender at any time shall survive such Lender or its Affiliate ceasing to be a Credit Facility Lender hereunder or the termination of this Agreement.
- (4) **Uncommitted.** Any Lender may, at its sole discretion, decline to make any Hedge Contract available to the Borrower at any time.

2.12 Conversion Option

Subject to this Agreement, the Borrower may, during the term of this Agreement, effective on any Business Day, convert, in whole or in part, an outstanding Advance (other than by way of Letter of Credit or Letter of Guarantee) into another type of Advance permitted under the Credit Facility (other than by way of Letter of Credit or Letter of Guarantee) upon giving written notice to the Administrative Agent in substantially the form attached hereto as Schedule 2.12, the notice period being that which would be applicable to the type of Advance into which the outstanding Advance is to be converted. Conversions under this Section 2.12 may only be made provided that:

- (a) each conversion to an Advance shall be for minimum aggregate amounts and whole multiples in excess thereof as are specified in respect of that type of Advance in this Section 2;
- (b) an Advance by way of Bankers' Acceptance may be converted only on the last day of the relevant Contract Period; if less than all Advances by way of Bankers' Acceptances are converted, after the conversion not less than Cdn\$1,000,000 shall remain as Advances by way of Bankers' Acceptances; and
- (c) no Conversion into or Rollover of Bankers' Acceptances shall be permitted if a Default or Event of Default shall have occurred and be continuing on the relevant Conversion Date or Rollover Date or after giving effect to the Conversion or Rollover of the Advance to be made on the Conversion Date or Rollover Date.

2.13 Conversion and Rollover Not Repayment

No Conversion or Rollover shall constitute a repayment of any Advance or a new Advance.

2.14 Determination Final

With respect to all matters referred to in this Section 2, the determination by the Administrative Agent shall be final, conclusive and binding on the Borrower and the Lenders, absent manifest error.

2.15 Mandatory Conversion of Bankers' Acceptances

Notwithstanding Sections 2.8(8) and 2.12, and subject to Section 10.2, if a Default or Event of Default has occurred and is continuing on the maturity date, of a Bankers' Acceptance, in respect of an Advance by way of Bankers' Acceptances, the Borrower shall be deemed to have converted such Advance into a Prime Loan in an amount equal to the face amount of the Bankers' Acceptances on the maturity date.

2.16 Reliance on Oral Instructions

The Administrative Agent and any Credit Facility Lender shall be entitled to act upon the oral instructions of any Person who the Administrative Agent or the Credit Facility Lender, acting reasonably, believes is a Person authorized by the Borrower to act on the Borrower's behalf. Neither the Administrative Agent nor the Credit Facility Lender shall be responsible for any error or omission in those instructions or in the performance thereof except in the case of gross negligence or wilful misconduct by the Administrative Agent, the Credit Facility Lender or their respective employees. Any instructions so given shall be confirmed in writing by the Borrowers to the Administrative Agent or the Credit Facility Lender, as applicable, on the same day. The Borrower shall indemnify the Administrative Agent and each Credit Facility Lender for any loss or expense suffered or incurred by the Administrative Agent or the Credit Facility Lender as a consequence of the Administrative Agent or the Credit Facility Lender acting upon instructions given or agreements made over the telephone or by electronic transmission of any type with Persons reasonably believed by the Administrative Agent or the Credit Facility Lender to have been acting on the Borrower's behalf.

2.17 Deposit of Proceeds of Loans and Discount Proceeds

The Administrative Agent shall credit to the Borrower's Account on the applicable Drawdown Date (a) the proceeds of each Advance by way of Prime Loans made and (b) the Discount Proceeds less the applicable Acceptance Fee with respect to each Bankers' Acceptance purchased and each BA Equivalent Loan advanced by a Credit Facility Lender on that Drawdown Date. Where the Borrower has made separate arrangements for the purchase of Bankers' Acceptances issued under this Agreement, the Administrative Agent shall debit the Borrower's Account for the applicable Acceptance Fee upon acceptance and the Borrower shall deposit the Discount Proceeds to the Borrower's Account immediately upon receipt.

2.18 Evidence of Obligations

The Administrative Agent shall open and maintain at its Branch of Account, accounts and records evidencing the Credit Facility Obligations of the Borrower to each Credit Facility Lender with respect to Advances made available by that Credit Facility Lender. The Administrative Agent shall record in those accounts by appropriate entries all amounts on account of those Credit Facility Obligations and all payments on account thereof. Those accounts and records will constitute, in the absence of manifest error, *prima facie* evidence of those Credit Facility Obligations from time to time, the date each Advance was made and the amounts that the Borrower has paid from time to time on account of those Credit Facility Obligations.

SECTION 3 - INTEREST, FEES AND EXPENSES

3.1 Interest on Prime Loans

- (1) **Rate.** The Borrower shall pay to the Administrative Agent on behalf of the Credit Facility Lenders interest on Prime Loans at the Administrative Agent's Accounts for Payments at a rate per annum equal to the Prime Rate plus the Applicable Margin.
- (2) **Change in Rate.** Each change in the fluctuating interest rate applicable to each Prime Loan will take place simultaneously with the corresponding change in the Prime Rate without the necessity for any notice to the Borrower.
- (3) **Calculation.** Interest on Prime Loans shall be payable monthly in arrears on every Interest Payment Date and on the Maturity Date for the period from and including, as the case may be, the Drawdown Date, the Conversion Date or the immediately preceding Interest Payment Date to but excluding the first-mentioned Interest Payment Date or the Maturity Date, as applicable, and shall be calculated on a daily basis on the principal amount of the Prime Loans remaining unpaid on the basis of the actual number of days elapsed in a year of 365 days.

3.2 Fees on Bankers' Acceptances

Upon acceptance of a Bankers' Acceptance by a Credit Facility Lender, the Borrower shall pay to the Administrative Agent on behalf of the Credit Facility Lender a fee (the "**Acceptance Fee**") calculated on the face amount of the Bankers' Acceptance at a rate per annum equal to the Applicable Margin on the basis of the number of days in the Contract Period for the Bankers' Acceptance and a year of 365 days.

3.3 Letter of Credit and Letter of Guarantee Fees

Upon the issue of a Letter of Credit or Letter of Guarantee by the L/C Issuer, the Borrower shall pay to the Administrative Agent on behalf of the L/C Issuer, a fee at the rate per annum equal to the Applicable Margin. Issuance fees shall be calculated on the maximum amount payable by the L/C Issuer to the beneficiary of each Letter of Credit or Letter of Guarantee on the date of issue. Issuance fees shall be calculated on the basis of the number of days in the Contract Period in respect of the Letter of Credit or Letter of Guarantee and a year of 365 days. Each determination by the Administrative Agent of the issuance fee applicable to a

Letter of Credit or Letter of Guarantee shall, in the absence of manifest error, be final, conclusive and binding upon the Borrower.

3.4 Pricing Matrix

For the purposes of this Section 3, the Applicable Margin with respect to Prime Loans, the Acceptance Fee and Letter of Credit or Letter of Guarantee fees shall be selected from the following matrix as set forth in the applicable column:

<u>Total Debt to EBITDA</u>	<u>Prime Loans</u>	<u>Acceptance Fees, Letter of Credit and Letter of Guarantee Fees</u>
≥3.0x	1.000%	2.000%
>2.5x	0.750%	1.750%
≤2.5x	0.500%	1.500%

The Total Debt to EBITDA shall be determined based on the Total Debt of the Borrower and the Material Subsidiaries to EBITDA of the Borrower and the Material Subsidiaries as set out in the most recent Compliance Certificate of the Borrower delivered to the Administrative Agent and the Credit Facility Lenders in accordance with Section 9.4(2) or as set out below. Each change in the fluctuating interest rate applicable to each Prime Loan will take place simultaneously with the delivery of a Compliance Certificate evidencing a change in the Total Debt to EBITDA calculation to be used.

The margins applicable to Prime Loans, Acceptance Fees and Letter of Credit and Letter of Guarantee fees set forth above will be determined on a consolidated and rolling four Fiscal Quarter basis; provided, that upon a Permitted Acquisition or divestiture by the Borrower or a Material Subsidiary, the Borrower agrees to provide each Credit Facility Lender with Compliance Certificates for the Borrower in each case, and any acquired company, in the case of a Permitted Acquisition, on the date of closing of any Permitted Acquisition or divestiture, and that the Applicable Margins shall be adjusted with respect to Prime Loans outstanding on the date of closing of the Permitted Acquisition or divestiture and with respect to other Advances, on the date such other Advance is made.

The Borrower shall deliver to the Administrative Agent and each Credit Facility Lender Compliance Certificates for the Borrower and the Material Subsidiaries as of the Closing Date, after giving effect to the IPO Transaction, and the Applicable Margins shall be adjusted as of the Closing Date with respect to Prime Loans outstanding and as of the date of issuance with respect to all outstanding Bankers Acceptances, Letters of Credit and Letters of Guarantee and any additional Acceptance Fees and Letter of Credit and Letter of Guarantee fees shall be due and payable on the Closing Date to the Administrative Agent at the Administrative Agent's Account for payment, for the account of the Credit Facility Lenders with outstanding Banker's Acceptances, Letters of Credit and Letters of Guarantee, as the case may be.

If the Borrower fails to deliver a Compliance Certificate as required by Section 9.4 hereof, the Credit Facility Lenders may adjust, on the date such Compliance Certificate should have been delivered, the pricing on all Advances based on the information they have available. If a Compliance Certificate is delivered after the time set out in Section 9.4 or if a Compliance Certificate proves to have been incorrect when delivered, the Credit Facility Lenders may readjust the fees and rates paid on a retroactive basis such that the fees and rates paid reflect what should have been paid had the Compliance Certificate been delivered timely or correct when delivered, as the case may be.

3.5 Fees

The Borrower shall pay an agency fee to the Administrative Agent in accordance with the terms of the Agency Fee Letter.

3.6 Commitment Fees

(1) **Commitment Fees.** On the first Business Day in each Fiscal Quarter during the term of this Credit Facility (from the Closing Date to the Maturity Date) and on the Maturity Date (each a “**Commitment Fee Payment Date**”), the Borrower shall pay in arrears to the Administrative Agent at the Administrative Agent’s Account for Payments for the account of the Credit Facility Lenders, a non-refundable commitment fee in Canadian Dollars (the “**Commitment Fee**”) on the amount of the unutilized portion of the Revolving Facility at a rate per annum equal to (i) 0.300%, if the ratio of Total Debt to EBITDA is less than or equal to 2.5:1; (ii) 0.375%, if the ratio of Total Debt to EBITDA is greater than 2.5:1 but less than 3.0:1; and (iii) 0.500%, if the ratio of Total Debt to EBITDA is greater than or equal to 3.0:1.

(2) **Calculations.** The Commitment Fee shall be payable for the period from and including the Closing Date or the last Commitment Fee Payment Date, as the case may be, to but excluding the next Commitment Fee Payment Date or the Maturity Date, as applicable, and shall be calculated on a daily basis on the uncanceled portion of the Total Revolving Commitment in effect from time to time on the basis of the actual number of days elapsed and a year of 365 days. Each Credit Facility Lender shall be entitled to its Rateable Portion of each Commitment Fee.

3.7 Interest on Overdue Amounts

The Borrower shall pay to the Administrative Agent on behalf of the Credit Facility Lenders interest on overdue amounts both before and after demand, default and judgment at a rate per annum equal to the same rate as is applicable to the amount overdue, if principal or interest, and in the case of any other overdue amount at a rate per annum equal to the Prime Rate plus 3% per annum, in each case calculated on a daily basis on the actual number of days elapsed in a 365 day year, computed from the date the amount becomes due for so long as the amount remains overdue. Interest shall be payable upon demand made by the Administrative Agent and shall be compounded on each Interest Payment Date.

3.8 Interest Act

For purposes of the *Interest Act* (Canada), where in this Agreement a rate of interest is to be calculated on the basis of a year of 365 days, the yearly rate of interest to which the rate is

equivalent is the rate multiplied by the number of days in the year for which the calculation is made and divided by 365.

3.9 Limit on Rate of Interest

(1) **Adjustment.** If any provision of this Agreement or any of the other Documents would obligate the Borrower to make any payment of interest or other amount payable to any Credit Facility Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Credit Facility Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by that Credit Facility Lender of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

- (a) firstly, by reducing the amount or rate of interest required to be paid to the affected Credit Facility Lender under this Section 3; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the affected Credit Facility Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

(2) **Reimbursement.** Notwithstanding Section 3.9(1), and after giving effect to all adjustments contemplated thereby, if any Credit Facility Lender shall have received an amount in excess of the maximum permitted by the *Criminal Code* (Canada), then the Borrower shall be entitled, by notice in writing to the affected Credit Facility Lender, to obtain reimbursement from that Credit Facility Lender in an amount equal to the excess, and pending reimbursement, the amount of the excess shall be deemed to be an amount payable by that Credit Facility Lender to the Borrower.

(3) **Actuarial Principles.** Any amount or rate of interest referred to in this Section 3.9 shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Advance remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of interest (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Closing Date to the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent shall be conclusive for the purposes of that determination.

3.10 Change in Circumstances

(1) **Reduction in Rate of Return.** If at any time any change in any Applicable Law or any interpretation thereof after the date of this Agreement, or compliance by the Credit Facility Lender with any direction, requirement, guidelines or policies or request from any regulatory authority given after the date of this Agreement, whether or not having the force of law, has or would have, as a consequence of a Credit Facility Lender's obligation under this Agreement, and

taking into consideration the Credit Facility Lender's policies with respect to capital adequacy, the effect of reducing the rate of return on the Credit Facility Lender's capital to a level below that which the Credit Facility Lender would have achieved but for the change or compliance, then from time to time, upon demand of the Credit Facility Lender, the Borrower shall pay the Credit Facility Lender such additional amounts as will compensate the Credit Facility Lender for the reduction.

(2) ***Taxes, Reserves, Capital Adequacy, etc.*** If, after the date of this Agreement, the introduction of any Applicable Law or any change or introduction of a change in any Applicable Law (whether or not having the force of law) or in the interpretation or application thereof by any court or by any Governmental Authority, central bank or other authority or entity charged with the administration thereof, or any change in the compliance of any Credit Facility Lender therewith now or hereafter:

- (a) subjects any Credit Facility Lender to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Tax or changes the basis of taxation, or increases any existing Tax, on payments of principal, interest, fees or other amounts payable by the Borrower to the Credit Facility Lender under or by virtue of this Agreement (except for Excluded Taxes);
- (b) imposes, modifies or deems applicable any reserve, special deposit, deposit insurance or similar requirement against assets held by, or deposits in or for the account of, or loans by or any other acquisition of funds by, an office of any Credit Facility Lender in respect of any Advance or any other condition with respect to this Agreement;
- (c) imposes on a Credit Facility Lender or expects there to be maintained by a Credit Facility Lender any additional capital in respect of the Credit Facilities.
- (d) imposes any Tax on reserves or deemed reserves with respect to the undrawn portion of the Revolving Commitment of any Credit Facility Lender;
- (e) and the result of any of the foregoing, in the sole determination of the Credit Facility Lender acting reasonably, shall be to increase the cost to, or reduce the amount received or receivable by the Credit Facility Lender or its effective rate of return in respect of making, maintaining or funding an Advance hereunder, the Credit Facility Lender shall, acting reasonably, determine that amount of money which shall compensate the Credit Facility Lender for the increase in cost or reduction in income.

(3) ***Payment of Additional Compensation.*** Upon a Credit Facility Lender having determined that it is entitled to compensation in accordance with the provisions of this Section 3.10 ("Additional Compensation"), the Credit Facility Lender shall promptly so notify the Borrower and the Administrative Agent and shall provide to the Borrower and the Administrative Agent a photocopy of the relevant Applicable Law or request, as applicable, and a certificate of an officer of the Credit Facility Lender setting forth the Additional Compensation and the basis of calculation thereof, which shall be conclusive evidence of the Additional Compensation in the

absence of manifest error. The Borrower shall pay to the Credit Facility Lender within thirty (30) Business Days of the giving of notice the Additional Compensation for the account of the Credit Facility Lender accruing from the date of the notification. The Credit Facility Lender shall be entitled to be paid Additional Compensation from time to time to the extent that the provisions of this Section 3.10 are then applicable notwithstanding that the Credit Facility Lender has previously been paid Additional Compensation.

(4) **Commercially Reasonable.** If it is commercially reasonable in the opinion of a Credit Facility Lender receiving Additional Compensation under this Section 3.10, the Credit Facility Lender shall make reasonable efforts to limit the incidence of that Additional Compensation, including seeking recovery for the account of the Borrower following the Borrower's request and at the Borrower's expense, if the Credit Facility Lender, in its sole determination, would suffer no appreciable economic, legal, regulatory or other disadvantage as a result.

3.11 Payment of Portion

Notwithstanding any other term or condition of this Agreement, if a Credit Facility Lender gives the notice provided for in Section 3.10 with respect to any Advance (an "**Affected Borrowing**"), the Borrower may, at its option, upon five (5) Business Days notice to that Credit Facility Lender (which notice shall be irrevocable), repay to the Credit Facility Lender in full without penalty (other than any breakage costs incurred by such Credit Facility Lender in terminating a B/A or a Letter of Credit or Letter of Guarantee prior to its maturity date) the Credit Facility Lender's proportionate share of the Affected Borrowing outstanding together with accrued and unpaid interest on the principal amount so repaid up to the date of repayment, together with such Additional Compensation as may be applicable to the date of payment.

3.12 Illegality

If any change in Applicable Law, or in the interpretation or application thereof by any court or by any Governmental Authority or central bank or comparable agency or any other entity charged with the interpretation or administration thereof, or compliance by any Credit Facility Lender with any request or direction (whether or not having the force of law) of any Governmental Authority, central bank or comparable agency or other entity, now or hereafter makes it unlawful or impossible for the Credit Facility Lender to make, fund or maintain an Advance or to perform its obligations under or by virtue of this Agreement, the Credit Facility Lender may, by written notice thereof to the Borrower and the Administrative Agent, terminate its obligations to make further Advances of such type under this Agreement, and the Borrower, if required by the Credit Facility Lender, shall repay forthwith (or at the end of such longer period as the Credit Facility Lender in its discretion has agreed) the principal amount of the Advance together with accrued interest without penalty or bonus (and in the case of Bankers' Acceptances, the face amount thereof) and such Additional Compensation as may be applicable to the date of payment and all other outstanding Credit Facility Obligations to the Credit Facility Lender. If any change shall only affect a portion of any Credit Facility Lender's obligations under this Agreement which is severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Credit Facility Lender or the Borrower under this

Agreement, the Credit Facility Lender shall only declare its obligations under that portion so terminated.

3.13 Indemnity

(1) **General.** The Borrower shall indemnify the Administrative Agent and each Credit Facility Lender and their respective directors, officers, employees, attorneys and agents (each, an “**Indemnified Person**”) against all suits, actions, proceedings, claims, losses (other than loss of profits), expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities including liabilities arising under Environmental Laws (each, a “**Claim**”) that the Administrative Agent or the Credit Facility Lender may sustain or incur as a consequence of (a) any default by the Borrower under this Agreement or any other Document, or (b) any representation or warranty made herein or any other Document by the Borrower or any Subsidiary which was incorrect at the time it was made, or (c) the Administrative Agent or the Credit Facility Lender entering into this Agreement, or (d) the use of proceeds of the Credit Facilities by the Borrower, or (e) the operations of the Borrower, except that no Indemnified Person will be indemnified for any claim to the extent it results from its own gross negligence or wilful misconduct.

(2) **Certificate.** A certificate of the Administrative Agent or the affected Credit Facility Lender, as the case may be, setting out the basis for the determination of the amount necessary to indemnify the Administrative Agent or the Credit Facility Lender pursuant to this Section 3.13 shall be conclusive evidence, absent manifest error, of the correctness of that determination.

(3) **Right to Assume Defence.** If any Claim be asserted against an Indemnified Person by a third party the Indemnified party shall promptly notify the Borrower of the Claim and, when known, the facts constituting the bases for such Claim, and if known, the amount or an estimate of the amount of the Claim. The failure of an Indemnified party to give notice of a Claim promptly shall not (other than gross negligence or wilful misconduct) adversely affect the Indemnified Party’s rights to indemnity hereunder. The Indemnified party shall not settle or compromise any Claim by a third party for which it is entitled to indemnification under this Section 3.13, without prior written consent of the Borrower except as set out below. The Borrower at its sole cost and expense may, upon written notice to the Indemnified Party, assume the defence of any such Claim or any legal proceeding resulting therefrom. The Indemnified Party shall be entitled to participate in, but not control, the defence of any such action, with his own counsel. If the Borrower does not assume the defence of any such Claim or litigation resulting therefrom, the Indemnified Party may defend against any such Claim or litigation, in such manner as it deems appropriate and at the expense of the Borrower, including, but not limited to settling such Claim or litigation, after giving notice of the same and receiving the consent of the Borrower (which consent shall not be unreasonably withheld). In such case the Borrower shall be entitled to participate in the defence of such action with its own counsel and at its own expense. If the Borrower (i) unreasonably fails to provide its consent; or (ii) fails to take over control of the defence of such Claim, the Indemnified Person may defend against such Claim or litigation in such manner as it deems appropriate and at the expense of the Borrower including settling such Claim or litigation.

(4) **Survival.** It is the intention of the Borrower, the Administrative Agent and each Credit Facility Lender that Section 2.16 and this Section 3.13 shall supersede any other provisions in this Agreement which in any way limit the liability of the Borrower and that the Borrower shall be liable for any obligations arising under Section 2.16 and this Section 3.13 even if the amount of the liability incurred exceeds the amount of the other Obligations. The obligations of the Borrower under these Sections are absolute and unconditional and shall not be affected by any act, omission or circumstance whatsoever, whether or not occasioned by the fault of the Administrative Agent or a Credit Facility Lender, except in respect of gross negligence or wilful misconduct by it. The obligations of the Borrower under Section 2.16 and this Section 3.13 shall survive the repayment of the other Obligations and the termination of the Credit Facilities.

SECTION 4 - REDUCTION AND REPAYMENT

4.1 Term and Maturity of Revolving Facility

The term of the Revolving Facility and the Swing Line Account contained therein shall commence on the Closing Date and end on the Maturity Date.

4.2 Term and Maturity of Term Facility

The term of the Term Facility shall commence on the Original Closing Date and end on the Maturity Date.

4.3 Repayment of Revolving Facility

All Advances and other amounts outstanding under the Revolving Facility including principal, interest and fees shall be paid, all outstanding Bankers' Acceptances, Letters of Credit and Letters of Guarantee shall be cash collateralized or replaced in a manner satisfactory to the Administrative Agent and the Revolving Facility shall be cancelled, on the Maturity Date.

4.4 Repayment of Term Facility

The Term Facility shall be repaid and permanently reduced on the Maturity Date.

4.5 Mandatory Repayment

The Total Term Commitment and the principal amount of the Term Facility shall be permanently reduced by (1) all proceeds of insurance claims ("**Insurance Proceeds**") in excess of \$750,000, other than proceeds of claims under business interruption insurance, in respect of any of the assets and undertaking of the Borrower or any Material Subsidiary which are not reinvested or set aside for reinvestment in property and assets which would qualify as a Permitted Acquisition within 6 months after the receipt of such Insurance Proceeds; provided, that in the case of amounts set aside for reinvestment, the Borrower or Material Subsidiary shall have taken steps to acquire such property or assets within such 6 month period; (2) all of the net cash proceeds (after Transaction Costs) of any asset sale by the Borrower or any Material Subsidiary out of the ordinary course of business, including any regulatory mandated dispositions ("**Asset Sale Proceeds**") where such Asset Sale Proceeds are paid, at a time when the Borrower and the Material Subsidiaries, on a consolidated basis, have a ratio of Total Debt to

EBITDA of greater than 3.25:1 to the extent necessary on a pro forma basis to reduce the ratio of the Total Debt to EBITDA to 3.25:1; and (3) all Asset Sale Proceeds in excess of \$750,000 where the Asset Sale Proceeds are not, within 12 months after receipt of such Asset Sale Proceeds (i) reinvested in property and assets that would qualify as a Permitted Acquisition, or (ii) distributed as a Permitted Distribution; provided that for the purposes of subsections (1) and (3)(i) above, clauses (c) and (d) of the definition of Permitted Acquisition shall not apply if the assets acquired do not constitute a business or operation, so long as no Default or Event of Default is continuing and no Default or Event of Default would result from the completion of such investment or acquisition.

4.6 Permanent Prepayment

From time to time, prior to the Maturity Date, the Borrower may permanently prepay, without penalty, in whole or in part, the Advances outstanding under the Term Facility provided that all accrued interest with respect to the amount to be prepaid shall have been paid. Payments shall be in the minimum aggregate amount of Cdn\$500,000, and shall be made in Cdn\$100,000 multiples. Osprey shall give three (3) Business Days' notice of its desire to make any prepayment, substantially in the form as attached hereto as Schedule 4.6. Notwithstanding the foregoing, if outstanding Bankers' Acceptances are prepaid, the Borrower shall be required to deposit the amount of such prepayment in a cash collateral account with the Administrative Agent until the date of maturity of those Bankers' Acceptances. The cash collateral account shall be under the sole control of the Administrative Agent. Except as contemplated by this Section 4.6, neither the Borrower nor any Person claiming on behalf of the Borrower shall have any right to any of the cash in the cash collateral account. The Administrative Agent shall apply the cash held in the cash collateral account to the face amount of those Bankers' Acceptances at maturity whereupon any cash remaining in the cash collateral account shall be released by the Administrative Agent to the Borrower. Any prepayment shall be paid to the Administrative Agent and distributed among the Credit Facility Lenders in accordance with their respective Rateable Portions. No amount permanently prepaid may be reborrowed under this Agreement. Each Credit Facility Lender's Term Commitment will be permanently reduced by the amount of any permanent prepayment made to it and the Total Term Commitment reduced correspondingly. Any such voluntary permanent prepayment shall not be financed using the Revolving Facility.

4.7 Cancellation

The Borrower may at any time cancel undrawn amounts of the Revolving Facility without premium or penalty, in minimum amounts of \$500,000 and in multiples of Cdn\$100,000, subject to giving the Administrative Agent three (3) Business Days prior written notice substantially in the form attached as Schedule 4.7. Amounts cancelled will not be reinstated and the Revolving Commitments and Total Revolving Commitment correspondingly reduced.

SECTION 5 - PAYMENTS AND TAXES

5.1 Payments Generally

All amounts owing in respect of the Credit Facilities, whether on account of principal, interest or fees or otherwise, shall be paid in the currency in which the Advance is outstanding. Each payment under this Agreement shall be made for value on the day the payment is due, provided that if that day is not a Business Day, the payment shall be due on the Business Day next following the day, unless the Business Day next following the day is in the next following month, in which event the payment shall be made on the immediately preceding Business Day. All interest and other fees shall continue to accrue until payment has been received by the Administrative Agent. Each payment by the Borrower shall be made at the Borrower's Administrative Agent's Account for Payments at or before 1:00 p.m. on the day the payment is due. Receipt by the Administrative Agent from the Borrower of funds under this Agreement, as principal, interest, fees or otherwise, shall be deemed to be receipt of those funds by the Credit Facility Lenders.

5.2 Taxes

(1) **Payments.** All payments to be made by or on behalf of the Borrower under or with respect to this Agreement are to be made free and clear of and without deduction or withholding for, or on account of, any present or future Taxes, unless such deduction or withholding is required by Applicable Law. If the Borrower is required to deduct or withhold any Taxes from any amount payable on account of Credit Facility Obligations to the Administrative Agent or any Credit Facility Lender (a) the amount payable shall be increased as may be necessary so that, after making all required deductions or withholdings (including deductions and withholdings applicable to, and taking into account all Taxes on, or arising by reason of the payment of, additional amounts under this Section 5.2), the Administrative Agent or the Credit Facility Lender, as the case may be, receives and retains an amount equal to the amount that it would have received had no such deductions or withholdings been required, (b) the Borrower shall make such deductions or withholdings, and (c) the Borrower shall remit the full amount deducted or withheld to the relevant taxing authority in accordance with Applicable Laws. Notwithstanding the foregoing, the Borrower shall not be required to pay additional amounts in respect of Excluded Taxes.

(2) **Indemnity.** The Borrower shall indemnify the Administrative Agent and the Credit Facility Lenders for the full amount of any Taxes (other than Excluded Taxes) imposed by any jurisdiction on amounts payable by the Borrower on account of Credit Facility Obligations under this Agreement and paid by the Administrative Agent or any Credit Facility Lender and any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted, and any Taxes levied or imposed with respect to any indemnity payment made under this Section 5.2. The Borrower shall also indemnify the Administrative Agent and the Credit Facility Lenders for any Taxes (other than Excluded Taxes) that may arise as a consequence of the execution, sale, transfer, delivery or registration of, or otherwise with respect to this Agreement or any other Document. The indemnifications contained in this Section 5.2(2) shall be made within thirty (30) days after the date the Administrative Agent makes written demand therefor.

(3) **Evidence of Payment.** Within thirty (30) days after the date of any payment of Taxes by the Borrower, the Borrower shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment by the Borrower of any Taxes with respect to any amount payable to the Administrative Agent and the Credit Facility Lenders hereunder.

(4) **Excluded Taxes.** For the purpose of Section 3.10(2)(a) and this Section 5.2, "Excluded Taxes" means, in relation to the Administrative Agent or any Credit Facility Lender, (i) any Taxes of the Administrative Agent or any Credit Facility Lender which is a resident of Canada for the purposes of the ITA, and (ii) any Taxes of any other Credit Facility Lender imposed on the net income or capital of such Credit Facility Lender by any Governmental Authority as a result of such other Credit Facility Lender (a) carrying on a trade or business or having a permanent establishment in any jurisdiction or political subdivision thereof, (b) being organized under the laws of such jurisdiction or any political subdivision thereof, or (c) being or being deemed to be resident in such jurisdiction or political subdivision thereof.

(5) **Survival.** The Borrower's obligations under this Section 5.2 shall survive the termination of this Agreement and the payment of all amounts payable under or with respect to this Agreement.

(6) **Tax Credit.** If a payment ("**Gross-Up Payment**") made by the Borrower has been increased by an amount ("**Gross-Up**") referred to in this Section 5.2 and one or more Credit Facility Lenders who has received the Gross-Up is able to apply for, or otherwise take advantage of, any tax credit, tax refund, deduction in computing income, or similar benefit by reason of any payment, withholding or deduction made by the Borrower in respect of the Gross-Up Payment (such credit, deduction or benefit hereinafter being referred to as a "**Tax Credit**"), then such Credit Facility Lender or Credit Facility Lenders will use reasonable commercial efforts to obtain the Tax Credit (whether by way of reducing taxes payable, receiving a tax refund or otherwise), and shall repay to the Borrower such amount (not exceeding the Gross-Up), if any, as is reasonably determined by such Credit Facility Lender to be equal to the net after-tax value to such Credit Facility Lender of such part of the Tax Credit as is reasonably attributable to such payment, withholding or deduction having regard to all dealings giving rise to similar credits, refunds, deductions or benefits in relation to the same tax period and to the cost of obtaining the same. Nothing contained in this Section 5.2(6) shall interfere with the right of any Credit Facility Lender to arrange its tax affairs in whatever manner it deems fit and, in particular, no Credit Facility Lender shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of any deduction, withholding or payment in priority to any other reliefs, claims, credits, refunds or deductions available to it and no Credit Facility Lender shall be obligated to disclose to the Borrower any information regarding its tax affairs, tax computation or otherwise.

