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- AND -

BLACK PRESS LTD.

- AND -

311773 B.C. LTD.

SHARE SUBSCRIPTION AGREEMENT

DATED FEBRUARY 7, 2024

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SHARE SUBSCRIPTION AGREEMENT

THIS SHARE SUBSCRIPTION AGREEMENT dated February 7, 2024 is made by and between:

[●], a corporation incorporated under the laws of Canada

(hereinafter, the “Purchaser”)

- and -

BLACK PRESS LTD., a company existing under the laws of British Columbia

(hereinafter, “Black Press”)

- and -

311773 B.C. LTD., a company existing under the laws of British Columbia

(hereinafter, “3117”, and collectively with Black Press, the “Companies”)

RECITALS:

- A. The primary business of Black Press is print newspapers and magazines, digital news, marketing and advertising services, commercial printing, and parcel delivery operating in Canada in British Columbia, Alberta, Yukon, Nunavut, and Northwest Territories, and in the US in Washington, Alaska and Hawaii;
- B. 3117 is a Canadian real property holding company and a BP Group Member;
- C. On January 15, 2024, pursuant to the Initial Order: (i) the CCAA Petitioners obtained relief under the CCAA; and (ii) KSV Restructuring Inc. was appointed as Monitor in the CCAA Proceedings;
- D. On January 16, 2024, the CCAA Petitioners obtained recognition of the CCAA Proceedings from the US Court under Chapter 15 of the United States Bankruptcy Code;
- E. The Companies and certain of the BP Group Members commenced the CCAA Proceedings and the Chapter 15 Cases in order to, *inter alia*, seek a stay of proceedings and pursue the SISP with a view to implementing a transaction which will allow the continuation of their Business and operations, as a going concern; and
- F. The Purchaser has agreed to: (i) act as the “stalking horse bidder” in the context of the SISP and, (ii) if this Agreement is subsequently determined to be the “Successful Bid” in accordance with the SISP Procedures and the Approval and Reverse Vesting Order is granted by the Court and the RVO Recognition Order is entered by the US Court, to subscribe for and purchase from the Companies, the Subscribed Shares, on the terms and conditions set out in this Agreement, in order to become the sole shareholder of the Companies upon Closing;

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Agreement:

“**3117 Subscribed Shares**” means such number of common shares in the capital of 3117, to be advised by the Purchaser, which will be issued on Closing and which will, immediately following Closing, represent 100% of the equity interests in 3117.

“**Action**” means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

“**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to “control” another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term “controlled” shall have a similar meaning.

“**Agreement**” means this Share Subscription Agreement between the Purchaser and the Companies, as may be amended, supplemented, restated or otherwise modified in accordance with the terms hereof.

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law (“**Law**”), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“**Approval and Reverse Vesting Order**” means an order issued by the Court substantially in the form attached hereto as Exhibit “A” or otherwise acceptable to the Purchaser, the Companies and the Monitor, each acting reasonably, among other things: (i) approving the Transactions; (ii) vesting out of the BP Group Members all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Encumbrances against the BP Group Members, except only the Permitted Encumbrances; (iii) authorizing and directing each of the Companies to adopt and make effective the Notice of Alteration; (iv) terminating and cancelling all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Companies, if any (other than the rights of the Purchaser under this Agreement), for no consideration; (v) authorizing and directing the Companies to issue the Subscribed Shares, and vesting in the Purchaser (or as it may direct) all right, title and interest in

and to the Subscribed Shares, free and clear of all Encumbrances; and (vi) adding the Non-Petitioner Entities as Petitioners in the CCAA Proceedings.

“**Approvals and Consents**” has the meaning set out in Section 5.5(c).

“**Assumed Liabilities**” means (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “E” (which, for the avoidance of doubt, may be amended by the Purchaser by submitting an amended list no later than ten Business Days before the Target Closing Date, provided that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables); (b) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; (c) Cure Costs in relation to Retained Contracts; (d) Liabilities under the DIP Facility; (e) any Tax Liabilities and Transaction Taxes referred to in Section 3.1(d) and Section 3.2(d); and (f) to the extent not paid in connection with the CCAA Proceedings, any claims or charges then outstanding ranking in priority to the Notes.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**Books and Records**” means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of any of the BP Group Members, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

“**BP Group**” means the Companies, and Black Press Group Ltd., 0922015 B.C. Ltd., Central Web Offset Ltd., Sound Publishing Holding, Inc., Sound Publishing Properties, Inc., Sound Publishing, Inc., Oahu Publications, Inc., The Beacon Journal Publishing Company, WWA (BPH) Publications, Inc., San Francisco Print Media Co., Black Press Group Oregon LLC, Black Press (Barbados) Ltd., Whidbey Press (Barbados) Inc. and Black Press Delaware LLC.

“**BP Group Members**” means the entities that are members of the BP Group.

“**BP Subscribed Shares**” means such number of common shares in the capital of Black Press, to be advised by the Purchaser, which will be issued on Closing and which will, immediately following Closing, represent 100% of the equity interests in Black Press.

“**Break Fee**” has the meaning given to such term in the Support Agreement.

“**Business**” means the business and operations carried on by the BP Group as at the date of this Agreement and as at the date of Closing pertaining to print newspapers and magazines, digital news, marketing and advertising services, commercial printing, and parcel delivery operating in Canada in British Columbia, Alberta, Yukon, Nunavut, and Northwest Territories, and in the United States in Washington, Alaska and Hawaii.

“**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario or the Province of British Columbia.

“**Canadian BP Group Members**” mean, collectively, the Companies, Black Press Group Ltd., 0922015 B.C. Ltd., and Central Web Offset Ltd.

“**Canadian Cash Consideration**” means \$10.00, plus an amount sufficient to pay in full in cash all Canadian dollar denominated Encumbrances in respect of the BP Group Members ranking in priority to the Notes, other than (i) amounts owing in respect of the DIP Facility and outstanding immediately prior to Closing, (ii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.2 and 6.2(b), and (iii) such amounts which are Assumed Liabilities.

“**Canadian Excluded Assets**” means the Excluded Assets held by the Canadian BP Group Members.

“**Canadian Excluded Assets and Contracts Promissory Note**” has the meaning set out in Section 3.2(b).

“**Canadian Excluded Assets Bill of Sale**” has the meaning set out in Section 3.2(b).

“**Canadian Excluded Contracts**” means the Excluded Contracts entered into with or held by or for the benefit of a Canadian BP Group Member.

“**Canadian Excluded Contracts Assignment Agreement**” has the meaning set out in Section 3.2(b).

“**Canadian Excluded Liabilities**” means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against any of the Canadian BP Group Members or relating to any Canadian Excluded Assets and Canadian Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, (i) the non-exhaustive list of those certain Liabilities set forth in Schedule “C” – *Excluded Liabilities of the Canadian BP Group Members*, (ii) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which any of the Canadian BP Group Members may be bound as at the Closing Time, (iii) all Liabilities relating to or under the Canadian Excluded Contracts and Canadian Excluded Assets, (iv) all Liabilities for those employees of a Canadian BP Group Member who are Terminated Employees.

