

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM
JUSTICE PEPALL

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MONDAY, THE 17th DAY
OF MAY, 2010



IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND
CANWEST (CANADA) INC.

**CONDITIONAL CREDIT ACQUISITION SANCTION,
APPROVAL AND VESTING ORDER**

THIS MOTION, made by Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc. and Canwest (Canada) Inc. (collectively, the "**Applicants**") for an Order approving and conditionally sanctioning the plan of compromise and arrangement dated January 8, 2010 and attached as Schedule "A" to this Order (the "**Plan**") and for ancillary relief associated with the implementation of the Plan, was heard this day, at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the seventh report of FTI Consulting Canada Inc. (the "**Monitor**") dated May 11, 2010 (the "**Seventh Report**"), and upon hearing submissions of counsel to the Applicants and Canwest Limited Partnership / Canwest Societe en Commandite ("**Canwest Limited Partnership**"), the Monitor, The Bank of Nova Scotia in its capacity as Administrative Agent for the Senior Lenders to Canwest Limited Partnership (the "**Administrative Agent**"), the ad hoc committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership (the "**Ad Hoc Committee**"), 7535538 Canada Inc., the court-appointed representatives of certain employees and former employees of the LP Entities and others:

DEFINITIONS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Plan and/or the initial order (the “**Initial Order**”) made by this Court under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) dated January 8, 2010.

SERVICE AND MEETING

2. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service and notice of the Plan to all Senior Lenders.

3. **THIS COURT ORDERS** that there has been good and sufficient service of the Meeting Materials upon all Senior Lenders, and that the Senior Lenders Meeting was duly called, held and conducted in conformity with the CCAA and the Initial Order.

4. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service and notice of this Sanction Hearing, and that this motion is properly returnable today and further service of the Notice of Motion and the Motion Record upon any interested party is unnecessary and is hereby dispensed with.

PLAN SANCTION

5. **THIS COURT ORDERS AND DECLARES** that:

- (a) the Plan has been approved by the requisite majority of Senior Lenders of the Applicants and Canwest Limited Partnership (collectively, the “**LP Entities**”) entitled to vote on the Plan in conformity with the CCAA and the terms of the Initial Order;

- (b) the LP Entities have acted in good faith and with due diligence and have complied and acted in accordance with the provisions of the CCAA and the Orders of this Honourable Court made in these proceedings in all respects;
- (c) this Honourable Court is satisfied that the LP Entities have not done or purported to do anything that is not authorized by the CCAA; and
- (d) the Plan and the transactions contemplated thereby are fair and reasonable and are in the best interests of the Senior Lenders and do not unfairly prejudice the interests of any Person.

6. **THIS COURT ORDERS** that the making of this Order in no way limits or lessens or otherwise affects the power of the Court to sanction other plans of arrangement between one or more of the LP Entities and any of their creditors other than the Senior Secured Lenders, including without limitation the CCAA Plan of Arrangement contemplated by the AHC Transaction.

7. **THIS COURT ORDERS** that notwithstanding the making of this Order, any other terms of this Order or of the Plan, and even if all conditions precedent to the effectiveness of the Plan are satisfied or waived, the Plan and the assignment of Contracts and the vesting of assets and claims provided for hereby shall not be effective until and unless the Monitor delivers to counsel for the Administrative Agent, the LP Entities, 7535538 Canada Inc. and the Ad Hoc Committee in accordance with this Order a certificate (the "**Monitor's Credit Bid Sanction Certificate**") in the form attached hereto as Schedule "B". The Monitor shall promptly thereafter file with this Court a copy of the Monitor's Credit Bid Sanction Certificate.

8. **THIS COURT ORDERS** that the Monitor will not deliver the Monitor's Credit Bid Sanction Certificate if the AHC Transaction closes on or before July 29, 2010 and the Administrative Agent receives, or escrow arrangements satisfactory to the Administrative Agent have been made to ensure that it receives on closing, from or on behalf of the LP Entities in immediately available funds an amount sufficient to distribute to the Senior Lenders in indefeasible repayment in full of all amounts owing under the Senior Credit Agreement, Hedging

Agreements and the Collateral Agency Agreement. Subject to paragraph 9 below, the Monitor's Credit Bid Sanction Certificate will not be delivered prior to July 29, 2010.

9. **THIS COURT ORDERS** that, notwithstanding paragraph 8 above, if prior to July 29, 2010, the Monitor determines in its reasonable business judgement that there is no reasonable chance that the AHC Transaction can close, the Monitor may apply to Court on four (4) business days notice for authority to deliver the Monitor's Credit Bid Sanction Certificate prior to July 29, 2010.

10. **THIS COURT ORDERS** that, subject to paragraph 9 above, if the AHC Transaction does not close on or before July 29, 2010, the Monitor is hereby authorized and directed to apply to the Court on July 30, 2010 for advice and direction as to whether it should deliver the Monitor's Credit Bid Sanction Certificate or withhold delivery of the Monitor's Credit Bid Sanction Certificate for such further period of time as directed by the Court.