5.3 No Set-Off

All payments to be made by the Borrower under this Agreement shall be made without set-off or counterclaim and without any deduction of any kind.

5.4 Application of Payments Before Exercise of Rights

Subject to the provisions of this Agreement, all payments made by or on behalf of the Borrower before the exercise of any rights arising under Section 11.2, or otherwise, shall be paid to the Administrative Agent and distributed among the Credit Facility Lenders in accordance with their respective Rateable Portions (or, as the case may be, to or among the Administrative Agent, the Credit Facility Lender or the Credit Facility Lenders to whom those payments are owing) in each instance in the following order:

- (a) firstly, in payment of any amounts due and payable as and by way of agency fees owing to the Administrative Agent for its services provided hereunder;
- (b) secondly, in payment of any amounts due and payable as and by way of recoverable expenses hereunder;
- (c) thirdly, in payment of any interest, other fees, or default interest then due and payable on or in respect of the Advances;
- (d) fourthly, in the non-permanent repayment of any principal amounts of the Advances due under the Revolving Facility, and
- (e) fifthly, in payment of any other amounts then due and payable by the Borrower hereunder or in connection herewith.

5.5 Application of Payments After Exercise of Rights Under Section 11.2

All payments made by or on behalf of the Borrower after the exercise of any rights arising under Section 11.2 shall be paid to the Administrative Agent and distributed among the Lenders in accordance with their respective Rateable Portions (or, as the case may be, to or among the Administrative Agent, the Lender or the Lenders to whom those payments are owing) in each instance in the following order:

- (a) firstly, in payment of agency fees and the reasonable costs and expenses of any realization against the Borrower or of its property and assets, including the out-of-pocket expenses of the Administrative Agent and the reasonable fees and out-of-pocket expenses of counsel, consultants and other advisers employed in connection therewith and in payment of all reasonable costs and expenses incurred by the Administrative Agent in connection with the administration and enforcement of this Agreement or the other Documents, to the extent that those funds, costs and expenses shall not have been reimbursed to the Administrative Agent;
- (b) secondly, in payment of any other unpaid fees payable hereunder by the Borrower;
- (c) thirdly, in payment or prepayment of principal under the Term Facility, the Revolving Facility and any other Obligations (other than on account of interest) outstanding under this Agreement, any other Documents and any document or

agreement under which Other Secured Obligations arise and then to the payment of accrued and unpaid interest thereunder; and

- (d) fourthly, in payment of the balance, if any, to the Borrower or such other person or persons who may be entitled at law or, in each case, their respective successors or assigns, or as a court of competent jurisdiction may otherwise direct.

SECTION 6 - SECURITY DOCUMENTS

6.1 Security Documents

The Borrower shall, and shall cause each of the Material Subsidiaries to, execute and deliver to the Administrative Agent on behalf of the Lenders to secure the Obligations, the following documents to be in form and substance satisfactory to the Administrative Agent and the Credit Facility Lenders:

- (a) unconditional and unlimited guarantee of each Material Subsidiary;
- (b) general security agreement creating a first priority security interest, subject only to Permitted Liens, in all of the personal property, assets and undertaking of the Borrower and each Material Subsidiary;
- (c) debenture of the Borrower and each Material Subsidiary creating a first fixed charge, subject only to Permitted Liens, on all of its owned and leasehold real property together with a related debenture delivery or pledge agreement;
- (d) assignment of all property and business interruption insurance policies;
- (e) specific assignments of certain contracts by the Borrower and each Material Subsidiary, acknowledged by all parties to such contracts;
- (f) pledges of shares, intercompany indebtedness and all other ownership interests of each Subsidiary of the Borrower and each Material Subsidiary;
- (g) subordination and/or inter-creditor agreement in respect of all Permitted Subordinated Debt;
- (h) limited recourse guarantee by each of the Fund and Holdco of the obligations of the Borrower hereunder;
- (i) pledge of all of the Securities of the Borrower, the Osprey Notes and any other ownership interests in the Borrower; provided that the OTPPB, or any of its Affiliates, shall not be required to pledge the Securities of the Borrower, the Osprey Notes or any other ownership interests in the Borrower owned by it or such Affiliate to the Administrative Agent, so long as the OTPPB or such Affiliate is prohibited by its policies and procedures from pledging such Securities of the Borrower, the Osprey Notes or other ownership interests in the Borrower; and

- (j) such other security as the Credit Facility Lenders may reasonably require.

6.2 Additional Material Subsidiaries

If at any time the Borrower establishes or acquires a Material Subsidiary, the Borrower shall immediately cause such Material Subsidiary to become a guarantor by entering into a guarantee in substantially the same form as the guarantee referred to in Section 6.1(a) above and deliver other security documents similar to those referred to in Section 6.1, which documents shall be Security Documents for the purpose hereof, and cause the delivery of such legal opinions, and other supporting documents as the Credit Facility Lenders may reasonably require and such Material Subsidiary shall be subject to all of the terms of this Agreement applicable to a Material Subsidiary.

6.3 Additional Subsidiaries

If at any time the Borrower or any Material Subsidiary establishes or acquires a Subsidiary (in compliance with the terms and conditions hereof) that is not a Material Subsidiary or a wholly owned Subsidiary, the Borrower or such Material Subsidiary shall cause its interest in such Subsidiary to immediately be pledged as part of the Security Documents and cause the delivery of such legal opinions and other supporting documents as the Credit Facility Lenders may reasonably require.

6.4 Obligations Secured by the Security Documents

Unless otherwise agreed by the Credit Facility Lenders among themselves, the Security Documents shall secure the following obligations *pari passu* with each other:

- (a) the Obligations; and
- (b) the present and future debts, liabilities and obligations of the Borrower to any Lender (collectively, the “**Other Secured Obligations**”) under or in connection with, (i) Hedge Contracts permitted pursuant to Section 9.2(16), (ii) cash management and consolidation, money management, foreign-exchange, credit card and other facilities provided by a Lender to the Borrower, and (iii) other transactions not made under this Agreement if it is agreed by the Borrower and the Administrative Agent acting on the instructions of the Credit Facility Lenders that such facilities, debts, liabilities and obligations shall be secured; provided, for greater certainty, that upon any financial institution ceasing to be a “Credit Facility Lender”, the Other Secured Obligations of such financial institution and its Affiliates, as the case may be, shall continue to be secured by the Security Documents so long as such financial institution was a Credit Facility Lender at the time any agreement under which any such Other Secured Obligations arise was entered into.

If the Credit Facility Obligations have been indefeasibly paid in full, the Lenders will release their interest in the Security Documents upon receiving Collateral to secure the Other Secured Obligations, in a form and an amount satisfactory to the Lenders to whom Other Secured Obligations are owed, acting reasonably.

Notwithstanding the rights of Lenders to benefit from the Security Documents in respect of the Other Secured Obligations, all decisions concerning the Security Documents and the enforcement thereof shall be made by the Credit Facility Lenders, the Majority Lenders or the Administrative Agent in accordance with this Agreement. No Lender holding Other Secured Obligations from time to time shall have any additional right to influence the Security Documents or the enforcement thereof as a result of holding Other Secured Obligations as long as this Agreement remains in force. However, the Other Secured Obligations shall continue to be secured by the Security Documents notwithstanding the termination of this Agreement by reason of payment of the Credit Facility, or for any other reason. After the termination of this Agreement, decisions concerning the Security Documents shall be made by the holders of Other Secured Obligations as they may determine among themselves.

SECTION 7 - CONDITIONS PRECEDENT

7.1 Conditions Precedent to Effectiveness

This Agreement shall be effective subject to the fulfillment of the following conditions:

- (1) ***Delivery of Documents.*** The Administrative Agent shall have received on or prior to the Closing Date Sufficient Copies, in form and substance satisfactory to the Administrative Agent, of the following:
- (a) this Agreement duly executed by all the parties thereto;
 - (b) each Security Document or where applicable, confirmation of the validity of existing security, and all other Documents duly executed by all the parties thereto;
 - (c) a Compliance Certificate, dated the Closing Date, confirming a ratio of Total Debt to EBITDA of not greater than 2.75:1, after giving effect to the IPO Transaction and that the Borrower and the Material Subsidiaries are otherwise in compliance with the financial covenants set forth in Section 9.3;
 - (d) a certificate of the Borrower dated the Closing Date executed by an appropriate officer of the Borrower certifying:
 - (i) the names and the specimen signatures of the Persons authorized to sign this Agreement, the Security Documents and the other Documents to be executed and delivered by such Person under this Agreement;
 - (ii) that the constating documents and the by-laws of the Borrower, which shall be attached thereto, are complete and correct copies and that the constating documents and the by-laws have not been amended, modified or supplemented and are in full force and effect; and
 - (iii) the resolution of the Borrower and all other authorizations necessary to authorize the execution and delivery of and the performance by such Person of its obligations under this Agreement, the Security Documents

and the other Documents to which it is a party and all the transactions contemplated thereby;

- (e) a certificate or other evidence satisfactory to the Administrative Agent and the Credit Facility Lenders of each of the Fund and Holdco dated the Closing Date executed by an Authorized Signatory of the Fund or an appropriate officer of Holdco certifying:
 - (i) the names and the specimen signatures of the Persons authorized to sign this Agreement, the Security Documents and the other Documents to be executed and delivered by it under this Agreement;
 - (ii) that its declaration of trust or articles of incorporation, amalgamation or continuance, as the case may be, and all other constating documents, which shall be attached thereto, are a complete and correct copy and that each of the declaration of trust or articles of incorporation, amalgamation or continuance, as the case may be, and all other constating documents have not been amended, modified or supplemented and are in full force and effect; and
 - (iii) its resolution and all other authorizations necessary to authorize the execution and delivery of and the performance by it of its obligations under the Security Documents and the other Documents to which it is a party and all the transactions contemplated thereby;
- (f) opinions of Davies, Ward, Phillips & Vineberg LLP, counsel to the Fund, Holdco, the OTPPB and the Borrower, dated as of the Closing Date regarding corporate existence, due authorization, and registration of the Security Documents etc. addressed to the Administrative Agent and each Credit Facility Lender;
- (g) copies of all IPO Documents;
- (h) without duplication of (g) above, certified copies of all Material Contracts then in effect not previously provided to the Administrative Agent; and
- (i) such other documents as the Administrative Agent may reasonably request on behalf of the Credit Facility Lenders including standard documentation used by a Credit Facility Lender in connection with the issuance of Bankers' Acceptances, Letters of Credit, Letters of Guarantee and Hedge Contracts prior to any Advance by way of any such method.

(2) **Registration of Security Documents.** All registrations, recordings and filings of or with respect to the Security Documents which in the opinion of counsel to the Administrative Agent are necessary to render effective the security intended to be created thereby shall have been completed.

(3) **Fees.** All fees payable by the Borrower on or before the Closing Date shall have been paid to the Administrative Agent including, without limitation, all reasonable legal fees and disbursements of McMillan Binch LLP, counsel to the Administrative Agent.

(4) **Completion of IPO Transactions.** The IPO Transaction shall have been completed on terms and conditions and in a manner acceptable to the Administrative Agent and the Credit Facility Lenders in their sole discretion, including each of the following:

- (a) the capital structure and the terms and conditions of all Debt of the Borrower and each Material Subsidiary; and
- (b) the IPO shall have been consummated on the terms set forth in the Prospectus.

(5) **Due Diligence.** The Administrative Agent and each Credit Facility Lenders shall have completed their accounting, financial, business, legal and all other due diligence with results satisfactory to them, in their sole and absolute discretion.

(6) **Reduction of Term Facility.** The Borrower shall have paid to the Administrative Agent, for the benefit of the Credit Facility Lenders in accordance with their Rateable Portions, not less than \$61,046,299 to reduce the total amount outstanding under the Term Facility to an amount not greater than the Total Term Commitment.

(7) **Representations Correct.** The representations and warranties set forth in Section 8 shall be true and correct as at the Closing Date.

(8) **No Default.** No Default or Event of Default shall exist as at the Closing Date.

7.2 Conditions Precedent to All Advances

The obligations of the Credit Facility Lenders to make available any Advance, Rollover or Conversion, in addition to being subject to and conditional upon the conditions being satisfied in Section 7.1, are subject to and conditional upon each of the conditions below being satisfied on the applicable Drawdown Date, Rollover Date or Conversion Date:

(1) **No Default.** No Default or Event of Default shall exist, nor shall the Advance, Rollover or Conversion result in the occurrence of a Default or Event of Default.

(2) **Representations Correct.** The Repeating Representations and Warranties shall be true and correct on each Drawdown Date, Rollover Date or Conversion Date as if made on that date.

(3) **Notice of Advance.** The Borrower shall have provided any notice required in respect of an Advance, Rollover or Conversion.

7.3 Waiver of a Condition Precedent

The conditions stated in Sections 7.1 and 7.2 and are inserted for the sole benefit of the Administrative Agent and Credit Facility Lenders and may be waived by the Administrative Agent with the consent of the Majority Lenders, in whole or in part, with or without terms or

conditions, in respect of all or any portion of the Advances, without affecting the right of the Credit Facility Lenders to assert terms and conditions in whole or in part in respect of any other Advance.

SECTION 8 - REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties

The Borrower, with respect to itself and each of its Material Subsidiaries, makes the following representations and warranties to the Administrative Agent and each Credit Facility Lender, after giving effect to the completion of the IPO Transaction, all of which shall survive the execution and delivery of this Agreement:

(1) ***Existence, Power and Qualification.*** Each of the Borrower and the Material Subsidiaries (a) is an entity, duly incorporated or otherwise formed, organized and validly existing under the laws of its jurisdiction of incorporation or formation, (b) is up to date in all material respects in the filings of all corporate and similar returns required under those laws, except as specified on Schedule 8.1(1), (c) has the requisite power and authority to own, operate and lease its properties and assets and to conduct the businesses in which it is presently engaged, and (d) is duly qualified in all material respects under the laws of each jurisdiction where its ownership, lease or operation of properties or assets or the conduct of its business requires qualification.

(2) ***Power and Authority.*** The execution and delivery by the Borrower of this Agreement and by the Borrower and each Material Subsidiary of the Security Documents and the other Documents to which it is a party and the performance by the Borrower and each Material Subsidiary of their respective obligations thereunder (a) are within their powers, (b) have been duly authorized by all necessary or proper corporate, shareholder, or other action, (c) do not conflict with, result in a breach or violation of, or constitute a default under, its constituting documents, any unanimous shareholders' agreement, any Applicable Law or any other document to which it is a party or by which it is bound, (d) do not conflict with or result in the breach or termination of, constitute a default under, or accelerate any performance required by any Material Contract, and (e) do not and will not result in the creation of any Lien, except as set out in the Security Documents, upon any of its assets or properties under any agreement or other document.

(3) ***Authorization, Execution, Delivery and Binding Effect.*** Each of this Agreement, the Security Documents and the other Documents executed by the Borrower and each Material Subsidiary, as the case may be, has been or will be at the time required to be executed and delivered under this Agreement, duly authorized, executed and delivered and constitutes or will constitute at the time required to be executed and delivered under this Agreement, a legal, valid and binding obligation of the Borrower and each Material Subsidiary, as the case may be, enforceable in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, (b) general principals of equity including the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and (c) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments.

(4) **No Approvals Required.** (a) Each of the Borrower and the Material Subsidiaries has obtained all material Governmental Approvals which are necessary for the conduct of its business as presently conducted, each of which is in full force and effect, is a good, valid and subsisting approval which has not been surrendered, forfeited or become void or voidable and is unamended, (b) there is no material default under any Governmental Approval, nor are there any proceedings in progress, pending or threatened which may result in the revocation, suspension or material adverse modification of such Governmental Approval, and (c) no further registration, order, permit, filing, consent, authorization, licence, decree or approval of, from or with any Person (including any Governmental Authority) is necessary or advisable in order to ensure the legality, validity, binding effect and enforceability of this Agreement, the Security Documents, or any other Document or the performance of the Credit Facility Obligations.

(5) **Financial Statements.** As of the Closing Date:

- (a) the most recent financial statements as of December 31, 2003 of Holdco, copies of each which have been furnished to the Administrative Agent, were prepared in accordance with GAAP applied on a basis consistent with preceding periods, except as stated therein or in the notes, and those financial statements fairly represent the financial condition of Holdco and the Borrower as at their date; and
- (b) the pro forma consolidated balance sheet and income statement, together with the Compliance Certificate delivered on the Closing Date denominating pro forma compliance with all financial covenants of the Borrower and the Material Subsidiaries under this Agreement, in each case after giving effect to the IPO Transaction, were based on the financial statements of Holdco referred to in (a) above and such balance sheet and income statement were prepared in accordance with GAAP with only adjustments thereto that would be required under GAAP.

(6) **Material Adverse Change.** Since the date of the most recent financial statements referred to in Section 8.1(5)(a), except as otherwise disclosed to the Administrative Agent in writing, there has been no Material Adverse Change in the Collateral or the operations of the Borrower and the Material Subsidiaries taken as a whole as a result of any act or event, including fire, accident, strike, expropriation or acts of any Governmental Authority and there has been no change in its financial condition or the results of its operations that would have a Material Adverse Effect.

(7) **Contingent Liabilities and Debt.** None of the Borrower or any Material Subsidiary has any contingent liabilities which are not disclosed in the most recent audited or unaudited financial statements furnished to the Administrative Agent and referred to in Section 8.1(5) which would have a Material Adverse Effect, nor have the Borrower or any Material Subsidiary incurred any Debt which would have a Material Adverse Effect which is not disclosed in those financial statements, other than Permitted Debt.

(8) **Title to Assets and Liens.** Except as disclosed in Schedule 8.1(8) with respect to real and personal property, each of the Borrower and the Material Subsidiaries is the legal and beneficial owner of or validly leases all of its properties and assets free and clear of any Liens, other than Permitted Liens.

(9) **Security Documents.** The Security Documents create or will create valid and enforceable Liens upon all the undertaking and assets of the Borrower and the Material Subsidiaries on the terms set out therein, subject only to the terms of this Agreement and to Permitted Liens, and the Security Documents have been or will be registered or recorded in all places where registration or recording is necessary to perfect and protect the charges and security interests created therein.

(10) **Location of Assets, Places of Business.** All of the Borrower's and the Material Subsidiaries' tangible and intangible property and assets and places of business are located in the Province of Ontario. The Borrower's and the Material Subsidiaries' registered and chief executive office is in the Province of Ontario. The Borrower and the Material Subsidiaries do not have any account debtors in a material aggregate amount located in any province not governed by the *Personal Property Security Act* (Ontario) or equivalent statute, or outside Canada other than in states governed by Article 9 of the Uniform Commercial Code, as of the date hereof.

(11) **No Default or Event of Default.** There exists no Default or Event of Default.

(12) **Compliance.** Each of the Borrower and the Material Subsidiaries is in compliance with its constating documents and is in compliance in all respects with all Applicable Laws, including employment standards, labour codes and Environmental Laws except any non-compliance which would not have a Material Adverse Effect or as referenced in the reports set out in Schedule 8.1(19).

(13) **Litigation.** No litigation, investigation or proceeding of or before any Governmental Authority, arbitrator, court or administrative agency is pending or, to its knowledge, threatened against the Borrower or any Material Subsidiary or against any of their respective properties, assets or revenues, including the Collateral, which, is reasonably likely to be adversely determined against any of them and if so, would reasonably expose any of them to present or future liability in excess of \$2,500,000 in the aggregate.

(14) **Tax Returns.** Each of the Borrower and the Material Subsidiaries has filed or caused to be filed all tax returns which are required to have been filed, and has paid all Taxes shown to be due and payable on those returns or on any assessments made against it and all other Taxes, fees or other charges imposed on it by any Governmental Authority, other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings being diligently pursued, and with respect to which adequate reserves in conformity with GAAP have been provided in its books and of which the details have been provided to the Administrative Agent. No Liens against the Borrower or any Material Subsidiary for Taxes other than Permitted Liens have been filed and, to its knowledge, no claims are being asserted with respect to any Taxes other than Permitted Debt.

(15) **Canadian Pension and Benefit Plans.** All Canadian Pension Plans (if any) and Canadian Benefit Plans (if any) to which the Borrower or any Material Subsidiary is a party are described in Schedule 8.1(15).

(16) **Labour Matters.** There are no strikes or other labour disputes against the Borrower or any Material Subsidiary that are pending or, to the best of the Borrower's knowledge threatened,

which would have a Material Adverse Effect. None of the Borrower or any Material Subsidiary has any obligations under any consulting or management agreement requiring payments which cannot be cancelled without material liability. The Borrower and each of the Material Subsidiaries is in material compliance with the terms and conditions of all collective agreements, consulting agreements, management agreements and employment agreements, if any.

(17) **Insurance.** The Borrower and the Subsidiaries maintain insurance in compliance with Section 9.1(2) and all premiums and other sums of money due and payable for that purpose have been paid.

(18) **Corporate Organization.** Set out in Schedule 8.1(18) is a complete and accurate corporate organization chart showing the Fund, the Borrower and Holdco as at the Closing Date after giving effect to the IPO Transactions.

(19) **Environmental Activity.** Neither the Borrower nor, any Material Subsidiary (i) engages in any Environmental Activity and, (ii) to the best of any of their knowledge, no Contaminants are stored in or present in any form in or under any premises or lands owned or leased by the Borrower or any Material Subsidiary, as the case may be, except in compliance with Environmental Laws or as referenced in environmental reports set out in Schedule 8.1(19).

(20) **Trade-marks, Patents, etc.** The Borrower and the Material Subsidiaries possesses all patents, industrial designs, trade-marks, trade secrets, know-how, environmental technology, biotechnology, confidential information, trade-names, goodwill, copyrights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, the “**Intellectual Property**”), referred to in Schedule 8.1(20). To the best of the Borrower’s knowledge, none of the Borrower or the Material Subsidiaries is infringing in any material respect on the rights of any person with respect to any Intellectual Property and none of the Borrower or the Material Subsidiaries knows of any fact which is likely to result in the successful assertion against the Borrower or any Material Subsidiary of a claim for such an infringement.

(21) **Material Subsidiaries.** Each Material Subsidiary is, directly or indirectly, a wholly owned Subsidiary of the Borrower.

(22) **Real Property.** Attached hereto as Schedule 8.1(22) is a list of all real property (the “**Real Property**”) beneficially owned by the Borrower or any Material Subsidiary including the owner or beneficial owner, the municipal address and legal description thereof as well as the net book value thereof.

(23) **Leases.** Attached hereto as Schedule 8.1(23) is a list of all leases and licenses (the “**Leased Property**”) to which the Borrower or any Material Subsidiary is a party as lessee including, the lessee, the municipal address thereof and the annual lease payments in respect thereof. Except as disclosed in Schedule 8.1(23), none of the Borrower or any Material Subsidiary has any material oral or written agreement with any tenants or sub-tenants of its Real Property or Leased Property.

(24) **Permitted Subordinated Debt.** The Borrower has delivered to the Administrative Agent a complete and correct copy of all Osprey Notes and all other evidences of Permitted Subordinated Debt and neither the Borrower nor any Material Subsidiary is in default thereunder. The Borrower and each Material Subsidiary has the corporate power and authority to incur the Debt evidenced by such Permitted Subordinated Debt. The subordination provisions of all Permitted Subordinated Debt are enforceable against the holders thereof by the Administrative Agent and the Lenders subject to (a) applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, (b) general principles of equity including the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and (c) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments, and are subject to the terms of this Agreement and the other Loan Documents. The Borrower acknowledges that the Administrative Agent and each Credit Facility Lender are entering into this Agreement and are extending the Commitments in reliance upon the subordination provisions of the Permitted Subordinated Debt.

(25) **IPO Transaction.** As of the Closing Date, the Borrower has delivered to the Administrative Agent a complete and correct copy of the IPO Documents (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). Neither the Borrower nor any Material Subsidiary or, to the knowledge of the Borrower, no other Person party to any IPO Document (other than the Prospectus) is in material default in the performance or compliance with any provisions thereof. The IPO Transactions have been consummated in accordance, in all material respects, with all Applicable Laws. The IPO Documents (other than the Prospectus) are in full force and effect as of the Closing Date, have not been terminated, rescinded or withdrawn. All requisite approvals by Governmental Authorities having jurisdiction over the Borrower, any Material Subsidiary, the Fund and other Persons referenced therein, with respect to the transactions contemplated by the IPO Documents, have been obtained, other than those which have not been obtained and where failure to so obtain would not individually or in the aggregate result in a Material Adverse Effect.

(26) **Material Facts.** As of the Closing Date, to the knowledge of the Borrower, there is no fact that has not been disclosed to the Administrative Agent and the Credit Facility Lenders in writing that would have a Material Adverse Effect on its ability to perform its obligations under the Documents.

8.2 Deemed Repetition

The representations and warranties made by the Borrower in Section 8.1 shall continue in effect until payment and performance of all the Credit Facility Obligations, and the Repeating Representations and Warranties shall be deemed to be repeated on each Drawdown Date, Rollover Date and Conversion Date, *mutatis mutandis*, as if made on that date.

SECTION 9 - COVENANTS

9.1 Affirmative Covenants of the Borrower

While any amount owing under this Agreement or any of the other Documents remains unpaid, or the Administrative Agent or the Credit Facility Lenders have any obligations under this Agreement or any of the other Documents, the Borrower covenants with the Administrative Agent and each Credit Facility Lender as follows:

(1) ***Existence.*** The Borrower shall do or cause to be done all things necessary to keep in full force and effect its existence and that of the Material Subsidiaries and all rights, franchises, trademarks, licences and qualifications required for it and them to carry on their respective businesses and own, lease or operate their respective properties in each jurisdiction in which they carry on business or own, lease or operate property or assets from time to time the absence of which could materially affect the Borrower's or a Material Subsidiary's ability to carry on its business.

(2) ***Insurance.*** The Borrower shall maintain, and shall cause the Material Subsidiaries to maintain, insurance on its and their respective properties and assets and for the operation of their respective businesses in such amounts and against such risks as would be customarily obtained and maintained by a prudent owner of similar properties and assets operating a similar business, including appropriate liability insurance, business interruption insurance and third party liability insurance. The Borrower shall provide copies of those policies to the Administrative Agent, which policies shall be satisfactory to the Administrative Agent and shall not be subject to any co-insurance clause. Each insurance policy shall include an endorsement whereby the insurers agree to give the Administrative Agent on behalf of the Credit Facility Lenders not less than thirty (30) days notice of the cancellation of the policy of insurance and permit the Administrative Agent on behalf of the Credit Facility Lenders to cure any default which may exist under the policy. The Administrative Agent shall either be named as loss payee or additional insured as its interest may appear in all of the Borrower's and each Material Subsidiary's policies of insurance or otherwise be assured of the availability of continuing coverage in a manner satisfactory to the Administrative Agent.

(3) ***Compliance with Laws, etc.*** The Borrower shall comply, and shall cause the Material Subsidiaries to comply, with all Applicable Laws, all Government Approvals and all Material Contracts required in respect of its and their respective businesses, properties, the Collateral, or any activities or operations carried out thereon including employment standards, labour codes the non-compliance with which could materially adversely effect the Borrower's or a Material Subsidiary's ability to carry on its business; provided that this clause 9.1(3) shall not apply to Environmental Laws, which are referred to in Section 10. If required by the Administrative Agent, the Borrower shall deliver to the Administrative Agent evidence satisfactory to the Administrative Agent concerning compliance with all Applicable Laws and Government Approvals.

(4) ***Government Approvals.*** The Borrower shall obtain, and shall cause the Material Subsidiaries to obtain, (to the extent not in existence on the Closing Date) and maintain, by the

observance and performance of all obligations thereunder and conditions thereof, all material Government Approvals required for it and them to carry on their respective businesses.

(5) **Conduct of Business.** The Borrower shall and shall cause the Material Subsidiaries to:

- (a) conduct its business in a proper and efficient manner and keep proper books of account and records with respect to the operation of its business;
- (b) diligently maintain, repair, use and operate its property and premises in a commercially reasonable and efficient manner; and
- (c) subject to the exceptions set out in Section 9.1(14), maintain its physical assets in good condition so that each asset may be used at all times for the purpose for which it was intended including, for the Borrower and the Material Subsidiaries on a consolidated basis making expenditures in each Fiscal Year in an amount equal to at least \$4,000,000 ("**Minimum Maintenance Capital Expenditure**") on Maintenance Capital Expenditures; provided, that the Borrower and the Material Subsidiaries may carry over to the next Fiscal Year all amounts in excess of \$4,000,000 spent on Capital Expenditures in any Fiscal Year after the Closing Date for the purpose of calculating compliance with the covenant under this Section 9.1(5).

(6) **Payment.** The Borrower shall, duly and punctually pay or cause to be paid all sums of money due and payable by it under this Agreement and the other Documents on the dates, at the places and in the currency and the manner set forth herein and therein.

(7) **Litigation.** Upon becoming aware thereof, the Borrower shall (a) promptly give notice to the Administrative Agent of any litigation, proceeding or dispute, threatened or commenced against the Borrower or any Material Subsidiary, if the litigation, proceeding or dispute is likely to be adversely determined and would, if adversely determined, have a Material Adverse Effect, (b) advise the Administrative Agent of the extent to which any adverse determination is covered by insurance, and (c) provide all reasonable information requested by the Administrative Agent concerning the status of any such litigation, proceeding or dispute.

(8) **Pay Claims and Taxes.** The Borrower shall promptly pay and discharge, and shall cause the Material Subsidiaries to promptly pay and discharge, when due all Taxes charged to or payable by it or them and all obligations which may result in Liens (other than Permitted Liens) on its or their properties or assets unless the relevant Tax or obligation is being actively and diligently contested in good faith by appropriate proceedings and is adequately reserved against in accordance with GAAP.

(9) **Notice of Default or Material Adverse Change.** The Borrower shall provide to the Administrative Agent prompt notice of any Material Adverse Change, Default or Event of Default of which it is aware, setting forth its details and the action taken or to be taken to remedy it.

(10) **Auditors.** The Borrower shall promptly give notice to the Administrative Agent of a change in its Auditors and the reasons for the change.

(11) **Access.** The Borrower shall, and shall cause each of the Material Subsidiaries to, at all reasonable time and upon reasonable notice, permit representatives of the Credit Facility Lenders to inspect any of the Collateral and to examine its and the Material Subsidiaries' books and records and take extracts therefrom, including but not limited to, accounts and records stored in computer data banks and computer software systems provided that:

- (a) the Credit Facility Lenders exercise of their rights under this paragraph does not reasonably interfere with the operations of the Borrower and the Material Subsidiaries;
- (b) the Credit Facility Lenders maintain the confidentiality of all information they receive in accordance with usual requirements of banker/customer confidentiality, and do not use it except for the purpose of this Agreement; and
- (c) other than during the continuance of an Event of Default, the Credit Facility Lenders shall not exercise such right of access more than twice in any Fiscal Year.