“**Canadian Excluded Liability Assumption Agreement**” has the meaning set out in Section 3.1(a).

“**Canadian Excluded Liability Promissory Note**” has the meaning set out in Section 3.1(a).

“**Cash Consideration**” means, collectively, the Canadian Cash Consideration and the US Cash Consideration.

“**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

“**CCAA Petitioners**” means collectively, Black Press, 3117 and those other petitioner companies listed in Exhibit “C”.

“**CCAA Proceedings**” means the proceedings commenced by the CCAA Petitioners under the CCAA.

“**Chapter 15**” means Chapter 15 of the United States Bankruptcy Code.

“**Chapter 15 Cases**” means the proceedings commenced by the CCAA Petitioners under Chapter 15.

“**Closing**” means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

“**Closing Cash Amount**” has the meaning set out in Section 7.2(h).

“**Closing Date**” means the date on which Closing occurs.

“**Closing Payments**” has the meaning set out in Section 7.2(h).

“**Closing Sequence**” has the meaning set out in Section 6.2.

“**Closing Time**” means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor’s Certificate.

“**CNL**” has the meaning given to such term in the Support Agreement.

“**Company Advisors**” has the meaning given to it in the Support Agreement.

“**Conditions Certificates**” has the meaning set out in Section 7.3.

“**Contracts**” means all written contracts, agreements, leases, understandings and arrangements to which any of the BP Group Members is a party or by which any of the BP Group Members is bound or in which any of the BP Group Members has, or will at Closing have, any rights, including any Personal Property Leases, any Real Property Leases and any Contracts in respect of Employees, in each case excluding Excluded Assets and Excluded Contracts.

“**Court**” means the Supreme Court of British Columbia.

“**Cure Costs**” means, in respect of a Retained Contract, all amounts, costs, fees and expenses required to be paid, if any, to remedy all of the Petitioners’ monetary defaults in relation to such Retained Contract as at the date of Closing, other than those arising by reason only of the Petitioners’ insolvency, the commencement of the CCAA Proceedings or the Petitioners’ failure to perform a non-monetary obligation.

“**DIP Facility**” has the meaning given to it in the Initial Order.

“**DIP Financing**” has the meaning given to it in the Support Agreement.

“**Discharged**” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

“**Employees**” means all individuals who, as of Closing Time, are employed by any of the BP Group Members, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any employees who are to be terminated pursuant to Section 7.1(h), and “**Employee**” means any one of them.

“**Encumbrances**” means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

“**Encumbrances To Be Discharged**” means all Encumbrances on the Subscribed Shares and the Retained Assets, including without limitation the Encumbrances listed in Schedule “D”, and excluding only the Permitted Encumbrances.

“**Excluded Assets**” means collectively those assets listed in each of Section 3.3 and Schedule “A”, an amended list of which (solely in respect of Schedule “A”) may be delivered by the Purchaser no later than ten Business Days before the Target Closing Date.

“**Excluded Assets and Contracts Promissory Notes**” means, collectively, the Canadian Excluded Assets and Contracts Promissory Note and the US Excluded Assets and Contracts Promissory Note.

“**Excluded Contracts**” means those contracts listed in Schedule “B”, as may be amended by the list sent pursuant to Section 7.1(k).

“**Excluded Liabilities**” means, collectively, the Canadian Excluded Liabilities and US Excluded Liabilities. For greater certainty, the Excluded Liabilities shall not include the obligations of the Companies in respect of the Closing Payments.

“**Excluded Liability Promissory Notes**” means, collectively, the Canadian Excluded Liability Promissory Note and the US Excluded Liability Promissory Note.

“**Existing Shares**” means all issued and outstanding shares of each of the Companies prior to the Closing Time.

“**Expense Reimbursement**” has the meaning given to such term in the Support Agreement.

“**Filing Date**” means January 15, 2024.

“**Governmental Authority**” means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial (including the government of British Columbia), territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

“**GST/HST**” means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada), and any provincial, territorial or foreign legislation imposing a similar value added or multi-staged tax.

“**Initial Order**” means the Initial Order of the Court dated January 15, 2024, as amended and restated on January 25, 2024 and as may be further amended, restated or varied from time to time.

“**Initial Recognition Order**” means the final recognition order of the US Court recognizing the Initial Order in the Chapter 15 Cases.

“**Interim Lender**” has the meaning given to it in the Initial Order.

“**Interim Period**” means the period from the date this Agreement is entered into by the Parties to the Closing Time.

“**Investment Canada Act**” means the *Investment Canada Act*, R.S.C., 1985, c. 28 and the regulations promulgated thereunder.

“**KERP**” has the meaning given to it in the Support Agreement.

“**Law**” has the meaning set out in the definition of “Applicable Law”.

“**Legal Proceeding**” means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave to appeal or review.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Material Adverse Effect**” means any change, event, development, occurrence, facts, condition or effect (each, an “**Effect**”) that is, or would reasonably be expected to be, individually or in the aggregate with all other Effects, materially adverse to the Business or condition (financial or otherwise), assets, liabilities, operations, earnings of the BP Group or results of the Business taken as a whole, provided that (a) an epidemic, pandemic or disease outbreak (and any public health measures enacted in response to a pandemic, including travel restrictions or lockdowns), (b) a change in general economic, business, political or market conditions, or a development in the financial, banking, credit, debt, currency, capital or securities markets in general, including changes in interest rates; or (c) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the BP Group Members with any third party, including any customers, employees, shareholders, financing sources, vendors, licensors, licensees, distributors, partners or suppliers as a direct result of the announcement of this Agreement, shall not qualify as a Material Adverse Effect.

“**Monitor**” means KSV Restructuring Inc. in its capacity as court-appointed monitor in the CCAA Proceedings, and shall include, as the context so requires, KSV Restructuring Inc., in its capacity as monitor or trustee in bankruptcy of Residual Cos to the extent subsequently appointed as such.

“**Monitor Advisors**” has the meaning given to it in the Support Agreement.

“**Monitor’s Certificate**” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Reverse Vesting Order, to be delivered by the Monitor to the Companies and the Purchaser in accordance with Section 7.3, and thereafter filed by the Monitor with the Court.

“**Non-Petitioner Entities**” means collectively, Black Press (Barbados) Ltd., Whidbey Press (Barbados) Inc. Black Press Delaware LLC and Black Press Group Oregon LLC.

“**Note Indenture**” means the trust indenture between, inter alios, Black Press Group Ltd., as issuer, and Computershare Trust Company of Canada, as trustee (the “**Note Trustee**”), dated as of March 29, 2019

(as amended, modified, supplemented, extended, renewed, restated or replaced from time to time prior to the date hereof).

“**Noteholder Advisors**” has the meaning given to it in the Support Agreement.

“**Noteholders**” has the meaning given to such term in the Support Agreement.

“**Notes**” means the 12.0% First Lien Notes issued pursuant to the Note Indenture.

“**Notes Consideration**” has the meaning given to such term in Section 2.1(a).