11. **THIS COURT ORDERS** that, subject to paragraph 7 above, the Plan (including, without limitation, the Credit Acquisition, compromises, arrangements and releases set out therein) is hereby sanctioned and approved as of the date hereof pursuant to Section 6 of the CCAA and that upon delivery of the Monitor's Certificate pursuant to paragraph 14 below and the delivery of the Monitor's Credit Bid Sanction Certificate, the Plan shall be implemented, shall be effective and shall enure to the benefit of and be binding upon the LP Entities and the Senior Lenders, including their respective heirs administrators, executors, legal personal representatives, successors, and assigns but will not affect Unaffected Claims.

12. **THIS COURT ORDERS** that if the AHC Transaction has closed on or before July 29, 2010 (or such later date as is ordered by the Court) in accordance with the Order Approving the AHC Transaction and Amending the Claims Procedure Order and the SISP Procedures made on the date of this Order, then this Order shall be of no force or effect.

APPROVAL AND VESTING

13. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 7 above, the Acquisition and Assumption Agreement substantially in the form attached as Schedule "1.1(8)" to the Plan (the "**Acquisition Agreement**") and the transaction contemplated thereby (the "**Transactions**") are hereby approved. Upon the delivery of the Monitor's Credit Bid Sanction Certificate, the execution of the Acquisition Agreement by Doug Lamb or Kevin Bent on behalf the LP Entities will be authorized and approved without any requirement of further actions by shareholders, directors or officers of the LP Entities, and the LP Entities and the Monitor will be authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Acquired Assets to 7272049 Canada Inc. ("**Acquireco**") in accordance with the Plan and the Acquisition Agreement.

14. **THIS COURT ORDERS** that, subject to paragraph 7 hereof, upon being provided with evidence satisfactory to the Monitor of the satisfaction (or, where applicable, waiver) of the conditions set out in section 8.2 of the Plan, the Monitor shall deliver to the Administrative Agent and the LP Entities and promptly thereafter file with this Court a certificate stating that all conditions precedent set out in section 8.2 of the Plan have been satisfied (or, where applicable, waived by the LP Entities and/or the Administrative Agent in accordance with the terms of the Plan) (the "**Monitor's Certificate**"), and the date of the delivery of such certificate to the Administrative Agent and the LP Entities shall be the date upon which the Plan shall be and be deemed to have been implemented (the "**Credit Acquisition Plan Implementation Date**").

15. **THIS COURT ORDERS** that upon the filing of a Monitor's Certificate, the following shall take place, in the order in which they appear below and in accordance with the Plan:

- (a) all right, title and interest in and to the Canwest Books Assets shall vest absolutely in CPI free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have

attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement (collectively, the “**Canwest Books Encumbrances**”) and, for greater certainty, this Court orders that Canwest Books Encumbrances affecting or relating to the Canwest Books Assets are hereby expunged and discharged as against the Canwest Books Assets;

- (b) all right, title and interest in and to the Canwest GP Assets shall vest absolutely in CPI free and clear of any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement (collectively, the “**Canwest GP Encumbrances**”) and, for greater certainty, this Court orders that Canwest GP Encumbrances affecting or relating to the Canwest GP Assets are hereby expunged and discharged as against the Canwest GP Assets;
- (c) all right, title and interest in and to the CLP Assets shall vest absolutely in CPI free and clear of any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or

monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement (collectively, the “**CLP Encumbrances**”) and, for greater certainty, this Court orders that CLP Encumbrances affecting or relating to the CLP Assets are hereby expunged and discharged as against the CLP Assets;

- (d) the right, title and interest in and to the Senior Secured Claims (for greater certainty, net of amounts paid to the Senior Lenders under the terms of the Acquisition Agreement (defined herein) and the Plan on or before the Credit Acquisition Plan Implementation Date that would reduce the outstanding Senior Secured Claims) shall vest absolutely in Acquireco free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute (collectively, “**Senior Claim Encumbrances**”) and, for greater certainty, this Court orders that Senior Claim Encumbrances affecting or relating to the Senior Secured Claims are hereby expunged and discharged as against the Senior Secured Claims; and
- (e) all of the right, title and interest of any Person in and to the Acquired Assets described in the Acquisition Agreement shall vest absolutely in Acquireco, (including without limitation any amounts in the Cash Reserve Account that are

not used by the Monitor in accordance with the Cash Reserve Order to pay Cash Reserve Costs), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Encumbrances**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of the Honourable Justice Pepall dated January 8, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other applicable federal or other provincial statute, but not including Prior Ranking Secured Claims expressly assumed by Acquireco pursuant to the terms of the Acquisition Agreement and real property permitted encumbrances as set out in Schedule D and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Acquired Assets are hereby expunged and discharged as against the Acquired Assets.