(12) ***Canadian Benefit and Pension Plans.***

- (a) The Borrower's and the Material Subsidiaries' Canadian Pension Plan(s) necessary for the operation of the Borrower's and the Material Subsidiaries' business are described in Schedule 8.1(15). The Borrower shall ensure that each such Canadian Pension Plan retains its registered status under and is administered in a timely manner in all respects in accordance with the applicable pension plan text, funding agreement, the ITA and all other Applicable Laws.
- (b) Upon the request of the Administrative Agent, the Borrower shall use its best efforts to obtain and to provide the Administrative Agent with written confirmation from the applicable Governmental Authorities that each Canadian Pension Plan adopted by the Borrower or any of the Material Subsidiaries after the date hereof which is required to be registered under the ITA or any other Applicable Law has been registered without condition. From and after the adoption and registration of any Canadian Pension Plan, the Borrower shall and shall cause each of the Material Subsidiaries to use its best efforts to ensure that the plan retains its registered status under and is administered in all respects in accordance with the applicable pension plan text, funding agreement, the ITA and all other Applicable Laws.
- (c) The Borrower shall cause all reports and disclosures relating to any Canadian Pension Plan that are required by the plan or any Applicable Laws to be filed or distributed in a timely manner.
- (d) The Borrower shall, and shall cause the Material Subsidiaries to perform, all obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection with each Canadian Pension Plan and Canadian Benefit Plan and the funding media therefor; make all

contributions and pay all premiums in a timely manner required to be made or paid by the Borrower or any Material Subsidiary in accordance with the terms of the plan and all Applicable Laws; withhold by way of authorized payroll deductions or otherwise collect and pay into the plan all employee contributions required to be withheld or collected by the Borrower or any Material Subsidiary in accordance with the terms of the plan and all Applicable Laws; and ensure that the plan is fully funded, both on an ongoing basis and on a solvency basis (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities and which are consistent with generally accepted actuarial principles).

- (e) The Borrower shall deliver to the Administrative Agent, on request, (i) promptly after the filing thereof by the Borrower or any Material Subsidiary with any applicable Governmental Authority, copies of each annual and other return, report or valuation with respect to each Canadian Pension Plan; (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that the Borrower or any Material Subsidiary may receive from any applicable Governmental Authority with respect to any Canadian Pension Plan; and (iii) notification within thirty (30) days of any increases in the benefits of any existing Canadian Pension Plan or Canadian Benefit Plan, or the establishment of any new Canadian Pension Plan or Canadian Benefit Plan, or the commencement of contributions to any plan to which the Borrower or any Material Subsidiary was not previously contributing.
- (f) The Borrower shall deliver to the Administrative Agent on request an undertaking signed by the funding agent for each of the Canadian Pension Plans, addressed to the Administrative Agent, stating that such funding agent shall on request deliver to the Administrative Agent a copy of any notice required to be delivered by the funding agent under applicable pension standards legislation at the same time such notice is given to the applicable pension standards regulator.

(13) **Hedge Contracts.** If at any time the aggregate mark-to-market exposure of the Borrower and the Material Subsidiaries under all Hedge Contracts exceeds Cdn\$25,000,000, or the Equivalent Amount in another currency, the Borrower shall, within five (5) Business Days unwind Hedge Contracts or enter into off setting Hedge Contracts such that the mark-to-market exposure is less than Cdn\$25,000,000. For the purpose of calculating the aggregate mark-to-market exposure of the Borrower and the Material Subsidiaries, Hedge Contracts with the Lenders will be netted to calculate a net mark-to-market exposure.

(14) **Maintenance.** The Borrower shall not, and shall not permit the Material Subsidiaries to, permit waste (excluding redevelopment or reconstruction of existing buildings) to be committed or suffered on any Real Property or Leased Property, will, and will cause the Material Subsidiaries, to diligently maintain, use, operate and repair the Real Property and Leased Property, reasonable wear and tear excepted, and will, and will cause the Material Subsidiaries to, carry on its business on such Real Property or Leased Property in a proper and efficient manner so as to preserve and protect the Real Property and the Leased Property and the earnings, income, rents, issues, profit, benefits and advantages thereof.

9.2 Negative Covenants

While any amount owing under this Agreement or any of the other Documents remains unpaid, or the Administrative Agent or the Credit Facility Lenders have any obligations under this Agreement or any of the other Documents, the Borrower covenants with the Administrative Agent and each Credit Facility Lender that it shall not without the prior consent of the Majority Lenders:

- (1) **Dispositions.** Sell, lease, transfer, assign, convey or otherwise dispose of, or permit any Material Subsidiary to sell, lease, transfer, assign, convey or otherwise dispose of, any assets or enter into any sale and leaseback transaction generating a fair market value greater than \$35,000,000 on a cumulative basis over the term of this Agreement, or engage in material asset swaps representing in excess of 15% of EBITDA of the Borrower and the Material Subsidiaries on a consolidated basis on a cumulative basis over the term of this Agreement (other than in the ordinary course of business), unless consent is granted by Credit Facility Lender approval on terms and conditions specified by the Administrative Agent and the Credit Facility Lenders, acting reasonably; provided, that all the assets acquired in connection with an asset swap shall meet the requirements of a Permitted Acquisition; and, provided further that the Borrower may, with the consent of the Credit Facility Lenders not to be unreasonably withheld if the Credit Facility Lenders are satisfied with their due diligence, (i) re-set the 15% of EBITDA basket for a particular asset swap transaction 6 months after the completion of such swap transaction and (ii) re-set the \$35,000,000 disposition basket for a particular disposition (other than an asset swap) 6 months after completion of such asset disposition. Notwithstanding the foregoing, the Borrower may sell, lease, transfer, assign, convey or otherwise dispose of assets to a Material Subsidiary that has complied with the provisions hereof relating to the delivery of guarantees and security, and vice versa and between such Material Subsidiaries.
- (2) **Negative Pledge.** Assume, create or permit to exist, or permit any Material Subsidiary to assume, create or permit to exist, any Lien, other than Permitted Liens, in respect of any of their respective undertakings, properties and assets, whether now owned or hereafter acquired.
- (3) **Debt.** Create, incur, assume or permit to exist, or permit any Material Subsidiary to create, incur, assume or permit to exist, any Debt other than Permitted Debt.
- (4) **Distributions.** Make any Distributions other than Permitted Distributions.
- (5) **Amalgamation and Merger.** Enter into, or permit any Material Subsidiary to enter into, any merger, consolidation, amalgamation, reorganization, reconstruction or arrangement with any Person unless (i) the successor corporation resulting from such merger, consolidation, amalgamation, reorganization, reconstruction or arrangement shall have entered into and delivered to the Administrative Agent on behalf of itself and the Credit Facility Lenders an agreement in form and substance satisfactory to the Administrative Agent, acting reasonably, wherein it shall have duly assumed in writing the obligations of the Borrower or such Material Subsidiary, as the case may be, hereunder and under each Security Document; (ii) this Agreement and each Security Document shall remain in full force and effect with respect to such successor corporation; and (iii) such opinions, registrations and other documents as the Administrative Agent shall reasonably require shall have been delivered.

(6) **Fundamental Change.** (a) Change, or permit any Material Subsidiary to change, its business objectives, purposes or operations from the Business in any way which could adversely affect the repayment of the Credit Facility Obligations or result in a Material Adverse Effect; or (b) enter into any acquisition or permit any Material Subsidiary to enter into any acquisition of a business or operation other than Permitted Acquisitions; provided, that prior to entering into any Permitted Acquisition (including an assets swap permitted under Section 9.2(1)) the Borrower shall provide not less than ten (10) (or in the case of a Permitted Acquisition involving any assets located outside Ontario twenty (20)) Business Day's prior notice to the Credit Facility Lenders of the details of such acquisition including evidence satisfactory to the Credit Facility Lenders, acting reasonably, that such acquisition meets the criteria for a Permitted Acquisition.

(7) **Material Contracts.** (a) Cancel or terminate, or permit any Material Subsidiary to cancel or terminate, any Material Contract; (b) waive, or permit any Material Subsidiary to waive, any default or breach under any Material Contract; (c) amend or otherwise modify, or permit any Material Subsidiary to waive or otherwise modify, any Material Contract; or (d) take, or permit any Material Subsidiary to take, any other action in connection with any Material Contract, in each case, that would have a Material Adverse Effect.

(8) **Investments and Financial Assistance.** Make, or permit any Material Subsidiary to make, any Investments other than a Permitted Acquisition or grant, or permit any Material Subsidiary to grant, any Financial Assistance other than an Investment in a Material Subsidiary or the Borrower or Permitted Debt.

(9) **Off-Balance Sheet Transaction.** Enter into, or permit any Material Subsidiary to enter into, any off-balance sheet financial transaction including, without limitation, synthetic leases or other structured finance transactions other than Permitted Debt.

(10) **Fiscal Year End.** Change, or permit any Material Subsidiary to change, its Fiscal Year.

(11) **Change of Control.** Permit any Change of Control without the prior written consent of the Majority Lenders, such consent not to be unreasonably withheld.

(12) **Chief Executive Office.** Move, or permit any Material Subsidiary, to move, its registered or chief executive office outside the Province of Ontario without providing the Administrative Agent with at least thirty (30) days prior written notice thereof and promptly take such other steps, if any, as the Credit Facility Lenders reasonably request, to permit the Security Documents to remain perfected with respect to such change in location.

(13) **Amendment to Sub-Debt.** Notwithstanding Section 9.2(7), (i) agree to or permit any amendment to the terms of any of the Osprey Notes or the Osprey Note Indenture, or (ii) agree to or permit any amendment to the terms of any other Permitted Subordinated Debt which, in the case of clause (ii) only, would cause such Permitted Subordinated Debt not to comply with the definition of Permitted Subordinated Debt (the Borrower shall provide prior written notice of any permitted amendment to the Osprey Notes or any other Permitted Subordinated Debt to the Credit Facility Lenders) or any document relating to any of the foregoing without the prior written consent of the Credit Facility Lenders.

(14) **Redeemable Shares.** In the case of the Borrower, issue any share or other security that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, other than in all cases from any Permitted Distributions.

(15) **Guarantee Shares.** In the case of any Material Subsidiary, issue or permit any Material Subsidiary to issue any shares or other ownership interests except to the Borrower or any other Material Subsidiary.

(16) **Hedge Contracts.** Enter into any Hedge Contracts with a Lender or any other Person, other than non-speculative interest rate or U.S. Dollar Hedge Contracts entered into for the purpose of mitigating the risk to the Borrower or any of its Subsidiaries from interest rate and U.S. Dollar exchange rate fluctuations.

(17) **OTPPB Shares.** Permit OTPPB to sell, assign, transfer, convey or otherwise dispose of its Securities in the Borrower or any of the Permitted Subordinated Debt owed by the Borrower to it, including the Osprey Notes, other than to the Administrative Agent for the benefit of the Lenders, to an Affiliate of OTPPB or to the Fund.

9.3 Financial Covenants

While any amount owing under this Agreement or any of the other Documents remains unpaid, or the Administrative Agent or the Credit Facility Lenders have any obligations under this Agreement or any of the other Documents, the Borrower covenants with the Administrative Agent and each Credit Facility Lender as follows:

(1) **Cash Interest Coverage Ratio.** The Borrower shall maintain, on a consolidated basis, at all times in each Fiscal Year a Cash Interest Coverage Ratio of not less than 3.00x.

(2) **Total Debt to EBITDA.** The Borrower shall maintain at all times, on a consolidated basis, a ratio of Total Debt of the Borrower and the Material Subsidiaries to EBITDA of the Borrower and the Material Subsidiaries of not more than 3.25:1; provided however, that for each Fiscal Quarter during which a Permitted Acquisition is completed and for the immediately following two (2) Fiscal Quarters after such Permitted Acquisition, the Borrower shall maintain at all times, on a consolidated basis, a ratio of Total Debt of the Borrower and the Material Subsidiaries to EBITDA of the Borrower and the Material Subsidiaries of not more than 4.00:1, so long as (a) the Borrower has certified in the notice required to be delivered under Section 9.2(6) that the Permitted Acquisition in respect of which such notice is being delivered will cause the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 to be greater than 3.25:1; (b) the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 at the time of the Permitted Acquisition would have been not more than 3.25:1 had such Permitted Acquisition not occurred; (c) the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 does not decline to an amount less than or equal to 3.25:1, after which the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 shall not exceed 3.25:1, except as permitted by this Section 9.3(2) following a further Permitted Acquisition; (d) except as provided in clause (e) below, the Borrower shall not be permitted to have a ratio of Total Debt to

EBITDA measured as provided in this Section 9.3 of more than 3.25:1 under this Section 9.3(2) for a period of three (3) Fiscal Quarters following the last Fiscal Quarter for which the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 was greater than 3.25:1; (e) for any Permitted Acquisition completed on or after July 1, 2006, the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 shall not exceed 3.5:1 at any time after March 31, 2007; and (f) if the Borrower does not complete a Permitted Acquisition on or after July 1, 2006, the ratio of Total Debt to EBITDA measured as provided in this Section 9.3 shall not exceed 3.25:1 during the three (3) full Fiscal Quarters prior to the Maturity Date.

(3) ***Credit to EBITDA.*** The Borrower may, in the calculation of EBITDA for the purpose of this Section 9.3, apply the appropriate portion of the Synergy Credit relating to a Permitted Acquisition for the calculation of EBITDA for the first twelve months after such Permitted Acquisition shall have occurred.

(4) ***Calculation.*** For the purposes of calculating the ratios in clauses (1) and (2) above and for the purpose of Section 3.4 and in relation to the delivery of a Compliance Certificate, the following rules shall apply:

- (a) the ratios shall be determined as of the last day of each Fiscal Quarter on a rolling four quarter basis based on the Compliance Certificate delivered in respect of such Fiscal Quarter and the ratios so determined shall be deemed to apply throughout the subsequent Fiscal Quarter unless a disposition or Permitted Acquisition occurs during such Fiscal Quarter, in which case the ratios shall be adjusted as of the closing date of such disposition or Permitted Acquisition; provided, that if a Compliance Certificate shall be delivered late, not be in form and substance satisfactory to the Credit Facility Lenders or prove to be incorrect, the Credit Facility Lenders may adjust the calculation based on the information available to them;
- (b) Cash Interest for any 12-month period which includes a period prior to the Closing Date shall be equal to the annualized amount of the Cash Interest for such portion of such 12-month period commencing on the Closing Date;
- (c) for all purposes if the Borrower or a Material Subsidiary shall make a disposition or Permitted Acquisition, other than a disposition to or acquisition from the Borrower or another Material Subsidiary, then (i) the EBITDA of the Borrower in respect of the 12-month period following the closing date of such disposition or Permitted Acquisition shall thereupon be adjusted on a pro forma basis to include the EBITDA of the operation comprising the Permitted Acquisition or exclude the EBITDA of the operations disposed of (without deduction for any management fees) and to include annualized interest on any Debt assumed in connection with such Permitted Acquisition or exclude annualized interest on any Debt repaid or assumed by a third party in connection with such disposition, in each case, for the applicable portion of the 12-month period preceding such closing date and (ii) the Cash Interest Coverage Ratio in respect of the 12-month period following the closing of such disposition or Permitted Acquisition shall thereupon be adjusted on a pro forma basis to include or exclude annualized Cash Interest on Debt

assumed in connection therewith or any Debt repaid or assumed by a third party in connection with such disposition, in each case, for the applicable portion of the 12-month period preceding such closing date provided that, where the operations disposed of were previously acquired using the proceeds of an Advance under the Revolving Facility, then for the purposes of this subclause (ii) the amount of the mandatory repayments that may be excluded shall be the amount of such Debt so repaid or assumed as shall exceed that portion of the aforesaid Advance under the Revolving Facility as is reasonably attributable to the operations disposed of. At the closing date of any Permitted Acquisition, the Borrower will provide the Administrative Agent with EBITDA and Cash Interest projections for the next 12-month period to demonstrate compliance with clauses (1) and (2) above.

- (d) when calculating EBITDA of the Borrower for any portion of any 12-month period which precedes the Closing Date, such EBITDA shall be the EBITDA of Holdco for such period as determined under the Amended and Restated Credit Agreement.

9.4 Accounting, Financial Statements and Other Information

While any amount owing under this Agreement or any of the other Documents remains unpaid, or the Administrative Agent or the Credit Facility Lenders have any obligations under this Agreement or any of the other Documents, the Borrower covenants with each Credit Facility Lender and the Administrative Agent as follows:

(1) **General.** The Borrower and the Material Subsidiaries shall maintain a system of accounting established and administered in accordance with GAAP consistently applied and shall set aside on their respective books all proper reserves as GAAP shall require. The Borrower shall permit, and shall cause each of the Material Subsidiaries to permit, representatives of any Credit Facility Lender or the Administrative Agent to visit and inspect any of the properties of the Borrower and the Material Subsidiaries and examine any of their respective books and records in accordance with Section 9.1(11) at any reasonable time and as often as is reasonably necessary and to discuss the business, operations, properties and financial and other condition of the Borrower and the Material Subsidiaries with officers and employees of the Borrower and the Material Subsidiaries and with its Auditors. Except for information required to be disclosed by Applicable Law and information in the public domain, any information regarding the Borrower and the Material Subsidiaries obtained pursuant to those examinations shall, for so long as no Event of Default has occurred and is continuing, not be disclosed to third parties other than agents or other professionals engaged by the Administrative Agent or any Credit Facility Lender to advise it with respect to this Agreement.

(2) **Quarterly Reports.** The Borrower shall provide the Administrative Agent with the following reports on a quarterly basis, promptly upon availability, and in any event within sixty (60) days of the end of each quarter in each Fiscal Year:

- (a) unaudited combined financial statements of the Borrower and Holdco prepared in accordance with GAAP (including a balance sheet and statements of income and retained earnings and changes in financial position but excluding notes); and

- (b) a Compliance Certificate including a calculation of Free Cash Flow for such Fiscal Quarter in detail satisfactory to the Administrative Agent.
- (3) **Annual Reports.** The Borrower shall provide the Administrative Agent with the following reports within 120 days of the end of its Fiscal Year:
 - (a) audited annual combined financial statements of the Borrower and Holdco duly certified by its board of directors together with a report of its Auditors whose report shall contain no qualifications except those satisfactory to the Administrative Agent; and
 - (b) a Compliance Certificate including a calculation of Free Cash Flow for such Fiscal Year in detail satisfactory to the Administrative Agent and certifying that, as of the date of such certificate, there are no material outstanding issues arising from the Auditor's management letter in respect of the Auditor's review of the financial statements of the Borrower for the most recently completed Fiscal Year or, in the event that any such issues have arisen, an explanation of such issues and the Borrower's plan to rectify them, including any steps taken to rectify such issues.
- (4) **Annual Budgets.** The Borrower shall provide the Administrative Agent within sixty (60) days of the end of the preceding Fiscal Year a budget for each Fiscal Year which shall set forth, on a quarterly basis, an outline of proposed Capital Expenditures (including Capital Leases and similar arrangements) and financial projections concerning the Borrower and the Material Subsidiaries on a consolidated basis, all in such detail as may reasonably be required by the Credit Facility Lenders.
- (5) **Securities Filings and Press Releases.** The Borrower shall provide to the Administrative Agent and the Credit Facility Lenders, promptly upon their becoming available, copies of:
 - (a) all financial statements, reports, notices and proxy statements made publicly available by the Fund to the holders of its units generally;
 - (b) all regular and periodic reports and all registration statements and prospectuses, if any, filed by the Fund with any securities exchange, commission or governmental or public or private securities regulatory authority; and
 - (c) all press releases and other statements made available by the Fund to the public concerning material changes or material developments in the business of the Fund, the Borrower and its Subsidiaries.
- (6) **Other Information.** The Borrower shall provide the Administrative Agent with such other reports and information regarding the operations, business, assets and financial condition of the Borrower and its Subsidiaries as the Administrative Agent may reasonably request.

Each of the financial statements required by this Section 9.4 shall set forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal period (if any), all in reasonable detail.

SECTION 10 - ENVIRONMENTAL PROVISIONS.

10.1 Compliance with Environmental Laws

The Borrower shall, and shall cause the Material Subsidiaries to, comply with all applicable Environmental Laws in a timely manner except to the extent that non-compliance would not have, individually or in the aggregate, a Material Adverse Effect.

10.2 Environmental Notices

The Borrower, on behalf of itself and each Material Subsidiary, shall provide to the Administrative Agent and Credit Facility Lenders, promptly upon receipt, copies of any material correspondence, notice, pleading, citation, indictment, complaint, order, decree or other material document from any source asserting or alleging a circumstance or condition which requires or could reasonably require a financial contribution by the Borrower or any Material Subsidiary or a cleanup, removal, remedial action or other response by or on the part of the Borrower or any Material Subsidiary under applicable Environmental Laws or which seeks damages or civil, criminal or punitive penalties from the Borrower or any Material Subsidiary for an alleged violation of Environmental Laws.

10.3 Environmental Conditions

The Borrower, on behalf of itself and each Material Subsidiary, as applicable, shall promptly notify the Credit Facility Lenders in writing as soon as it becomes aware of any condition or circumstance which makes the environmental warranties or representations in this Agreement incomplete or inaccurate as of any date except to the extent such matters would not likely have, individually or in the aggregate, a Material Adverse Effect.

10.4 Environmental Consultant

In the event of any condition or circumstance that makes any environmental warranty, representation and/or agreement incomplete or inaccurate as of any date except to the extent such matters would not likely have, individually or in the aggregate, a Material Adverse Effect, the Borrowers, shall, at its sole expense, retain an environmental professional consultant, reasonably acceptable to the Credit Facility Lenders, to conduct a thorough and complete environmental audit regarding the changed condition and/or circumstance and any environmental concerns arising from that changed condition and/or circumstance. A copy of the environmental consultant's report will be promptly delivered to the Credit Facility Lenders upon completion.

10.5 Environmental Audit

At any time the Borrower or any of the Material Subsidiaries, directly or indirectly through any third party professional consultant, determines to undertake an environmental audit, assessment or investigation, the Borrower, shall provide the Credit Facility Lenders with a written summary of the results of such environmental audit where the matters disclosed in such environmental audit would individually or in the aggregate, have a Material Adverse Effect.

10.6 Indemnity

The Borrower hereby indemnifies and holds the Administrative Agent and the Credit Facility Lenders, their agents and any of their past, present and future officers, directors, shareholders and employees harmless from any and all loss, damages, suits, penalties, costs, liabilities and expenses (including but not limited to reasonable investigation, environmental audit and legal expenses) arising out of any claim, loss or damage of any property, injuries to or death of persons, contamination of or adverse effects on the environment, or any violation of any applicable Environmental Laws, due to any acts of the Borrower or any of its Subsidiaries, their officers, directors, shareholders, employees, consultants and/or representatives. In no event shall the Borrower be liable hereunder for any loss, damages, suits, penalties, costs, liabilities or expenses arising from any act of gross negligence or wilful misconduct of the Administrative Agent, the Credit Facility Lenders or any other indemnified Person or their agents or employees. It is expressly understood and agreed that (A) the indemnifications granted herein are intended to protect the Administrative Agent and the Credit Facility Lenders and their past, present and future officers, directors, shareholders, employees, agents, consultants and representatives from any claims that may arise by reason of the security interest, liens and/or mortgages granted to the Administrative Agent and the Credit Facility Lenders, or under any other document or agreement given to secure repayment of any indebtedness from the Borrower, any Material Subsidiary or any Subsidiary of any of them, whether or not such claims arise before or after the Administrative Agent and the Credit Facility Lenders have foreclosed upon and/or otherwise become the owner of any such property; (B) all obligations of indemnity as provided hereunder shall be secured by the Security Documents; and (C) the provisions hereof shall be continuing and shall survive the repayment of any indebtedness from the Borrower to the Administrative Agent and the Credit Facility Lenders.

10.7 Environmental Approvals

The Borrower and each of its Subsidiaries shall maintain all permits, licenses and approvals required under applicable Environmental Laws except to the extent failure to maintain such permits, licenses and approvals could not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 11 - DEFAULT AND ENFORCEMENT

11.1 Events of Default

Upon the occurrence of an event described in Sections 11.1(11) or 11.1(12), an Event of Default under the Credit Facilities shall have occurred, and upon the occurrence of any one or more of the following events other than an event described in Sections 11.1(11) or 11.1(12), the Administrative Agent may, or, if requested by the Majority Lenders, shall, by written notice to the Borrower, declare that an Event of Default under the Credit Facilities has occurred:

(1) ***Non-payment of Principal.*** The Borrower fails to make when due, whether by acceleration or otherwise, any payment of principal required to be made by the Borrower under this Agreement or any other Document.

(2) **Non-payment of Interest.** The Borrower fails to make within three (3) Business Days of the due date thereof, whether by acceleration or otherwise, any payment of interest under this Agreement or any other Document.

(3) **Non Payment of Fees or Other Amounts.** The Borrower fails to make within five (5) Business Days of the due date thereof, whether by acceleration or otherwise, any payment of fees, costs or any other payment under this Agreement or any other Document.

(4) **Breach of Covenants, etc.** The Borrower fails to perform or observe:

- (a) any term, condition, covenant or undertaking contained in Section 9.2(1), (4), (5), (8), (11), (12) or (15); or
- (b) any other term, condition, covenant or undertaking contained in any Document which is not otherwise specifically addressed in this Section 11.1 and that failure, if capable of being remedied, is not remedied within fifteen (15) days of its occurrence.

(5) **Cross-Default.** With respect to any Debt of the Borrower or any of the Material Subsidiaries aggregating in excess of \$5,000,000 (other than under any Document):

- (a) default occurs in the payment thereof when due, whether by acceleration or otherwise; or
- (b) default occurs in the performance or observance of any obligation or condition with respect thereto and that default remains unremedied after any remedial period with respect thereto or any other event occurs with respect thereto, and the effect of that default or other event is to accelerate the maturity of that Debt or to permit the holder or holders thereof, or any trustee or agent for the holder or holders, to cause the Debt to become due and payable prior to its expressed maturity unless a waiver of such default is given by the holder or holders, or any trustee or agent for the holder or holders or such default is cured prior to the Credit Facility Lenders declaring an Event of Default.

(6) **Representations and Warranties.** Any representation, warranty or statement which is made by the Borrower, Holdco, the Fund or any Material Subsidiary in any Document or which is contained in any certificate, written statement or written notice provided under or in connection with any Document or which is deemed to have been made is untrue or incorrect when made or deemed to have been made in any material respect and, if capable of being remedied, such representation, warranty or statement is not made true and correct within fifteen (15) days.

(7) **Execution.** Any writ, distress, execution, attachment, seizure, garnishment, sequestration, extent or any similar process is issued, levied or enforced against the Borrower or any of its Subsidiaries, or any of their respective properties or assets for an amount of \$5,000,000 or more which are not released, bonded, discharged, vacated or stayed within ten (10) days after issue, levy or enforcement.

(8) **Invalidity and Contest.** This Agreement or any of the other material Documents, or any material provision hereof or thereof, shall at any time after execution and delivery hereof or thereof, for any reason, cease to be a legal, valid and binding obligation of the Borrower, Holdco, the Fund or any Material Subsidiary or cease to be enforceable against the Borrower, Holdco, the Fund or any Material Subsidiary in accordance with its terms or shall be declared to be null and void, or the legality, validity, binding nature or enforceability of this Agreement or any other Document, or any provision hereof or thereof, shall be contested by the Borrower, Holdco, the Fund or any Material Subsidiary or the Borrower, Holdco, the Fund or any Material Subsidiary shall deny that it has any further liabilities or obligations hereunder or thereunder.

(9) **Judgment.** A final judgment in excess of \$5,000,000 is levied or enforced against the Borrower or any of its Subsidiaries, unless the judgment is being actively and diligently appealed and is satisfied, vacated, discharged or execution thereof stayed pending appeal or a settlement of the judgment has been negotiated on terms acceptable to the Administrative Agent within thirty (30) days of the rendering of the judgment, or if any stay is lifted or a default occurs in any settlement.

(10) **Government Approval.** Any Government Approval required to enable the Borrower or any Material Subsidiary to conduct its business substantially as presently conducted or to perform its obligations under any Document is not obtained or is withdrawn or ceases to be in full force and effect and that required Government Approval cannot be acquired or reinstated within thirty (30) days of the date on which the Borrower knew the Government Approval was required or withdrawn and the lack of such Government Approval would have a Material Adverse Effect on the Borrower and the Material Subsidiaries taken as a whole.

(11) **Voluntary Proceedings.** The Borrower or any Material Subsidiary:

- (a) institutes proceedings for substantive relief in any bankruptcy, insolvency, debt restructuring, reorganization, readjustment of debt, dissolution, liquidation, winding-up or other similar proceedings (including any such proceedings under the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the incorporating statute of the relevant corporation or other similar legislation), including proceedings for the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official with respect to the relevant corporation or all or any material part of its property or assets;
- (b) makes an assignment for the benefit of creditors;
- (c) is unable or admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency or commits any other act of bankruptcy or is taken to be insolvent under any applicable legislation;
- (d) voluntarily suspends the conduct of its business or operations;
- (e) or acquiesces to, or takes any action in furtherance of, any of the foregoing.

(12) ***Involuntary Proceedings.*** If any third party in respect of the Borrower or any Material Subsidiary:

- (a) makes any application under the *Companies' Creditors Arrangement Act* (Canada) or similar legislation;
- (b) files a proposal or notice of intention to file a proposal under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation;
- (c) institutes a winding-up proceeding under the *Winding-up and Restructuring Act* (Canada), any relevant incorporating statute or any similar legislation;
- (d) presents a petition in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any similar legislation; or
- (e) files, institutes or commences any other petition, proceeding or case under any other bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt, dissolution, liquidation, winding-up or similar law now or hereafter in effect, seeking bankruptcy, liquidation, reorganization, dissolution, winding-up, composition or readjustment of debt of any of them, the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official for any of them, or any material part of any of their respective assets or any similar relief;
- (f) and if the applicable filing, proceeding, petition or case is not contested by bona fide action on the part of the applicable corporation and is not dismissed, stayed or withdrawn within thirty (30) days of commencement thereof.

(13) ***Creditor Action.*** Any secured creditor, encumbrancer or lienor, or any trustee, interim receiver, receiver, receiver and manager, administrative receiver, agent, bailiff or other similar official appointed by any secured creditor, encumbrancer or lienor, takes possession of, forecloses, seizes, retains, sells or otherwise disposes of, or otherwise proceeds to enforce security over, all or a substantial part of the assets of the Borrower or any of the Material Subsidiaries or gives notice of its intention to do any of the foregoing.

(14) ***Material Contracts.*** The Borrower or any Material Subsidiary defaults in any material respect under any Material Contract which defaults would have a Material Adverse Effect and all applicable notice or cure periods under the Material Contract have expired and the default has not been cured or waived within thirty (30) days of such default or a Material Contract is terminated for any reason other than on its scheduled termination date and is not replaced within thirty (30) days.

11.2 Rights upon Default and Event of Default

Upon the occurrence of a Default, the Administrative Agent may, and shall upon the instructions of the Majority Lenders, on notice to the Borrower, declare that the ability of the Borrower to make any further borrowing under the Credit Facilities shall be suspended pending

the remedying of the Default. Upon the occurrence of an Event of Default pursuant to Sections 11.1(11) or 11.1(12), the Administrative Agent shall, and upon the occurrence of any other Event of Default and for so long as the other Event of Default shall continue, the Administrative Agent may, and shall upon the instructions of the Majority Lenders, without notice to the Borrower, do either or both of the following:

- (a) declare that the Total Commitment has expired and that the Credit Facility Lenders' obligations to make Advances have terminated; and
- (b) declare the entire principal amount of all Advances outstanding, all unpaid accrued interest and all fees and other amounts required to be paid by the Borrower hereunder to be immediately due and payable without the necessity of presentment for payment, notice of non-payment and of protest (all of which are hereby expressly waived) and proceed to exercise any and all rights and remedies hereunder and under any other Document or otherwise permitted by law.