“**Notice of Alteration**” means a Notice of Alteration in respect of amendments to the articles (a) of Black Press, to change the conditions in respect of Black Press’s authorized and issued share capital to provide for a redemption right in favour of Black Press, to create a new class or classes of common shares and to make such other changes as may be requested by the Purchaser; and (b) of 3117, to change the conditions in respect of 3117’s authorized and issued share capital to provide for a redemption right in favour of 3117, to create a new class or classes of common shares and to make such other changes as may be requested by the Purchaser, in each case which shall be in a form and substance satisfactory to the Purchaser, as confirmed in writing in advance of the filing thereof.

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“**Organizational Documents**” means any trust document, charter, certificate, memorandum or articles of incorporation or amalgamation, Notice of Articles, Notice of Alteration, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“**Outside Date**” means March 15, 2024, or such other date as the Purchaser and the Companies (with the consent of the Monitor and the Interim Lender) may agree to in writing.

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and “**Parties**” means more than one of them.

“**Permits and Licenses**” means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business or issued to, granted to, conferred upon, or otherwise created for, the Companies or any other BP Group Members.

“**Permitted Encumbrances**” means the Encumbrances related to the Retained Assets listed in Schedule “F”, an amended list of which may be agreed to by the Purchaser, the Companies and Monitor prior to the granting of the Approval and Reverse Vesting Order.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“**Personal Property**” means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

“Personal Property Lease” means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any of the BP Group Members is a party or under which it has rights to use Personal Property.

“Purchase and Sale Transactions” means the transactions contemplated by this Agreement which provide for, among other things, (a) the issuance by the Companies of the Subscribed Shares to the Purchaser in consideration for the Subscription Price, and (b) the assignment by the BP Group Members to Residual Cos of the Excluded Liabilities, Excluded Assets, if any, and Excluded Contracts in consideration for the Excluded Liability Promissory Notes and the Excluded Assets and Contracts Promissory Notes.

“Real Property Lease” means a lease and other similar agreement relating to real property that is Related to the Business to which any of the BP Group Members is a party or under which it has rights to use real property.

“Related to the Business” means primarily (i) used in; (ii) arising from; or (iii) otherwise related to the Business or any part thereof.

“Representative” when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“Residual Co. (Canada)” means a corporation to be incorporated under the laws of Canada or a province thereof in advance of Closing, to which the Canadian Excluded Assets, Canadian Excluded Liabilities and Canadian Excluded Contracts will be transferred as part of the Closing Sequence, which shall have no issued and outstanding shares.

“Residual Co. (US)” means a corporation to be incorporated under the laws of Delaware in advance of Closing, to which the US Excluded Assets, US Excluded Liabilities and US Excluded Contracts will be transferred as part of the Closing Sequence, which shall have no issued and outstanding shares.

“Residual Cos” means, together, Residual Co. (Canada) and Residual Co. (US).

“Retained Assets” has the meaning set out in Section 3.2.

“Retained Contracts” means those Contracts listed in Schedule “G”.

“RVO Recognition Order” means a provisional order of the US Court recognizing the Approval and Reverse Vesting Order in the Chapter 15 Cases.

“SISP” means the Sale and Investment Solicitation Process to be conducted by the Petitioners with the assistance and under the oversight of the Monitor in the context of the CCAA Proceedings in accordance with the SISP Procedures.

“SISP Order” means the order issued by the Court on January 25, 2024, approving, among other things, the SISP and the SISP Procedures and authorizing the BP Group Members to negotiate and finalize this Agreement as the “stalking horse bid”.

“SISP Procedures” means the procedures governing the SISP as outlined in the SISP Order.

“SISP Recognition Order” means a final recognition order of the US Court recognizing the SISP Order in the Chapter 15 Cases.

“**Statement of Trade Payables**” means a statement from the Companies, certified by an officer of each of the Companies and acceptable to the Monitor, setting out (a) a list of vendors that have provided goods and/or services to the Companies in the ordinary course of business from and after the Filing Date but have not been paid for such goods and services as at the Closing Time, and (b) the corresponding amounts owing to each such vendor.

“**Subscribed Shares**” means, collectively, the BP Subscribed Shares and the 3117 Subscribed Shares.

“**Subscription Price**” has the meaning set out in Section 2.1.

“**Support Agreement**” means the amended and restated support agreement dated January 22, 2024, between the Companies, the Noteholders and CNL.

“**Target Closing Date**” means March 15, 2024, or such other date as the Companies (with the consent of the Monitor and the Interim Lender) and the Purchaser may agree to in writing.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tax Returns**” means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“**Taxes**” or “**Tax**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes or premiums, pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminated Employees**” means those individuals employed by the BP Group Members whose employment will be terminated prior to Closing, as listed in a terminated employee list to be sent by the Purchaser to the Companies no later than ten Business Days before the Target Closing Date.

“**Transaction Taxes**” means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including GST/HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax arising from, or relating to, or in respect of the consummation of the Transactions.

“**Transactions**” means all of the transactions contemplated by this Agreement, including the Purchase and Sale Transactions.

“**US BP Group Members**” means, collectively, Sound Publishing Holding, Inc., Sound Publishing Properties, Inc., Sound Publishing, Inc., Oahu Publications, Inc., The Beacon Journal Publishing

Company, WWA (BPH) Publications, Inc., San Francisco Print Media Co., Black Press Group Oregon LLC and Black Press Delaware LLC.

“US Cash Consideration” means USD\$10.00, plus an amount sufficient to pay in full in cash all United States dollar denominated Encumbrances in respect of the BP Group Members ranking in priority to the Notes, other than (i) amounts owing in respect of the DIP Facility and outstanding immediately prior to Closing, (ii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.2 and 6.2(b), and (iii) such amounts which are Assumed Liabilities.

“US Court” means the United States Bankruptcy Court for the District of Delaware.

“US Excluded Assets” means the Excluded Assets held by the US BP Group Members.

“US Excluded Assets and Contracts Promissory Note” has the meaning set out in Section 3.2(c).

“US Excluded Assets Bill of Sale” has the meaning set out in Section 3.2(c).

“US Excluded Contracts” means the Excluded Contracts entered into with or held by or for the benefit of a US BP Group Member.

“US Excluded Contracts Assignment Agreement” has the meaning set out in Section 3.2(c).

“US Excluded Liabilities” means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against any of the US BP Group Members or relating to any US Excluded Assets and US Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, (i) the non-exhaustive list of those certain Liabilities set forth in Schedule “C” – *Excluded Liabilities of the US BP Group Members*, (ii) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which any of the US BP Group Members may be bound as at the Closing Time, (iii) all Liabilities relating to or under the US Excluded Contracts and US Excluded Assets, (iv) all Liabilities for those employees of a US BP Group Member who are Terminated Employees.

“US Excluded Liability Assumption Agreement” has the meaning set out in Section 3.1(b).

“US Excluded Liability Promissory Note” has the meaning set out in Section 3.1(b).

“Wind-Up Reserve” has the meaning given to it in the Support Agreement.