16. **THIS COURT ORDERS** that in accordance with the Plan, the Acquireco Equity and the Acquireco Debt to be distributed in respect of each Senior Lender’s Senior Secured Claim (the “**Acquireco Debt/Equity**”) shall stand in place and stead of such Senior Secured Claim and all Senior Claim Encumbrances on or against such Senior Secured Claim shall attach to and may be asserted against the Acquireco Debt/Equity with the same priority as they had immediately prior to the implementation of the Plan, as if such Senior Secured Claim had not been transferred to Acquireco and had remained the property of such Senior Lenders immediately prior to the implementation of the Plan.

17. **THIS COURT ORDERS** that, without limiting the other provisions in this Order, on the Credit Acquisition Implementation Date, the license of the LP Entities to use the “Canwest” name and trademarks under a Trademarks License Agreement dated October 13, 2005 (the “**License**”) shall be assigned to Acquireco and, following that assignment, Canwest Global Communications Corp. shall not be entitled to exercise any right of termination of the License unless the termination is to take effect after February 28, 2011.

REAL PROPERTY

Ontario

18. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Toronto (No. 66) (the “**Toronto Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Toronto Property (as defined in Schedule C), the Land Registrar for the Toronto Land Registry Office is hereby directed to enter Acquireco as the owner of the Toronto Property in fee simple, and is hereby directed to delete and expunge from title to the Toronto Property all of the real property encumbrances relating to the Toronto Property, including but not limited to, the real property encumbrances listed in Schedule D, subject only to the real property permitted encumbrances relating to the Toronto Property listed in Schedule E.

19. **THIS COURT ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) (the “**Ottawa Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Ottawa Property (as defined in Schedule B), the Land Registrar for the Ottawa Land Registry Office is hereby directed to enter Acquireco as the owner of the Ottawa Property in fee simple, and is hereby directed to delete and expunge from title to the Ottawa Property all of the real property encumbrances relating to the Ottawa Property, including but not limited to, the real property encumbrances listed in Schedule D, subject only to the real property permitted encumbrances relating to the Ottawa Property listed in Schedule E.

20. **THIS COURT ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Essex (No. 12) (the “**Windsor Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Windsor Properties (as defined in Schedule C), the Land Registrar for the Windsor Land Registry Office is hereby directed to enter Acquireco as the owner of the Windsor Properties in fee simple, and is hereby directed to delete and expunge from

title to the Windsor Properties all of the real property encumbrances relating to the Windsor Properties, including but not limited to, the real property encumbrances listed in Schedule D, subject only to the real property permitted encumbrances relating to the Windsor Properties listed in Schedule E.

Alberta

21. **THIS COURT ORDERS** that, upon presentation for registration in either of the North Alberta Land Titles Office or the South Alberta Land Titles Office (collectively, the "**Alberta LTO**"), as the case may be, a certified copy of this Order and an Affidavit of Value as prescribed by the *Land Titles Act* (Alberta), the Alberta LTO be and is hereby authorized and directed to cancel the existing certificates of title to the Alberta Properties as defined in Schedule C and to issue new certificates of title for those Alberta Properties in the name of Acquireco. The Alberta LTO be and is hereby directed to delete and expunge from such new titles to the Alberta Properties all of the real property encumbrances relating to the Alberta Properties, including but not limited to the real property encumbrances listed on Schedule D, subject only to the real property permitted encumbrances relating to the Alberta Property listed in Schedule E being carried forward to the new Alberta Property titles.

22. **THIS COURT ORDERS** that the cancellation of titles and issuance of new titles and discharge of instruments as set out in paragraph 21 shall be registered notwithstanding the requirements of Section 191(1) of the *Land Titles Act* (Alberta).

British Columbia

23. **THIS COURT ORDERS** that, for greater certainty, those lands and premises defined in Schedule C hereto as the BC Properties (the "**BC Properties**") be sold to Acquireco, and that the BC Properties, together with all buildings, fixtures, systems, interests, licences, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, do vest in Acquireco in fee simple, free from all encumbrances, subject nevertheless to the reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown, and subject to

the real property permitted encumbrances relating to the BC Properties listed in Schedule E hereto, upon the filing of the Monitor's Certificate.

24. **THIS COURT ORDERS** that the BC Properties do vest in Acquireco as set out herein, and that all of the encumbrances registered against the titles to the BC Properties, including but not limited to the real property encumbrances relating to the BC Properties and listed in Schedule E hereto, but subject to the real property permitted encumbrances relating to the BC Properties listed in Schedule E hereto, be discharged immediately upon the registration in the appropriate Land Title Offices of a certified copy of the Order made upon this Motion, together with a letter from Bull, Housser & Tupper LLP, permitting registration of the Order made upon this Motion.