From and after the issuance of any declaration referred to in this Section 11.2, no Credit Facility Lender shall be required to honour any cheque or other instrument presented to it by the Borrower regardless of the date of issue or presentation. Immediately upon receipt of a declaration under Section 11.2(b), the Borrower shall pay to the Administrative Agent on behalf of the Lenders all amounts outstanding hereunder including the face amount of all Bankers' Acceptances which have not matured, the maximum amount payable under all outstanding Letters of Credit and Letters of Guarantee, and the amount owing to that Lender in respect of any Hedge Contracts with any Credit Facility Lenders which are unmatured or unexpired, which amounts shall be held by the Administrative Agent in an interest bearing account as collateral security for the Borrower's obligations with respect to those Bankers' Acceptances, Letters of Credit, Letters of Guarantee and Hedge Contracts, as applicable. If the Borrower does not pay any such amount so required to be paid, the applicable Lender shall have the option at any time without notice to the Borrower to make an Advance of a Prime Loan to the Borrower equal to that amount, such Advance to bear interest at the rates specified in this Agreement. The proceeds of such Advance shall be held by the Administrative Agent in the interest bearing account as collateral security for the Borrower's obligations under the Bankers' Acceptances, Letters of Credit or Letters of Guarantee, as applicable. The Borrower shall execute such security documents with respect to those Bankers' Acceptances, Letters of Credit, Letters of Guarantee and Hedge Contracts and any amounts paid or held in respect thereof as the Administrative Agent shall require.

11.3 Hedge Contracts

Upon demand under Section 11.2, notwithstanding the terms of any Hedge Contract, all Hedge Contracts may be terminated, at the sole option of each Lender a party thereto, and the cost to the applicable Lender of that termination, if any, shall be determined as of the date of the demand. In determining that cost, it shall be assumed that the Borrower has defaulted under the Hedge Contracts, and the cost shall then be determined in accordance with the terms of the agreement governing the Hedge Contracts or, if there are no such terms, in accordance with the usual practices of the applicable Lender. For greater certainty, the usual practices of each Lender shall be determined by reference to the provisions regarding payments on early

termination in the (Multicurrency – Cross Border) ISDA Master Agreement (1992 version) as may be amended and agreed by the parties.

11.4 Waiver of Default

No express or implied waiver by the Administrative Agent and the Credit Facility Lenders or any of them of any Default or Event of Default shall in any way be or be construed to be a waiver of any future or subsequent Default or Event of Default. To the extent permitted by Applicable Law, the Borrower hereby waives any rights now or thereafter conferred by statute or otherwise which may limit or modify any of the Administrative Agent's or the Credit Facility Lenders' rights or remedies under any Document. The Borrower acknowledges and agrees that the exercise by the Administrative Agent or any Credit Facility Lender of any rights or remedies under any Document without having declared an acceleration shall not in any way alter, affect or prejudice the right of the Administrative Agent and the Credit Facility Lenders to make a declaration pursuant to Section 11.2 at any time and, without limiting the foregoing, shall not be construed as or deemed to constitute a waiver of any rights under Section 11.2.

SECTION 12 - REMEDIES

12.1 Remedies Cumulative

For greater certainty, the rights and remedies of the Administrative Agent and the Credit Facility Lenders under this Agreement and the other Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity. Any single or partial exercise by the Administrative Agent or any Credit Facility Lender of any right or remedy upon the occurrence of a Default or Event of Default shall not be deemed to be a waiver of, or to alter, affect or prejudice any other right or remedy to which the Administrative Agent or the Credit Facility Lender may be lawfully entitled as a result of the Default or Event of Default, and any waiver by the Administrative Agent or any Credit Facility Lender of the strict observance of, performance of or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted thereby, either expressly or by conduct, shall be effective only in the specific instance and for the purpose for which it is given and shall be deemed not to be a waiver of any subsequent Default or Event of Default.

12.2 Sharing of Information

The Borrower authorizes the Administrative Agent and the Credit Facility Lenders to share among each other any information possessed by any of them regarding the Borrower and the Material Subsidiaries.

12.3 Remedies Not Limited

The Administrative Agent on behalf of itself and the Lenders may, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise, for any available relief or purpose including: (1) the specific performance of any covenant or agreement contained in this Agreement or in any other Document; (2) an injunction against a violation of any of the terms of this Agreement or any other Document; (3) in aid of the exercise of any power granted by this

Agreement or any other Document or by law; or (4) the recovery of any judgment for any and all amounts due in respect of the Obligations.

12.4 Sharing of Proceeds Among the Lenders

The Lenders agree among themselves that, except as otherwise contemplated by the provisions of this Agreement, all sums received by the Lenders for application against amounts owing by the Borrower under this Agreement (whether received by voluntary payment, by the exercise of any right of set-off, or by counterclaim, cross-action or as proceeds of realization of any security), after payment to the Administrative Agent of its fees and disbursements, shall be shared by each Lender as nearly as possible in accordance with each Lender's Rateable Portion.

12.5 Set-Off, etc.

Upon the occurrence of an Event of Default which is continuing, the Administrative Agent, each Credit Facility Lender and each of their respective branches and offices are hereby authorized by the Borrower from time to time, without notice to: (1) set off and apply any and all amounts owing by the Administrative Agent or any Credit Facility Lender or any of its branches or offices to the Borrower (whether payable in Canadian Dollars or any other currency - and any amounts so owing in any other currency may be converted into Canadian Dollars at such rate or rates as the party may be able to obtain, acting reasonably - whether matured or unmatured, and in the case of deposits, whether general or special, time or demand and however evidenced) against and on account of the Obligations (whether or not any declaration under Section 11.2 has been made and whether or not those Obligations are unmatured or contingent); (2) hold any amounts owing by the Administrative Agent or any Credit Facility Lender as collateral to secure payment of the Obligations owing to it to the extent that those amounts may be required to satisfy any contingent or unmatured Obligations owing to it; and (3) return as unpaid for insufficient funds any and all cheques and other items drawn against any deposits so held as the Administrative Agent or any Credit Facility Lender in its sole discretion may elect.

12.6 Administrative Agent or Lender May Perform Covenants

If the Borrower fails to perform any of its obligations under any covenant contained in this Agreement or any other Document, the Administrative Agent or any Credit Facility Lender may (but has no obligation to), after the occurrence of an Event of Default, which is continuing, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, it may make an Advance to fund that requirement, which Advance shall be repaid by the Borrower on demand. That Advance shall bear interest at a rate calculated and paid in accordance with Section 3.

12.7 Determination of Exposure

Prior to any distribution of cash Proceeds of Realization to the Lenders, the Administrative Agent shall request each Lender to provide to the Administrative Agent a written calculation of such Lender's Rateable Portion of the Obligations, each such calculation to be certified true and correct by the Lender providing same. Each Lender shall so provide such calculation within two (2) Business Days following the request of the Administrative Agent. Any

such calculation provided by a particular Lender which is approved by the Administrative Agent shall, absent manifest error, constitute prima facie evidence of such Lender's Rateable Portion of Obligations at such time. If the Administrative Agent does not approve any such calculation provided by a particular Lender, the Administrative Agent and such Lender shall, expeditiously and in good faith, make a determination of such Lender's Rateable Portion of the Obligations which the Administrative Agent approves. With respect to each determination of the Rateable Portion of the Obligations of the Lenders, the Administrative Agent shall promptly notify the Lenders. For the purposes of determining a particular Lender's Rateable Portion of the Obligations:

- (a) the Rateable Portion of the Obligations of a Lender under this Agreement and the Security Documents shall be the aggregate amount (expressed in Canadian Dollars) of the Commitments and the Other Secured Obligations of such Lender;
- (b) the Rateable Portion of the Other Secured Obligations of a Lender under Hedge Contracts shall be the amount (expressed in Canadian Dollars) by which the Borrower would be "out of the money" (as such phrase is generally understood in the banking industry) on a net basis if all the Hedge Contracts between the Borrower and such Lender were "marked-to-market" (as such phrase is generally understood in the banking industry).

12.8 Decision to Enforce Security Documents

Upon the Security Documents becoming enforceable in accordance with their terms, the Administrative Agent shall promptly so notify each of the Credit Facility Lenders. Any Credit Facility Lender may thereafter provide the Administrative Agent with a written request to enforce the Security Documents. Forthwith after the receipt of such a request, the Administrative Agent shall seek the instruction of the Majority Lenders as to whether the Security Documents should be enforced and the manner in which the Security Documents should be enforced. In seeking such instructions, the Administrative Agent shall submit a specific proposal to the Credit Facility Lenders. The Administrative Agent shall promptly notify the Credit Facility Lenders of all instructions and approvals of the Majority Lenders. If the Majority Lenders instruct the Administrative Agent to enforce the Security Documents, each of the Lenders agree to accelerate the Obligations owed to it in accordance with and to the extent permitted under the Hedge Contracts with it.

12.9 Enforcement

The Administrative Agent reserves the sole right to enforce, or otherwise deal with, the Security Documents and to deal with the Borrower and its Subsidiaries in connection therewith; provided, however, that the Administrative Agent shall so enforce, or otherwise deal with, the Security Documents as the Majority Lenders shall instruct.

12.10 Application of Cash Proceeds of Realization

All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Administrative Agent and disposed of, or realized upon, by the Administrative Agent in such manner as the Majority Lenders may approve so as to produce cash Proceeds of Realization.

Subject to the claims, if any, of security creditors of the Borrower or any of its Subsidiaries whose security ranks in priority to the Security Documents, all cash Proceeds of Realization shall be applied and distributed, and the claims of the Lenders shall be deemed to have the relative priorities which would result in the cash Proceeds of Realization being applied and distributed, as follows:

- (a) firstly, to the payment of all reasonable costs and expenses incurred by the Administrative Agent or any trustee of the Lenders appointed by the Administrative Agent (including, without limitation, all legal fees and disbursements) in the exercise of all or any of the powers granted to it hereunder or under the Security Documents and in payment of all of the remuneration of any receiver or similar agent and all reasonable costs and expenses properly incurred by such receiver (including, without limitation, all reasonable legal fees and disbursements) in the exercise of all or any powers granted to it under the Security Documents;
- (b) secondly, in payment of all amounts of money borrowed or advanced by the Administrative Agent, any trustee of the Lenders appointed by the Administrative Agent or such receiver pursuant to the Security Documents and any interest thereon;
- (c) thirdly, to the payment or prepayment of the Obligations (including holding as cash collateral to be applied against Obligations which have not then matured) to the Lenders pro rata in accordance with their Rateable Portion including, without limitation, any Lenders' exposure under any Hedging Facilities; and
- (d) the balance, if any, to the Borrower or otherwise in accordance with Applicable Law.

SECTION 13 - THE ADMINISTRATIVE AGENT AND THE LENDERS

13.1 Authorization of Administrative Agent

Each Lender irrevocably appoints and authorizes the Administrative Agent to take all action as agent on its behalf and to exercise those powers and perform those duties under this Agreement and the other Documents as are delegated to the Administrative Agent by the terms thereof, together with all powers reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or the other Documents, the Administrative Agent is not required to exercise any discretion or to take any action, but is required to act or to refrain from acting (and is fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders. Notwithstanding anything to the contrary in this Agreement and the other Documents, the Administrative Agent shall never be required to take any action which is

contrary to this Agreement, the other Documents or Applicable Law. No Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting under this Agreement in accordance with the terms and conditions of this Section 13.

13.2 Arrangements for Advances

The Administrative Agent shall give notice to each Credit Facility Lender promptly in writing upon receipt by the Administrative Agent of any notice given under this Agreement which affects a Credit Facility Lender. The Administrative Agent shall advise each Credit Facility Lender of the amount, date and details of each Advance and of each Credit Facility Lender's participation in each Advance. At or before 1:00 p.m. on the Drawdown Date, each Credit Facility Lender will make its participation available to the Borrower at the Administrative Agent's Account for Payments and, for greater certainty, Bankers' Acceptances shall be accepted by the Credit Facility Lenders at their respective Branches of Account.

13.3 Arrangements for Repayment of Advances

All payments made by or on behalf of the Borrower and received by the Administrative Agent, whether before or after the exercise of any rights arising under Section 11.2, shall be paid to each Lender in accordance with its entitlement under this Agreement. Payment by the Administrative Agent shall be made promptly following receipt and, in any event, the Administrative Agent shall use its reasonable efforts to pay to each Lender at the applicable Credit Facility Lender's Branch of Account the applicable amount on the same Business Day as the amount is received by the Administrative Agent.

13.4 Lenders Bound by Decision to Exercise Remedies

Each Lender agrees to be bound by a decision of the Majority Lenders to exercise the rights and remedies provided in this Agreement. Each Lender shall, subject to Applicable Law, do all acts and things as may be necessary or reasonable to enable the Administrative Agent to act pursuant to any decision.

13.5 Deemed Repayment and Funding

(1) ***Assumption re Payments.*** Unless the Administrative Agent has been notified in writing by the Borrower at least one (1) Business Day before the date on which any payment to be made by the Borrower under this Agreement is due that the Borrower does not intend to remit the payment, the Administrative Agent may, in its discretion, assume that the Borrower has remitted the payment when so due and the Administrative Agent may, in its discretion and in reliance upon that assumption, make available to each Credit Facility Lender on the payment date an amount equal to its Rateable Portion of the assumed payment. If the Borrower does not in fact remit that payment to the Administrative Agent, the Administrative Agent shall promptly notify each Credit Facility Lender and each Credit Facility Lender shall forthwith on demand pay to the Administrative Agent the amount of the assumed payment made available to the Credit Facility Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Administrative Agent (the determination to be conclusive and binding on the Credit Facility

Lender) in accordance with the Administrative Agent's usual banking practice for similar advances to financial institutions of like standing to that Credit Facility Lender, and, in any event, at a rate no greater than the usual interbank offered rate for the sale of deposits in the applicable currency.

(2) ***Assumption re Advances.*** Unless the Administrative Agent has been notified in writing by a Credit Facility Lender at least one (1) Business Day before a Drawdown Date that the Credit Facility Lender does not intend to make available its Rateable Portion of an Advance to be made available on the Drawdown Date, the Administrative Agent may, in its discretion, assume that the Credit Facility Lender has remitted to the Administrative Agent funds in an amount equal to its Rateable Portion of the Advance and the Administrative Agent may, in its discretion and in reliance upon that assumption, make available to the Borrower on the Drawdown Date an amount equal to the Credit Facility Lender's Rateable Portion of that Advance. If the Credit Facility Lender does not in fact remit such funds to the Administrative Agent, the Administrative Agent shall promptly notify that Credit Facility Lender, and that Credit Facility Lender, or failing that Credit Facility Lender, the Borrower, shall forthwith on demand pay to the Administrative Agent the amount made available by the Administrative Agent on behalf of that Credit Facility Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Administrative Agent (the determination to be conclusive and binding on that Credit Facility Lender) in accordance with the Administrative Agent's usual banking practice for similar advances to financial institutions of like standing to that Credit Facility Lender, but, in any event, at a rate no greater than the usual interbank offered rate for the sale of deposits in the applicable currency.

13.6 Responsibility of Administrative Agent

The Administrative Agent makes no representation or warranty, and accepts no responsibility, with respect to the due execution, legality, validity, sufficiency or enforceability of any Document or any other instrument or document referred to herein or relative hereto. The Administrative Agent assumes no responsibility for the financial condition of the Borrower or for the repayment of any of the Advances. The Administrative Agent assumes no responsibility with respect to the accuracy, authenticity, legality, validity, sufficiency or enforceability of any documents, papers, materials or other information furnished by the Borrower or any other Person to the Administrative Agent or to any Lender in connection with any of the Documents or any matter referred to therein. Except for its gross negligence or wilful misconduct, the Administrative Agent shall incur no liability to the Lenders under or in respect of this Agreement or any of the other Documents with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances. The Administrative Agent assumes no responsibility for the repayment of any of the Advances or other amounts outstanding under this Agreement or any of the other Documents by the Borrower. The Administrative Agent shall not have any duty to the Lenders to investigate whether a Default or an Event of Default has occurred. The Administrative Agent shall, as regards the Lenders, be entitled to assume that no Default or Event of Default has occurred and is continuing unless the Administrative Agent has actual knowledge or has been notified by the Borrower or a Material Subsidiary of such fact or has been notified by a Credit Facility Lender that such Credit Facility Lender considers that a Default or Event of Default has occurred and is continuing, such notification to specify in detail the nature thereof.

13.7 Acknowledgement of Lenders

(1) ***Independent Appraisal of Borrower.*** Each Lender acknowledges to the Administrative Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Borrower and, accordingly, each Lender confirms to the Administrative Agent that it has not relied, and will not hereafter rely on the Administrative Agent:

- (a) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower or in connection with any of the Documents (whether or not the information has been or is hereafter circulated to the Lender by the Administrative Agent);
- (b) to enquire as to the performance by the Borrower of its obligations under any of the Documents; or
- (c) to assess or keep under review on its behalf the financial condition, creditworthiness, affairs, status or nature of the Borrower.

(2) ***No Fiduciary Obligations.*** Each Lender acknowledges to the Administrative Agent that the Administrative Agent is not a fiduciary in respect of the Lender, and owes no fiduciary duties or obligations to the Lender under or by virtue of this Agreement or otherwise.

13.8 Successor Administrative Agent

The Administrative Agent may resign at any time by giving written notice thereof to each of the Credit Facility Lenders and the Borrower. Upon any resignation, the Majority Lenders shall have the right to appoint a successor agent, prior to the occurrence of an Event of Default which is continuing, with the written approval of the Borrower (that approval not to be unreasonably withheld). If no successor agent has been appointed by the Majority Lenders and accepted that appointment within thirty (30) days after the retiring agent gives notice of its resignation, then the retiring agent may, on behalf of the Lenders, prior to the occurrence of an Event of Default which is continuing with the written approval of the Borrower (that approval not to be unreasonably withheld), appoint a successor agent. If no successor agent has been appointed pursuant to the foregoing within the thirty (30) days following the giving of notice of resignation by the retiring agent, the resignation shall nonetheless then become effective and the Majority Lenders shall perform the duties of agent hereunder until they appoint a successor agent. Any successor agent appointed under this Section 13.8 shall be a Credit Facility Lender which has an office in Toronto, Ontario. Upon the acceptance of any appointment as agent by a successor agent, the successor agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring agent. Whether or not a successor agent has been appointed, the retiring agent shall be discharged from its duties and obligations under this Agreement upon its resignation becoming effective and shall have no further rights in its capacity as Administrative Agent under this Agreement other than indemnity rights which are to survive the termination of this Agreement. After any Person's resignation under this Agreement as the agent, the provisions of this Agreement shall continue in effect for its benefit and for the

benefit of the Lenders in respect of any actions taken or omitted to be taken by the Person while it was acting as the agent.

13.9 Notices between the Lenders and the Administrative Agent

All notices by a Lender to the Administrative Agent shall be through the Administrative Agent's Branch of Account and all notices by the Administrative Agent to the Lender shall be through the Credit Facility Lender's Branch of Account.

13.10 Relations with the Borrower

Each Lender may deal with the Borrower in any transaction not associated with this Agreement and generally conduct any other banking business with or provide any other financial services to the Borrower without having any liability to account to the other Lenders therefor. With respect to its Commitment as a Credit Facility Lender and its Rateable Portion of Advances, the Administrative Agent shall have the same rights and powers under this Agreement as any other Credit Facility Lender and may exercise them as though it were not the Administrative Agent. All communication between the Borrower and any Credit Facility Lender in connection with this Agreement and the other Documents shall be directed through the Administrative Agent.

13.11 Reliance by Administrative Agent

The Administrative Agent shall be entitled to rely upon any writing, letter, notice, certificate, telex, telecopy, cable, statement, order or other document believed by the Administrative Agent to be genuine and correct and to have been signed, sent or made by the proper Person or Persons. With respect to legal matters, the Administrative Agent may (but is not obligated to) act upon advice of legal advisers selected by the Administrative Agent, including in-house counsel of the Administrative Agent, concerning all matters pertaining to this Agreement and the other Documents and the Administrative Agent's duties under this Agreement and the other Documents, and the Administrative Agent shall assume no responsibility and shall incur no liability to the Borrower or any Lender by reason of relying on any such document or acting on any such advice.

13.12 Reimbursement of Administrative Agent's Expenses and Indemnity

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower) in accordance with its Rateable Portion from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any nature or kind whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in that capacity in any way relating to or arising out of this Agreement or any other Document or any action taken or omitted by the Administrative Agent under this Agreement or any other Document except for those resulting from the Administrative Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for that Lender's Rateable Portion of out-of-pocket expenses (including the fees and disbursements of counsel) incurred by the Administrative Agent in connection with the

determination or preservation of any rights or remedies of the Administrative Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights, remedies or responsibilities under, this Agreement or the other Documents, to the extent that the Administrative Agent is not reimbursed for those expenses by the Borrower. The obligations of the Lenders under this Section 13.12 shall survive the repayment of all Advances and the termination of the Credit Facility.

13.13 Action by Administrative Agent

The Administrative Agent shall have the right, subject to the provisions of this Agreement, and without restricting the generality of this Agreement, to take such actions as the Administrative Agent deems necessary or refrain from taking those actions, or to give agreements, consents, waivers, approvals, or instructions to the Borrower on behalf of the Lenders in respect of all matters referred to in or contemplated by this Agreement.

13.14 Borrower's Right to Rely on Administrative Agent

Unless otherwise required hereunder, during the term of this Agreement:

- (1) The Borrower shall be entitled to deal exclusively with the Administrative Agent and to rely on discussions with and instructions from the Administrative Agent in order to fulfil their obligations hereunder;
- (2) All certificates, statements, notices and other documents which are delivered by the Borrower to the Administrative Agent in accordance with this Agreement shall be deemed to have been delivered to each of the Credit Facility Lenders; and
- (3) All payments which are delivered by the Borrower to the Administrative Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Credit Facility Lenders.

13.15 Amendments, Waivers, etc.

- (1) ***Binding Waiver.*** Except as otherwise provided in this Section 13.15, no amendment, waiver, discharge or termination of any provision of this Agreement or any other Document and no waiver of any breach of any provision of this Agreement or any other Document:
 - (a) shall be binding upon the Borrower unless it is evidenced by an instrument in writing signed by the Borrower; nor
 - (b) be binding upon the Administrative Agent and the Lenders unless it is approved in writing by the Administrative Agent and all the Credit Facility Lenders or the Majority Lenders, as applicable.

Notwithstanding the foregoing, any waiver, discharge or termination may be validly effected by execution by the Administrative Agent on behalf of itself and all the Lenders or the Majority Lenders, as applicable, of an instrument in writing without requiring the execution of that instrument by the Borrower, so long as the waiver, discharge or termination does not adversely

affect the rights or obligations of the Borrower. The Administrative Agent shall forward a copy of the written instrument to the Borrower as soon as practicable following the execution thereof.

(2) **Errors.** The Administrative Agent may correct any typographical error or other error of a clerical nature in this Agreement and the other Documents and substitute the corrected text in the counterparts of this Agreement and the other Documents if the corrections do not modify in any manner the meaning or the interpretation of this Agreement or any other Document and if the Administrative Agent gives the Borrower not less than five (5) Business Days prior notice of any correction and the Borrower does not object in writing to such correction within a period of five (5) Business Days after receipt of such notice.

(3) **Approval of All Lenders.** Where any amendment, waiver, discharge, termination, determination, consent, approval or other action by the Lenders relates to the following matters, the amendment, waiver, discharge, termination, determination, consent, approval or other action requires the approval of all Credit Facility Lenders:

- (a) decrease the rate or amount of any principal, interest or fees or any other amount payable by the Borrower or any alteration in the currency or mode of calculation or computation thereof;
- (b) any extension or reduction of the time for any payments required to be made by the Borrower,
- (c) any extension of the Maturity Date;
- (d) the types of Advances available;
- (e) an increase in the Total Commitment or in any Credit Facility Lender's Commitment;
- (f) an extension or reduction of the notice period required in connection with any Advance;
- (g) the definition of Majority Lenders;
- (h) the nature and scope of the Security Documents;
- (i) permit any subordination of any secured Obligations;
- (j) an assignment or transfer by the Borrower of any of its rights and obligations under this Agreement; or
- (k) any provision of this Section 13.15, or of Sections 2.3, 7.1, 7.2, 12.4 and 12.5.

Any other such amendment, waiver, discharge, termination, determination, consent, approval or other action requires the approval of only the Majority Lenders, which approval, if obtained, shall be binding upon all the Lenders. Any reference in this Agreement to any action of the Lenders shall mean such action by the Majority Lenders unless such action relates to a matter in

items (a) to (k) above, in which case it shall mean such action by all of the Credit Facility Lenders.

(4) ***Request for Approval.*** If the approval of a Credit Facility Lender is required under this Section 13.15, the Administrative Agent shall advise the Credit Facility Lender in writing of the issue to be decided and, if the Administrative Agent feels it is appropriate to do so, request the Credit Facility Lender's approval of a course of action proposed by the Administrative Agent. In requesting a Credit Facility Lender's approval, the Administrative Agent may establish, in its discretion acting reasonably, a deadline by which the Credit Facility Lender shall respond to the Administrative Agent's request. If the Credit Facility Lender fails to respond by that deadline, that Credit Facility Lender's failure to respond shall be conclusive evidence of the decline by such Credit Facility Lender of the course of action proposed by the Administrative Agent.

(5) ***Amendment re Rights of Administrative Agent.*** Any amendment or waiver of any provision of any Document which relates to the rights or obligations of the Administrative Agent shall require the written agreement of the Administrative Agent thereto.

13.16 Administrative Agent's Duty to Deliver Documents

The Agent shall promptly deliver to each of the Credit Facility Lenders, at their respective Branches of Account, all documents, papers, materials and other information as are furnished by the Borrower to the Administrative Agent on behalf of the Credit Facility Lenders under this Agreement, but shall have no other obligation to provide any Lender with any credit or other information whatsoever with respect to the Borrower and shall be under no obligation to inquire as to the performance by the Borrower of its obligations under this Agreement or any other Document.

13.17 No Partnership

Nothing contained in this Agreement and no action taken pursuant to it shall be deemed to constitute the Lenders a partnership, association, joint venture or other similar entity.

13.18 Adjustments Among Lenders

(1) ***Adjustment After Exercise of Rights.*** Each Credit Facility Lender agrees that, after the exercise of any rights pursuant to Section 11.2, it will at any time or from time to time, upon the request of the Administrative Agent, purchase portions of the amounts due and owing to the other Credit Facility Lenders (other than by way of Hedge Contract) and make any other adjustments which the Administrative Agent determines may be necessary or appropriate so that the amounts due and owing to each Credit Facility Lender (other than by way of Hedge Contract), as adjusted under this Section 13.18, will, as nearly as possible, reflect each Credit Facility Lender's Rateable Portion determined as at the date of this Agreement prior to the making of any Advance.

(2) ***General Application.*** For greater certainty, the Credit Facility Lenders acknowledge and agree that, without limiting the generality of the provisions of Section 13.18(1), those provisions will have application if and whenever any Credit Facility Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) on

account of any money owing or payable by the Borrower to it in excess of its Rateable Portion thereof determined as at the date of this Agreement prior to the making of any Advance.

(3) ***Borrowers Agreement.*** The Borrower agrees to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Credit Facility Lenders under this Section 13.18 but shall incur no increased liabilities by reason thereof.

13.19 Indemnity of Administrative Agent

The Administrative Agent may refrain from exercising any right, power or discretion or taking any action to protect or enforce the rights of any Lender under this Agreement and the Documents until it has been indemnified or secured to its satisfaction against any and all costs, losses, expenses or liabilities (including legal fees) which it would or might sustain or incur as a result of the action or exercise.

13.20 Administrative Agent May Debit Accounts

The Borrower authorizes and directs the Administrative Agent, in the Administrative Agent's discretion, to debit automatically, by mechanical, electronic or manual means, any bank account of the Borrower maintained with The Bank of Nova Scotia (for so long as The Bank of Nova Scotia is Administrative Agent) for all amounts payable by the Borrower under this Agreement or any other Document, including the repayment of principal and the payment of interest, fees and all charges for the keeping of that bank account. The Administrative Agent shall notify the Borrower as to the particulars of those debits in the normal course.

13.21 Consultation with Counsel

The Administrative Agent may consult with legal counsel selected by it as counsel for the Administrative Agent and the Lenders and the Administrative Agent shall not be liable for any action taken or not taken or suffered by it in good faith and in accordance with the advice and opinion of such counsel.

13.22 Administrative Agent as Lender

With respect to those portions of the Credit Facilities made available by it, the Administrative Agent shall have the same rights and powers under the Documents as any other Credit Facility Lender and may exercise the same as though it were not the Administrative Agent. The Administrative Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower and its Affiliates and persons doing business with the Borrower and/or any of its Affiliates as if it were not the Administrative Agent and without any obligation to account to the Lenders therefor.

13.23 Delegation by Administrative Agent

With the prior approval of the Majority Lenders, the Administrative Agent shall have the right to delegate any of its duties or obligations hereunder as Administrative Agent to any

Affiliate of the Administrative Agent so long as the Administrative Agent shall not thereby be relieved of such duties or obligations.

SECTION 14 - ASSIGNS AND PARTICIPANTS

14.1 Assignment and Participation

(1) ***Benefit and Burden of this Agreement.*** This Agreement shall enure to the benefit of and be binding on the parties hereto, their respective successors and any permitted Assignees.

(2) ***Borrower.*** The Borrower may not assign, delegate or transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the Credit Facility Lenders.

(3) ***Assignment and Participation.***

(a) Any Credit Facility Lender (herein sometimes called a “**Granting Lender**”) may, without the prior consent of the Borrower or the Administrative Agent, grant a participation in the Revolving Facility to one or more financial institutions that are not non-residents of Canada for the purpose of the ITA (the “**Participant**”). If a participation is granted, (i) the Granting Lender shall remain fully liable for all of its obligations and responsibilities under this Agreement to the same extent as if the participation had not been granted, and (ii) the Granting Lender shall administer the participation of the Participant. None of the Participant, the Borrower and the Administrative Agent shall have any rights against or obligations to one another, nor shall any of them be required to deal directly with one another in respect of the participation by a Participant. For greater certainty, Participants, as such, shall have no voting rights as “Credit Facility Lenders” under this Agreement.