1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Pacific time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Pacific time on the next succeeding Business Day.

1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmation from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in

accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.6 Exhibits and Schedules

- (a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

EXHIBITS

- Exhibit “A” - Form of Approval and Reverse Vesting Order
- Exhibit “B” - SISP Order
- Exhibit “C” - CCAA Petitioners

SCHEDULES

- Schedule “A” - Excluded Assets
- Schedule “B” - Excluded Contracts
- Schedule “C” - Excluded Liabilities
- Schedule “D” - Encumbrances To Be Discharged
- Schedule “E” - Assumed Liabilities
- Schedule “F” - Permitted Encumbrances
- Schedule “G” - Retained Contracts

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2

SUBSCRIPTION FOR SUBSCRIBED SHARES AND RELATED MATTERS

2.1 Subscription Price

The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the “**Subscription Price**”):

- (a) Credit Bid: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall subscribe for and purchase (i) the BP Subscribed Shares in exchange for the transfer and assignment to Black Press of \$3,000,000 aggregate principal amount of Notes plus accrued interest thereon as of the Closing Date, plus any other fees and expenses owing by Black Press Group Ltd. which are not paid under the Closing Sequence, under the Note Indenture or any other ancillary agreement or document thereto and (ii) the 3117 Subscribed Shares in exchange for the transfer and assignment to 3117 of \$3,000,000 aggregate principal amount of Notes plus accrued interest thereon as of the

Closing Date, plus any other fees and expenses owing by Black Press Group Ltd. which are not paid under the Closing Sequence, under the Note Indenture or any other ancillary agreement or document thereto, in each case which shall be treated as credited against (in satisfaction of that amount of) the Subscription Price and which the Purchaser shall cause the release thereof at Closing in favour of Black Press Group Ltd. (collectively, the “**Notes Consideration**”).¹

- (b) Cash Consideration: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall pay an amount equal to the Cash Consideration to the Monitor, on behalf of the Companies, by one or more wire transfers of immediately available funds to an account designated by the Monitor. The Cash Consideration will be subsequently transferred to Residual Cos pursuant to the Approval and Reverse Vesting Order in full and final payment and satisfaction of the Excluded Assets and Contracts Promissory Notes and the Excluded Liability Promissory Notes, on the Closing Date and in accordance with the Closing Sequence; and
- (c) Assumption of Assumed Liabilities: On the Closing Date and in accordance with the Closing Sequence, the BP Group Members shall retain the Assumed Liabilities. For greater certainty: (i) the DIP Facility shall, be retained, assumed, and shall continue, as an ongoing Liability against the Companies, following Closing; and, (ii) all Assumed Liabilities, including, but not limited to, the Statement of Trade Payables amounts, will be assumed and retained by the Companies and paid on the later of (a) Closing, and (b) when such Assumed Liabilities become due and owing in accordance with their current payment terms and conditions, absent any acceleration that may be asserted to be caused by or associated with the BP Group Members’ insolvency or the CCAA Proceedings.

2.2 Payment of the Closing Payments

On the Closing Date, the Companies shall satisfy, in accordance with the Closing Sequence and Section 7.2(h), the Closing Payments from the Closing Cash Amount such that all the Closing Payments shall be satisfied in full concurrently with the Closing.

ARTICLE 3 EXCLUDED ASSETS AND EXCLUDED LIABILITIES

3.1 Transfer of Excluded Liabilities to Residual Cos.

- (a) On the Closing Date and in accordance with the Closing Sequence, the Canadian Excluded Liabilities shall be assumed by Residual Co. (Canada) and the Companies shall issue to Residual Co. (Canada) an interest-free promissory note (the “**Canadian Excluded Liability Promissory Note**”) in the amount equal to \$5 in consideration for Residual Co. (Canada) assuming the Canadian Excluded Liabilities. The Canadian Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser, the Companies and the Monitor (the “**Canadian Excluded Liability Assumption Agreement**”).

¹ Allocation of Notes Consideration between the BP Subscribed Shares and the 3117 Subscribed Shares remains subject to change based on tax analysis.

- (b) On the Closing Date and in accordance with the Closing Sequence, the US Excluded Liabilities shall be assumed by Residual Co. (US) and the Companies shall issue to Residual Co. (US) an interest-free promissory note (the “**US Excluded Liability Promissory Note**”) in the amount equal to USD\$5 in consideration for Residual Co. (US) assuming the US Excluded Liabilities. The US Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser, the Companies and the Monitor (the “**US Excluded Liability Assumption Agreement**”).
- (c) Notwithstanding any other provision of this Agreement, neither the Purchaser nor any of the BP Group Members shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the BP Group Members and their assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order.
- (d) For greater certainty, the BP Group Members shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, of the BP Group Members arising in connection with the assignment of the Excluded Liabilities to Residual Cos and the assumption by Residual Cos of same.

3.2 **Transfer of Excluded Assets and Excluded Contracts to Residual Cos.**

- (a) The BP Group Members shall retain all of the assets owned by them on the date of this Agreement and any assets acquired by them up to and including Closing, including their respective Contracts, Permits and Licenses and Books and Records (the “**Retained Assets**”), except for inventory sold in the ordinary course of business in the Interim Period and the Excluded Assets, if any, Excluded Contracts, and any Contracts disclaimed by any of the BP Group Members with the consent of the Purchaser.
- (b) On the Closing Date and in accordance with the Closing Sequence, the Companies shall transfer or cause to be transferred the Canadian Excluded Assets, if any, and Canadian Excluded Contracts to Residual Co. (Canada), in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co. (Canada) pursuant to the Approval and Reverse Vesting Order by a bill of sale (the “**Canadian Excluded Assets Bill of Sale**”) and assignment of contracts (the “**Canadian Excluded Contracts Assignment Agreement**”), in form and substance satisfactory to the Purchaser, the Companies and the Monitor, all in consideration of an interest-free promissory note (the “**Canadian Excluded Assets and Contracts Promissory Note**”) in the amount equal to \$5.
- (c) On the Closing Date and in accordance with the Closing Sequence, the Companies shall transfer or cause to be transferred the US Excluded Assets, if any, and US Excluded Contracts to Residual Co. (US), in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co. (US) pursuant to the Approval and Reverse Vesting Order by a bill of sale (the “**US Excluded Assets Bill of Sale**”) and assignment of contracts (the “**US Excluded Contracts Assignment Agreement**”), in form and substance satisfactory to the Purchaser, the Companies and the Monitor, all in consideration of an interest-free promissory note (the “**US Excluded Assets and Contracts Promissory Note**”) in the amount equal to USD\$5.

- (d) For greater certainty, the BP Group Members shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, of the BP Group Members arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to Residual Cos.