Saskatchewan

25. **THIS COURT ORDERS** that, pursuant to the Acquisition Agreement, upon payment of the required registration fee, the Registrar of Titles of the Saskatchewan Land Titles Registry is hereby authorized and directed pursuant to Section 109 of *The Land Titles Act, 2000* S.S. 2000, c. L-5.1 and Section 6.5 of *The Land Titles Conversion Facilitation Regulations, c. L-5.1, Reg. 2* to cancel the existing titles to the Saskatchewan Properties identified in Schedule C and the new titles to such Saskatchewan Properties shall be issued in the name of Acquireco, free and clear of all real property encumbrances related to the Saskatchewan Properties listed in Schedule D, subject only to the real property permitted encumbrances related to the Saskatchewan Properties listed in Schedule E.

Quebec

26. **THIS COURT ORDERS AND DIRECTS**, in order to give effect to this Order prior to closing of the Transactions, CPI and Acquireco to enter into a deed of transfer with respect to the Quebec Property (as defined in Schedule C), upon the same terms and conditions substantially as those set forth in the draft deed of transfer attached hereto as Schedule F (the "**Deed of Transfer**"), which Deed of Transfer shall be effective upon the delivery of the Monitor's Certificate to Acquireco.

27. **THIS COURT ORDERS AND DIRECTS**, in order to give effect to this Order prior to closing of the Transaction, CIBC Mellon Trust Company to execute a deed of mainlevée with respect to the real property encumbrances listed in Schedule D relating to only the Quebec Property, subject only to the real property permitted encumbrances related to the Quebec Property listed in Schedule E (the “**Deed of Mainlevée**”), which Deed of Mainlevée shall be effective only upon the delivery of the Monitor’s Certificate to Acquireco.

28. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the parties to the Acquisition Agreement are authorized and permitted to disclose and transfer to Acquireco all human resources and payroll information in the LP Entities' records pertaining to the LP Entities' past and current employees. The recipient of such information shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the applicable party to the Acquisition Agreement.

29. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the LP Entities or any of the Senior Lenders (herein collectively the “**Vesting Entities**”) and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of any of the Vesting Entities;
- (i) the entering into of the Acquisition Agreement; (ii) the vesting of rights, titles and interests as set out in paragraph 15 above and (iii) the assignment of the Contracts (as defined below) pursuant to this Order, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Vesting Entities and shall not be void or voidable by creditors of any of the Vesting Entities, nor shall any of them constitute nor be deemed to be a settlement, fraudulent

preference, assignment, fraudulent conveyance or transfer at undervalue under the *Bankruptcy and Insolvency Act* (Canada), the CCAA or any other applicable federal or provincial legislation, nor shall any of them constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

30. **THIS COURT ORDERS AND DECLARES** that the Plan, the Credit Acquisition and the other transactions contemplated thereby are exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent or applicable legislation under any other province or territory in Canada.

PLAN IMPLEMENTATION

31. **THIS COURT ORDERS** that upon delivery of the Monitor's Credit Bid Sanction Certificate, the LP Entities, Acquireco, the Administrative Agent, the Collateral Agent (as defined below) and the Monitor shall be authorized and directed to take all steps and actions and execute such additional documents (and with respect to the LP Entities Doug Lamb or Kevin Bent shall be authorized and directed to execute such additional documents on behalf of the LP Entities) as may be necessary or appropriate (as determined by each party in consultation with the other parties) to implement the Plan, the Credit Acquisition and the Transactions in accordance with and subject to their terms and such steps and actions are hereby approved.

SENIOR SECURED CLAIMS

32. **THIS COURT ORDERS** that, without limiting the Initial Order, for the purposes of the Plan the Principal amount of the Senior Secured Claims shall be determined in accordance with the claims process set out at paragraph 68 of the Initial Order. To the extent that any Senior Lender (the "**Claimant**") asserts a claim in respect of Other Amounts that arose after the Filing Date but prior to the date of this Order (a "**Post-Filing Other Amounts Claim**"):

- (a) such Claimant shall within ten (10) Business Days from the making of this Order, send to the Monitor (with a copy to the LP Entities and the Administrative Agent) a notice (the "**Claim Notice**") setting out the amount of its Post-Filing Other

Amounts Claim in the form attached hereto as Schedule "G". If no such notice is received by the Monitor from the Claimant within ten (10) Business Days of the making of this Order, the Claimant's Post-Filing Other Amounts Claim shall be and is hereby for the purposes of the Plan extinguished and forever barred;