(b) Any Credit Facility Lender (herein sometimes called an “**Assigning Lender**”) may, prior to an Event of Default, with the consent of the Borrower, not to be unreasonably withheld, and after the occurrence of an Event of Default, without the prior consent of the Borrower, but in all cases with the prior written consent of the Administrative Agent, which consent may not be unreasonably withheld, (for greater certainty, it is hereby acknowledged that if the Administrative Agent has concerns about the ability of the Assignee to fund its Obligations under this Agreement it would be reasonable not to consent to such assignment), assign all or any part of its rights to, and may have its obligations in respect of the Revolving Facility and the Term Facility assumed by, one or more financial institutions that are residents of Canada for the purposes of the ITA (each an “**Assignee**”). Without limiting the generality of the foregoing, no Credit Facility Lender shall assign any portion of its Commitment if, after that assignment, (i) the Assigning Lender’s Commitment would be less than Cdn\$5,000,000, in the case of each of Royal Bank of Canada and National Bank of Canada or any of their assignees and, in the case of any other Assigning Lender, would be less than Cdn\$10,000,000, or (ii) the Assignee’s Commitment, in the case of an assignment

from either of Royal Bank of Canada or National Bank of Canada or their assignees, would be less than Cdn\$5,000,000 and, in the case of an assignment from any other Assigning Lender, would be less than Cdn\$10,000,000. Notwithstanding the foregoing, no consent shall be required in respect of any assignment by an Assigning Lender to (i) its Affiliate which, in the case of any transfer prior to the occurrence of an Event of Default, is a financial institution that is not a non-resident in Canada for the purpose of the ITA or (ii) another Credit Facility Lender. An assignment shall become effective when the Borrower and the Administrative Agent have been notified of it by the Assigning Lender and have received from the Assignee an undertaking (addressed to all the parties to this Agreement) to be bound by this Agreement and to perform the obligations assigned to it, in substantially the form of Schedule 14.1(3)(b) and the Administrative Agent has received from the Assignee an assignment fee of a minimum of \$2,500 per Credit Facility Lender per assignment. Any Assignee shall be treated as a Credit Facility Lender for all purposes of this Agreement, shall be entitled to the full benefit hereof and shall be subject to the obligations of the Assigning Lender to the same extent as if it were an original party in respect of the rights or obligations assigned to it, and the Assigning Lender shall be released and discharged accordingly and to the same extent, and such Schedules as applicable shall be amended accordingly from time to time without further notice or other requirement.

(4) **Limitation.** Except following the occurrence of an Event of Default and so long as such Event of Default is continuing, no Credit Facility Lender shall be entitled to grant a participation under Section 14.1(3)(a), make an assignment under Section 14.1(3)(b) or change its Branch of Account if this would, immediately following the assignment, participation or change of Branch of Account, increase the cost of the Credit Facilities to the Borrower, except that nothing in this Section 14.1(4) shall prohibit the granting of an assignment by a Schedule I Lender to a Schedule II/III Lender notwithstanding that the Discount Rate applicable to Bankers' Acceptances issued by the Schedule II/III Lender may be higher than the Discount Rate applicable to Bankers' Acceptances issued by the Schedule I Lender; provided that the Discount Rate applicable to Bankers' Acceptances issued by any such Schedule II/III Lender shall not exceed the Discount Rate set out in subsection (b) of the definition of Discount Rate.

(5) **Borrower Cooperation.** The Borrower will execute such further documents and instruments and do such further things as the Administrative Agent or Credit Facility Lenders may reasonably request for the purpose of any participation or assignment.

(6) **Disclosure.** Subject to Section 15.10, each Credit Facility Lender may disclose to any prospective Assignee or Participant, on a confidential basis, such information concerning the Borrower as it considers appropriate without incurring any liability for any breach of the duty of banker-customer confidentiality provided such prospective Assignee or Participant has agreed to keep such information confidential in accordance with the terms hereof.

14.2 Assignment After Default

Notwithstanding anything to the contrary herein contained, where a Default has occurred and is continuing, nothing in this Agreement shall limit or otherwise restrict the right of a Lender to assign all or any part of its rights and obligations under or with respect to this Agreement. Without limiting the generality of the foregoing, any such assignment shall not require the consent of the Borrower or the Administrative Agent nor be restricted to third parties resident in Canada.

SECTION 15 - MISCELLANEOUS

15.1 Amendments

No amendment or waiver of any provision of this Agreement or consent to any departure by a party from any provision of this Agreement will be effective unless it is in writing, and then the amendment, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.

15.2 Notice

Unless otherwise specified, any notice or other communication required or permitted to be given to a party under this Agreement shall be in writing and may be delivered personally or sent by prepaid registered mail or by facsimile, to the address or facsimile number of the party set out beside its name at the foot of this Agreement to the attention of the Person there indicated or to such other address, facsimile number or other Person's attention as the party may have specified by notice in writing given under this Section. Any notice or other communication shall be deemed to have been given (1) if delivered personally, when received; (2) if mailed, subject to Section 15.3, on the fifth Business Day following the date of mailing; (3) if sent by facsimile, on the Business Day when the appropriate confirmation of receipt has been received if the confirmation of receipt has been received before 3:00 p.m. on that Business Day or, if the confirmation of receipt has been received after 3:00 p.m. on that Business Day, on the next succeeding Business Day; and (4) if sent by facsimile on a day which is not a Business Day, on the, next succeeding Business Day on which confirmation of receipt has been received.

15.3 Disruption of Postal Service

If a notice has been sent by prepaid registered mail and before the fifth Business Day after the mailing there is a discontinuance or interruption of regular postal service so that the notice cannot reasonably be expected to be delivered within five (5) Business Days after the mailing, the notice will be deemed to have been given when it is actually received.

15.4 Further Assurances

The Borrower shall from time to time promptly, upon the request of the Administrative Agent, take such action, and execute and deliver such further documents as may be reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

15.5 Judgment Currency

If for the purpose of obtaining judgment in any court it is necessary to convert any amount owing or payable to the Administrative Agent or the Credit Facility Lenders under this Agreement from the currency in which it is due (the “**Agreed Currency**”) into a particular currency (the “**Judgment Currency**”), the rate of exchange applied in that conversion shall be that at which the Administrative Agent, in accordance with its normal procedures, could purchase the Agreed Currency with the Judgment Currency at or about noon on the Business Day immediately preceding the date on which judgment is given. The obligation of the Borrower in respect of any amount owing or payable under this Agreement to the Administrative Agent or Credit Facility Lenders in the Agreed Currency shall, notwithstanding any judgment and payment in the Judgment Currency, be satisfied only to the extent that the Administrative Agent, in accordance with its normal procedures, could purchase the Agreed Currency with the amount of the Judgment Currency so paid at or about noon on the next Business Day following that payment; and if the amount of the Agreed Currency which the Administrative Agent could so purchase is less than the amount originally due in the Agreed Currency, the Borrower shall, as a separate obligation and notwithstanding the judgment or payment, indemnify the Administrative Agent and the Credit Facility Lenders against any loss.

15.6 Waivers

No failure to exercise, and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege shall preclude the exercise of any other right, remedy, power or privilege.

15.7 Reimbursement of Expenses

The Borrower agrees to: (1) pay or reimburse the Administrative Agent, on demand, for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Agreement and the other Documents including any subsequent amendments of this Agreement or any other Document, and the consummation and the administration of the transactions contemplated hereby including the reasonable fees and disbursements of counsel to the Administrative Agent; and (2) pay or reimburse, on demand, the Administrative Agent for all its reasonable costs and expenses incurred in connection with the determination, preservation and enforcement of any responsibilities, rights and remedies under this Agreement and the other Documents, including the reasonable fees and disbursements of its counsel. The obligations of the Borrower under this Section 15.7 shall survive the repayment of all Advances and the termination of the Credit Facilities.

15.8 Submission to Jurisdiction

Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

15.9 Counterparts

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

15.10 Confidentiality

The Administrative Agent and the Credit Facility Lenders shall hold all non-public information obtained pursuant to or in connection with this Agreement or obtained by them based on a review of the books and records of the Borrower or any of its Subsidiaries in accordance with their customary procedures for handling confidential information of this nature, but may make disclosure to any of their examiners, regulators (including the Office of the Superintendent of Financial Institutions), Affiliates, outside auditors, counsel and other professional advisors in connection with this Agreement or as reasonably required by any potential bona fide Participant or Assignee, or in connection with the exercise of remedies under a Document, or as requested by any Governmental Authority or pursuant to legal process; provided, however, that:

- (1) unless specifically prohibited by Applicable Law or court order, the Administrative Agent and each Credit Facility Lender shall promptly notify the Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of the Administrative Agent or Credit Facility Lender by such Governmental Authority) for disclosure of any such non-public information and, where practicable, prior to disclosure of such information;
- (2) prior to any such disclosure pursuant to this Section 15.10, the Administrative Agent or Credit Facility Lender, as the case may be, shall require any *bona fide* Participant and Assignee receiving a disclosure of non-public information to agree in writing
 - (a) to be bound by this Section 15.10; and
 - (b) to require such Person to require any other Person to whom such Person discloses such non-public information to be similarly bound by this Section 15.10.
- (3) disclosure may, with the consent of the Administrative Agent and the Borrower, be made by any Credit Facility Lender to any direct or indirect contractual counter parties of such Credit Facility Lender in swap agreements or such contractual counter parties' professional advisors; provided that such contractual counter party or professional advisor agrees in writing to keep such information confidential to the same extent required of the Credit Facility Lenders hereunder; and
- (4) except as may be required by an order of a court of competent jurisdiction and to the extent set forth therein, no Credit Facility Lender shall be obligated or required to return any materials furnished by the Borrower or any of its Subsidiaries.

15.11 No Novation

The parties agree that any Advance under this Agreement shall not discharge, constitute a repayment and readvance or a novation of, any of the indebtedness, liabilities or obligations under the Amended and Restated Credit Agreement, and the Amended and Restated Credit Agreement, as amended and restated by this Agreement, remains in full force and effect without novation.

[Signature pages to follow]

The parties have executed this Agreement.

BORROWER:

100 Renfrew Drive
Suite 110
Markham, Ontario L3R 9R6

Attention: Mr. John Leader,
Vice President, Finance

Telephone: (905) 752-1132

Facsimile: (905) 752-0989

OSPREY MEDIA GROUP INC.

By: (Signed) Michael G. Sifton

Name: Michael Sifton

Title: President

HOLDCO:

100 Renfrew Drive
Suite 110
Markham, Ontario L3R 9R6

Attention: Mr. John Leader,
Vice President, Finance

Telephone: (905) 752-1132

Facsimile: (905) 752-0989

OSPREY MEDIA HOLDINGS INC.

By: (Signed) Michael G. Sifton

Name: Michael Sifton

Title: President

CREDIT FACILITY LENDERS:

The Bank of Nova Scotia
P.O. Box 4085, Station A
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Director, Corporate Banking,
Communications &
Technology

Telephone: (416) 933-1873

Facsimile: (416) 866-2010

Bank of Montreal
Media and Telecom Group
5th Floor, 1 First Canadian Place
Toronto, Ontario M5X 1H3

Attention: Ashok Rao
Vice President

Telephone: (416) 359-6946

Facsimile: (416) 867-5818

Canadian Imperial Bank of Commerce
Commercial Lending
3rd Floor, Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1A2

Attention: Manager, Commercial Credit

Telephone: (416) 980-4718

Facsimile: (416) 861-9295

THE BANK OF NOVA SCOTIA

By: (Signed) Robert A. King
Name: Robert A. King
Title: Director

By: (Signed) Mark Dickinson
Name: Mark Dickinson
Title: Associate

BANK OF MONTREAL

By: (Signed) Ashok Rao
Name: Ashok Rao
Title: Vice President

**CANADIAN IMPERIAL BANK OF
COMMERCE**

By: (Signed) Bill Chrumka
Name: Bill Chrumka
Title: Executive Director

By: (Signed) Jake Crough
Name: Jake Crough
Title: Director, Commercial
Banking

By: (Signed) Paul Barbeau
Name: Paul Barbeau
Title: Manager Commercial Credit

National Bank of Canada
Bank Finance
The Exchange Tower
130 King Street West
Suite 3200, P.O. Box 21
Toronto, Ontario M5X 1J9

Attention: Director, Bank Finance

Telephone: (416) 869-8003

Facsimile: (416) 869-6545

NATIONAL BANK OF CANADA

By: (Signed) Arun Bery

Name: Arun Bery

Title: Director

By: (Signed) Geoffrey Scott

Name: Geoffrey Scott

Title: Director

National City Bank, Canada Branch
130 King Street West, Suite 2140
Toronto, Ontario M5X 1E4

Attention: Vice President

Telephone: (416) 361-1744 ext. 224

Facsimile: (416) 361-0085

**NATIONAL CITY BANK, CANADA
BRANCH**

By: (Signed) Caroline Stade

Name: Caroline Stade

Title: Vice President

Royal Bank of Canada
RBC Capital Markets
Royal Bank Plaza
4th Floor, South Tower
Toronto, Ontario M5J 2W7

Attention: Managing Director
Corporate Credit

Telephone: (416) 842-3759

Facsimile: (416) 842-5320

ROYAL BANK OF CANADA

By: (Signed) Noel V. Curran

Name: Noel V. Curran

Title: Attorney in fact

ADMINISTRATIVE AGENT:

The Bank of Nova Scotia
P.O. Box 4085, Station A
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Director, Corporate Banking,
Loan Syndications

Telephone: (416) 866-3747

Facsimile: (416) 866-3329

THE BANK OF NOVA SCOTIA

By: (Signed) Robert A. King
Name: Robert A. King
Title: Director

By: (Signed) Ian McKay
Name: Ian McKay
Title: Director

Schedule 1.1(30) – Branches of Account**Credit Facility Lender****Branch of Account**

The Bank of Nova Scotia
 Wholesale Banking Operations
 Loan Administration and Agency Services
 720 King Street West, 4th Floor
 Toronto, Ontario M5V 2T3

Account No. 52712-23902-64
 Ref.: Osprey Media Group Inc.

Bank of Montreal
 Main Branch
 1 First Canadian Place
 19th Floor
 Toronto, Ontario M5X 1A1

Account No. 0002-1068-602
 Ref: Osprey Media Group Inc.

Attention: Cheryl Ten-Pow
 Telephone: (416) 867-6461
 Facsimile: (416) 360-6850

Bank of Montreal
 Montreal
 Swift Code: BOFMCAM2
 Beneficiary: BMO, Toronto

CIBC World Markets
 Corporate Client Support Centre
 40 Dundas Street West
 Commerce Court Postal Station
 Toronto, Ontario M5L 1A2

Account No.
 CIBC, Commerce Court, Toronto
 010-00002-09-55515

Attention: Jeannie/Julie
 for further credit to 010-0002-05-42016

National Bank of Canada
 130 King Street West, Suite 3100
 Toronto, Ontario M5X 1J9

Account No.
 150 York Street, Toronto
 825-65 and 2881-20 Transit 1417-1

Attention: Geoff Scott

National City Bank, Canada Branch
 130 King Street West, Suite 2140
 Toronto, Ontario M5X 1E4

Account No. 1310-059, Transit 001-0002
 Ref: Osprey

Royal Bank of Canada
 Lending Operations
 20 King Street West, 7th Floor
 Toronto, Ontario M5H 1C4

Account No. 1026830, Transit 00002
 RBC, 20 King Street West, Toronto
 Ref.: Osprey Media Group Inc.

Schedule 1.1(50) – Compliance Certificate

To: The Bank of Nova Scotia
 P.O. Box 4085, Station A
 40 King Street West
 Scotia Plaza, 62nd Floor
 Toronto, Ontario M5W 2X6

This Compliance Certificate is furnished pursuant to that certain Second Amended and Restated Credit Agreement dated as of April 15, 2004 between Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Unless otherwise defined herein, the terms used in this Compliance Certificate shall have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED, FOR AND ON BEHALF OF THE BORROWER (BUT WITHOUT PERSONAL LIABILITY) HEREBY CERTIFIES THAT:

1. I am the duly elected [specify office] of the Borrower.
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a review of the transactions and conditions of the Borrower and its Material Subsidiaries during the accounting period covered by the attached financial statements.
3. The Borrower and its Material Subsidiaries have complied with all covenants contained in the Credit Agreement and all Repeating Representations and Warranties are true and correct as of the date hereof except as set forth below.
4. The examinations described in Paragraph 2 did not disclose, and I have no knowledge of the existence of any Default or Event of Default under the Credit Agreement during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate which remain continuing, except as set forth below.

Described below are the exceptions if any to Paragraphs 3 and 4 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower and the Material Subsidiaries have taken, are taking, or propose to take with respect to each such condition or event:

5. Set forth below are the calculations of and financial information evidencing the amount of Free Cash Flow available for Permitted Distributions and the Borrower's and the Material Subsidiaries' compliance with certain covenants contained in the Credit Agreement **[as at or for the Fiscal Quarter ending, as applicable]**, all of which computations are complete and correct:

(a) <u>Free Cash Flow</u>	
EBITDA before Synergy Credit	\$ _____
Synergy Credit	\$ _____
EBITDA after Synergy Credit	\$ _____
Minimum Maintenance Capital Expenditures	less \$ _____
Capital Expenditures not funded with Debt, equity, Asset Sale or Insurance Proceeds	less \$ _____
Permitted Acquisitions not funded with Debt, equity, Asset Sale or Insurance Proceeds	less \$ _____
Cash Taxes	less \$ _____
Cash Interest	less \$ _____
LTIP Distributions	less \$ _____
Asset Sale Proceeds available	plus \$ _____
Carried over Free Cash Flow	plus \$ _____
Available Revolving Facility (\$10,000,000 - Aggregate Revolving Facility Advances used for Permitted Distributions and not repaid)	plus \$ _____
Total	\$ _____
(b) Cash Interest Coverage Ratio	
EBITDA	\$ _____
Cash Interest	\$ _____
Ratio	_____
(c) <u>Total Debt to EBITDA</u>	
Total Debt	\$ _____
EBITDA	\$ _____
Ratio	_____
(d) <u>Hedge Contracts</u>	
The mark-to-market exposure on all outstanding Hedge Contracts is	\$ _____
[include detailed calculations of numbers]	

6. There are no outstanding issues arising from the Auditors' management letter in respect of the Auditors' review of the financial statements of the Borrower and the Material Subsidiaries for the most recently completed Fiscal Year other than as set forth on

Schedule A hereto, which schedule also sets forth the Borrower's plan to rectify such issues.

The foregoing certifications, and the computations and the financial statements delivered with this Compliance Certificate in support hereof are made and delivered this _____ day of _____, _____.

OSPREY MEDIA GROUP INC.

By: _____

Name:

Title:

Schedule 1.1(62) – Discount Note

Cdn\$ _____ Date: _____

For Value Received, the undersigned unconditionally promises to pay on _____, 200_, to or to the order of **[Name Of Non BA Lender]** (“**Holder**”), the sum of Cdn\$ _____ with no interest thereon.

The undersigned hereby waives presentment, protest and notice of every kind and waives any defences based upon indulgences which may be granted by the holder hereof to any party liable hereon and any days of grace.

This promissory note evidences an Advance of a BA Equivalent Loan, as defined in the Second Amended and Restated Credit Agreement dated as of the 15th day of April, 2004 between Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), and constitutes indebtedness to the Holder arising under such Advance. Payment of this note shall be made at the offices of the Holder.

This promissory note may not be sold, rediscounted or otherwise disposed of by the Holder.

OSPREY MEDIA GROUP INC.

By: _____
Name: _____
Title: _____

Schedule 1.1(121) – Material Contracts

Nil.

Schedule 1.1(147) – Permitted Liens

Attached

Schedule 1.1(147)

Permitted Liens

1. Lien registered in favour of Highland Chevrolet Geo Oldsmobile Cadillac Ltd. against the Borrower (Ontario PPSA Registration No. 20021121 1716 1462 3990, File No. 889399557 - re: 2003 Cadillac Escalade).
2. Lien registered in favour of GMAC Leaseco Limited against the Borrower and Daryl C. Smith (Ontario PPSA Registration No. 20020715 1448 1530 2998, File No. 885338919 - re: 2002 Pontiac Bonneville).
3. Lien registered in favour of CIT Financial Ltd. against the Borrower (Ontario PPSA Registration No. 20020163 1632 1616 9192, File No. 884365704 - re: digital copier).
4. Lien registered in favour of CIT Financial Ltd. against the Borrower (Ontario PPSA Registration No. 20020530 1707 1616 7340, File No. 883837278 - re: digital copiers).
5. Lien registered in favour of Nissan Canada Finance Inc. against the Borrower (Ontario PPSA Registration No. 20020124 1450 1530 8759, File No. 880021935 - re: 2002 Nissan Pathfinder).
6. Lien registered in favour of Citicorp Vendor Finance, Ltd. against the Borrower and the Borrower operating as North Bay Nugget (Ontario PPSA Registration No. 20011231 1340 7029 1917, File No. 879236073 - re: Canon Equipment as described therein).
7. Lien registered in favour of GMAC Leaseco Limited against the Borrower (Ontario PPSA Registration No. 20011210 1457 1530 0104, File No. 878707242 - re: 2002 GMC Envoy).
8. Lien registered in favour of GMAC Leasco Corporation against the Borrower and John S. Leader (Ontario PPSA Registration No. 20040303 1457 1530 4047, File No. 603493101 - re: 2004 GMC Yukon).
9. Lien registered in favour of CIT Financial Ltd. against the Borrower (Ontario PPSA Registration No. 20040109 1433 1616 4853, File No. 602365482 - re: photocopiers and fax machines).
10. Lien registered in favour of Ford Credit Canada Leasing Company against the Borrower (Ontario PPSA Registration No. 20030904 1918 1531 8872, File No. 897916365 - re: 2003 Ford Focus).
11. Lien registered in favour of GMAC Leasco Limited against the Borrower (Ontario PPSA Registration No. 20030820 1447 1530 4309, File No. 897450561 - re: 2003 Pontiac Sunfire).
12. Lien registered in favour of GMAC Leasco Limited against the Borrower (Ontario PPSA Registration No. 20030820 1447 1530 4369, File No. 897451164 - re: 2003 Pontiac Sunfire).

13. Lien registered in favour of Highland Chev Geo Olds Cadillac against the Borrower (Ontario PPSA Registration No. 20030613 1406 1462 9384, File No. 895388112 - re: 2002 Oldsmobile Aurora).
14. Lien registered in favour of Agfa Inc. against the Borrower and The Peterborough Examiner (Ontario PPSA Registration No. 20030603 1718 7029 1504, File No. 894990987 - re: Plate Processor).
15. Lien registered in favour of De Lage Landen Financial Services Canada Inc. against the Borrower and the Borrower operating as The Standard (Ontario PPSA Registration No. 20030509 1433 7029 1053, File No. 894188961).
16. Lien registered in favour of Toyota Credit Canada Inc. against the Borrower and Louis J. Clancy (Ontario PPSA Registration No. 20030425 1449 1530 5276, File No. 893722311 - re: 2003 Toyota 4Runner).
17. Mechanic's lien registered against a portion of 17 Queen St., St. Catharines on February 5, 1979 as No. 393949 by Wiens Equipment Supplies Ltd claiming the amount of \$351.34 for which no certificate of action was registered.
18. Mechanic's lien registered against a portion of 17 Queen Street, St. Catharines on December 19, 1980 as No. 426327 by Terrel Wallace c.o.b. as Heritage Painting claiming the sum of \$600 for which no certificate of action was registered.
19. Cloud created against portion of 4869 Morrison Street, Niagara Falls composed of the westerly 2/3rds of Lot 23 Range 1, s/s of Chestnut Street Plan 284 by the registration of deed from Mabel M. Cronin in favour of Mike Kozak and the deed from the Estate of Mike Kozak in favour of Emilia Kozak as No. R0690064 which apparently were supposed to convey the land adjoining this portion of the property.
20. Encroachment of a chain link fence on curb of part of the 24-26 and 32 Wellington Street, Brantford property as shown on Plan 2R-2547.
21. Encroachments by building at 53 Dalhousie Street, Brantford onto Dalhousie and Queen Streets as shown on Plan 2R-2565 and discrepancy in dimensions of the frontage of such property as shown on such plan.
22. Lease amending agreement registered against the 53 Dalhousie Street, Brantford property as No. A88318 on June 29, 1967 made between Preston & Sons Limited and The Corporation of the City of Brantford in respect of a lease the term of which has expired.
23. A right of way over the southerly 4 feet of the 4801 Valley Way, Niagara Falls property excepting the westerly 53.54 feet, as set out in Instrument No. 124139.

Schedule 1.1(161) – Revolving Commitment

<u>Lenders</u>	<u>Revolving Commitment</u>
The Bank of Nova Scotia	\$13,300,000.00
Bank of Montreal	\$ 9,800,000.00
Canadian Imperial Bank of Commerce	\$13,300,000.00
National Bank of Canada	\$ 4,200,000.00
National City Bank, Canada Branch	\$ 7,600,000.00
Royal Bank of Canada	<u>\$ 1,800,000.00</u>
Total	\$50,000,000.00

Schedule 1.1(184) – Term Commitment

<u>Credit Facility Lenders</u>	<u>Term Commitment</u>
The Bank of Nova Scotia	\$ 39,600,000.00
Bank of Montreal	\$ 29,200,000.00
Canadian Imperial Bank of Commerce	\$ 39,600,000.00
National Bank of Canada	\$ 12,300,000.00
National City Bank, Canada Branch	\$ 22,400,000.00
Royal Bank of Canada	<u>\$ 5,200,000.00</u>
Total	\$148,300,000.00

Schedule 2.6(1) – Notice of Requested Advance

Date:

The Bank of Nova Scotia
Wholesale Banking Operations
Loan Administration and Agency Services
720 King Street West, 4th Floor
Toronto, Ontario M5V 2T3

Attention: Senior Manager

Telephone: (416) 866-5901

Facsimile: (416) 866-5991

- and -

The Bank of Nova Scotia
P.O. Box 4085, Station A
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Robert A. King
Director

Telephone: (416) 933-1873

Facsimile: (416) 866-2010

Dear Sirs/Mesdames:

We refer to Section 2.6 of the Second Amended and Restated Credit Agreement made as of April 15, 2004 between Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm our request for an Advance under the Revolving Facility as follows:

Prime Loan for Drawdown
on _____ in the amount
of Cdn\$ _____

Bankers' Acceptances for
issue on _____ in the
amount of Cdn\$ _____

Issue of Letter of
Credit/Letter of
Guarantee

Contract Period _____

see attached

The proceeds of the Advance shall be used as follows: **[Please insert details]**

As of the date hereof:

- (a) the Repeating Representations and Warranties of the Borrower contained in the Credit Agreement are true and correct;
- (b) both before, and after giving effect to, the Advance requested herein, no Default or Event of Default has occurred and is continuing; and
- (c) \$● of the Advance requested hereunder will be used to fund Permitted Distributions from the Borrower to the Fund, OTPPB or Holdco and the aggregate as of the date hereof of all proceeds of Advances used for Permitted Distributions pursuant to clause (b) of the definition of such term and not repaid is \$ _____.

Yours truly,

OSPREY MEDIA GROUP INC.

By: _____

Name:

Title:

Schedule 2.8(8) – Notice of Rollover or Payment of Bankers’ Acceptances

Date:

The Bank of Nova Scotia
Wholesale Banking Operations
Loan Administration and Agency Services
720 King Street West, 4th Floor
Toronto, Ontario M5V 2T3

Attention: Senior Manager

Telephone: (416) 866-5901

Facsimile: (416) 866-5991

- and -

The Bank of Nova Scotia
P.O. Box 4085, Station A
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Robert A. King
Director

Telephone: (416) 933-1873

Facsimile: (416) 866-2010

Dear Sirs/Mesdames:

We refer to Section 2.8(8) of the Second Amended and Restated Credit Agreement dated as of April 15, 2004 among Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm that under (Term Facility and Revolving Facility):

(a) we intend to repay the following Bankers' Acceptance on the current maturity date:

(i) Amount of BA \$_____.

(ii) Current maturity date / / .
Day Month Year

(b) the following Bankers' Acceptances' are to be rolled over in accordance with Section 2.8(8) of the Credit Agreement for the new Contract Period specified below:

- (i) Amount of Bankers' Acceptances \$_____.
- (ii) Current maturity date _____ / _____ / _____.
Day Month Year
- (iii) New Contract Period from _____ to _____.

As of the date hereof:

(a) the Repeating Representations and Warranties of the Borrower contained in the Credit Agreement are true and correct; and

(b) both before, and after giving effect to, the rollover requested herein, no Default or Event of Default has occurred and is continuing.

Yours truly,

OSPREY MEDIA GROUP INC.

By: _____

Name:

Title:

Schedule 2.10(7) – Notice of Rollover of Letter of Credit or Letter of Guarantee

Date:

The Bank of Nova Scotia
Wholesale Banking Operations
Loan Administration and Agency Services
720 King Street West, 4th Floor
Toronto, Ontario M5V 2T3

Attention: Senior Manager

Telephone: (416) 866-5901

Facsimile: (416) 866-5991

- and -

The Bank of Nova Scotia
P.O. Box 4085, Station A
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Robert A. King
Director

Telephone: (416) 933-1873

Facsimile: (416) 866-2010

Dear Sirs/Mesdames:

We refer to Section 2.10(7) of the Second Amended and Restated Credit Agreement dated as of April 15, 2004 among Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm that, under the Revolving Facility:

- (a) we wish the issue of [a] replacement Letter(s) of Credit/Letter(s) of Guarantee for the following:
 - i. Letter of Credit/Letter of Guarantee No. _____.

- ii. Beneficiary _____.
- iii. Amount \$_____.
- iv. Expiry Date _____.

to be issued as follows:

- i. Beneficiary _____
- ii. Amount \$_____
- iii. Expiry Date: _____

[Repeat for each instrument to be replaced.]

- (b) the replacement Letter(s) of Credit/Letter(s) of Guarantee will be subject to the terms and conditions of any agreements applicable to the instrument(s) referred to in [(a) – ()] above.

As of the date hereof:

- (a) the Repeating Representations and Warranties of the Borrower contained in the Credit Agreement are true and correct in all material respects;
- (b) both before, and after giving effect to, the transaction requested herein, no Default or Event of Default has occurred and is continuing which has not been waived in accordance with the Credit Agreement.

OSPREY MEDIA GROUP INC.

By: _____
 Name:
 Title:

Schedule 2.12 – Conversion Option Notice

Date:

The Bank of Nova Scotia
 Wholesale Banking Operations
 Loan Administration and Agency Services
 720 King Street West, 4th Floor
 Toronto, Ontario M5V 2T3

Attention: Senior Manager

Telephone: (416) 866-5901

Facsimile: (416) 866-5991

- and -

The Bank of Nova Scotia
 P.O. Box 4085, Station A
 40 King Street West
 Scotia Plaza, 62nd Floor
 Toronto, Ontario M5W 2X6

Attention: Robert A. King
Director

Telephone: (416) 933-1873

Facsimile: (416) 866-2010

Dear Sirs/Mesdames:

We refer to Section 2.12 of the Second Amended and Restated Credit Agreement dated as of April 15, 2004 among Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby give notice of our irrevocable request for a conversion of Advances under **[Revolving Facility or Term Facility]** in the amount of \$_____ outstanding by way of **[Prime Loans/Bankers’ Acceptances]** into corresponding Loans by way of **[Prime Loans/Bankers’ Acceptances]** on the _____ day of _____, 200_. **[The Contract Period for the Bankers’ Acceptances shall be from _____ to _____]**.

Any and all conversions, in whole or in part, of an outstanding Advance into another type of Advance are subject to the conditions set out in Section 2.12 of the Credit Agreement.

OSPREY MEDIA GROUP INC.

By: _____

Name:

Title:

2. Aggregate amount of prepayment of Cdn\$_____ (minimum aggregate amount of Cdn500,000) in accordance with the following:

Prime Loans of Cdn\$ _____

Bankers' Acceptances of Cdn\$ _____

The foregoing prepayment under **[Revolving Facility/Term Facility]** shall be: (i) in accordance with the conditions set out in Section 4.6 of the Credit Agreement; and (ii) a permanent prepayment and the **[Revolving Facility/Term Facility]** Commitment shall be reduced accordingly.