3.3 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, as of the Closing, the assets of the Companies shall not include any of the assets listed on Schedule "A" nor any of the following assets:

- (a) the Cash Consideration;
- (b) the Closing Cash Amount, which for the avoidance of doubt, shall be paid in accordance with Sections 2.2 and 6.2(b), and shall not be transferred to the Residual Cos pursuant to Section 3.2;
- (c) all written information or records that are solely related to any Excluded Asset or any Excluded Liability; provided, however that the BP Group Members shall retain such items and provide copies thereof to the Residual Cos as soon as reasonably practicable after Residual Cos request for same;
- (d) the Excluded Contracts; and
- (e) any rights which accrue to the Residual Cos under this Agreement and the other documents required to be delivered pursuant to this Agreement or the Support Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties as to the Companies

Subject to the issuance of the Approval and Reverse Vesting Order, the Companies represent and warrant to the Purchaser as follows and acknowledge and agree that the Purchaser is relying upon such representations and warranties in connection with the subscription by the Purchaser of the Subscribed Shares:

- (a) Incorporation and Status. Each of the BP Group Members is a corporation incorporated or limited liability company organized, as applicable, and existing under the laws of its jurisdiction of incorporation or formation, is in good standing under such laws and, with respect to the Companies, has the power and authority to enter into, deliver and perform its obligations under this Agreement subject only to SISP Order and the Approval and Reverse Vesting Order.
- (b) Corporate Authorization. The execution, delivery and performance by each of the Companies of this Agreement has been authorized by all necessary corporate actions on the part of the Companies.
- (c) No Conflict. The execution, delivery and performance by each of the Companies of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or

conflict with, or allow any other Person to exercise any rights under, any terms or provisions of its Organizational Documents.

- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by each of the Companies and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms.
- (e) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the BP Group Members of any of the Subscribed Shares or the Retained Assets.
- (f) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (g) Proceedings. There are no Legal Proceedings pending against any of the BP Group Members or, to the knowledge of the Companies, threatened, with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance of all or any part of the Subscribed Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Companies from fulfilling any of their obligations set forth in this Agreement.
- (h) Authorized and Issued Capital. The authorized capital of Black Press consists of 8,065 Class "C" shares, 1,935 Class "B" shares and 10,000 common shares, of which all are issued and outstanding. The authorized capital of 3117 consists of 25,000,000 common shares, 100,000 Class "A" preferred shares, 500,000 Class "B" preferred shares and 500,000 Class "C" preferred shares, of which 12,400 common shares, 100 Class "A" preferred shares and 42,773 Class "B" preferred shares are issued and outstanding. Except for the foregoing issued and outstanding shares, there are no other issued and outstanding common shares or other securities of either of the Companies, nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of either of the Companies.
- (i) Tax. To the Companies' knowledge: (i) all Taxes shown as due and owing on the Tax Returns and any related notices of assessment for each of the Companies for all Tax periods ending on or prior to the Closing Date have been duly and timely paid; and (ii) each of the Companies has withheld and has duly and timely remitted, or shall duly and timely remit, to the appropriate Governmental Authority all Taxes required by law to be withheld or deducted.

4.2 Representations and Warranties as to the Purchaser

The Purchaser represents and warrants to and in favour of the Companies as follows and acknowledges and agrees that the Companies are relying upon such representations and warranties in connection with the issuance by the Companies of the Subscribed Shares.

- (a) Incorporation and Status. The Purchaser is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.
- (e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (f) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Subscription Price to the Companies; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (g) Investment Canada Act. The Purchaser is not a "non-Canadian" within the meaning of the Investment Canada Act.
- (h) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder, the purchase of the Subscribed Shares hereunder.

4.3 As is, Where is

The Subscribed Shares shall be issued, sold and delivered to the Purchaser subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to the either the Subscribed Shares or the Retained Assets (including title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, with respect to same). For greater certainty, the Retained Assets shall be retained by the BP Group Members in the context of the Transactions on an "as is where is" basis.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Reverse Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by the Companies or any other Party on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Companies in order to make an independent analysis of same.

**ARTICLE 5
COVENANTS**

5.1 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on the Target Closing Date.

5.2 Application for Approval and Reverse Vesting Order and Petition for US Recognition Order

As soon as practicable after the execution of this Agreement, the Companies shall following the conduct of the SISP and if this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures, serve and file (i) an application seeking the issuance of the Approval and Reverse Vesting Order with the Court and (ii) if the Approval and Reverse Vesting Order is approved by the Court, a motion seeking the entry of the RVO Recognition Order by the US Court.

The Companies shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and the RVO Recognition Order (if this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures) and the Purchaser shall cooperate with the Companies in their efforts to obtain the issuance and entry of such orders. If this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures, the Companies’ (i) application and application materials seeking the Approval and Reverse Vesting Order and (ii) motion and motion materials seeking the RVO Recognition Order, in each case, shall be in form and substance satisfactory to the Purchaser, acting reasonably. The Companies will provide to the Purchaser a reasonable opportunity to review a draft of the application and application materials and motion and motion materials, as applicable to be served and filed with the Court and the US Court, it being acknowledged that such application and application materials should be served as promptly as reasonably possible following the determination that this Agreement is the “Successful Bid” in accordance with the SISP Procedures, and will serve such materials on the service list prepared by the Companies and reviewed by the Monitor, and on such other interested parties, and in such manner, as the Purchaser may reasonably require. The Companies will promptly inform counsel for the Purchaser of any and all threatened or actual objections to the application for the issuance of the Approval and Reverse Vesting Order or RVO Recognition Order, as applicable, of which they become aware, and will promptly provide to the Purchaser a copy of all written objections received. However, and notwithstanding the foregoing, the Companies will have no obligation to provide the Purchaser with any application materials or draft application materials for the issuance of the Approval and Reverse Vesting Order or the RVO Recognition Order if this Agreement is not determined to be the “Successful Bid” pursuant to the SISP Procedures.

5.3 Interim Period

- (a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order and the RVO Recognition Order); (ii) as necessary in connection with the CCAA Proceedings or Chapter 15 Cases; (iii) as otherwise provided in the Initial Order and any other Court Orders, prior to the Closing Time; or (iv) as consented to by the Purchaser and Companies, such consent not to be unreasonably withheld, conditioned or delayed: (A) each of the Companies shall, and shall cause each of the other BP Group Members to, continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement including preserving, renewing and keeping in full force its corporate existence as well as its Permits and Licenses and Contracts; and (B) other than the Excluded Assets and inventory sold in the ordinary course, the Companies shall not, and the Companies shall not permit the BP Group Members to, transport, remove or dispose of, any of their assets out of their current locations.
- (b) During the Interim Period, and subject to the terms of the SISP and the SISP Order, except as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order and the RVO Recognition Order), neither the Companies nor any of the other BP Group Members shall enter into any non-arms' length transactions involving the BP Group Members or its assets or the Business without the prior approval of the Purchaser.
- (c) During the Interim Period, the Purchaser shall furnish to the Companies such information concerning the Purchaser as shall be reasonably requested, including all such information as shall be necessary to enable the Companies to verify that the representations and warranties and covenants of the Purchaser contained in this Agreement have been complied with.