- (b) if the Monitor, with the consent of the Administrative Agent acting in consultation with the Steering Committee, confirms the Post-Filing Other Amounts Claim set out in the Claim Notice or if the Monitor, with the consent of the Administrative Agent acting in consultation with the Steering Committee, does not deliver a Notice of Dispute, indicating that the Monitor disputes the Post-Filing Other Amounts Claim within five (5) Business Days of receipt of the Claim Notice, then the amount set out in the Claim Notice shall be deemed to be finally determined ("**Finally Determined**") and accepted for the purpose of calculating the Claimant's entitlement to distributions under the Senior Lenders CCAA Plan;
- (c) if the Monitor delivers a Notice of Dispute in accordance with subparagraph (b) above, then the Monitor, the Administrative Agent and the particular Senior Lender shall have five (5) Business Days from the date of delivery of the Notice of Dispute to reach an agreement in writing as to the Post-Filing Other Amounts Claim that is subject to the Notice of Dispute, in which case such agreement shall govern and the Post-Filing Other Amounts Claim shall be deemed to be Finally Determined in accordance with the agreement;
- (d) if a Notice of Dispute is unable to be resolved in the manner and within the time period set out in subparagraph (c) above, then the Claim of such Claimant shall for the purposes of the Plan be determined by the Court on a motion for advice and directions brought by the Monitor (the "**Dispute Motion**") on notice to the Administrative Agent and all other interested parties. The Monitor and the Claimant shall each use reasonable efforts to have the Dispute Motion, and any appeals therefrom, disposed of on an expedited basis with a view to having the Post-Filing Other Amounts Claim of the Claimant Finally Determined on a timely basis.

If there are any Senior Secured Claims (including for greater certainty, for Principal or Other Amounts) or any portion thereof that have not been Finally Determined pursuant to the terms of the Initial Order or this Order (an “**Unresolved Senior Claim**”), as of the Credit Acquisition Plan Implementation Date, the Monitor shall establish a Unresolved Senior Claims Reserve. The Unresolved Senior Claims Reserve shall be comprised of Acquireco Debt, Acquireco Equity and cash reserved out of the LP Entity Cash and Cash Equivalents. The aggregate value of the Acquireco Debt and Acquireco Equity to be included in the Unresolved Senior Claims Reserve shall be equal to the value of Acquireco Debt and Acquireco Equity that would have been distributed in respect of the Unresolved Senior Claims if the full amounts of such Unresolved Senior Claims were Proven Senior Secured Claims on the Credit Acquisition Plan Implementation Date. The aggregate amount of the cash to be included in the Unresolved Senior Claims Reserve shall be equal to the amount of all Unpaid Interest on Unresolved Senior Claims as of the Credit Acquisition Plan Implementation Date that would have been paid to the Senior Lenders holding such Unresolved Senior Claims if the full amounts of such Unresolved Senior Claims were Proven Senior Secured Claims on the Credit Acquisition Plan Implementation Date.

33. **THIS COURT ORDERS** that provided that the Monitor receives from the LP Entities and Acquireco, respectively, the cash and Acquireco Debt and Acquireco Equity required for the Monitor to establish the Unresolved Senior Claims Reserve in accordance with the Plan, not later than fifteen days (or such later date as may be specified by Order of the Court) following the Final Determination Date, the Monitor shall distribute from the Unresolved Senior Claims Reserve:

- (a) to the Persons entitled in accordance with the Plan and the Acquireco Capitalization Term Sheet, Acquireco Debt and Acquireco Equity in respect of any Senior Secured Claims that were Unresolved Senior Claims on the Credit Acquisition Plan Implementation Date and that subsequently became Proven Senior Secured Claims, together with any interest, dividends, distributions or other payments actually received by the Monitor on account or in respect thereof;
- (b) following the distribution referred to in subparagraph (a) above, any balance of Acquireco Debt and Acquireco Equity that forms part of the Unresolved Senior

Claims Reserve shall be distributed to the Persons entitled in accordance with the Plan and the Acquireco Capitalization Term Sheet such that all Acquireco Debt and Acquireco Equity shall have been distributed in accordance with the Plan and the Acquireco Capitalization Term Sheet and any interest, distributions or other payments actually received by the Monitor on account or in respect of the Acquireco Debt and Acquireco Equity referred to in this subparagraph (b) shall be distributed to the Persons receiving the applicable Acquireco Debt or Acquireco Equity pursuant to this subparagraph (b),

- (c) to the Persons entitled in accordance with the Plan and the Acquireco Capitalization Term Sheet, cash in an amount equal to the aggregate amount of all Unpaid Interest on Senior Secured Claims that were Unresolved Senior Claims on the Credit Acquisition Plan Implementation Date that subsequently became Proven Senior Secured Claims, together with any interest actually received by the Monitor on account or in respect thereof, and following this distribution, any balance of cash that forms part of the Unresolved Senior Claims Reserve together with any interest actually received by the Monitor on account or in respect thereof shall be paid to Acquireco.

For the purposes of calculating the various distributions to be made pursuant to this paragraph 33, each Senior Lender's Pro Rata Share shall be calculated as if (i) the Senior Secured Claims that became Proven Senior Secured Claims after the Credit Acquisition Plan Implementation Date were Proven Senior Secured Claims and not Unresolved Senior Claims on the Credit Acquisition Plan Implementation Date, (ii) the Unresolved Amount was zero as of the Credit Acquisition Plan Implementation Date, and (iii) Unpaid Interest on Senior Secured Claims that became Proven Senior Secured Claims after the Credit Acquisition Plan Implementation Date was paid on the Credit Acquisition Plan Implementation Date.