Yours truly,

OSPREY MEDIA GROUP INC.

By: _____

Name:

Title:

Schedule 4.7 – Notice of Cancellation of Credit Facilities

Date:

The Bank of Nova Scotia
Wholesale Banking Operations
Loan Administration and Agency Services
720 King Street West, 4th Floor
Toronto, Ontario M5V 2T3

Attention: Senior Manager

Telephone: (416) 866-5901

Facsimile: (416) 866-5991

- and -

The Bank of Nova Scotia
P.O. Box 4085, Station A
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Robert A. King
Director

Telephone: (416) 933-1873

Facsimile: (416) 866-2010

Dear Sirs/Mesdames:

We refer to Section 4.7 of the Second Amended and Restated Credit Agreement dated as of April 15, 2004 among Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders, Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby give you irrevocable notice that we are cancelling \$_____ of the Revolving Commitment in accordance with Section 4.7 of the Credit Agreement.

The foregoing cancellation under the Revolving Facility shall be: (i) in accordance with the conditions set out in Section 4.7 of the Credit Agreement; and (ii) a permanent cancellation and reduction of the Revolving Facility.

Yours truly,

OSPREY MEDIA GROUP INC.

By: _____

Name:

Title:

Schedule 8.1(15) – Canadian Benefit Plans and Pension Plans

Attached

SCHEDULE 8.1 (15)

Canadian Benefit Plans and Pension Plans

Registered Pensions Plans

Company	Plan Name	Registration Number
Osprey Media Group Inc	Osprey Media Defined Benefit, Div. 1 and 2	1077023
	President's IPP	1077015
	President's SERP	N/A
	Defined Contribution Plan – Northumberland Div.	568543
	Defined Contribution Plan – Lindsay Group	978676
	Defined Contribution Plan – Sault Star Div.	304493
Brantford Expositor Group	CanWest Southam Publications Inc. Retirement Plan	1077049 (temporary ¹)
Niagara Newspaper Group	CanWest Pension Plan for Former Thomson Employees	1077056 (temporary ²)
Peninsula Newspaper Group	Rannie Pension Plan	0986935
Southern Ontario Community Newspaper Group	CanWest Southam Publications Inc. Retirement Plan	1077049 (temporary ¹)
	Pension Plan for the Fairway Employees of the Southern Ontario Community Newspaper Group Inc.	0508606 (temporary ³)
St. Catharines Standard Group	CanWest Southam Publications Inc. Retirement Plan	1077049 (temporary ¹)

1. The Canada Customs and Revenue Agency has issued a temporary registration number for the CanWest Southam Publications Inc. Retirement Plan but the plan has not yet been formally registered. These Plans are in the process of being amalgamated with 1077023 but the underlying pension assets have not yet been moved over to 1077023.
2. The Canada Customs and Revenue Agency has issued a temporary registration number for the CanWest Pension Plan for Former Thomson Employees but the plan has not yet been formally registered.
3. This entity has been sold to Torstar, and its related retirement plan (0508606), while still existing in Osprey's name, is in the process of being wound up and its assets transferred to Torstar.

Insurance and Compensation Plans

1. Management Bonus Plan as disclosed in the due diligence memorandum of Davies Ward Phillips & Vineberg dated May 23, 2002.
2. Insurance:

Company	Carrier	Policy Number(s)
Osprey Media Group	Manulife Financial	GH 39373, GH 39376, GH 39372, GH 39369, ASO 85374, ASO 85375, GL 39370, ASO 85377, GH 39371
Brantford Expositor Group	Manulife Financial	39093, 39094, 39095, 39096, 39097, 39098, 84335, 84336, 84339, 84343, 84344
Niagara Newspaper Group	Manulife Financial	39093, 39096, 39097, 84337, 84338
Peninsula Newspaper Group	Manulife Financial	39093, 39096, 39097, 84335, 84336
Southern Ontario Community Newspaper Group	Manulife Financial	39093, 39094, 39096, 39097, 39098, 84335, 84336, 84339
St. Catharines Standard Group	Manulife Financial	39093, 39094, 39095, 39096, 39097, 39098, 84335, 84336, 84339, 84343, 84344

3. Notes:
 - Brantford Expositor Group: Increased the vision care benefit from \$150.00 to \$175.00 for frames, lenses, contact lenses, or laser vision correction every two years for each member of the family.

Other Benefit Plans

Other Benefits Plans as set out in certain of the following collective agreements, which are listed as of February 14, 2003:

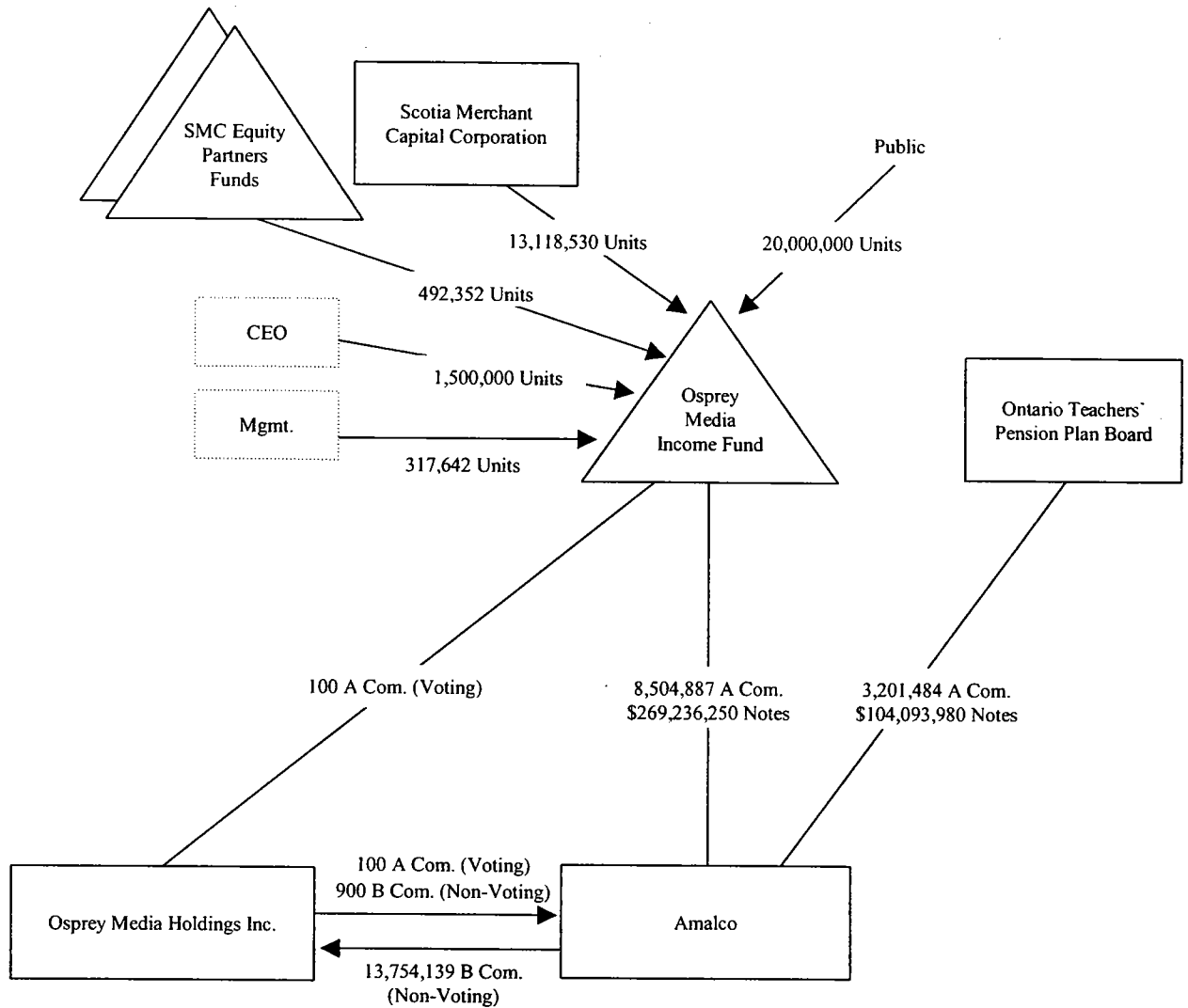
Company	Collective Agreement
Brantford Expositor	Agreement between The Brantford Expositor Group Inc. and Communications, Energy and Paperworkers Union of Canada Local 87-M, Southern Ontario Newspaper Guild (Advertising) expires November 30, 2003
	Memorandum of Agreement between The Brantford Expositor Group Inc. and Brantford Typographical Union No. 30378 (Composing Dept) expiring November 30, 2004
	Agreement between The Brantford Expositor Group Inc. and Communications, Energy and Paperworkers Union of Canada Local 87-M, Southern Ontario Newspaper Guild (Editorial) expires November 30, 2003
	Agreement between The Expositor and T.N.G./CWA Canada Local 378 (Production Services Sept.) expires January 20, 2004
	Agreement between The Brantford Expositor Group Inc. and Communications, Energy and Paperworkers Union of Canada Local 87-M, Southern Ontario Newspaper Guild (Reader Sales and Service and Mailroom) expires November 30, 2003
Niagara Newspaper Group	Agreement between Niagara Falls Review and Communications, Energy and Paperworkers Union of Canada Local 87-M, Southern Ontario Newspaper Guild (Editorial) expires December 31, 2003
	Agreement between The Niagara Falls Review and Graphic Communications Union Local 425C, Niagara Peninsula expiring December 31, 2004
	Agreement between The Tribune and Niagara Peninsula Graphic Communications International Union No. 425C (Pressroom) expiring July 31, 2004
St. Catharines Standard	Agreement between The St. Catharines Standard and The St. Catharines Ontario Typographical Union, No. 416 The Newspaper Guild Canada 30416/Communications Workers of America 14023 (Composing, Classified Advertising, Circulation and various creative employees) expires March 31, 2003
	Agreement between St. Catharines Standard Group Inc. and Communications, Energy and Paperworkers Union of Canada, Local 87-M, Southern Ontario Newspaper Guild (Editorial) expires December 31, 2002
	Agreement between St. Catharines Standard Group Inc. and The Graphic Communications Union Local 425-C Niagara expires March 31, 2003

Schedule 8.1(18) – Corporate Organization Chart

Attached

SCHEDULE 8.1(18)

Corporate Organization Structure as at April 15, 2004



Schedule 8.1(19) – Environmental Matters

Attached

SCHEDULE 8.1(19)

1. Environmental Information Questionnaire dated June 9, 2000 prepared by Golder Associates Ltd. ("Golder") in connection with the Phase 1 Environmental Site Assessment being conducted with respect to properties of the Brabant Group, including Web Printing Group (Hamilton Web), the Fairway Group (SOCN) and Flamborough Review.
2. Environmental Site Assessment dated July 10, 2000 of Hollinger Inc. Properties prepared by Golder.
3. Letter dated October 16, 2000 to CanWest Global Communications Corp. from Golder regarding Phase I Environmental Site Assessments and Phase I Environmental Assessment Updates prepared by Golder from 1995 to 2000.
4. Asbestos Management Program dated June 2002 for The Brantford Expositor prepared by APL Environmental Inc. for EMP Environmental Management & Protection Corporation ("EMP").
5. Asbestos Management Program dated April 2002 for The Niagara Falls Review prepared by APL Environmental Inc. for EMP.
6. Asbestos Management Program dated April 2002 for The Welland Tribune prepared by APL Environmental Inc. for EMP.
7. Phase I Environmental Site Assessment dated July 10, 2000, The Expositor, 24 and 32 Wellington Street and 53 Dalhousie Street, Brantford, Ontario, prepared by Golder.
8. Golder Associates Ltd. follow up correspondence dated July 21, 2000 responding to questions from CanWest Canadian Counsel – The Expositor, 24 and 32 Wellington Street and 53 Dalhousie Street, Brantford, Ontario.
9. Phase II Environmental Site Assessment (Final Draft Report) dated January 2002 regarding The Brantford Expositor, 53 Dalhousie Street and 24 and 32 Wellington Street Brantford, Ontario, prepared by EMP.
10. Environmental Compliance Audit dated January 2002 regarding the Brantford Newspaper Group Inc., The Expositor, 53 Dalhousie Street, Brantford, Ontario, prepared by EMP.
11. Email correspondence dated from April 12 to April 16, 2002 between Pamela Harrod of CanWest Global Communications Corp., the facility and Osler, Hoskin & Harcourt LLP ("Oslers") (S. Love) regarding the status of the asbestos work at The Brantford Expositor.

12. Oslers memorandum dated September 12, 2002 re asbestos removal and air monitoring work at Niagara Falls Review, The Brantford Expositor and The Welland Tribune and re no further asbestos-related work at Lincoln Post Express, Fairway Group and St. Catharines Standard, to which is attached an asbestos removal and air monitoring work plan dated August 29, 2002 for The Brantford Expositor, The Niagara Falls Review and The Welland Tribune prepared by EMP.
13. Asbestos Building Materials Remedial Work Report dated September 2002 for CanWest Global Communications Corporation, Brantford Expositor, prepared by APL Environmental Inc. on behalf of EMP.
14. Lab report dated January 8, 2003 from McMaster University Occupational and Environmental Health Laboratory to EnerSystem Insulation Ltd. re: asbestos sampling analytical results for the Brantford Expositor.
15. Email dated January 21, 2003 from Oslers (A. Wilkie) to Davies Ward Phillips & Vineberg LLP ("DWPV") (J. Rosen) regarding the asbestos sampling analytical results for the Brantford Expositor from the McMaster University lab.
16. Phase I Environmental Site Assessment Update dated July 10, 2000, the Dunnville Chronicle, 131 Lock Street East, Dunnville, Ontario, prepared by Golder.
17. Phase I Environmental Site Assessment dated August 1995, the Dunnville Chronicle, 131 Lock Street East, Dunnville, Ontario, prepared by Golder.
18. Phase II Environmental Site Assessment (Final Draft Report) dated November 2001, The Niagara Falls Review, 4801 Valley Way, Niagara Falls, Ontario, prepared by EMP.
19. Environmental Compliance Audit dated July 2001, Niagara Newspaper Group Inc., 4801 Valley Way, Niagara Falls, Ontario, prepared by EMP.
20. Correspondence dated March 26, 2002 from Oslers to The Niagara Falls Review requesting facility to review Environmental Compliance Audit by EMP and consider appropriate measures to address matters set out therein; email correspondence dated from April 12, 2002 to April 17, 2002 between CanWest Global Communications Corp. (P. Harrod) and The Niagara Falls Review regarding status of compliance issues.
21. Phase I Environmental Site Assessment Update dated July 10, 2000, The Niagara Falls Review, 4801 Valley Way, Niagara Falls, Ontario and 116 Jarvis Street, Fort Erie, Ontario, prepared by Golder.
22. Asbestos Building Materials Survey dated December 12, 1995, The Niagara Falls Review, prepared by Pinchin Environmental Consultants Ltd.

23. Letter report dated October 4, 1995 to Torys from Golder regarding underground storage tank removal, Niagara Falls Review.
24. Phase I Environmental Site Assessment dated August 1995, the Niagara Falls Review, 4801 Valley Way, Niagara Falls, Ontario, prepared by Golder.
25. Phase II Environment Site Assessment (Draft) dated November 2001, The Welland Tribune, 228 East Main Street, Welland, Ontario, prepared by EMP.
26. Environmental Compliance Audit dated July 2001, the Niagara Newspaper Group Inc., The Tribune, 228 East Main Street, Welland, Ontario, prepared by EMP.
27. Letter dated March 26, 2002 to The Welland Tribune from Oslers (S. Love) requesting facility to review list of environmental compliance issues and consider appropriate measures to address them.
28. Memorandum dated May 29, 2002 from Oslers (S. Love) with attached Table 1 Regulatory Compliance Issues on which are comments indicating status of follow-up on environmental compliance issues at The Welland Tribune.
29. Email dated January 28, 2003 from Oslers (A. Wilkie) to DWPV (J. Rosen) indicating The Welland Tribune did not obtain a legal opinion respecting potential air approvals.
30. Letter dated July 21, 2000 to Torys from Golder in response to questions from Oslers dated July 18, 2000 regarding removal of underground storage tanks at The Welland Tribune.
31. Phase I Environmental Site Assessment Update dated July 10, 2000, The Welland Tribune, 228 East Main Street, Welland, Ontario and 149 King Street, Port Colborne, Ontario, prepared by Golder.
32. Asbestos Building Materials Survey dated December 12, 1995, The Tribune, Port Colborne, Ontario, prepared by Pinchin Environmental Consultants Ltd.
33. Phase I Environmental Site Assessment dated August 1995, The Tribune, 228 East Main Street, Welland, Ontario, prepared by Golder.
34. Asbestos Building Materials Remedial Report dated September 2002, Niagara Falls Review, prepared by APL Environmental Inc. for EMP.
35. Asbestos Building Materials Remedial Report dated September 2002, The Welland Tribune, prepared by APL Environmental Inc. for EMP.
36. Phase II Environmental Site Assessment (Final Draft Report) dated January 2002, The Lincoln Post Express, 4309 Central Avenue, Beamsville, Ontario,

prepared by EMP.

37. Phase I Environmental Site Assessment Update dated July 10, 2000, The Lincoln Post Express, 4309 Central Avenue Beamsville, Ontario, prepared by Golder.
38. Southam Inc., Phase I Site Investigation dated April 25, 1996, The Lincoln Post Express, 4309 Central Avenue, Beamsville, Ontario, prepared by Altech Environmental Consulting Ltd.
39. Phase 1 Environmental Site Assessment dated July 10, 2000, Niagara Shopping News, 4949 Victoria Avenue, Niagara Falls, Ontario, prepared by Golder.
40. Limited Phase I Environmental Site Assessment dated November 21, 2002, Niagara Advance newspaper facility located at 1501 Niagara Stone Road, Niagara-on-the-Lake, Ontario, prepared by Stantec Consulting Ltd.
41. Letter dated April 17, 1995 to Southam Inc. from McLean & Kerr regarding OD International, Inc. and Southam Inc. under an Agreement of Purchase and Sale dated January 24, 1995, as amended by a letter agreement dated January 25, 1995, with respect to 215 Fairway Road, Kitchener, Ontario, giving notice of the presence of asbestos as outlined in the following documents attached to the letter: (i) letter dated April 12, 1995 from E.I. Richmond Architects Ltd. to McLean & Kerr; (ii) Executive Summary concerning Hazardous Materials on the property prepared by T. Harris Environmental Management Inc.; and (iii) Hazardous Materials Survey Report dated April 12, 1995 prepared by T. Harris Environmental Management Inc.
42. Phase II Environmental Assessment of Subsurface Conditions dated January 1995, The Fairway Group, 215 Fairway Road South, Kitchener, Ontario, prepared for Angus Environmental Limited by Water and Earth Science Associates Limited.
43. Letter report dated November 25, 1994 to Henry Marcus, Southam regarding 215 Fairway Road, Kitchener, Ontario, prepared by Angus Environmental Limited.
44. Fax dated September 20, 2000 to Oslers (S. Love) from Torys (Shane) regarding the "final environmental document", to which is attached a document entitled "Schedule 3.2 – Environmental Issues" (undated).
45. Phase I Environmental Site Assessment Update dated July 10, 2000, The St. Catharines Standard, 17 Queen Street, St. Catharines, Ontario, prepared by Golder.
46. Report entitled "Standard Tank Pull" (Final Report) dated November 1996, The St. Catharines Standard, 17 Queen Street, St. Catharines, Ontario, prepared by

Arcturus Environmental for Burgoyne Holdings.

47. Asbestos Location Survey of the St. Catharines Standard Building, Southam Newspaper Group, dated May 7, 1996, prepared by Resource Environmental Associates.
48. Southam Inc., Phase I Environmental Site Assessment dated April 25, 1996, The St. Catharines Standard, 17 Queen Street, St. Catharines, Ontario, prepared by Altech Environmental Consulting Ltd.
49. Southam Inc., Phase II Site Investigation dated April 25, 1996, The St. Catharines Standard, 17 Queen Street, St. Catharines, Ontario, prepared by Altech Environmental Consulting Ltd.
50. Memorandum dated March 27, 1996 to Rodney Davis from Henry Marcus regarding The St. Catharines Standard – Due Diligence summarizing preliminary results from Altech's Phase I and Phase II Assessments.
51. Faxes dated March 19, 1996 and March 25, 1996 to Southam Inc. (Marcus) from Resource Environmental Associates attaching lab results of asbestos in bulk insulation samples.
52. Ontario Ministry of the Environment Waste Generator Registration #ON2275600 re The Welland Tribune.
53. Ontario Ministry of the Environment Waste Generator Registration #ON2084802 re The Niagara Falls Review.
54. Ontario Ministry of the Environment Waste Generator Registration #ON0508116 re Dunnville Chronicle, 131 Lock Street East, Dunnville.
55. Ontario Ministry of the Environment Waste Generator Registration #ON1976101 re The Fairway Group, Waterloo Chronicle, 75 King Street South, Suite 201, Waterloo.
56. Ontario Ministry of the Environment Waste Generator Registration #ON0444302 re Brabant Newspapers Limited, 47 Cootes Drive, Dundas.
57. Ontario Ministry of the Environment Waste Generator Registration #ON1512500 re Flamborough Review, 30 Main Street North, Waterdown.
58. Ontario Ministry of the Environment Waste Generator Registration #ON0467635 re Stephenson's Rent-All Inc. at 47 Cootes Road, Dundas, Ontario.
59. Email dated October 29, 2002 from Oslers (S. Love) to DWPV (S. Powell) confirming that 1501 Niagara Stone Road, Niagara-on-the-Lake is an office with

no commercial printing press operations.

60. Email dated October 29, 2002 from Oslers (S. Love) to DWPV (S. Powell) attaching communication of same date from Cambridge office (M. Pearce) to Oslers (A. Wilkie) describing activities at the facility.
61. Fax dated October 28, 2002 from Oslers (S. Love) to DWPV (S. Powell and D. Elmhirst) confirming that 214 and 218 Main Street, Welland are the same property and attaching (i) the legal description of 214 and 218 Main Street, Welland and (ii) two emails dated October 26 and October 28 from Oslers (S. Love) to DWPV (D. Elmhirst and S. Powell) advising that (a) 1460 Bishop Street in Cambridge is a new lease, 1501 Niagara Stone Rd. in Niagara-on-the-Lake is a lease acquired from Hollinger, there is no environmental information on the Niagara-on-the-Lake facility, 4869 Morrison Street in Niagara Falls and 214 Main Street in Welland are parking lots and there does not appear to be any information on the parking lot sites.
62. Letter dated February 6, 2003 to The Bank of Nova Scotia from Stantec Consulting Ltd. confirming that The Bank of Nova Scotia, as Administrative Agent and on behalf of the Lenders (as defined in Osprey Media Group Inc.'s Amended and Restated Credit Agreement) is entitled to rely upon the Limited Phase I Environmental Site Assessments dated November 21, 2002 prepared by Stantec Consulting Ltd. re 1460 Bishop Street North, Cambridge and 1501 Niagara Stone Road, Niagara-on-the-Lake.
63. Letter dated February 14, 2003 to The Bank of Nova Scotia from EMP Environmental Consulting Limited confirming that The Bank of Nova Scotia, as Administrative Agent and on behalf of the Lenders (as defined in Osprey Media Group Inc.'s Amended and Restated Credit Agreement) is entitled to rely upon its Environmental Compliance Audits, Phase II Environmental Site Assessments, and related materials
64. Phase 1 Environmental Site Assessment dated July 17, 2000, 254 Main Street, Dresden, Ontario, prepared by Environmental Auditors (Canada) Ltd.

SCHEDULE 8.1(19) - Environmental Matters

<u>Business Unit</u>	<u>Municipal Address</u>	<u>Document</u>
1. Barrie Examiner/ Georgian Web	571 Bayfield Street, Barrie	AGRA Earth and Environmental Limited, Phase I Environmental Site Assessment dated January 1997, and all documentation appended thereto and referred to therein. Shaheen & Peaker Limited, Phase II Environmental Subsurface Investigation dated November 18, 1998, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation appended thereto and referred to therein.
2. Belleville Intelligencer	45 Bridge Street East, Belleville	Golder Associates Ltd., Phase I Environmental Site Assessment dated August, 1995, and all documentation appended thereto and referred to therein. Pinchin Environmental Consultants Ltd., Asbestos Building Materials Survey dated December 12, 1995, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation appended thereto and referred to therein.
3. Cobourg Daily Star	415 King Street West, Cobourg	Beak International Incorporated, summary of environmental due diligence dated July 30, 2001, and all documentation appended thereto and referred to therein.

Business Unit	Municipal Address	Document
4. Collingwood Enterprise Bulletin	77 St. Marie Street, Collingwood	Golder Associates Ltd., Phase I Environmental Site Assessment dated August, 1995, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update - 77 St. Marie Street dated July 10, 2000, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment - 77 and 79 Simcoe Street dated July 10, 2000, and all documentation appended thereto and referred to therein.
5. Cornwall Standard Freeholder	77-79 Simcoe Street, Collingwood 44 Pitt Street, Cornwall	Golder Associates Ltd., Phase I Environmental Site Assessment dated June, 1996, and all documentation appended thereto and referred to therein. Health & Safety Environmental Audit dated March 2000, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment dated July 10, 2000, and all documentation appended thereto and referred to therein. Memorandum dated July 5, 2001 from Philip Faulkner regarding 2001 Health, Safety and Environmental Audit, and all documentation appended thereto and referred to therein.
6. Elliot Lake Standard	14 Hillside Drive, Elliot Lake	Golder Associates Ltd., Phase I Environmental Site Assessment dated June, 1996, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation appended thereto and referred to therein.

<u>Business Unit</u>	<u>Municipal Address</u>	<u>Document</u>
7. Hanover Post	418 18 th Avenue, Hanover	Golder Associates Ltd., Phase I Environmental Site Assessment dated August, 1995, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation appended thereto and referred to therein.
8. Kingston Whig-Standard	92 Grant Timmons Drive, Kingston 6 Cataraqui Street, Kingston	Trow Dames & Moore, Phase I Environmental Audit dated November 20, 1990, and all documentation appended thereto and referred to therein. Gore and Storrie Limited, H.R. Doomekamp Construction Ltd. Phase II Environmental Site Assessment of Former Harold's Demolition Property dated December 1993, and all documentation appended thereto and referred to therein. Wastecon Inc., Waste Audit - Solid Non-Hazardous Waste Materials dated September 1994, and all documentation appended thereto and referred to therein. Logical products, Waste Audit - Solid Non-Hazardous Waste Materials dated September 1995, and all documentation appended thereto and referred to therein. Altech Environmental Consulting Ltd., Environmental Audit dated October 12, 1995, and all documentation appended thereto and referred to therein. Memorandum dated January 2, 1996 regarding Environmental Audit Report, and all documentation appended thereto and referred to therein.

<u>Business Unit</u>	<u>Municipal Address</u>	<u>Document</u>
		Altech Environmental Consulting Ltd., Sanitary Sewer Effluent Monitoring Report dated November 12, 1996, and all documentation appended thereto and referred to therein. Logical Products/Produits Logiques, Waste Audit Solid Non-Hazardous Waste Materials, dated February, 1998, and all documentation appended thereto and referred to therein. XCG Consultants Ltd., Draft Phase I Environmental Site Assessment, Former Harold's Demolition Property - 6 Catarqui Street dated May 27, 1998, and all documentation appended thereto and referred to therein. Golder Associated Ltd., Phase I Environmental Site Assessment - 6 Catarqui Street dated July 10, 2000, and all documentation appended thereto and referred to therein. Golder Associated Ltd., Phase I Environmental Site Assessment - 92 Grant Timmons Drive dated July 10, 2000, and all documentation appended thereto and referred to therein. Oliver, Mangione, McCalla & Associates, Phase I Environmental Site Assessment, The Woolen Mill 2-6 Catarqui Street dated May 3, 2001, and all documentation appended thereto and referred to therein. Beak International Incorporated summary of environmental due diligence dated July 30, 2001, and all documentation appended thereto and referred to herein.

Business Unit	Municipal Address	Document
9. Kirkland Lake	8 Duncan Avenue, Kirkland Lake	Golder Associates Ltd., Phase I Environmental Site Assessment dated June 6, 1996, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation appended thereto and referred to therein.
10. Lindsay Daily Post	15 William Street North, Lindsay	Golder Associates Ltd., Phase I Environmental Site Assessment dated July, 2000, and all documentation appended thereto and referred to therein.
11. Midland Free Press	248 First Street, Midland	Golder Associates Ltd., Phase I Environmental Site Assessment dated August, 1995, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation appended thereto and referred to therein.
12. North Bay Nugget	259 Worthington Street West, North Bay	Altech Environmental Consulting Ltd., Environmental Audit dated October 4, 1995, an all documentation appended thereto and referred to therein. Memorandum dated December 19, 1995 from Henry Marcus regarding Environmental Audit, and all documentation appended thereto and referred to therein. Correspondence dated April 28, 2000 fro Near North Laboratories Inc. regarding air quality investigation, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase 1 Environmental Site Assessment dated July 10, 2000, and all documentation appended thereto and referred to therein.

<u>Business Unit</u>	<u>Municipal Address</u>	<u>Document</u>
13. North Kent Leader	254 Main Street, Dresden	Phase 1 Environmental Site Assessment dated July 17, 2000, prepared by Environmental Auditors (Canada) Ltd.
14. Northumberland Publishers	Colborne Chronicle 31 Colborne Street East West, P.O. Box 400, Cobourg	Memorandum dated March 28, 1996 from Altech Environmental Consulting Ltd. regarding site plan of the Cobourg Daily Star, and all documentation appended thereto and referred to therein. Memorandum dated March 28, 1996 from Altech Environmental Consulting Ltd. regarding revised site plan of the Cobourg Daily Star, and all documentation appended thereto and referred to therein. Memorandum dated April 9, 1996 from Altech Environmental Consulting Ltd. regarding Limited Phase II Environmental Site Assessment, and all documentation appended thereto and referred to therein. Altech Environmental Consulting Ltd., Phase I Environmental Site Assessment dated April 25, 1996, and all documentation appended thereto and referred to therein. Altech Environmental Consulting Ltd., Phase II Site Investigation-Cobourg Daily Star dated April 25, 1996, and all documentation appended thereto and referred to therein. R&R Laboratories Ltd., Sampling and Analysis of Nuisance Dust in the Breathing Air dated August 29, 1999, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Environmental Status Report-Port Hope Evening Guide & Colborne Chronicle and Phase I Environmental Site Assessment Updated dated July 4, 2001, and all documentation appended thereto and referred to therein.

Business Unit	Municipal Address	Document
15. Orillia Packet & Times	31 Colborne Street East, Orillia	Golder Associates Ltd., Phase I Environmental Site Assessment dated August, 1995, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000 and all documentation appended thereto and referred to therein.
16. Owen Sound Sun Times	290 9th Street East, P.O. Box 200, Owen Sound	Memorandum dated May 17, 1993 from Joan Granger, Health and Safety Co-ordinator regarding May 25, 1993 environmental audit, and all documentation appended thereto and referred to therein. Altech Environmental Consulting Ltd., Environmental Audit dated July 29, 1993, and all documentation appended thereto and referred therein. Golder Associates Ltd., Phase I Environmental Site Assessment dated July 10, 2000, and all documentation appended thereto and referred to therein. Correspondence from Golder Associates Ltd. dated September 21, 2000 and August 8, 2000 regarding follow-up to Phase I ESA - additional materials and all documentation appended thereto and referred to therein.
17. Pembroke Observer	186 Alexander Street, Pembroke	Golder Associates Ltd., Phase I Environmental Site Assessment dated August, 1995, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000 and all documentation appended thereto and referred to therein.