5.4 Access During Interim Period

During the Interim Period, the Companies shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) subject to the ongoing reasonable oversight and participation of the Companies and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and, solely in the event this Agreement is declared the "Successful Bid" in accordance with the SISP Procedures, the customers and contractual counterparties of the BP Group Members. Such investigations shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the BP Group Members, and the Companies shall, and shall cause the other BP Group Members, to co-operate reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

5.5 Regulatory Approvals and Consents

If this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures:

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.5.
- (c) The Parties shall cause their respective affiliates to, promptly give each other and the Monitor reasonable advance notice of all information, documents and data as may be requested, required or ordered to be provided to Governmental Authorities pursuant to statutory or non-statutory requests for information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section 5.5.

5.6 Insurance Matters

During the Interim Period, the Companies shall keep, and shall cause the other BP Group Members to keep, in full force and effect all of their applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the BP Group Members in the ordinary course of business.

5.7 Books and Records

The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and shall permit the Monitor to take copies of such Books and Records as they may reasonably require.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

6.2 Closing Sequence

On the Closing Date, Closing shall take place in the following sequence (the “Closing Sequence”):

- (a) First, the Purchaser shall pay the Notes Consideration and the Cash Consideration to be held in escrow by the Monitor, on behalf of the Companies, to be released in accordance with this Closing Sequence;
- (b) Second, the Companies shall pay from the Closing Cash Amount the amounts necessary to satisfy each of the Closing Payments;
- (c) Third, the Companies shall: (i) transfer or cause to be transferred to and cause Residual Co. (Canada) to assume the Canadian Excluded Assets and the Canadian Excluded Contracts pursuant to the Approval and Reverse Vesting Order, the Canadian Excluded Assets Bill of Sale and the Canadian Excluded Contracts Assignment Agreement, (ii) issue the Canadian Excluded Assets and Contracts Promissory Note to Residual Co. (Canada), (iii) transfer to and cause Residual Co. (Canada) to assume the Canadian Excluded Liabilities pursuant to the Approval and Reverse Vesting Order and the Canadian Excluded Liabilities Assumption Agreement, and (iv) issue the Canadian Excluded Liability Promissory Note to Residual Co. (Canada);
- (d) Fourth, the Companies shall: (i) transfer or cause to be transferred to and cause Residual Co. (US) to assume the US Excluded Assets and the US Excluded Contracts pursuant to the Approval and Reverse Vesting Order, the US Excluded Assets Bill of Sale and the US Excluded Contracts Assignment Agreement, (ii) issue the US Excluded Assets and Contracts Promissory Note to Residual Co. (US), (iii) transfer to and cause Residual Co. (US) to assume the US Excluded Liabilities pursuant to the Approval and Reverse Vesting Order and the US Excluded Liabilities Assumption Agreement, and (iv) issue the US Excluded Liability Promissory Note to Residual Co. (US);
- (e) Fifth, the Companies shall file the Notice of Alteration, and all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Companies shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;
- (f) Sixth, the Companies shall issue the Subscribed Shares and the Purchaser shall subscribe for and purchase the Subscribed Shares, and the Notes Consideration and the Cash Consideration shall be released from escrow for the benefit of the Companies, but shall continue to be held by the Monitor, in escrow on the Companies’ behalf and in accordance with Section 6.2(g); and
- (g) Seventh, the Companies shall satisfy all amounts and Liabilities owing under the Excluded Assets and Contracts Promissory Notes and the Excluded Liability Promissory Notes using the Cash Consideration, and irrevocably direct the Monitor to cause such payment to be made from the Cash Consideration held by the Monitor, although such amount shall continue to be held by the Monitor on behalf of, respectively, Residual Co. (Canada) and Residual Co. (US), at which point both the Excluded Liability Promissory

Notes and the Excluded Assets and Contracts Promissory Notes shall be irrevocably and indefeasibly satisfied, in full, and terminated.

6.3 The Companies' Closing Deliveries

At or before the Closing (as applicable), the Companies shall deliver or cause to be delivered to the Purchaser the following:

- (a) the Excluded Liability Promissory Notes and the Excluded Assets and Contracts Promissory Notes;
- (b) a copy of the Canadian Excluded Liability Assumption Agreement, signed by the Companies and Residual Co. (Canada);
- (c) a copy of the US Excluded Liability Assumption Agreement, signed by the Companies and Residual Co. (US);
- (d) a copy of the Canadian Excluded Assets Bill of Sale, signed by the Companies and Residual Co. (Canada);
- (e) a copy of the US Excluded Assets Bill of Sale, signed by the Companies and Residual Co. (US);
- (f) a copy of the Canadian Excluded Contracts Assignment Agreement, signed by the Companies and Residual Co. (Canada);
- (g) a copy of the US Excluded Contracts Assignment Agreement, signed by the Companies and Residual Co. (US);
- (h) a copy of the Approval and Reverse Vesting Order, and a copy of the RVO Recognition Order;
- (i) share certificates representing the Subscribed Shares registered in the name of the Purchaser;
- (j) the Statement of Trade Payables, reviewed by the Monitor;
- (k) a certificate of status, compliance, good standing or like certificate with respect to the Companies issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction;
- (l) a certificate dated as of the Closing Date and executed by an executive officer of each of the Companies confirming and certifying that each the conditions in Sections 7.1(d), 7.1(e), 7.1(f) and 7.1(g) have been satisfied;
- (m) an irrevocable mutual release between Residual Cos, on the one hand, and the BP Group Members, on the other hand, releasing such respective parties and each of their respective directors, officers, employees, agents, representatives, legal and financial advisors from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims, of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present, or future, direct or indirect, whether known or unknown, except

any covenants and obligations hereunder which survive Closing, in a form and substance acceptable to the Purchaser, the Companies, and the Monitor, acting reasonably; and

- (n) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions (including the Purchase and Sale Transactions and the Closing Sequence) provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.4 The Purchaser's Closing Deliveries

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Companies (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each the conditions in Sections 7.2(c), 7.2(d), 7.2(e) and 7.2(f) have been satisfied;
- (c) an assignment agreement executed by the Noteholders assigning the Noteholders' beneficial interest in the Notes to the Purchaser;
- (d) the Notes Consideration, in accordance with Section 6.2(a);
- (e) the Cash Consideration, in accordance with Section 6.2(a); and
- (f) such other agreements, documents and instruments as may be reasonably required by the Companies to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 The Purchaser's Conditions

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 7.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided that if the Purchaser does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Companies shall take, and cause the BP Group Members to take, all such commercially reasonable actions, steps and proceedings as are reasonably within their control to ensure that the conditions listed below in this Section 7.1 are fulfilled at or before the Closing Time.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.