EFFECT OF PLAN IMPLEMENTATION

34. **THIS COURT ORDERS** that, effective on the Credit Acquisition Plan Implementation Date each Senior Secured Claim shall be dealt with in accordance with the Plan and the ability of

the holder of a Senior Secured Claim (other than Acquireco) to proceed against the LP Entities or the LP Property (including any amounts now or hereafter held by the Monitor in respect of the LP Entities) in respect of a Senior Secured Claim and all suits, actions, proceedings or other enforcement processes by the holder of a Senior Secured Claim (other than Acquireco) with respect to, in connection with or relating to such Senior Secured Claims are permanently stayed and restrained, subject only to the right of the holder of such a Senior Secured Claim to receive distributions in accordance with the Plan.

35. **THIS COURT ORDERS AND DECLARES** that, effective on the Credit Acquisition Plan Implementation Date, all Senior Secured Claims determined in accordance with the Plan, the Initial Order and this Order are final and binding on the LP Entities, the Monitor and all Senior Lenders and that, as of the Credit Acquisition Plan Implementation Date, the Plan shall enure to the benefit of and be binding upon the Senior Lenders and all other Persons affected thereby and their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

36. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Credit Bid Sanction Certificate and except as provided in the terms of the Plan and subject to the restrictions in Section 11.3 of the CCAA, the LP Entities will be authorized and directed to assign all contracts, leases, agreements and other arrangements of which Acquireco takes an assignment on closing pursuant to the terms of the Acquisition Agreement (the "**Contracts**") and that, subject to Section 11.3 of the CCAA and the giving of notice to the counterparties of such Contracts in accordance with paragraph 47 below, such assignments are hereby approved and are valid and binding upon the counterparties notwithstanding any restriction or prohibition on assignment contained in such Contract.

37. **THIS COURT ORDERS** that from and after the Credit Acquisition Plan Implementation Date, subject to the CCAA, all Persons shall be deemed to have waived all defaults then existing or previously committed by the LP Entities under, or caused by the LP Entities under, and the non-compliance by the LP Entities with, any of the Contracts arising solely by reason of the insolvency of the LP Entities or as a result of any actions taken pursuant to the Plan or in these proceedings, and all notices of default and demands given in connection

with any such defaults under, or non-compliance with, the Contracts shall be deemed to have been rescinded and shall be of no further force or effect.

ROLE OF THE MONITOR

38. **THIS COURT ORDERS** that, notwithstanding any other terms of this Order or of the Plan, the appointment of the Monitor pursuant to the terms of prior Orders made by this Honourable Court shall not expire or terminate on the Credit Acquisition Plan Implementation Date and shall continue for purposes of the following:

- (a) the completion by the Monitor of all of its duties in connection with the Plan; and
- (b) the completion by the Monitor of all other matters for which it is responsible in these proceedings and pursuant to the Plan, the Initial Order and the CCAA.

39. **THIS COURT ORDERS** that all claims of any Person, whether such claims are direct, indirect, derivative or otherwise, against the Monitor arising from or relating to the services provided by the Monitor in respect of the LP Entities prior to the date of this Order, save and except claims of gross negligence or wilful misconduct, shall be and are hereby forever barred from enforcement and are extinguished.

40. **THIS COURT ORDERS** that the Monitor shall be discharged of its duties and obligations with respect to the LP Entities pursuant to the Plan, this Order and all other Orders made in these proceedings with respect to the LP Entities from time to time upon the filing with this Honourable Court of a certificate of the Monitor certifying that the matters set out in paragraph 38 above are completed to the best of the Monitor's knowledge.

CHARGES

41. **THIS COURT ORDERS** that, on the Credit Acquisition Plan Implementation Date following the making of the Cash Reserve Order and the establishment of the Cash Reserve in

accordance with the Plan, all charges against the LP Entities or the LP Property created by the Initial Order or any subsequent Orders shall be terminated, discharged and released.

42. **THIS COURT ORDERS AND DECLARES** that, notwithstanding any of the terms of the Plan or this Order, the LP Entities shall not be released or discharged from its obligations to pay the fees and expenses of the Monitor, the Monitor's counsel or the LP Entities' counsel in respect of the Plan and the implementation thereof, which obligations shall be in addition to any such obligations under the Plan.

RELEASES, EXCULPATION AND LIMITATION OF LIABILITY

43. **THIS COURT ORDERS** that on the Credit Acquisition Plan Implementation Date, the LP Entities shall be deemed to have released each of the Senior Lenders, each individual, corporation or other entity that was at any time a Senior Lender, each member and former member of the Steering Committee or any other committee of holders of Senior Secured Claims, the Administrative Agent, the DIP Lenders, Acquireco and the Collateral Agent, and their respective agents, affiliates, directors, officers, employees, and representatives, including counsel and its financial advisor (collectively, the "**Indemnitees**") and the Monitor, from any and all claims, obligations, rights, causes of action, and liabilities, of whatever kind or nature, whether based on contract, negligence or other tort, fiduciary duty, common law, equity, statute or otherwise, whether known or unknown, whether foreseen or unforeseen, arising on or before the Credit Acquisition Implementation Date (other than any claims, obligations, rights, causes of action, and liabilities arising from fraud as determined by a final judgment of a court of competent jurisdiction) which such LP Entities may have for, upon or by reason of any matter, cause or thing whatsoever, which are based upon, arise under or are related to the Senior Credit Agreement, Hedging Agreements, Collateral Agency Agreement or Senior Secured Claims.