Business Unit	Municipal Address	Document
18. Peterborough Examiner	730 The Kingsway, Peterborough	Geo-Logic Inc., Environmental Site Assessment Report dated December 1997, and all documentation thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Updated dated July 10, 2000, and all documentation thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment dated July 10, 2000, and all documentation thereto and referred to therein. Correspondence from Golder Associates Ltd. dated November 15, 2000 regarding follow-up to Phase I ESA - additional materials and all documentation thereto and referred to therein. Altech Environmental Consulting Ltd., Environmental Audit dated October 4, 1995, and all documentation thereto and referred to therein. Beak International Incorporated summary of environmental due diligence dated July 27, 2001, and all documentation appended thereto and referred to therein. Memorandum dated December 15, 1995 from Henry Marcus regarding Environmental Audit Report, and all documentation appended thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment dated July 10, 2000, and all documentation thereto and referred to therein.
19. Saugeen Group (Owen Sound)	190 Elizabeth Street, Durham	
20. Sault Star	145 Old Garden River Road, Sault Ste. Marie	
	771 Second Line East, Sault Ste. Marie	

Business Unit	Municipal Address	Document
21. Sault Ste. Marie This Week	2 Towers Street, Sault Ste. Marie 6 Towers Street, Sault Ste. Marie	Golder Associates Ltd., Phase I Environmental Site Assessment dated July 10, 2000, and all documentation thereto and referred to therein.
22. Sudbury Star	33 MacKenzie Street, Sudbury	R.G. Ryckman Associates Ltd., Sault Star Health Hazard Assessment dated May 9, 1989, and all documentation thereto and referred to therein. The Sault Star Emergency Procedure Manual dated November 1995. Golder Associates Ltd., Phase I Environmental Site Assessment dated June, 1996, and all documentation thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Updated dated July 10, 2000, and all documentation appended thereto and referred to therein.
23. Timmins Daily Press	187 Cedar Street, P.O. Box 560, Timmins	Golder Associates Ltd., Phase I Environmental Site Assessment dated June 4, 1996, and all documentation thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation thereto and referred to therein.

Business Unit	Municipal Address	Document
24. Trenton Trentonian	41 Quinte Street, Trenton	Golder Associates Ltd., Phase I Environmental dated August 1995, and all documentation appended thereto and referred to therein. Correspondence dated October 26, 1995 from Golder regarding follow-up to Phase I ESA - additional materials, and all documentation thereto and referred to therein. Golder Associates Ltd., Phase I Environmental Site Assessment Update dated July 10, 2000, and all documentation thereto and referred to therein. Beak International Incorporated summary of environmental due diligence dated July 27, 2001, and all documentation appended thereto and referred to therein
25. Welland Tribune	228 East Main Street, Cobourg	Golder Associates Phase 1 environmental site assessment dated August 1995 and all documentation appended thereto and referred to therein. EMP Environmental Management & Protection Corporation environmental compliance audit dated July 2001 and all documentation appended thereto and referred to therein.

Schedule 8.1(20) – Intellectual Property

Attached

SCHEDULE 8.1(20) –
INTELLECTUAL PROPERTY

Osprey Media Group Inc.
URLs

Note: all of these URLs are registered to Osprey Media Group Inc. or one of newspapers or subsidiaries owned by Osprey Media Group Inc.

aboriginalontario.com	easternontariowheels.ca	helpfulpages.com
aboriginalopenforbusiness.com	easternontariowheels.com	huronianews.com
atcampus.ca	elliottlakestandard.ca	intelligencer.ca
bancroftthisweek.ca	enterprise-bulletin.com	kawarthaliving.ca
bancroftthisweek.com	examinerauction.com	kawarthaliving.com
barrieexaminerauctioncentral.com	gocampus.ca	kingstonthisweek.com
blueskyliving.ca	goevents.ca	kingstonthisweek.ca
brantfordexpositor.ca	goparenting.ca	kingstonwhigstandard.com
brantfordexpositor.com	goresourcenorth.ca	ktw.ca
theexpositor.com	goservices.ca	lindsaypostauction.com
campusbound.ca	greatnorthernauction.com	markdalestandard.ca
chathamdailynews.ca	greybrucethisweek.ca	markdalestandard.com
cottage-times.com	hanoverpost.ca	midlandfreepress.com
creative.thewhig.com	hanoverpost.com	napaneeguide.com
discoverus.ca	hanoverpostnews.com	napaneeguide.ca

nepeanthisweek.com	ospreynewsnetwork.com	thebarrieexaminer.com
niagarafallsreview.ca	ospreywheels.ca	thedailyjobserver.ca
northbaynugget.ca	ospreywheels.com	thedailypress.ca
northbaynugget.com	owensoundsuntimes.com	theenterprisebulletin.com
northernbusinessjournal.ca	peterboroughexaminer.com	theobserver.ca
northernnews.ca	petroliatopic.com	thepembrokenews.ca
northkentleader.com	saugencycity.com	thepetawawanews.ca
northumberlandauctioncentral.com	saugencycitynews.ca	thepeterboroughexaminer.com
northumberlandtoday.com	saugencycitynews.com	thepost.ca
nugget.ca	saugencynewspapers.com	thesudburystar.com
nuggetauction.com	saultstar.com	thesuntimes.ca
observer-sarnia.com	saultstarauction.com	thewhig.com
orilliapacket.com	saultthisweek.com	tilburymarketplace.com
ospreyauction.ca	siteseer.ca	timminspress.com
ospreyauction.com	scstandard.com	trailrider.ca
ospreyclassifiednetwork.ca	standard-freeholder.com	trentonian.ca
ospreyclassifiednetwork.com	stcatharinesstandard.ca	voiceofthefarmer.ca
ospreymedia.ca	sudburyauction.com	voiceofthefarmer.com
ospreymediagroup.com	sudburyonline.com	wallaceburgcommunitynews.com
ospreynewsnetwork.ca	sudburystar.com	

Registered Business Names

<u>Business Name</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Expiry Date</u>
Ancaster News	Ont.	120500178	June 5, 2007
Bargain Book	Ont.	140360694	March 25, 2009
Barrie Examiner	Ont.	120236203	February 27, 2007
Barry's Bay This Week	Ont.	130740624	June 26, 2008
Belleville Intelligencer	Ont.	120236237	February 27, 2007
Brabant Newspapers	Ont.	120547799	June 16, 2007
Cambridge Times	Ont.	120500079	June 5, 2007
Cobourg Daily Star	Ont.	120236286	February 27, 2007
Colborne Chronicle	Ont.	120236369	February 27, 2007
Collingwood Enterprise Bulletin	Ont.	120236401	February 27, 2007
Conference Kingston	Ont.	110246758	March 4, 2006
Dundas Star News	Ont.	120500111	June 5, 2007
Fifty Plus	Ont.	130820905	July 16, 2008
Flamborough Review	Ont.	110230109	February 27, 2006
Forever Young	Ont.	110230224	February 27, 2007
Grimsby Independent	Ont.	130820921	July 16, 2008
Guelph Tribune	Ont.	120500038	June 5, 2007
Hamilton News-Mountain Edition	Ont.	120500129	June 5, 2007
Hamilton Real Estate Guide	Ont.	110230216	February 27, 2006
Hanover Post	Ont.	120236450	February 27, 2007

<u>Business Name</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Expiry Date</u>
Homes	Ont.	130820939	July 16, 2008
In Port	Ont.	130820947	July 16, 2008
Key To Kingston	Ont.	960685626	June 19, 2006
Kingston Publications	Ont.	941073033	September 11, 2004
Kingston This Week	Ont.	130740574	June 26, 2008
Lincoln Post Express	Ont.	130820954	July 16, 2008
Lindsay Daily Post	Ont.	120236476	February 27, 2007
Midland Free Press	Ont.	120236351	February 27, 2007
Midweek	Ont.	130821002	July 16, 2008
Nepean This Week	Ont.	120236393	February 27, 2007
New Hamburg Independent	Ont.	120500004	June 5, 2007
New Home News	Ont.	110230208	February 27, 2006
Niagara Advance	Ont.	130820970	July 16, 2008
Niagara Falls News	Ont.	140360553	March 25, 2009
Niagara Falls Review	Ont.	130820962	July 16, 2008
Niagara News	Ont.	140356916	March 24, 2009
Niagara Shopping News	Ont.	130820913	July 16, 2008
Niagara This Week	Ont.	140360587	March 25, 2009
North Bay Nugget	Ont.	140360918	March 25, 2009
North Kent Leader	Ont.	130740590	June 26, 2008
Northern Daily News	Ont.	140360801	March 25, 2009
Orangeville Banner	Ont.	120236435	February 27, 2007
Orillia Packet & Times	Ont.	120236492	February 27, 2007

<u>Business Name</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Expiry Date</u>
Pelham News	Ont.	130820814	July 16, 2008
Pembroke News	Ont.	120236534	February 27, 2007
Pembroke Observer	Ont.	120237250	February 27, 2007
Peterborough Examiner	Ont.	120237326	February 27, 2007
Petrolia Topic	Ont.	130740616	June 26, 2008
Port Hope Evening Guide	Ont.	120237292	February 27, 2007
Real Estate News & Buyers Guide	Ont.	120500145	June 5, 2007
Regional Shopping News	Ont.	130820830	July 16, 2008
Sarnia Observer	Ont.	120236757	February 27, 2007
St. Catharines Shopping News	Ont.	130820848	July 16, 2008
St. Catharines This Week	Ont.	140360603	March 25, 2009
Standard-Freeholder	Ont.	140360959	March 25, 2009
Stoney Creek News	Ont.	120499918	June 5, 2007
The Chatham Daily News	Ont.	140366519	March 25, 2009
The Chesley Enterprise	Ont.	140360777	March 25, 2009
The Daily Press	Ont.	140360884	March 25, 2009
The Dunnville Chronicle	Ont.	130820855	July 16, 2008
The Durham Chronicle	Ont.	140360710	March 25, 2009
The Expositor	Ont.	130820863	July 16, 2008
The Kingston Whig Standard	Ont.	140360819	March 25, 2009

<u>Business Name</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Expiry Date</u>
The Markdale Standard	Ont.	140360686	March 25, 2009
The Napanee Guide	Ont.	130740582	June 26, 2008
The Observer	Ont.	140366493	March 25, 2009
The Saugeen City News	Ont.	130740632	June 26, 2008
The Sault Star	Ont.	140360868	March 25, 2009
The Shopping Times	Ont.	130820871	July 16, 2008
The Standard	Ont.	130820806	July 16, 2008
The Sudbury Star	Ont.	140360934	March 25, 2009
The Sun Times	Ont.	140360926	March 25, 2009
The Times	Ont.	130820574	July 16, 2008
The Tribune	Ont.	130820582	July 16, 2008
The Tribune Extra	Ont.	130820988	July 16, 2008
Trenton Trentonian	Ont.	120236658	February 27, 2007
TV Times	Ont.	130820996	July 16, 2008
Wallaceburg Community News	Ont.	130740640	June 26, 2008
Wallaceburg News	Ont.	130853369	July 24, 2008
Waterloo Chronicle	Ont.	120500061	June 5, 2007
Weekend Edition	Ont.	130820590	July 16, 2008
Weekend Update	Ont.	130820616	July 16, 2008
Weekender	Ont.	130820608	July 16, 2008
Welcome Back Students Magazine	Ont.	991184334	November 8, 2004
West Lincoln Review	Ont.	130820566	July 16, 2008

Unregistered Business Names

<u>Business Unit</u>	<u>Unregistered Business Name</u>
Belleville Intelligencer	1. Marketplace Today
	2. Quinte Wheels
	3. County Weekly News
	4. Real Estate Today
Northumberland Publishers	1. Northumberland Weekly
	2. Brighton Gazette
	3. Northumberland Helpful Pages
	4. Cambelford Helpful Pages
	5. Northumberland Specialty Products - The Helpful Pages
	6. Go! Magazine
Cornwall Standard Freeholder	1. Smart Shopper
	2. Air Cree Bec
	3. Helpful Pages
	4. Home Buyers Guide
Elliot Lake Standard	1. MarketPlace
	2. Trail Rider
	3. Discover Us
	4. The Phone Book
The Barrie Examiner	1. Examiner This Week
Collingwood Enterprise-Bulletin	1. Enterprise-Bulletin This Week
Midland Free Press	1. The Free Press This Week
	2. Real Estate Showcase
Orillia Packet & Times	1. Packet This Week
The Kingston Whig-Standard	1. Whig Flyer Pack
	2. Shop the Whig Way Bag
	3. For the Saturday Paper. The Companion Section The Comics TV Times Homes Wheels

<u>Business Unit</u>	<u>Unregistered Business Name</u>
Kirkland Lake	1. The TV Listings
	2. TMC
North Bay Nugget	1. Community Voices
	2. Nugget Value pack
	3. Vintage Times
	4. Discover Us
Owen Sound Sun Times	1. Grey Bruce This Week
	2. TV Times
	3. Home Buyers Guide Weekly
	4. Home Buyers Guide Monthly
	5. Health & Maturity
Hanover Post	1. Grey Bruce This Week
Pembroke Observer	1. Pembroke News
	2. Pembroke Home Style
	3. Petawawa News
Peterborough Examiner	1. Daily Examiner
	2. Peterborough Examiner Weekly
	3. Peterborough Examiner Real Estate
	4. Peterborough Examiner TV Times
	5. Wheel Power
	6. Auction Advantage
Sault Star	1. The Helpful Pages Telephone Directory
Sault Ste. Marie This Week	1. Welcome Map
	2. Welcome Tourism Map
Sudbury Star	1. TV Listings
	2. Real Estate Guide
	3. Weekend Alive Extended Coverage
Timmins Daily Press	1. The TV Listings
	2. The Weekend Shopper
	3. Tuesday Press
	4. Real Estate North
	5. Les Nouvelles
	6. Resources North
	7. North Vintage Times
	8. Parenting

<u>Business Unit</u>	<u>Unregistered Business Name</u>
The Trenton Trentonian	1. MarketPlace Today
	2. Quinte Wheels
Lindsay Daily Post	1. Lindsay Weekly Post
	2. Lindsay Daily Post Real Estate Guide
	3. Auction Advantage
Nepean This Week	1. Nepean This Week
Dresden Telephone Directories	1. Ausable
	2. Strathroy
	3. Port Stanley
	4. St. Thomas
	5. Leamington
	6. Kingsville
	7. Dresden
	8. Ridgetown
	9. Wallaceburg
	10. Four Counties
Petrolia Telephone Directories	1. Petrolia
	2. Coruna

Trademarks

Trail Rider

Owner: Osprey Media Group Inc.
Filing Date: 05/20/93
Application Number: 729,358
Registration Number: 430,311

Barry's Bay This Week

Owner: Osprey Media Group Inc.
Filing Date: 11/26/99
Application Number: 1037666
Registration Number: Not registered (Status: Advertised).

Kingston This Week

Owner: Osprey Media Group Inc.
Registration Date: 04/09/02
Application Number: 1037658
Registration Number: TMA5600449

The Saugeen City News

Owner: Osprey Media Group Inc.
Registration Date: 04/18/02
Application Number: 1038538
Registration Number: TMA560398

The Napanee Guide

Owner: Osprey Media Group Inc.
Filing Date: 11/29/99
Application Number: 1037730
Registration Number: Not registered (Status: Searched).

Forever Young

Registration Date: 09/07/00
Registration Number: TMA532344

Licenses and Agreements

The following are agreements pursuant to which Osprey Media Group Inc. has granted and/or acquired the right to use Intellectual Property owned or used by it and/or third Persons:

1. CanWest Editorial Services Agreements with CanWest Publications Inc.; and
2. Electronic Distribution Agreements with Infomart Limited.

Schedule 8.1(22) – Real Property

Attached

SCHEDULE 8.1(22) - Real Property

LEGAL DESCRIPTION - OWNED REAL PROPERTY

1. 571 Bayfield Street, Barrie, ON L4M 4X9

PIN 58928-0134 (LT)

Part Lot 18, Concession 4, City of Barrie (formerly Township of Vespra), County of Simcoe, more particularly described as Parts 4 and 7 on Reference Plan No. 51R-16809

2. 45 Bridge Street, Belleville, ON K8N 1L5

FIRSTLY: Lots 7, 8, 9, 10 and 11 on Wilkin's Block "B" Registered Plan 10

SECONDLY: Lots 2, 3, 4, 5 and 6, Registered Plan 35

TOGETHER WITH a right of way over the lanes shown on Plans 10 and 35 on the terms set out in Instrument No. A65 (1848).

City of Belleville, County of Hastings.

As previously described in Instrument No. 568345.

3. 45 Fourth Street, Chatham, ON N7M 2G2

FIRSTLY:

Part of Lot Number Ninety-two (92) Old Survey formerly in the City of Chatham, in the County of Kent, now the Municipality of Chatham-Kent, more particularly described as follows:

COMMENCING on the easterly limit of Fourth Street in the said City of Chatham, at a point one hundred and twenty feet (120') southerly from the north-west angle of said Lot Number Ninety-two (92), said point of commencement being the point of intersection of the northerly limit of a paved lane running across said Lot Number Ninety-two (92) in a direction parallel with Wellington Street, with the east limit of Fourth Street;

THENCE easterly along said northern limit of lane ninety-one feet (91');

THENCE northerly and parallel with Fourth Street eighty feet six inches (80' 6") to a point;

THENCE westerly and parallel with the north limit of said lane thirty-two feet four inches (32' 4");

THENCE southerly and parallel with the east limit of Fourth Street a distance of one foot (1');

THENCE westerly and parallel with the said northerly limit of said lane fifty-eight feet eight inches (58' 8"), more or less to the east limit of Fourth Street;

THENCE southerly along the said easterly limit of Fourth Street seventy-nine feet six inches (79' 6"), more or less to the place of beginning;

TOGETHER WITH the right to have the eaves of the building now on the said property project over and overhang, so long as the said building is in its state as at the 7th day of December, 1928, this right, however, being expressly confirmed and restricted so that no projection shall extend further than one foot (1') from the west line of the land which is or was of Stephen Backus and being expressly restricted to the building now on the said property;

As previously described in Instrument Number 591080.

SECONDLY:

Part of Lot Number Ninety-two (92), Old Survey, on the northerly side of Wellington Street, in the City of Chatham, in the County of Kent, now the Municipality of Chatham-Kent, more particularly described as follows:

COMMENCING at the northwesterly angle of said Lot;

THENCE easterly along the northerly limit of said Lot a distance of one hundred and forty-four feet (144') to a point distant five feet (5') easterly from the easterly face of the easterly wall of the existing brick building on the property hereby conveyed;

THENCE southerly parallel with the said face of said brick wall and parallel with Fourth Street a distance of one hundred and twenty feet (120') to the northerly limit of the existing paved alley extending easterly from Fourth Street across the westerly portion of said Lot, the northerly limit of said alley being parallel with the northerly limit of said Lot Ninety-two (92) and distant one hundred and twenty feet (120') therefrom;

THENCE westerly along the northerly limit of said alley a distance of fifty-three feet (53') to a point in said northerly limit of said alley distant ninety-one feet (91') easterly from the easterly limit of Fourth Street;

THENCE northerly and parallel with Fourth Street a distance of eighty feet six inches (80' 6");

THENCE westerly and parallel with the northerly limit of said alley a distance of thirty-two feet four inches (32' 4");

THENCE southerly and parallel with Fourth Street a distance of one foot (1');

THENCE westerly and parallel with the northerly limit of said alley a distance of fifty-eight feet eight inches (58' 8") more or less to the easterly limit of Fourth Street;

THENCE northerly along the easterly limit of Fourth Street a distance of forty feet six inches (40' 6") more or less to the place of beginning;

TOGETHER WITH a right-of-way in common with the owners from time to time of the property immediately adjoining the property hereby conveyed on the east thereof, over and along a strip of land five feet (5') in width running along the easterly side of the lands herein conveyed;

AND TOGETHER WITH a right-of-way in common with the other owners entitled thereto, over the said alley extending easterly from Fourth Street;

SUBJECT HOWEVER TO the right-of-way in common with the owners from time to time of the property immediately adjoining the property hereby conveyed on the east thereof, over and along the most easterly five feet (5') of the land herein conveyed, and subject also to the rights for the protection of certain eaves which rights were conveyed by Stephen Backus to the McColl Frontenac Oil Company, Limited by Quit Claim Deed bearing date the 7th day of December, 1928 and registered as Number 45436 for the City of Chatham.

All as previously described as Instrument number 591080.

4. 47 St. Marie Street, Collingwood, ON L9Y 3J9 and 77 Simcoe Street, Collingwood, ON L9Y 1H7

FIRSTLY: Part of Lot 43, North of Simcoe Street, part of Lot 8, West of St. Paul Street and Part of Lot 47, East of St. Marie Street on Registered Plan 282, all in the Town of Collingwood in the County of Simcoe, designated as Parts 1 and 2 on Reference Plan 51R-17864.

(PIN 58288-0049(LT))

SECONDLY: Parcel 42-1, Section 51-282, in the Town of Collingwood, in the County of Simcoe, being composed of part of lots 42, 46 and 47 East of St. Marie Street and part of Lot 43 North of Simcoe Street according to Plan 282, registered in the Land Registry Office for the Registry Division of Simcoe, designated as PARTS 1 and 2 on Reference Plan 51R-12046, deposited in the Land Registry Office for the Land Titles Division of Simcoe, at Barrie.

(PIN 58288-0099(LT))

THIRDLY: Parcel 42-2, Section 51-282, in the Town of Collingwood, in the County of Simcoe, being composed of part of Lots 42 and 46 East of St. Marie Street and Part of Lot 43 North of Simcoe Street according to Plan 282, registered in the Land Registry Office for the Registry Division of Simcoe designated as PART 1 on Reference Plan 51R-16086 deposited in the Land Registry Office for the Land Titles Division of Simcoe.

(PIN 58288-0101(LT))

5. 97 & 99 King Street West, Cobourg, ON K9A 2M4

Parts of Lots 5, 6, 13 and 14, Block "C" according to Caddy's Plan of said Town of Cobourg, (formerly Part Lot 17, Conc. B. Hamilton) the said parcel of land is shown edged in red on a plan of survey attached to Instrument Number 29856, more particularly described as follows:

COMMENCING at the northwesterly angle of said Lot 5;

THENCE north 84 degrees east along the northerly limit of said Lot, 63 feet 6¾ inches;

THENCE south 3 degrees 55 minutes 30 second east 7 feet 1¾ inches to the northwesterly corner of a 2-storey brick building standing in August, 1959 on the lands immediately adjoining the herein described parcel to the east thereof;

THENCE south 6 degrees 36 minutes 20 seconds east along the westerly face of said building 37 feet 2¼ inches to the southwesterly corner thereof;

THENCE south 7 degrees 18 minutes 30 seconds east along the westerly face of a concrete block addition to said building 21 feet 7/8th inches to the southwesterly corner thereof;

THENCE south 82 degrees 41 minutes 30 seconds west along the production westerly of the southerly face of said concrete block addition 3¾ inches;

THENCE south 7 degrees 18 minutes 30 seconds 2 feet 1½ inches;

THENCE south 12 degrees 47 minutes east 107 feet 8 7/8th inches;

THENCE south 78 degrees 42 minutes 30 seconds west, 61 feet 4½ inches;

THENCE north 11 degrees 17 minutes 30 seconds west 150 feet 3 5/8th inches;

THENCE north 4 degrees 20 minutes west, 26 feet 2½ inches;

THENCE north 83 degrees 30 minutes east 0 feet 3¾ inches to the westerly limit of said Lot 5;

THENCE north 10 degrees 32 minutes west 7 feet 9 5/8 inches to the point of commencement.

TOGETHER with a right-of-way over and upon Part of Lots 4, 5 and 12, Block C more particularly described as follows:

(a) Part of Lots 4 and 5, Block C, designated as Part 2 on Plan 39R-3417;

(b) Part of Lot 4, Block C, described as Part 4 on Plan 39R-3417;

(c) Part of Lot 12, Block C, designated as Parts 5, 6 and 7 on Plan 39R-3417.

As previously described in Instrument Number 312317.

6. 254 Main Street, Dresden, ON

Parts of Lots 11 and 12, Plan 127, Municipality of Chatham-Kent (formerly Town of Dresden), County of Kent.

As previously described in Instrument Number 625223.

7. 413, 18th Avenue, Hanover, ON N4N 3S5

Parts of Lots 7 and 8, Concession 1, South of the Durham Road, in the Town of Hanover (formerly in the Township of Bentinck), in the County of Grey designated as Part 1, Reference Plan 17R-2019.

As previously described in Instrument Number 410325.

8. 92 Grant Timmins Drive, Kingston, ON

PIN: 36082-0138(R)

Part of Lot 19, Concession 3, City of Kingston, County of Frontenac, designated as Part 8 on Reference Plan No. 13R-7356.

9. 6 Cataraqui Street, Kingston, ON K7K 1Z7

PIN: 36001-0173 (R)

Part of Farm Lot A Concession, West of the Great Cataraqui River, City of Kingston, County of Frontenac, designated as Part 5, Plan 13R-13502.

10. 555 O'Connor Drive, Kingston, ON K7P 1J9

Parts of Lot 11, Concession 111 of the City of Kingston, in the County of Frontenac, designated as Part 1, on Reference Plan 13R-6254.

As previously described in Instrument Number 723939.

11. 248 First Street, Midland, ON L4R 4K6

Lots Numbers 4, 5 and 6 on the South side of Dominion Avenue West as shown on a registered plan of subdivision for the Town of Midland, and registered in the Registry Office for the Registry Division of the County of Simcoe as Plan Number 306, in the County of Simcoe.

As previously described in Instrument Number 01414138.

12. 31 Colborne Street East, Orillia, ON L3V 1T4

FIRSTLY: Lots E and F on the south side of Colborne Street and west of Peter Street, Plan 399, in the City of Orillia in the County of Simcoe;

SECONDLY: Lot H and part of Lot G, Plan 399, part of the lane as shown on Plan 399 (formerly part of the lane in part of Lot 4 on the south side of Colborne Street, Plan 12), and part of Lot 4 on the north side of Elgin Street, Plan 12, in the City of Orillia in the County of Simcoe, the said parcel of land being more particularly described as follows:

PREMISING that all bearings shown herein are referred to the bearing North 26° 00' 00" West of Peter Street in accordance with the said Registered Plan 12;

COMMENCING at a survey monument planted at the Southwesterly angle of said Lot H;

THENCE North 64° 03' 00" East along the Southerly limit of said Lot H, a distance of 27.00 feet to a point;

THENCE South 25° 21' 10" East a distance of 69.60 feet to a survey monument planted;

THENCE North 62° 40' 40" East a distance of 40.02 feet to a survey monument planted;

THENCE North 26° 09' 40" West a distance of 121.48 feet to a point in the Northerly limit of the said lane;

THENCE South 63° 46' 00" West along the last mentioned Northerly limit a distance of 65.88 feet, more or less, to the Northwesterly angle thereof;

THENCE South 25° 59' 30" East along the Westerly limit of the said lane and along the Westerly limit of the said Lot H, a distance of 52.50 feet to the point of commencement.

TOGETHER WITH an exclusive right of way to and from the said lands at all times for the Grantee, its tenants, servants and persons authorized by it or them, with or without animals or vehicles, over, along and upon the lands hereinafter described, and together with the exclusive easement to lay down, construct, operate and maintain sewers, drains, pipes and watercourses in, under, along and upon the lands hereinafter described, namely: Parts of Lots G and D, as shown on the said Registered Plan Number 399, more particularly described as follows:

PREMISING that all bearings shown herein are referred to the bearing North 26° 00' 00" West of Peter Street in accordance with the said Registered Plan 12;

COMMENCING at a point in the Easterly limit of Lot D as shown on the said Registered Plan Number 399, distant 5.00 feet measured Northerly thereon from the survey monument marking the Southeasterly angle thereof;

THENCE South 64° 03' 00" West along a line which shall hereinafter be referred to as Line A, a distance of 146.74 feet to a point in the Easterly limit of the above described parcel of land;

THENCE North 26° 09' 40" West along the last mentioned Easterly limit, 10.00 feet;

THENCE North 64° 03' 00" East along a line drawn parallel to the said Line A, and distant 10.00 feet measured Northerly there from and at right angles thereto, 146.77 feet to a point in the said Easterly limit of Lot D;

THENCE South 26° 00' 00" East along the last mentioned Easterly limit, 10.00 feet to the point of commencement. As previously described in Instrument Number 1414139.

All as previously described in Instrument No. 1414139.

13. 186 Alexander Street, Pembroke, ON K8A 4L9

PIN 57139-0076 (LT)

Lots 4 and 10, Block N, Plan 17, City of Pembroke, County of Renfrew.

14. 730 The Kingsway, Peterborough, ON K9J 6W6

Lands Registered under Land Titles System:

FIRSTLY:

Lot 17, Plan 212, in the City of Peterborough, in the County of Peterborough, save and except Part 2 on Plan 45R-2648.

SECONDLY:

Part of lots 8 and 9, Plan 17Q in the City of Peterborough, in the County of Peterborough, containing by admeasurement 4.24 acres more or less (being formerly in the Township of North Monaghan according to Registered Plan No. 17Q for the said Township) shown bordered in red on the plan or survey attached to Instrument No. 131549 and described as follows:

PREMISING the north western limit of The Kingsway to have an astronomical bearing of north 32 degrees 25 minutes east and relating all bearings herein thereto;

COMMENCING at a concrete monument marking the south western angle of said Lot 9;

THENCE north 71 degrees 59 minutes east along the southern limit of Lots 9 and 8, a distance of 358.97 feet to a survey monument marking the south western angle of the lands described in Instrument No. 124245;

THENCE north 18 degrees 12 minutes west along the western limit of the last mentioned lands 655.44 feet to a survey monument planted in the south eastern limit of the lands of The Canadian Pacific Railway;

THENCE south 33 degrees 55 minutes west along the said south eastern limit 453.66 feet to its intersection with the western limit of the said Lot 9;

THENCE southerly along the western limit of the said Lot 9, a distance of 375.71 feet more or less to the point of commencement. As described in Instrument No. 131549.

THIRDLY:

Block C, Plan 212, in the City of Peterborough, in the County of Peterborough.

As described in Instrument No. 482940.

Being the whole of PIN 28058-0007(LT).

Lands Registered under the Registry System:

Part of Lots 10 and 11 Plan 17Q, City of Peterborough, lying immediately south easterly of and adjoining the southeast limit of the right-of-way of the Canadian Pacific Railway as referred to in Instrument Nos. 1211 and 1230.

As described in Instrument No. 466043.

SAVE AND EXCEPT those parts of Lots 10 and 11, Plan 17Q, City of Peterborough designated as Parts 1 and 3 on Reference Plan No. 45R-11386.