VERSION FOR POSTING

- (b) Court Approval. The following conditions have been met: (i) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; (ii) the Initial Recognition Order, the SISP Recognition Order and the RVO Recognition Order shall have been entered by the US Court; (iii) the Initial Order, the Initial Recognition Order, the SISP Order, the SISP Recognition Order, the Approval and Reverse Vesting Order and the RVO Recognition Order shall not have been vacated, set aside or stayed; and (iv) at least two clear Business Days have elapsed since the Approval and Reverse Vesting Order was issued by the Court.
- (c) The Companies' Deliverables. The Companies shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.3.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) the effect of modifying or amending the Approval and Reverse Vesting Order without the consent of the Purchaser.
- (e) No Material Adverse Effect. During the Interim Period, there shall have been no Material Adverse Effect.
- (f) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (g) No Breach of Covenants. The Companies shall have performed in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Companies on or before the Closing.
- (h) The Terminated Employees. The Companies shall have terminated the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Reverse Vesting Order.
- (i) Residual Cos. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to Residual Cos or Discharged; and (ii) the BP Group Members, their businesses and properties shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities, if any); such that, from and after Closing the businesses and properties of the BP Group Members shall exclude the Excluded Assets and the Excluded Contracts, and shall not be subject to any Excluded Liabilities.

- (j) CCAA Proceedings. Upon Closing, the CCAA Proceedings and the Chapter 15 Cases will have been terminated in respect of the BP Group Members, their businesses and properties, as set out in the Approval and Reverse Vesting Order and the RVO Recognition Order.
- (k) Disclaim Contracts. The Companies shall have sent notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts to disclaim as sent by the Purchaser to the Companies and which shall be delivered by the Purchaser no later than 20 days before the Target Closing Date.
- (l) Support Agreement. The conditions in favour of the Noteholders and CNL in the Support Agreement shall have been satisfied or waived and the Support Agreement shall not have been terminated by the Noteholders or CNL and shall remain in effect.
- (m) DIP Financing. The DIP Financing shall not have been terminated by the Interim Lender and shall remain in effect.

7.2 The Companies' Conditions

The Companies shall not be obligated to complete the Transactions contemplated by this Agreement unless each of the conditions listed below in this Section 7.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Companies, and may be waived by the Companies in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Companies only if made in writing, provided that if the Companies do not waive a condition(s) and complete the Closing, such condition(s) shall be deemed to have been waived by the Companies. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 7.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; (ii) the Initial Recognition Order, the SISP Recognition Order and the RVO Recognition Order shall have been issued by the US Court; (iii) the Initial Order, the Initial Recognition Order, the SISP Order, the SISP Recognition Order, the Approval and Reverse Vesting Order and the RVO Recognition Order shall not have been vacated, set aside or stayed; (iv) at least two clear Business Days have elapsed since the Approval and Reverse Vesting Order was issued by the Court.
- (c) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Companies at the Closing all the documents and payments contemplated in Section 6.4.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.

- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (g) Support Agreement. The conditions in favour of the Companies in the Support Agreement shall have been satisfied or waived and the Support Agreement shall not have been terminated by the Companies and shall remain in effect.
- (h) Closing Cash Amount. On the Closing Date, prior to Closing, the Companies shall have cash in an amount sufficient to satisfy the following payments in full on Closing (the “**Closing Cash Amount**”) and such payments shall have been made on or before the Closing:
 - (i) the reasonable and documented outstanding fees and expenses up to and including Closing of each of the Company Advisors, the Monitor and the Monitor Advisors;
 - (ii) the reasonable and documented outstanding fees and expenses up to and including Closing of the Noteholder Advisors;
 - (iii) the Wind-Up Reserve payable to the Monitor in accordance with the Support Agreement;
 - (iv) the outstanding brokerage fees of Dirk, Van Essen and April; and
 - (v) all amounts owing under the KERP (collectively, (i) through (v), the “**Closing Payments**”).

7.3 Monitor’s Certificate

When the conditions to Closing set out in Section 7.1 and Section 7.2 have been satisfied and/or waived by the Companies or the Purchaser, as applicable, the Companies, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the “**Conditions Certificates**”). Upon receipt of the Conditions Certificates, the Monitor shall: (i) issue forthwith its Monitor’s Certificate concurrently to the Companies and the Purchaser, at which time the Closing Sequence will be deemed to have commenced and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor’s Certificate with the Court (and shall provide a true copy of such filed certificate to the Companies and the Purchaser). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

**ARTICLE 8
TERMINATION**

8.1 Grounds for Termination

- (a) Subject to Section 8.1(b), this Agreement may be terminated on or prior to the Closing Date:
 - (i) by the mutual agreement of the Companies and the Purchaser;
 - (ii) by the Purchaser, on the one hand, or the Companies (with the consent of the Monitor), on the other hand, if: (A) the Court declines at any time to grant the Approval and Reverse Vesting Order, or (B) the US Court declines at any time to grant the RVO Recognition Order; provided that the reason for the Approval and Reverse Vesting Order or the RVO Recognition Order not being approved by the Court or the US Court, respectively, is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
 - (iii) by the Purchaser, on the one hand, or the Companies (with the consent of the Monitor), on the other hand, if this Agreement is determined not to be the “Successful Bid”, as defined in and in accordance with the SISP Procedures; provided, however, that the Companies shall pay to the Purchaser the Break Fee and the Expense Reimbursement in accordance with the terms of the Support Agreement;
 - (iv) by the Purchaser, on the one hand, or the Companies (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 5:00 p.m. (Pacific time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
 - (v) by the Companies (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser, of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Companies or cured by the Purchaser within five (5) Business Days of the Companies providing notice to the Purchaser of such breach, unless either of the Companies is itself in material breach of its own obligations under this Agreement at such time; or
 - (vi) by the Purchaser, if there has been a material violation or breach by the Companies of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Companies within five (5) Business Days of the Purchaser providing notice to the Companies of such breach, unless the Purchaser is itself in material breach of its own obligations under this Agreement at such time.

- (b) Prior to the Companies agreeing to or electing to any termination pursuant to this Section 8.1, the Companies shall first obtain the consent of the Monitor and Interim Lender; provided, however, Interim Lender consent shall not be required where the Companies agree or elect to terminate this Agreement pursuant to Section 8.1(a)(iii) or Section 8.1(a)(v).
- (c) The Party desiring to terminate this Agreement pursuant to this Section 8.1 (other than pursuant to Section 8.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, and the Monitor specifying in reasonable detail the basis for such Party's exercise of its termination rights.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1:

- (a) all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 8.1(a)(iii) (*Break Fee and Expense Reimbursement*), 8.2(b) (*Effect of Termination*), 9.4 (*Public Announcements*), 9.5 (*Notices*), 9.9 (*Waiver and Amendment*), 9.12 (*Governing Law*), 9.13 (*Dispute Resolution*), 9.14 (*Attornment*), 9.15 (*Successors and Assigns*), 9.16 (*Assignment*), 9.17 (*No Liability*), and 9.18 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination; and
- (b) if, prior to the termination, the Notes Consideration or Cash Consideration has been paid to the Monitor pursuant to Section 6.2(a), the Parties shall jointly instruct the Monitor in writing to return the Notes Consideration and the Cash Consideration to the Purchaser.

ARTICLE 9 GENERAL

9.1 Tax Returns.

The Purchaser shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Companies for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Companies to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. The Purchaser will use best efforts to provide drafts of all Tax Returns required to be prepared by the Purchaser to the Residual Cos and the Monitor in advance of their filing with the relevant Governmental Authority. The Purchaser, the Residual Cos and the Monitor shall, subject only to Applicable Law, cooperate in considering any amendments to such Tax Returns as the Residual Cos or the Monitor may request.

9.2 Survival.

All representations, warranties, covenants and agreements of the Companies or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

9.3 Expenses.

The Companies shall be responsible for all reasonable and documented out-of-pocket costs, expenses, and disbursements of the Purchaser (including all reasonable and documented fees, expenses and disbursements of the Purchaser's outside counsel) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement, the SISP, the Transactions or the enforcement of any and all of its rights and remedies available thereunder. The Companies shall be responsible for their own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

9.4 Public Announcements.

The Companies shall be entitled to disclose this Agreement to the Court and the US Court and parties in interest in the CCAA Proceedings and Chapter 15 Cases, other than any information which the Purchaser advises the Companies in writing as being confidential (in which case, the Petitioners will apply for a sealing Order in respect of such information), and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings and on PACER. Other than as provided in the preceding sentence or statements made in Court or the US Court (or in pleadings filed therein), the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties.

9.5 Notices.

- (a) Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Companies:

Black Press Ltd.
15288 54A Avenue, Surrey
BC V3S 6T4

Attention: Glenn Rogers, CEO
E-mail: glenn.rogers@blackpress.ca

with a copy to (which shall not constitute notice):

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Attention: Ryan Jacobs
E-mail: rjacobs@cassels.com

Attention: Joseph Bellissimo
Email: jbellino@cassels.com

Attention: Jeremy Bornstein
Email: jbornstein@cassels.com

with a copy to the Monitor:

KSV Restructuring Inc.
220 Bay St. Suite 1300, Toronto
ON M5J 2W4

Attention: Noah Goldstein
E-mail: ngoldstein@ksvadvisory.com

Attention: Jason Knight
E-mail: jknight@ksvadvisory.com

If to the Purchaser:

c/o Bennett Jones LLP
100 King Street West
1 First Canadian Place
Suite 3400, P.O. Box 50
Toronto ON M5X 1B8

Attention: Mark Rasile
E-mail: rasilem@bennettjones.com

Attention: Mike Shakra
E-mail: shakram@bennettjones.com

- (b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Pacific time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.
- (c) Change of Address. Any Party may from time to time change its address under this Section 9.5 by notice to the other Parties given in the manner provided by this Section 9.5.

9.6 Time of Essence.

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

9.7 Further Assurances.

The Companies and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

9.8 Entire Agreement.

This Agreement, the Support Agreement and the agreements and other documents required to be delivered pursuant to this Agreement or the Support Agreement, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement or the Support Agreement and any document required to be delivered pursuant to this Agreement or the Support Agreement.

9.9 Waiver and Amendment.

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Companies and Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

9.10 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

9.11 Remedies Cumulative.

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

9.12 Governing Law.

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

9.13 Dispute Resolution.

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 8, such dispute

shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

9.14 Attornment.

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.14. Each Party agrees that service of process on such Party as provided in this Section 9.14 shall be deemed effective service of process on such Party.

9.15 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

9.16 Assignment.

Each of the Companies shall not be permitted to assign any of its rights or delegate any of its obligations under this Agreement, without the prior written consent of the Purchaser. Prior to the issuance of the Approval and Reverse Vesting Order, the Purchaser shall be entitled and permitted to assign any or all or any portion of its rights, interests, and obligations under this Agreement to any Affiliate of the Purchaser, so long as the Companies and the Monitor have confirmed in writing that they are satisfied, in their sole discretion that such Affiliate assignee has the ability to perform all of the Purchaser's rights, duties, and obligations hereunder. Any purported assignment or delegation in violation of this Section 9.16 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

9.17 No Liability.

The Purchaser and the Companies acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Companies in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Notes Consideration and the Cash Consideration or the filing of the Monitor's Certificate) or any portion thereof, whether in its capacity as Monitor, in its personal capacity or otherwise; save and except for any claim or liability arising out of gross negligence or willful misconduct on the part of the Monitor or such Monitor's Affiliates. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Companies and the Purchaser with respect to the holding or disposition of any portion of the Notes Consideration or the Cash Consideration or any other obligation of the Monitor hereunder in respect of the Notes Consideration or the Cash Consideration, or if at any time the Monitor is unable to determine the proper disposition of any portion of the Notes Consideration or the Cash Consideration or its proper actions with respect to its obligations hereunder in respect of the Notes Consideration or the Cash Consideration, then the Monitor may: (i) make an application to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Notes Consideration or the Cash Consideration or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court or (ii) hold the

Notes Consideration or the Cash Consideration or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Companies and the Purchaser directing the Monitor to disburse the Notes Consideration or the Cash Consideration or any portion thereof in the manner provided for in such direction, or (b) the Monitor receives an order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse the Notes Consideration or the Cash Consideration in the manner provided for in the order.

9.18 Third Party Beneficiaries.

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section 9.17), and (ii) Residual Cos as relates to all rights, covenants, obligations and benefits in favour of the Companies under this Agreement that survive Closing and are transferred to Residual Cos as an Excluded Asset, or Excluded Contract at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.19 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Remainder of page intentionally left blank. Signature page follows.]

VERSION FOR POSTING

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

BLACK PRESS LTD.

By: _____
Name: Glenn Rogers
Title: Chief Executive Officer

311773 B.C. LTD.

By: _____
Name: Glenn Rogers
Title: Chief Executive Officer

[PURCHASER]

By: _____
Name: Todd H. Carpenter
Title: President

By: _____
Name: Joe Morin
Title: Portfolio Manager

EXHIBIT "A"

FORM OF APPROVAL AND REVERSE VESTING ORDER

[To be updated.]

EXHIBIT "B"

SISP ORDER

Attached.

EXHIBIT “C”

CCAA PETITIONERS

- Black Press
- 3117
- Black Press Group Ltd.
- 0922015 B.C. Ltd.
- Central Web Offset Ltd.
- Sound Publishing Holding, Inc.
- Sound Publishing Properties, Inc.
- Sound Publishing, Inc.
- Oahu Publications, Inc.
- The Beacon Journal Publishing Company
- WWA (BPH) Publications Inc.
- San Francisco Print Media Co.

SCHEDULE "A"
EXCLUDED ASSETS

[To be updated.]

SCHEDULE "B"
EXCLUDED CONTRACTS

[To be updated.]

SCHEDULE "C"
EXCLUDED LIABILITIES

Excluded Liabilities of the Canadian BP Group Members:

[To be updated.]

Excluded Liabilities of the US BP Group Members:

[To be updated.]

SCHEDULE "D"

ENCUMBRANCES TO BE DISCHARGED

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars

[To be updated.]

SCHEDULE "E"
ASSUMED LIABILITIES

All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).

All mortgages registered on title to the real property owned by any of the BP Group Members.

[To be updated.]

SCHEDULE "F"

PERMITTED ENCUMBRANCES

[To be updated.]

SCHEDULE "G"
RETAINED CONTRACTS

[To be updated.]