44. **THIS COURT ORDERS** that on the Credit Acquisition Plan Implementation Date the Senior Lenders shall be deemed to have released the Monitor and the present and former officers and directors of the LP Entities from any and all claims, obligations, rights, causes of action, and liabilities, of whatever kind or nature, whether known or unknown, whether foreseen or unforeseen, arising on or before the Credit Acquisition Plan Implementation Date, which such

Senior Lenders may have for, upon or by reason of any matter, cause or thing whatsoever, which are based upon, arise under or are related to the Senior Credit Agreement, Hedging Agreements, Collateral Agency Agreement or Senior Secured Claims, provided that nothing herein will release any of the present or former officers or directors of the LP Entities in respect of any claim, obligations right, cause of action, or liability referred to in section 5.1(2) of the CCAA.

45. **THIS COURT ORDERS** that none of the LP Entities, the Monitor, the Administrative Agent, the Senior Lenders, Acquireco, any individual, corporation or other entity that was at any time formerly a Senior Lender, the Steering Committee or any other committee of holders of Senior Secured Claims, the DIP Lenders, Collateral Agent, or any of their respective present or former members, officers, directors, employees, direct or indirect advisors, attorneys, or agents, shall have or incur any liability to any holder of a Senior Secured Claim, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the LP Entities' CCAA proceedings initiated by the Initial Order, formulating, negotiating or implementing the Plan or the Support Agreement, the solicitation of acceptances of the Plan or the Support Agreement, the pursuit of confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their wilful misconduct, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

46. **THIS COURT ORDERS** that the LP Entities hereby jointly and severally fully indemnify each of the Indemnitees against any manner of actions, causes of action, suits, proceedings, liabilities and claims of any nature, costs and expenses (including reasonable legal fees) which may be incurred by such Indemnitee or asserted against such Indemnitee arising out of or during the course of, or otherwise in connection with or in any way related to, the negotiation, preparation, formulation, solicitation, dissemination, implementation, confirmation and consummation of the Plan, other than any liabilities to the extent arising from the gross negligence or willful or intentional misconduct of any Indemnitee or any breach by Acquireco of the terms of the Acquisition Agreement as determined by a final judgment of a court of

competent jurisdiction. If any claim, action or proceeding is brought or asserted against an Indemnitee in respect of which indemnity may be sought from any of the LP Entities, the Indemnitee shall promptly notify the LP Entities in writing, and the LP Entities may assume the defence thereof, including the employment of counsel reasonably satisfactory to the Indemnitee, and the payment of all costs and expenses. The Indemnitee shall have the right to employ separate counsel in any such claim, action or proceeding and to consult with the LP Entities in the defence thereof and the fees and expenses of such counsel shall be at the expense of the LP Entities unless and until the LP Entities shall have assumed the defence of such claim, action or proceeding. If the named parties to any such claim, action or proceeding (including any impleaded parties) include both the Indemnitee and any of the LP Entities, and the Indemnitee reasonably believes that the joint representation of such entity and the Indemnitee may result in a conflict of interest, the Indemnitee may notify the LP Entities in writing that it elects to employ separate counsel at the expense of the LP Entities, and the LP Entities shall not have the right to assume the defence of such action or proceeding on behalf of the Indemnitee. In addition, the LP Entities shall not affect any settlement or release from liability in connection with any matter for which the Indemnitee would have the right to indemnification from the LP Entities, unless such settlement contains a full and unconditional release of the Indemnitee, or a release of the Indemnitee satisfactory in form and substance to the Indemnitee.

COMPLETION OF SCHEDULES AND AMENDMENT OF ORDER

47. **THIS COURT ORDERS** that the LP Entities are authorized and directed to (i) use their commercially reasonable efforts to work cooperatively with the Administrative Agent to complete the Schedules to this Order by not later than June 15, 2010, and (ii) as soon as practicable following the completion of the Schedules to this Order, and in any event not later than June 29, 2010, serve a motion to this Court for an Order amending this Order on notice to the counterparties to the Contracts and any Person that has registered any Canwest Books Encumbrance, Canwest GP Encumbrance, CLP Encumbrance or Encumbrance.

OTHER PROVISIONS

48. **THIS COURT ORDERS** that the AHC Transaction will have priority to management time to close that transaction. However, the LP Entities will also use reasonable efforts to comply with information requests from the Agent in accordance with the email of Alvarez & Marsal Canada ULC to the Monitor dated May 16, 2010 and such other requests in accordance with the LP Support Agreement so long as in each case they do not materially hinder or prejudice the closing of the AHC Transaction within the intended timeline. If any issues arise in relation to access to management time or other closing requirements as between the AHC Transaction and the Credit Acquisition, the parties will consult with the Monitor who will seek to resolve them. If the Monitor is unable to resolve any such issues advice and direction will be sought from the Court.

49. **THIS COURT ORDERS** that, except to the extent that the Initial Order has been varied by or is inconsistent with this Order, the Plan or any other Order in these proceedings, the provisions of Initial Order shall remain in full force and effect until the Credit Acquisition Plan Implementation Date, when all but paragraphs 65-97 of the Initial Order shall terminate. Notwithstanding the termination of certain provisions of the Initial Order, the Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in its favour, except as varied herein.

50. **THIS COURT ORDERS** that paragraphs 65-97 of the Initial Order and all other Orders made in these CCAA proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or inconsistent with this Order, subject to paragraph 12 hereof, or any further Order of this Honourable Court.

51. **THIS COURT ORDERS** that this Court shall retain jurisdiction in respect of any matter in dispute arising out of anything relating to the interpretation or implementation of the Plan.

52. **THIS COURT ORDERS** that the LP Entities, the Monitor, Acquireco or the Administrative Agent may apply to this Honourable Court for further advice, directions or assistance as may be necessary to give effect to the terms of the Plan.

53. **THIS COURT ORDERS** that, subject to paragraphs 7 and 12, this Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all other Persons against whom it may otherwise be enforceable.

54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the LP Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the LP Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the LP Entities and the Monitor and their respective agents in carrying out the terms of this Order.

55. **THIS COURT ORDERS** that each of the LP Entities, the Monitor, Acquireco and the Administrative Agent be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that this Order shall be posted on the website maintained by the Monitor and shall only be required to be served upon those parties who have either formally entered an appearance in these proceedings or those parties who appeared at the hearing of the motion for this Order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAY 17 2010

PER / PAR: 

SCHEDULE "A"

Plan of Compromise and Arrangement

SCHEDULE "B"

Court File No. CV-10-8533-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CANWEST PUBLISHING INC./
PUBLICATIONS CANWEST INC., CANWEST BOOKS
INC., AND CANWEST (CANADA) INC.**

MONITOR'S CREDIT BID SANCTION CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (the "**Court**") dated January 8, 2010, FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**") of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., and Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite (collectively, the "**LP Entities**") in their proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended.

B. By Order dated May 17, 2010 (the "**Conditional Credit Acquisition Order**"), the Court approved and sanctioned, subject to paragraph 7 of the Conditional Credit Acquisition Order, the plan of compromise and arrangement dated January 8, 2010 attached as Schedule "A" to the Conditional Credit Acquisition Order (the "**Plan**") and ordered that upon, *inter alia*, delivery of the Monitor's Credit Bid Sanction Certificate the Plan shall be implemented, shall be effective and shall enure to the benefit of and be binding upon the LP Entities and the Senior Lenders (as defined in the Conditional Credit Acquisition Agreement).

C. Pursuant to the Conditional Credit Acquisition Order, the Monitor was authorized to apply to Court for authority or directions to deliver the Monitor's Credit Bid Sanction Certificate.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Conditional Credit Acquisition Order.

THE MONITOR CERTIFIES the following:

1. By Order dated ●, 2010, the Court directed the Monitor to deliver the Monitor's Credit Bid Sanction Certificate.

2. This Monitor's Credit Bid Sanction Certificate was delivered by the Monitor at _____ on _____, 2010.

**FTI Consulting Canada Inc., in its
capacity as Court-appointed Monitor of
the LP Entities, and not in its personal
capacity**

Per: _____

Name:

Title:

SCHEDULE "C"

[NTD: List of legal descriptions to be completed in accordance with Paragraph ●]

Toronto Property

Ottawa Property

Windsor Property

Alberta Properties

BC Properties

Saskatchewan Properties

Quebec Properties

SCHEDULE "D"

[NTD: List of Real Properties Encumbrances to be added in accordance with Paragraph 43.]

Toronto Property

Ottawa Property

Windsor Property

Alberta Properties

BC Properties

Saskatchewan Properties

Quebec Properties

SCHEDULE "E"

[NTD: List of Real Properties Permitted Encumbrances to be added in accordance with Paragraph 43.]

Toronto Property

Ottawa Property

Windsor Property

Alberta Properties

BC Properties

Saskatchewan Properties

Quebec Properties

SCHEDULE "F"

[NTD: Insert form of draft deed of transfer for Quebec Property in accordance with Paragraph 43.]

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985, c.C-36,
AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND
CANWEST (CANADA) INC.

Court File No: CV-10-85333-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**CONDITIONAL CREDIT ACQUISITION SANCTION,
APPROVAL AND VESTING ORDER**

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