Being the whole of PIN 28058-0037(R)

15. 41 Quinte Street, Trenton, ON K8V 5R3

FIRSTLY: Those parts of Lots 1, 2, 3 and 4, Block "A", east of Stewart Street, Registered Plan No. 76, in the City of Trenton, in the County of Hastings, designated as Parts 1, 2, 3, 4, 5, 6, and 7 on Plan No. 21R-1224.

SECONDLY: Those parts of Lots 1, 2, 3, and 4, in Block "A", east of Stewart Street, Registered Plan No. 76, in the City of Trenton, in the County of Hastings, and being more particularly described as follows:

PREMISING that the northerly limit of Quinte Street as shown on Plan 21R-1224 has a bearing of North 71°02' East and relating all bearings herein thereto;

COMMENCING at the northwest angle of Lot 1;

THENCE South 18°42'10" East along the westerly limits of Lots 1, 2, 3, and 4 a distance of 250 feet, more or less to a point in the westerly limit of Lot 4 which point is distant 14 feet measured northerly along the said westerly limit from the southwest angle of Lot 4;

THENCE North 70°56'20" East, 42 feet to a point;

THENCE North 18°42'10" West a distance of 250 feet more or less to a point in the northerly limit of Lot 1 which point is distant 42 feet measured easterly along the said northerly limit from the place of commencement.

THENCE South 70°56'20" West along the northerly limit of Lot 1 a distance of 42 feet, more or less, to the place of commencement.

As previously described in Instrument Number 568344.

16. 44 Pitt Street, Cornwall, ON K6J 3P3

FIRSTLY:

The northerly three and nine-tenths (3.90') feet of the easterly one third of Lot Number Seventeen (17) on the north side of Water Street as shown on the Plan of the Town of Cornwall, in the City of Cornwall, in the County of Stormont. As previously described in Instrument Number 291397.

SECONDLY:

The East Half of Lot Number (17) on the South side of First Street, in the City of Cornwall, in the County of Stromont. As previously described in Instrument number 291397.

THIRDLY:

Part of Lot Number (16) on the south side of First Street in the City of Cornwall, in the County of Stormont, which may be more particularly described as follows:

COMMENCING at a point in the eastern boundary of Lot Number Sixteen (16) on the south side of First Street at a distance of one hundred and seventy-three feet, one inch (173'1") measured along the eastern boundary thereof from the north-east corner of said Lot.

THENCE westerly parallel to the northern boundary of said Lot a distance of one hundred and seventy-six and fifty-seven one hundredths feet (176.57') to the western boundary thereof;

THENCE southerly along said western boundary of said Lot a distance of ninety-two and eight-two one hundredths feet (92.82') to the southwest corner thereof;

THENCE easterly along the southern boundary of said Lot a distance of one hundred and seventy-six and fifty-seven one hundredths feet (176.57') to the eastern boundary thereof;

THENCE northerly along the eastern boundary of said Lot a distance of ninety-two and seventy six one hundreds feet (92.76') to the place of beginning. As previously described in Instrument Number 291397.

FOURTHLY:

Part of Lot Number Sixteen (16) on the north side of Water Street as shown on the Plan of the City of Cornwall, in the City of Cornwall, in the County of Stormont, which parcel may be more particularly described as follows:

COMMENCING at a point in the western limit of Pitt Street, distant two hundred and sixty-two and thirty-three one hundredths feet (262.33') measuring northerly thereon from the northern limit of Water Street;

THENCE northerly along the said limit of Pitt Street a distance of three and one-half feet (3.5'), more or less, to the northern limit of the said Lot;

THENCE westerly along the said northern limit of Lot a distance on one hundred and seventy-six and fifty-five one hundredths feet (176.55') to the western limit thereof;

THENCE southerly along the said western limit of Lot a distance of three and nine-tenths feet (3.90');

THENCE easterly in a straight line a distance of one hundred and seventy-six and fifty-five one hundredths feet (176.55') to the point of commencement. As previously described in Instrument Number 291397. As shown on a plan of a survey attached to Instrument No. 38583 registered on February 10, 1959.

17. 14 Hillside Drive South, Elliott Lake, ON P5A 1M6

FIRSTLY: Parcel 7282, Algoma East Section, being part of Lot 220, now designated as Part 1 on Plan 1R-3844, and all of Lot 221, according to Plan M-151, in the Township of Gunterman, in the District of Algoma.

SECONDLY: Parcel 7588, Algoma East Section, being Part of a lane in the rear of Lot 207 on Registered Plan M-151, closed by By-law 79-50, designated as Part 2 on Plan 1R-4036, in the Township of Gunterman, in the District of Algoma.

18. 8 Duncan Avenue, Kirkland Lake, ON P2N 3L4

FIRSTLY, Parcel 4401, Centre Section Temiskaming, being the Surface Rights of Lot 31 as shown on Plan M-32 Temiskaming, Town of Kirkland Lake (formerly Township of Teck), District of Temiskaming.

SECONDLY, Parcel 2447, Centre Section Temiskaming, being the Surface Rights of Lot 32 on the East side of Duncan Avenue, as shown on Plan M-32 Temiskaming, Town of Kirkland Lake, District of Temiskaming.

19. 259 Worthington Street West, North Bay, ON P1B 3B5

FIRSTLY:

Lots 252, 253 and 254, South Side of Worthington Street, Registered Plan 10, City of North Bay, District of Nipissing.

SAVE AND EXCEPT that Part of Lot 254 transferred to the Bell Telephone Company of Canada by Instrument No. 40458.

SECONDLY:

Those parts of Lots 254 and 255, South Side of Worthington Street, Registered Plan 10, in the City of North Bay, in the District of Nipissing, designated as Parts 1, 2, 3, 4 and 5 on Reference Plan No. 36R-5799.

TOGETHER WITH a right-of-way over that part of Lot 255, South Side of Worthington Street, Registered Plan 10, in the City of North Bay, in the District of Nipissing, designated as Part 7 on Reference Plan No. 36R-5799.

THIRDLY:

The rear 4 feet of Lot 233 and the rear 4 feet of the Westerly one-half of Lot 232, North Side of McIntyre Street, Registered Plan 10, City of North Bay, District of Nipissing.

As previously described in Instrument No. 155035.

20. 290 - 9th Street East, Owen Sound, ON N4K 5P2

All of Lots 21 and 22
Registrar's Compiled Plan 850,

City of Owen Sound,
County of Grey

Previously described in Instrument Number 0410969.

21. 140 Front Street South, Sarnia, ON N7T 7M8

Lots 21 and 22 on the East side of Front Street and Lot 22 on the West side of Christina Street, City of Sarnia, County of Lambton, all according to Registered Plan Number 2 for the City of Sarnia.

22. 153 South Christina Street, Sarnia, ON N7T 2M9

FIRSTLY: Lot 23 and North half of Lot 24 on the West side of Christina Street, Plan 2 (SA) City of Sarnia, County of Lambton.

SECONDLY: Lot 23 on the East side of Front Street, Plan 2 (SA) City of Sarnia, County of Lambton.

Previously described in Instrument Number 903715.

23. 145 Old Garden River Road, Sault Ste. Marie, ON P6B 4K5

Part of the broken Northwest Quarter of Section 32 in the former Township of Tarentorus, now in the City of Sault Ste. Marie, in the District of Algoma, containing an area of 5.103 acres, be the same more or less, and which parcel or tract of land may be more particularly described as follows:

PREMISING that the Northern limit of said Northwest Quarter of Section 32 has an astronomical bearing of North 87 degrees 47 minutes 30 seconds East as shown on deposited Plan T-83525 and relating all bearings herein thereto.

COMMENCING at a point in the Southern limit of Secondary Highway No. 550 as defined on deposited Plan T-83525 said point defining the North Eastern angle of the herein described parcel and being distant 48.86 feet measured South 1 degree 22 minutes 30 seconds West from a point in the Northern limit of said broken Northwest Quarter Section, distant 868.60 feet measured South 87 degrees 47 minutes 30 seconds West along said limit of Northwest Quarter Section from the Northeastern angle thereof.

THENCE South 1 degree 20 minutes 50 seconds West 213.7 feet to a survey post planted;

THENCE South 7 minutes East 121.37 feet to a survey post planted;

THENCE South 87 degrees 7 minutes West 818.7 feet to a survey post planted in the South Eastern limit of Garden River Development Road as defined on Registered Instrument T-64619;

THENCE North 41 degrees 51 minutes 20 seconds East thereon 441.20 feet to a survey post planted therein where the same is intersected by the said Southern limit of Secondary Highway 550;

THENCE North 64 degrees 47 minutes 30 seconds East thereon 66.07 feet to a survey post planted at an angle therein;

THENCE North 87 degrees 39 minutes East continuing along said Southern limit of Secondary Highway a further distance of 468.20 feet more or less to the said Point of Commencement.

As in Instrument Number T-138732.

24. 771 Second Line East, Sault Ste. Marie, ON P6B 4K5

Part of the Northwest Quarter of Section 32, in the former Township of Tarentorus, now in the City of Sault Ste. Marie, in the District of Algoma, being more particularly described as follows:

COMMENCING at a point in the northerly limit of said Section 32 where the said northerly limit is intersected by the easterly limit of the Garden River Road;

THENCE easterly along the said northerly limit of Section 32 a distance of 434.28 feet to the point of commencement of the lands hereby conveyed.

THENCE continuing easterly along the said northerly limit of Section 32, a distance of 50 feet to a point;

THENCE southerly and parallel to the easterly limit of Section 32 a distance of 440 feet to a point;

THENCE westerly and parallel to the said northerly limit of Section 32 a distance of 50 feet to a point;

THENCE northerly and parallel to the easterly limit of Section 32 a distance of 440 feet to the point of commencement, said lands containing by admeasurement one-half acres be the same more or less as described in Instrument No. 5099.

Except for that portion designated as Part 2, on Ministry of Government Services Plan 113-407L, being a Reference Plan deposited in the Land Registry Office for the Registry Division of Algoma (No. 1) as Plan 1R-2846.

As previously described in Instrument No. T281086.

25. 2 Tower Street and 6 Tower Street, Sault Ste. Marie, ON P6A 2Y9

FIRSTLY: Lot 1, Block B, in the Herrick Subdivision, Registered Plan 644

SECONDLY: The westerly 45 feet, 8 inches of Lot 2, Block B, in the Herrick Subdivision, Registered Plan 644

All in the City of Sault Ste. Marie, District of Algoma

As previously described in Instrument No. T0407388

26. 33 Mackenzie Street, Sudbury, ON P3C 4Y1

PIN: 02136-0215 (LT)

Firstly: Part of Fir Lane (Closed by By-law as BY507) on Plan 3SA as in S45554 (Firstly) with Sketch in 44170;

Secondly: Part Block Y on Plan 1SC as in S45554 (Secondly) with sketch in 44170;

Thirdly: Part Block Y on Plan 1SC as in S45554 (Thirdly), except as in 44171 (Sketch in 338060);

Fourthly: Surface rights of west 30 feet of Block Y on Plan 1SC as in S45554 (Fourthly), Except as in 45217

City of Sudbury, District of Sudbury

27. 187 Cedar Street South, Timmins, ON P4N 2G9

Parcel 12248 Whitney and Tisdale being:

FIRSTLY: The surface rights of Lots 150, 151, 152 and 153, Plan M-44 Temiskaming.

SECONDLY: The surface rights of the East 112 feet 6 inches of Lots 1017, 1018, 1019 and 1020, Plan M-9 Temiskaming.

THIRDLY: The surface rights of that Part of Lot 1021 Plan M-9 Temiskaming described as follows:

COMMENCING at a point on the south boundary of the above lot, said point being distant westerly 109.5 feet from the south east angle thereof;

THENCE easterly along said south boundary 109.5 feet to said south east angle;

THENCE northerly along the east boundary thereof 30 feet to the north east angle of said lot;

THENCE westerly along the north boundary of said lot, 112.5 feet;

THENCE south 5 degrees and 48 minutes east 30.15 feet more or less to the point of commencement, containing 3330 square feet, more or less.

FOURTHLY: The surface rights of that Part of Lot 1022 Plan M-9 Temiskaming, described as follows:

COMMENCING at a point on the north boundary of the above lot, said point being distant 109.5 feet from the north east angle thereof;

THENCE easterly along said north boundary 109.5 feet to said north east angle;

THENCE southerly along the east boundary of said lot, 30 feet to the south east angle thereof;

THENCE westerly along the south boundary of said lot, 106.5 feet;

THENCE north 5 degrees and 48 minutes west 30.15 feet more or less to the point of commencement, containing 3240 square feet, more or less.

FIFTHLY: The surface rights of that Part of Block C Plan M-30 Sudbury, being Part I on Plan 6R-3325.

28. 15 William Street North, Lindsay, ON K9V 3Z8

Parcels 7, 8 and 9, part of Parcel 4, according to Registered Plan Number 167, and parts of Lots 6 and 7, north of Kent Street West, in the Town of Lindsay, in the County of Victoria, all designated as Part 1 on Reference Plan 57R-3898.

SUBJECT TO a right-of-way for the persons entitled thereto in accordance with the illustrations shown on the said Plan, over the Southerly 12 feet thereof.

TOGETHER WITH a right of easement of the portion of the building on the said lands which overhangs that part of Lots 6 and 7, North of Kent Street, in the said Town of Lindsay, and designated as Part 2 on the said Reference Plan 57R-3898.

TOGETHER WITH any right of easement for overhang of eaves and any other rights of the Grantor over those parts of Lot 7, north of Kent Street, in the said Town of Lindsay, designated as Part 3 on said Reference Plan No. 57R-2898.

As previously described in Instrument No. 03 920.

29. 24-26 Wellington Street, Brantford, ON and 32 Wellington Street, Brantford, ON N3T 2L4

PIN 32142-0032(LT)

Part of Lot 4, north side of Wellington Street, Plan City of Brantford, September 7, 1892, Brantford City; Part of Lot 5, north side of Wellington Street, Plan City of Brantford, September 7, 1892, Brantford City as in A514778; Brantford City.

Legal description – owned real property

30. 53 Dalhousie Street, Brantford, ON N3T 2H9

PIN 32143-0025(LT)

Lot 8, south side Dalhousie Street, Plan City of Brantford, September 7, 1892, Brantford City; Lot 9, south side Dalhousie Street, Plan City of Brantford, September 7, 1892,

Brantford City; Lot 10, south side Dalhousie Street, Plan City of Brantford, September 7, 1892, Brantford City; Part Lot 7, south side Dalhousie Street, Plan City of Brantford, September 7, 1892, Brantford City, as in A507779; T/W A507779; Brantford City.

31. 131 Lock Street East, Dunnville, ON N1A 1J6

The East half of Lot three (3) on the North side of Lock Street in the Town of Dunnville in the Regional Municipality of Haldimand-Norfolk according to Plan No. 69 for the said Town of Dunnville, and being designated as PART 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Haldimand as number 18R-857. As previously described in Instrument Number 245977.

32. 4801 Valley Way, Niagara Falls, ON L2E 1W4

PIN 64335 0084 (LT)

All of Lots 185, 186, 187, and 188, Part of Lots 189, 200, 201, 202, 203, Plan 316, and Part of First Avenue, Plan 316 (closed by NF28761), City of Niagara Falls, Regional Municipality of Niagara, Land Titles Division of Niagara South (59), subject to a right-of-way as in RO124139, all as in Instrument No. RO763301.

33. 4869 Morrison Street, Niagara Falls, ON

FIRSTLY: PIN 64330-0205 (LT)

Lot 23, Range 1 south side of Chestnut Street Plan 284, Town of Niagara Falls Save and Except RO690064 and AA81970.

Part of Lot 24, Range 1 south side of Chestnut Street Plan 284, Town of Niagara Falls as in RO763301 (eighthly).

now in the City of Niagara Falls, Regional Municipality of Niagara South (No. 59).

SECONDLY: PIN 64330-0136 (R)

The westerly two-thirds of Lot No. 23 in perpendicular width throughout, in Range 1, south of Bridge Street, formerly Chestnut Street in the City of Niagara Falls in the Regional Municipality of Niagara Falls, according to Plan No. 632 (now Plan No. 284) registered for the said Town of Niagara Falls, now in the City of Niagara Falls, Regional Municipality of Niagara South (No. 59).

The above lands were previously described in Instrument No. RO763301 (ninthly).

34. 116 Jarvis Street, Fort Erie, ON L2A 2S4

PIN 64232-0201(LT)

Parts of Lots Nos. 237 and 238 on the North side of Jarvis Street, in the Town of Fort Erie, in the Regional Municipality of Niagara, according to Registered Plan No. 910 for the former Township of Bertie now known as Plan 348, as in RO763302, Fort Erie.

35. 149 King Street, Port Colborne, ON L3K 4G3

PIN 64163 0140 (LT)

Part of Lot 2 on the south side of Kent Street Registered Plan 987-989 in the City of Port Colborne, Regional Municipality of Niagara as described in Instrument No. RO724480.

36. 214 and 228 East Main Street, St. Welland, ON

PIN 64105 0048 (LT)

Lots 5 and 6, Plan 553, on the south side of Dorothy Street; Lots 5 and 6, Plan 553, on the north side of East Main Street; Part Lot 4, Plan 553, south side of Dorothy Street, as in RO724479; Part Lot 4, Plan 553, north side of East Main Street, as in RO724479, City of Welland.

37. 4949 Victoria Avenue, Niagara Falls, ON L2E 4C7

PIN 64335 0170 (LT)

Part of Lot 3, Plan 323, in the City of Niagara Falls, in the Regional Municipality of Niagara, and Part of Simcoe Street West, Plan 323, Niagara Falls (closed by No. NF33733) as Instrument No. R0705004.

Together with a Right-of-Way as in Instrument No. RO705004, Niagara Falls.

38. 17 Queen Street, St. Catharines, ON L2R 5G5

PIN 46217-0164(R)

FIRSTLY: All of Lots 1108, 1109, 1110, 1121, 1122, 1123, 1124, 1125, 1126, 1127 Corporation Plan No. 2, City of St. Catharines, Regional Municipality of Niagara; and

SECONDLY: Part of Lots 1111 and 1112, Corporation Plan No. 2, City of St. Catharines, Regional Municipality of Niagara, more particularly described as follows:

COMMENCING at a point in the southwesterly boundary of Queen Street distant therein north 62 degrees, 41 minutes west, 1.45 feet from the northeast angle of said Lot 1111, said point being the southerly face of a building situated on the said Lot 1111;

THENCE south 27 degrees, 17 minutes west along the said southerly face and the southwesterly production thereof, 140.0 feet;

THENCE south 63 degrees, 34 minutes east, 62.75 feet to a point in the westerly boundary of May Alley;

THENCE south 19 degrees, 44 minutes west along said westerly boundary, 3.1 feet to the southeast angle of said Lot 1112;

THENCE south 22 degrees, 21 minutes west along said westerly boundary, 12.4 feet to its intersection with southerly boundary of said Lot 1111;

THENCE north 63 degrees, 34 minutes west along said southerly boundary, 74.95 feet to an angle therein;

THENCE north 62 degrees, 32 minutes west along said southerly boundary, 26.8 feet to the southwest angle of said Lot;

THENCE north 27 degrees, 12 minutes east along the westerly boundary of said Lot 1111, 155.15 feet to the southwesterly boundary of Queen Street;

THENCE south 62 degrees, 41 minutes east along said southwesterly boundary, 35.63 feet more or less to the point of commencement.

PREMISING that the assumed astronomic bearing of Queen Street is north 62 degrees 41 minutes west and all bearings herein are related thereto.

FIRSTLY AND SECONDLY AS DESCRIBED IN INSTRUMENT NO. RO755708.

Schedule 8.1(23) – Leased Property

Attached

SCHEDULE 8.1(23) - Leased Property

Property Address	Lessor	Lessee	Date of Lease	Term / Expiry	Current Base (not including additional rent)
41 Bay St. Barry's Bay, ON	Daniel and Isabelle Lesniewski	Osprey Media Group Inc.	Oct. 16, 2001	July 31, 2004	\$8,040 annually plus GST
3 Hastings St. N. Bancroft, ON	1439093 Ontario Inc.	Osprey Media Group Inc.	Dec. 1, 2003	Dec. 1, 2004	\$4,400 annually plus GST
22 Hawkins St. Blind River ON	not indicated	Elliot Lake Standard	verbal	month-to-month	\$3,480 annually
78 First Ave. S. Chesley, ON N0G 1L0	Ren Slumskie	Chesley Enterprise	not indicated	month-to-month (verbal)	\$1,596 annually
415 King St. W. P.O. Box 400 Cobourg, ON K9A 4L1	886926 Ontario Inc.	Osprey Media Group Inc.	April 30, 1996	April 30, 2002 (overheld)	\$39,960 annually
27 King St. E. P.O. Box 208 Concord, ON K0K 1S0	Eurocan, c/o Eric Fononic and Linda Campbell	not indicated	verbal	month-to-month (verbal)	\$5,100 annually
1400 Pelham St. Unit B Fonthill, ON	Tri-Walan Investments Inc.	The Tribune, The Niagara Newspaper Group (now Osprey Media Group Inc.)	June 28, 2002	expires May 18, 2005	\$10,320 annually plus GST plus additional rent
450 Garrison Fort Erie, ON L2A 1N2	International Gateway Centre L.P.	Peninsula Newspaper Group Inc. (now Osprey Media Group Inc.)	Jan. 1, 2001	expires Oct. 31, 2005	\$23,660 annually
414-10 th St. Hanover, ON N4N 1P6	Duncan McCallum	Osprey Media Group Inc.	June 18, 2001	June 30, 2002 (overheld)	\$7,500 annually plus GST
6 Cataragui St., Kingston, ON K7L 4Z7	ABNA Investments Ltd.	Osprey Media Group Inc.	Feb. 7, 1997	expires Feb. 6, 2012	\$94,524 annually

Property Address	Lessor	Lessee	Date of Lease	Term / Expiry	Current Base (not including additional rent)
607 Gardiners Rd. Sunrise Place Unit 1 and 2 Kingston, ON K7M 3Y4	Geraldine Bertioia	Metroland Printing Publishing & Distributing Ltd.	Nov. 1, 2001	Nov. 30, 2006	\$40,237.50 annually plus GST
13 Toronto St. N. Markdale, ON N0C 1H0	Kropf Mart Limited	Markdale Standard (now Osprey Media Group Inc.)	not indicated	month-to-month (verbal)	\$6,600 annually
2 Dairy Ave. Napanea, ON K7R 3T1	1361391 Ontario Inc.	Osprey Media Group Inc.	Aug. 27, 2001	August 30, 2006	\$7,552.50 annually
9 Camelot Dr. Suite 200 Nepean, ON K2G 5W6	Colonnade Development Incorporated	Sterling Newspaper Company (now Osprey Media Group Inc.)	April 20, 1999	Nov. 30, 2002 (overheld)	\$21,600 annually
61 Whitewood Ave. New Liskeard, ON P0J 1P0	Downtown Photo	Northern Daily News	N/A	month-to-month (verbal)	\$6,000 annually
1501 Niagara Stone Rd. Niagara-on-the Lake, ON	Avondale Stores Limited	not indicated	verbal	month-to-month (verbal)	\$21,781.92 annually
108 Dairy Ave. Unit 8 Napanea, ON K7R 4B3	1178511 Ontario Inc. (Bert Nibourg)	Osprey Media Group Inc.	Sept. 18, 1998	May 1, 2005	\$4,800 annually
4182 Petrolia St. Petrolia, ON	RPR Holdings	Osprey Media Group Inc.	verbal	month-to-month (verbal)	\$7,500 annually plus GST
280 Main St Picton, ON K0K 2T0	Pamela Greene	The County Weekly News (now Osprey Media Group Inc.)	Dec. 1, 2000	month-to-month	\$7,704 annually
73 Mill St. S. Suite #104 Port Hope, ON L1A 2S8	David J. Presson	Osprey Media Group Inc.	April 3, 1998	May 31, 2002 (overheld)	\$7,200 annually

Property Address	Lessor	Lessee	Date of Lease	Term / Expiry	Current Base (not including additional rent)
106 Griffin Street Smithville, ON L0R 2A0	Bob Murgatroyd	not indicated	verbal	month-to-month (verbal)	\$5400 annually
140 Welland Avenue St. Catharines, ON L2R 2N6	Burgoyne Holdings Inc.	not indicated	verbal	month-to-month (verbal)	\$16,800 annually plus GST
333 Arvin Ave. Stoney Creek, ON L8E 2M6	Brabant Group	Hamilton Web	verbal	month-to-month (verbal)	50% of rent charged under Sept. 1, 1996 lease between Brabant and Wilhampton Limited
65-B Queen St., Sturgeon Falls, ON P0H 2G0	458192 Ontario Limited	The Nugget	verbal	month-to-month	\$4,056 annually
236 Burger St. Welland, ON	Cliff Cain	The Tribune	verbal	month-to-month (verbal)	\$20,400 annually incl. hydro
440 Niagara St. Welland, ON L3C 1L5	Victoria Welland Development Ltd.	not indicated	verbal	month-to-month (verbal)	\$8,988 annually
10 Elm St. Unit T-601 Sudbury, ON	Vista Sudbury Complex Inc	Osprey Media Group Inc.	April 1, 2004	March 31, 2005	\$12,000 annually
100 Renfrew Drive Suite 110 Markham, ON L3R 9R6	Armada Corporate Estates	Osprey Media Group Inc.	Jan. 24, 2003	April 30, 2008	\$69,564 annually to April 2004 \$77,748 annually April 2006 \$85,932 annually to April 2008

Schedule 9.3(4)(a) – Example of Synergy Credit
FOR REPRESENTATIONAL PURPOSES ONLY

Calculation of Synergy Credit

- [A] EBITDA contribution as a result of synergy implementation for the quarter ending September 30, 2001**
- [B] EBITDA contribution as a result of synergy implementation for the quarter ending December 31, 2001**
- [C] EBITDA contribution as a result of synergy implementation for the quarter ending March 31, 2002**
- [D] EBITDA contribution as a result of synergy implementation for the quarter ending June 30, 2002**

Please note that the sum of [A] through [D] cannot exceed \$3,000,000 (per Permitted Acquisition) on a cumulative basis and each of these amounts [A] through [D] are calculated in relation to the corresponding activity for the individual quarter in which they are realized.

Calculation of Adjustment to EBITDA to reflect synergy implementation as at September 30, 2001

EBITDA as reported in operating statements (adjusted for management fees)
plus [A]x12/12

Equals Final Adjusted EBITDA

Calculation of Adjustment to EBITDA to reflect synergy implementation as at December 31, 2001

EBITDA as reported in operating statements (adjusted for management fees)
plus [A]x9/12
plus [B]x12/12

Equals Final Adjusted EBITDA

Calculation of Adjustment to EBITDA to reflect synergy implementation as at March 31, 2002

EBITDA as reported in operating statements (adjusted for management fees)
plus [A]x6/12
plus [B]x9/12
plus [C]x12/12

Equals Final Adjusted EBITDA

Calculation of Adjustment to EBITDA to reflect synergy implementation as at June 30, 2002

EBITDA as reported in operating statements (adjusted for management fees)
 plus [A]x3/12
 plus [B]x6/12
 plus [C]x9/12
 plus [D]x12/12

Equals Final Adjusted EBITDA]

	<u>Input data</u>	<u>Adjustment to EBITDA by</u> <u>Quarter</u>
September 30, 2001 [A]	\$1,000,000	\$1,000,000
December 31, 2001 [B]	\$200,000	\$950,000
March 31, 2002 [C]		\$650,000
June 30, 2002 [D]		\$350,000

Schedule 14.1(3)(b) – Assignee's Undertaking

The undersigned refer to the Second Amended and Restated Credit Agreement dated as of April 15, 2004 among Osprey Media Group Inc., as Borrower, Osprey Media Holdings Inc., as Holdco, the financial institutions from time to time party thereto, as Credit Facility Lenders (the “**Lenders**”), Canadian Imperial Bank of Commerce, as Syndication Agent, Bank of Montreal, as Documentation Agent, National Bank of Canada, as Managing Agent, and The Bank of Nova Scotia, as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). All capitalized terms used in this agreement and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

For value received, each “Assignor” and the “Assignee” named below hereby agree as follows:

1. Each Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes from each Assignor, the Rateable Portion of the Revolving Facility and the Term Facility in and to each Assignor under the Credit Agreement as specified on Appendix 1.
2. Each Assignor (a) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder, that such interest is free and clear of any lien or security interest and that it is entitled to enter into this Assignment Agreement; (b) makes no representation or warranty, other than as provided in this Assignment Agreement and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other Document; and (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any guarantor or any Material Subsidiary or the performance or observance by the Borrower, any guarantor or any Material Subsidiary of any of the obligations under the Credit Agreement or any other Document.
3. The Assignee, for the benefit of the Administrative Agent and all Lenders from time to time, including the Assignor, (a) confirms that it has received a copy of the Credit Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (b) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignors or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (c) confirms that it is a financial institution resident in Canada for the purposes of the ITA; (d) appoints and authorizes the Administrative Agent to take such action on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all of

the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. Following the execution of this Assignment Agreement, it shall immediately be delivered to the Administrative Agent for approval by the Administrative Agent and recording by the Administrative Agent or the Borrower, as provided in the Credit Agreement. The Assignee's agreement to become a Lender, as constituted by this Assignment Agreement, is irrevocable, unless the Assignee is not approved by the Administrative Agent. The Assignee shall become a Lender, and shall be bound by the obligations and entitled to the benefits in the Credit Agreement, immediately upon this Assignment Agreement being approved by the Borrower and the Administrative Agent and recorded by the Administrative Agent.
5. If Advances made by the Assignee to the Borrower is for any reason less than the Assignee's Rateable Portion of the aggregate Advances made by all Lenders under the Credit Agreement, the Assignee shall, on demand, indemnify each Assignor in respect of the principal amount of the corresponding Advances made by that Assignor in excess of the Assignor's Rateable Portion. The Advances by each Assignor in respect of which the Assignee is bound to indemnify that Assignor are set out on Appendix 2 to this Assignment Agreement. Each Assignor shall pay the Assignee indemnity fees during the period in which the Assignee is obliged to indemnify the Assignor. The fee shall be in the amount specified on Appendix 2 and shall be payable on the Additional Funding Date in respect of Advances by way of Bankers' Acceptances.
6. This Assignment Agreement shall be governed by, and construed in accordance with the laws of the Province of Ontario, Canada.
7. This Assignment Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Assignment Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment Agreement.

IN WITNESS WHEREOF, each Assignor and the Assignee have caused this Assignment Agreement to be executed by their duly authorized officers as of the dates specified below.

[First Assignor]

By: _____

Name: ●

Title: ●

Dated: _____, 200●

[Second Assignor]

By: _____

Name: ●

Title: ●

Dated: _____, 200●

[Insert signatures of other Assignors as required]

[Assignee]

By: _____

Name: ●

Title: ●

Dated: _____, 200●

Acknowledged and approved on _____, 200__

**THE BANK OF NOVA SCOTIA, as
Administrative Agent**

By: _____

Name: ●

Title: ●

OSPREY MEDIA GROUP INC.

By: _____

Name: ●

Title: ●

APPENDIX 1

TO

ASSIGNMENT AGREEMENT

Rateable Portion assigned by (first) Assignor: Revolving Facility _____

Term Facility _____

Rateable Portion retained by (first) Assignor: Revolving Facility _____

Term Facility _____

[Repeat above for further Assignors]

Total Rateable Portion assigned to Assignee by all
Assignors: _____

Payment Details, including address of Assignee for
notices: