

**CANWEST PUBLISHING INC. / PUBLICATIONS CANWEST
INC., CANWEST BOOKS INC. AND CANWEST (CANADA) INC.**

**THIRD REPORT OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

February 18, 2010

**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
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in its capacity as Monitor of the Applicants**

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**THIRD REPORT OF FTI CONSULTING CANADA INC.,
in its capacity as Monitor of the Applicants**

February 18, 2010

INTRODUCTION

1. By Order of this Court dated January 8, 2010 (the “**Initial Order**”), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), and Canwest (Canada) Inc. (“**CCI**”, and together with CPI and CBI, the “**Applicants**”) obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the “**Limited Partnership**”, and together with the Applicants, the “**LP Entities**”) and appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (the “**Monitor**”) of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

PURPOSE OF THIS REPORT

2. The purpose of this third report of the Monitor (the “**Third Report**”) is to provide information to this Honourable Court with respect to the motion by certain individuals for an Order, *inter alia*, appointing them as representatives of the former Salaried Employees and Retirees of the LP Entities (the “**SERs**”) in the CCAA Proceedings, appointing Nelligan O’Brien Payne LLP (“**Nelligan**”) and Shibley Righton LLP (“**Shibley**”) to represent the SERs, and for funding of all reasonable legal, actuarial, and financial expert and advisory fees incurred by the SERs to be paid by the LP Entities.

TERMS OF REFERENCE

3. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities’ books and records, certain financial information prepared by, and discussions with, the LP Entities’ management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.
4. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the “**Pre-filing Report**”). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

GENERAL BACKGROUND

5. Canwest carries on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest is Canada's largest publisher of English-language daily and non-daily newspapers and owns and operates substantial digital media and online businesses. Canwest also directly or indirectly owns, operates and/or holds substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
6. Relief in the CCAA Proceedings was obtained by the Canwest entities which carry on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.
7. The Initial Order (a copy of which (without schedules) is attached hereto as **Appendix "A"**) provides for a stay of proceedings until February 5, 2010 (the "**Stay Period**"). By Order dated February 2, 2010, the Stay Period was extended until, and including, April 14, 2010.
8. Since the date of the Initial Order, the LP Entities have carried on their businesses in the ordinary course.
9. The basis of a plan of arrangement for the LP Entities under the CCAA is a pre-arranged support transaction pursuant to which (and subject to a successful bid as a result of and in

accordance with the terms of the SISP (as defined below) and approval by this Honourable Court) an entity to be initially capitalized as described in the Acquireco Capitalization Term Sheet (as this term is defined in the Senior Lenders' Plan (as defined below)) ("**AcquireCo**") will acquire substantially all of the assets of the LP Entities, assume the liabilities of the LP Entities (other than certain specified liabilities and subject to AcquireCo's right to exclude certain additional liabilities) and offer employment to all or substantially all of the employees of the LP Entities on terms and conditions consistent with their current employment (the "**Support Transaction**").

10. The Support Transaction contemplates that the LP Entities' Financial Advisor will conduct a sale and investor solicitation process under the supervision of the Monitor (the "**SISP**") in an effort to attract an alternative offer to the one contained in the Support Transaction.
11. The Support Transaction is to be implemented pursuant to a plan of compromise or arrangement between the LP Senior Secured Lenders (as defined below), the Limited Partnership, and CPI (the "**Senior Lenders' Plan**"). On January 27, 2010, an excess of the majority in number and two-thirds in value of the LP Senior Secured Lenders holding Accepted Senior Voting Claims present and voting at the Senior Lenders' Meeting voted in favour to approve the Senior Lenders' Plan. Pursuant to the terms of the Senior Lenders' Plan, the LP Entities (or, if they do not, the LP Administrative Agent) shall apply for Court sanction of the Senior Lenders' Plan after the SISP is completed or terminated pursuant to its terms or Court Order.

12. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010, copies of which (together with other relevant materials, including a copy of the Initial Order) have been posted on the Monitor's website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

MOTION FOR REPRESENTATION ORDER

13. As described in greater detail in the motion materials filed by Russell Mills, Blair MacKenzie, Rejean Saumure and Les Bale (collectively, the "**Representatives**") on behalf of the SERs (or any person claiming an interest under or on behalf of such SERs), the Representatives are seeking an Order, *inter alia*:
 - i. appointing the Representatives as representatives of the SERs in the CCAA Proceedings;
 - ii. appointing Nelligan and Shibley to represent the SERs;
 - iii. directing the LP Entities to provide forthwith various documents and data to the Representatives; and
 - iv. for funding of all reasonable legal, actuarial, and financial expert and advisory fees incurred by the Representatives to be paid by the LP Entities.
14. Pursuant to, *inter alia*, the Support Agreement (a copy of which is attached to this report as **Appendix "B"**), the LP Entities are not permitted to pay any of the legal, financial or other advisors to any other person, except as expressly contemplated by the Initial Order

or with consent in writing from the LP Administrative Agent, acting in consultation with the Steering Committee (as such term is defined in the Support Agreement).

15. The Initial Order does not contemplate any funding of fees incurred by the Representatives.
16. By letter dated February 17, 2010, the LP Entities requested the LP Administrative Agent to advise them of its position with respect to the SERs' request for funding. A copy of the letter dated February 17, 2010 is attached hereto as **Appendix "C"**.
17. The Monitor is advised that the LP Administrative Agent has refused to consent to the funding requested by the SERs.
18. Accordingly, providing funding of the fees incurred by the Representatives would be in contravention of the Support Agreement with the LP Senior Secured Lenders. The LP Entities are therefore unable and unwilling to fund the fees of the Representatives. The Monitor is advised that counsel for the LP Entities has so advised the Representatives.

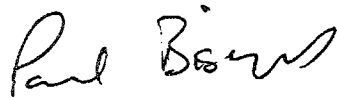
CONCLUSIONS

19. For the reasons set out above, the Monitor supports the LP Entities' refusal to fund the reasonable legal, actuarial, and financial expert and advisory fees incurred by the Representatives.

All of which is respectfully submitted this 18th day of February, 2010.

FTI Consulting Canada Inc.,
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest
Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en
Commandite

Per



Paul Bishop
Senior Managing Director

APPENDIX "A"



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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM)
)
JUSTICE PEPALL)
) FRIDAY, THE 8TH
) DAY OF JANUARY, 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 OR
ARRANGEMENT OF CANWEST PUBLISHING
INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS
INC. AND CANWEST (CANADA) INC.

INITIAL ORDER

THIS APPLICATION, made by Canwest Publishing Inc./Publications Canwest Inc. ("CPI"), Canwest Books Inc. ("CBI") and Canwest (Canada) Inc. ("CCI"), (together, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Thomas C. Strike sworn January , 2009 and the Exhibits thereto (the "Strike Affidavit") and the Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI Consulting" or the "Monitor") (the "Monitor's Pre-Filing Report"), and on being advised that CIBC Mellon Trust Company and other secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and Canwest Limited Partnership/Canwest Societe en Commandite (the "Limited Partnership"), the Special Committee, being an existing committee comprised only of independent directors of the Board of Directors of Canwest Global Communications Corp. (the "Special Committee"), FTI Consulting, The Bank of Nova Scotia in its capacity as Administrative Agent (the "Agent") for the senior lenders to the Limited Partnership (collectively, the "Senior Lenders"), and the ad hoc committee of holders of 9.25% senior

subordinated notes issued by the Limited Partnership (the “**Ad Hoc Committee**”) and the directors and officers of the Applicants and on reading the consent of FTI Consulting to act as the Monitor,

PART I – CCAA RELIEF

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies. Although not an Applicant, the Limited Partnership (together with the Applicants, the “**LP Entities**”) shall enjoy the benefits of the protections and authorizations provided by this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants have the authority to file the Senior Lenders CCAA Plan (as defined below) with this Court and that, subject to further Order of this Court, one or more of the Applicants, individually or collectively, with the consent of the Monitor and the LP CRA (as defined below), shall have the authority to file and may file with this Court other plans of compromise or arrangement (hereinafter referred to as an “**LP Plan**”) between, *inter alia*, one or more of the LP Entities and one or more classes of their applicable secured and/or unsecured creditors.

POSSESSION OF PROPERTY AND OPERATIONS OF THE LP ENTITIES

4. THIS COURT ORDERS that the LP Entities shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively the “**LP Property**”). Subject to this and further Order of this Court, the LP Entities shall each continue to carry on business in the ordinary course in a manner consistent with the preservation of their

respective businesses (collectively the "**LP Business**") and LP Property. The LP Entities shall each be authorized and empowered to continue to retain and employ the consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order, with the prior approval of the Monitor in consultation with the LP CRA and subject to the provisions on the payment of the Assistants set forth in paragraph 9 hereof. The LP Entities shall each be further authorized and empowered to continue to retain and employ the employees currently employed by them, with liberty to employ such further employees as they deem reasonably necessary or desirable in the ordinary course of business.

5. Mr. Dennis Skulsky, the President of CPI (the "**President of CPI**") shall
 - (a) report directly and solely to the Special Committee;
 - (b) shall keep the Monitor and the LP CRA advised on a timely basis of developments in the operations and financial performance of the LP Entities and shall meet with the Monitor, the LP CRA and the financial advisor to counsel for the Agent (the "**McMillan Financial Advisor**" and collectively with counsel to the Agent and the other advisors to the Agent, the "**Agent's Advisors**") at least once per week, unless otherwise agreed by the McMillan Financial Advisor, to provide an update on operations and financial performance of the LP Entities; and
 - (c) advise the Monitor, the LP CRA and the McMillan Financial Advisor forthwith if the Special Committee disagrees with and precludes the President of CPI from proceeding with any recommended financial or operational initiative which the President of CPI believes is in the best interests of the LP Entities, in which case the Monitor will apply to the court for advice and direction, if the Monitor and the LP CRA are unable to assist the parties in coming to agreement.
6. The LP Entities shall provide the Agent's Advisors with any non-privileged information reasonably requested.
7. THIS COURT ORDERS that the LP Entities shall be entitled to continue to utilize the centralized cash management system currently in place as described in the Strike Affidavit or

replace it with another substantially similar centralized cash management system satisfactory to the LP DIP Lenders (as defined below) and the Agent (the "**LP Cash Management System**"). Any present or future bank providing the LP Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken thereunder, or as to the use or application by the LP Entities of funds transferred, paid, collected or otherwise dealt with in the LP Cash Management System, shall be entitled to provide the LP Cash Management System without any liability in respect thereof to any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") other than the LP Entities, pursuant to the terms of the documentation applicable to the LP Cash Management System, and shall be, in its capacity as provider of the LP Cash Management System, an unaffected creditor in any plan of compromise or arrangement filed by the LP Entities under the CCAA, any proposal filed by the LP Entities under the *Bankruptcy and Insolvency Act of Canada* (the "**BIA**") or any other restructuring with regard to any claims or expenses it may suffer or incur in connection with the provision of the LP Cash Management System. All security interests over the LP Property granted by the LP Entities to The Bank of Nova Scotia to secure obligations under the LP Cash Management System (the "**Cash Management Existing Security**") up to \$7.5 million shall rank *pari passu* with the LP DIP Lenders' Charge (as defined below), in accordance with the terms of the Commitment Letter and the LP DIP Definitive Documents (as each term is hereinafter defined) and pursuant to paragraphs 54 and 56 hereof.

8. THIS COURT ORDERS that the LP Entities and the CMI Entities (as defined in the Strike Affidavit) shall continue to provide and pay for the shared services, as described in the Agreement on Shared Services and Employees (the "**New Shared Services Agreement**") dated as of October 26, 2009 attached as Exhibit "S" to the Strike Affidavit (collectively, the "**Shared Services**"), to each other and their other affiliated and related entities, in accordance with the New Shared Services Agreement. Notwithstanding any other provision in this Order, neither the LP Entities nor the CMI Entities shall modify, cease providing or terminate the provision of or payment for the Shared Services or any other provision of the New Shared Services Agreement except with the consent of the parties thereto, the Agent, acting in consultation with the Steering Committee, the LP CRA and the Monitor or further Order of this Court.

9. THIS COURT ORDERS that, subject to availability under the LP DIP Facility (as defined below), subject to the LP DIP Definitive Documents and the LP Support Agreement (all as hereinafter defined), and subject to the cash flow forecasts delivered in accordance with the LP DIP Definitive Documents and the LP Support Agreement (the “**Approved Cash Flow**”), the LP Entities shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order, to the extent that such expenses are incurred or payable by the LP Entities:

- (a) all outstanding and future wages, salaries, employee and pension benefits (other than in respect of the Southam Executive Retirement Agreements or the CanWest MediaWorks Limited Partnership (now the Limited Partnership) Retirement Compensation Arrangement Plan), vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) without limiting the generality of paragraph 9(a), all current service, special and similar pension and/or retirement benefit payments (other than in respect of the Southam Executive Retirement Agreements or the CanWest MediaWorks Limited Partnership (now the Limited Partnership) Retirement Compensation Arrangement Plan), commissions and other incentive payments, payments to employees under collective bargaining agreements not otherwise covered by paragraph 9(a) and employee and director expenses and reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, but in the case of director legal expenses, only in accordance with paragraph 37 hereof;
- (c) compensation to employees in respect of any payments made to employees prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings, unless such payments are not permitted by this Order;
- (d) with the prior consent of the Monitor, all outstanding and future amounts owing to or in respect of individuals working as independent contractors or freelancers in connection with the LP Business;

- (e) with the prior consent of the Monitor in consultation with the LP CRA, the reasonable fees and disbursements of any Assistants retained or employed by the LP Entities in respect of these proceedings, at their standard rates and charges, including any payments made to Assistants prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings;
- (f) any and all sums due and owing to Amex Bank of Canada (“**American Express**”), including, without limitation, amounts due and owing by the LP Entities to American Express in respect of the Corporate Card Program and Central Billed Accounts Program as described in the Strike Affidavit;
- (g) amounts collected in respect of various sales representation agreements under which the LP Entities sell as commissioned agent printed and/or online advertising on behalf of third-party clients; and
- (h) amounts owing for goods and services actually supplied to the LP Entities, or to obtain the release of goods contracted for prior to the date of this Order with the prior consent of the Monitor if, in the opinion of the LP CRA, in consultation with the LP Entities, the supplier is critical to the LP Business and ongoing operations of any of the LP Entities.

For greater certainty, unless otherwise ordered, the LP Entities shall not make (a) any payments to, or in satisfaction of any liabilities or obligations of the CMI Entities, save and except for payments in respect of the New Shared Services Agreement; or (b) any payments on account of change of control or other golden parachute arrangements, severance or termination pay, payment in lieu of notice of termination, claims for wrongful dismissal or other similar obligations.

10. THIS COURT ORDERS that, subject to availability under the LP DIP Facility, and subject to the LP DIP Definitive Documents and the LP Support Agreement, and subject to the Approved Cash Flow, the LP Entities shall be entitled but not required to pay all reasonable expenses incurred by them in carrying on the LP Business in the ordinary course from and after

the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the LP Property or the LP Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment, including the posting of letters of credit, for goods or services actually supplied or to be supplied to the LP Entities following the date of this Order.

For greater certainty, the LP Entities shall not make any payments to, or in satisfaction of any liabilities or obligations of the CMI Entities, save and except for payments in respect of the New Shared Services Agreement.

11. THIS COURT ORDERS that the LP Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from the LP Entities' employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the LP Entities in connection with the sale of goods and services by the LP Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation, employer's health tax or other taxes, assessments or levies of any nature or kind which are entitled at law to

be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the LP Business by the LP Entities.

12. THIS COURT ORDERS that, subject to availability under the LP DIP Facility, subject to the LP DIP Definitive Documents and the LP Support Agreement, and subject to the Approved Cash Flow, the LP Entities shall be entitled but not required to make available to National Post Inc. (formerly known as 4513401 Canada Inc.) secured revolving loans pursuant to the terms of the NP Intercompany Loan Agreement as defined and described in greater detail in the Strike Affidavit.

13. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with paragraph 18(c) of this Order, the LP Entities shall pay all amounts constituting rent or payable as rent under their respective real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable LP Entity and the relevant landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid. Upon delivery of a notice of disclaimer or resiliation under section 32 of the CCAA, the relevant LP Entity shall pay all Rent owing by the applicable LP Entity to the applicable landlord in respect of such lease due for the notice period stipulated in section 32 of the CCAA, to the extent that Rent for such period has not already been paid.

14. THIS COURT ORDERS that, except as otherwise specifically permitted herein, the LP Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any one of the LP Entities to any of their creditors as of this date, including interest payable in respect of indebtedness owing by CPI to the Limited Partnership, which interest otherwise payable to the Limited Partnership shall cease to accrue as of the date hereof; (b) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of the LP Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the LP Business.

LP SUPPORT AGREEMENT

15. THIS COURT ORDERS that the LP Support Agreement made as of January 8, 2010 between the LP Entities and the Agent (the “**LP Support Agreement**”) is hereby approved and the LP Entities are hereby authorized and directed to pay and perform all of their indebtedness, liabilities and obligations under and pursuant to the LP Support Agreement. Without limiting the generality of the foregoing, as set forth in the LP Support Agreement, the LP Entities are authorized and directed to (i) make payments of interest on principal outstanding from time to time under the Senior Credit Agreement and the Hedging Agreements (as those terms are defined in the Senior Lenders CCAA Plan) (ii) pay all Recoverable Expenses (as defined in the LP Support Agreement); and (iii) make payments to the Agent of certain fees as contemplated in section 5.1 (i) of the LP Support Agreement.

RESTRUCTURING

16. THIS COURT ORDERS that the Sale and Investor Solicitation Process, on the terms set out in Schedule “A” hereto (the “**SISP**”), is hereby authorized and approved and the LP Entities are hereby directed and authorized to proceed with the SISP.

17. THIS COURT ORDERS that in connection with the SISP and pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, the LP Entities shall disclose personal information of identifiable individuals to prospective bidders under the SISP and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of the LP Property, or investment in the LP Business (each, a “**Transaction**”). Each prospective bidder to whom such personal information is disclosed shall sign an agreement to maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall return all such information to the LP Entities, or in the alternative destroy all such information. The Successful Bidder (as defined in the SISP) shall be entitled to continue 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 LP Entities, and shall return all other personal information to the LP Entities, or ensure that all other personal information is destroyed.

18. THIS COURT ORDERS that the LP Entities shall, subject to such requirements as are imposed by the CCAA, subject to the LP DIP Facility, the LP DIP Definitive Documents and the LP Support Agreement and subject to the consent of the Monitor, acting with the assistance of and in consultation with the LP CRA or further Order of this Court, have the right to:

- (a) to the extent not inconsistent with the SISP, to dispose of redundant or non-material assets, and to sell assets or operations not exceeding \$1 million in any one transaction or \$5 million in the aggregate, so long as the proceeds of all such sales are applied to reduce the principal amount owed to the Senior Lenders under the Senior Credit Agreement (as defined below);
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as the relevant LP Entity deems appropriate in the ordinary course of business;
- (c) in accordance with paragraphs 19 and 20, vacate, abandon or quit the whole but not part of any leased premises and/or disclaim or resiliate any real property lease and any ancillary agreements relating to any leased premises, in accordance with section 32 of the CCAA; and
- (d) disclaim or resiliate, in whole or in part, such of their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the LP Entities deem appropriate, except the New Shared Services Agreement, the LP Support Agreement, the NP Intercompany Loan Agreement or any other agreements or documents entered into in connection with this Order, in accordance with section 32 of the CCAA and to deal with any claims arising from such disclaimer or resiliation in an LP Plan, if any,

all of the foregoing to permit the LP Entities to proceed with an orderly restructuring of the LP Business. For greater certainty, the LP Entities shall not shut down any of their daily newspapers without further prior Order of the Court.

19. THIS COURT ORDERS that LP Entities shall provide each of the relevant landlords with notice of the relevant LP Entity's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be

entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the LP Entity's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant LP Entity, or by further Order of this Court upon application by the relevant LP Entity on at least two (2) days notice to such landlord and any such secured creditors. If an LP Entity disclaims or resiliates the lease governing such leased premises in accordance with paragraph 18(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the LP Entity's claim to the fixtures in dispute.

20. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered by an LP Entity in respect of a leased premises, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant LP Entity and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the LP Entity in respect of such lease or leased premises and such landlord shall be entitled to notify the LP Entity of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE LP ENTITIES OR THE LP PROPERTY

21. THIS COURT ORDERS that until and including February 5, 2010, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the LP Entities, the Monitor or the LP CRA or affecting the LP Business or the LP Property, except with the written consent of the applicable LP Entity, the Monitor and the LP CRA (in respect of proceedings affecting the LP Entities, the LP Property or the LP Business), or with leave of this

Court, and any and all Proceedings currently under way against or in respect of the LP Entities, the Monitor or the LP CRA or affecting the LP Business or the LP Property are hereby stayed and suspended pending further Order of this Court. In the case of the LP CRA, no Proceeding shall be commenced against the LP CRA or its directors and officers without prior leave of this Court on seven (7) days notice to CRS Inc.

NO EXERCISE OF RIGHTS OR REMEDIES

22. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any Person against or in respect of the LP Entities, the Monitor and/or the LP CRA, or affecting the LP Business or the LP Property, are hereby stayed and suspended except with the written consent of the applicable LP Entity, the Monitor and the LP CRA (in respect of the rights and remedies affecting the LP Entities, the LP Property or the LP Business), the LP CRA (in respect of the rights and remedies affecting the LP CRA), or leave of this Court, provided that nothing in this Order shall (i) empower the LP Entities to carry on any business which the LP Entities are not lawfully entitled to carry on, (ii) exempt the LP Entities from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

23. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the LP Entities, except with the written consent of the relevant LP Entity, the LP CRA and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

24. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with an LP Entity or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, computer software, communication and other data services, banking and cash management services, payroll services, insurance, transportation services, utility or other services to the LP Business or an LP Entity, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the

supply of such goods or services as may be required by the LP Entities, and that the LP Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the LP Entities in accordance with normal payment practices of the LP Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable LP Entity, with the consent of the LP CRA and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

25. THIS COURT ORDERS that, notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the LP Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

26. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers (or their respective estates) of the LP Entities with respect to any claim against such directors or officers that arose prior to, on or after the date hereof and that relates to any obligations of the LP Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the LP Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the LP Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

27. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of any of the LP Entities, after the date hereof, to make payments in respect of the LP Entities of the nature referred to in paragraphs 9(a), 11(a), 11(b) and 11(c) of this Order, which they sustain or incur by reason of or

in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct. For greater certainty, the indemnity provided by this paragraph 27 shall not indemnify such directors or officers of the Applicants from any costs, claims, charges, expenses or liabilities reasonably attributable to the CMI Entities.

28. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**LP Directors' Charge**") on the LP Property, which charge shall not exceed an aggregate amount of \$35 million, as security for the indemnity provided in paragraph 27 of this Order. The LP Directors' Charge shall have the priority set out in paragraphs 54 and 56 herein.

29. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the LP Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the LP Directors' Charge to the extent they do not have or are unable to obtain coverage under a directors' and officers' insurance policy or to the extent that such coverage is insufficient to pay amounts indemnified pursuant to paragraph 27 of this Order.

APPOINTMENT OF MONITOR

30. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor of the LP Entities, an officer of this Court, to monitor the LP Property and the LP Entities' conduct of the LP Business with the powers and obligations set out in the CCAA and as set forth herein and that the LP Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the LP Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

31. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the LP Entities' receipts and disbursements;

- (b) report to this Court and consult with the Agent's Advisors at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the LP Entities, the LP Property, the LP Business, and such other matters as may be relevant to the proceedings herein and with respect to any payments made pursuant to paragraph 9(h) herein;
- (c) assist the LP Entities, in their dissemination, to the McMillan Financial Advisor, the Agent and the LP DIP Agent (as defined below) and its counsel of financial and other information as agreed to between the LP Entities and the Agent or the LP Entities and the LP DIP Lenders (as defined below) which may be used in these proceedings;
- (d) advise the LP Entities in their preparation of the LP Entities' cash flow statements and reporting required by the LP DIP Lenders or the Agent, which information shall be reviewed with the Monitor and delivered to the McMillan Financial Advisor, the LP DIP Agent and the Agent in compliance with the LP DIP Definitive Documents and the LP Support Agreement, or as otherwise agreed to by the LP DIP Agent or the Agent;
- (e) assist the LP CRA in the performance of its duties set out in the LP CRA Agreement (as defined below);
- (f) advise the LP Entities in their development and implementation of the LP Plan, if any, and any amendments to any such LP Plan;
- (g) assist the LP Entities with the holding and administering of creditors' or shareholders' meetings for voting on any LP Plan, as applicable;
- (h) have full and complete access to the LP Property, including the premises, books, records, data (including data in electronic form), other financial documents of the LP Entities, and management, employees and advisors of the LP Entities, to the extent that is necessary to adequately assess the LP Entities' business and financial affairs or to perform its duties arising under this Order;

- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) monitor and, if necessary, report to the Court on any matters pertaining to the New Shared Services Agreement; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

32. THIS COURT ORDERS that in addition to its prescribed rights and obligations under the CCAA and the powers granted hereunder, the Monitor shall supervise the SISP and supervise the Financial Advisor (as hereinafter defined) in connection therewith and that the Monitor is hereby empowered, authorized and directed to take such actions and fulfill such roles as are contemplated in the SISP, including:

- (a) working with the Financial Advisor and the LP CRA to develop a list of potential bidders to be contacted;
- (b) working with the Financial Advisor, the LP CRA and counsel for the LP Entities, who at all times are to be instructed by the LP CRA, (together the "SISP Advisors") on the negotiation of confidentiality agreements;
- (c) working with the SISP Advisors in the preparation and distribution of a confidential information memorandum;
- (d) working with the SISP Advisors in the establishment of and supervision of access to an electronic data room;
- (e) providing the Agent and the Agent's Advisors with timely and regular updates and information as to the progress of the SISP, subject only to the Monitor reserving its right not to provide information concerning the particulars of any of the Qualified Non-Binding Indications of Interest (as defined in the SISP) or Qualifying Bids (as defined in the SISP) until after the conduct of the vote on the Senior Lenders CCAA Plan;

- (f) in accordance with the terms of the SISP, supervising the conduct of Phase 1, and to the extent applicable Phase 2, of the SISP and exercising the duties, powers and authorities to be exercised by the Monitor under the terms of the SISP;
- (g) presenting such further and other recommendations to the Special Committee as contemplated in the SISP or as may be considered advisable by the Monitor or the LP CRA, it being understood that subject to further Order of this Court, the authorities and obligations of the Special Committee in the SISP and in the operations of the LP Entities to the extent there are any such obligations, and in the restructuring of the LP Entities generally, shall only be to deal with matters brought to it either by the President of CPI as contemplated by paragraph 5 of this Order or by the Monitor as contemplated by this paragraph in the Order; and
- (h) otherwise working with the SISP Advisors on any steps and actions considered necessary or desirable in carrying out the SISP.

33. THIS COURT ORDERS that the Monitor shall not take possession of the LP Property and shall take no part whatsoever in the management or supervision of the management of the LP Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the LP Business or LP Property, or any part thereof.

34. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the LP Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be

in Possession of any of the LP Property within the meaning of any Environmental Legislation, unless it is actually in Possession.

35. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the LP DIP Lenders with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor provided that with respect to any Person acting, directly or indirectly, as or on behalf of a bidder or potential bidder involved in the SISP, the Monitor is not required to provide any such information unless the Monitor is satisfied that appropriate internal confidentiality screens are in place. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the LP Entities may agree.

36. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

37. THIS COURT ORDERS that, subject to the provisions of this paragraph, the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee, counsel to the directors and officers of the Applicants, the LP CRA, counsel to the LP CRA and the Financial Advisor, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, or as agreed under contracts, as long as such contracts, which shall include any contracts to obtain fairness opinions, are approved by this Court, whether incurred prior to or subsequent to the date of this Order, by the LP Entities, to the extent that such fees and disbursements relate to services provided to the LP Entities. From the date of this Order, the fees and disbursements paid by the LP Entities to:

- (a) counsel to the Special Committee shall be limited to those incurred in respect of advice given in connection with the authorities and obligations of the Special Committee as set forth in paragraph 32(g) herein; and

- (b) counsel to the directors and officers of the Applicants shall not exceed \$75,000 in total.

The Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee, the LP CRA, counsel to the LP CRA, counsel to the Applicants' directors and officers and the Financial Advisor shall keep separate accounts for services provided in respect of the LP Entities and services provided in respect of the CMI Entities. The LP Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and financial advisor to the Special Committee on a weekly basis, and the accounts of the LP CRA, counsel to the LP CRA, and counsel to the Applicants' directors and officers and the Financial Advisor on a monthly basis, to the extent that such accounts relate to services provided to the LP Entities. The LP Entities shall not be liable for and shall not pay any expenses, fees, disbursements or retainers of the Monitor, counsel to the Monitor, counsel to the CMI Entities, counsel and financial advisor to the Special Committee, counsel to the Applicants' directors and officers or the Financial Advisor, to the extent that such expenses, fees, disbursements or retainers are not attributable to the LP Entities.

38. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and if so ordered by the Court on motion brought by the Monitor, after consultation with the LP CRA, other counsel whose fees and disbursements are secured by the LP Administration Charge (as defined below), shall pass their accounts from time to time, and for this purpose the accounts of such parties are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

39. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the LP Entities, counsel and the financial advisor to the Special Committee, the LP CRA, and counsel to the LP CRA shall be entitled to the benefit of and are hereby granted a charge on the LP Property (the "**LP Administration Charge**"), which charge shall not exceed an aggregate amount of \$3 million, as security for their reasonable professional fees and disbursements incurred at their respective standard rates and charges in respect of such services, both before and after the making of this Order in respect of these proceedings. The LP Administration Charge shall have the priority set out in paragraphs 54 and 56 hereof.

40. THIS COURT ORDERS that the RBC Dominion Securities Inc., a member company of RBC Capital Markets (the "**Financial Advisor**") shall be entitled to the benefit of and is hereby

granted a charge on the LP Property (the “**FA Charge**”), which charge shall not exceed an aggregate amount of \$10 million, as security for the fees and disbursements, including a success fee (if any) payable to the Financial Advisor pursuant to the engagement letter dated October 1, 2009 between CPI, the Limited Partnership and Financial Advisor (the “**Financial Advisor Agreement**”). The FA Charge shall have the priority set out in paragraphs 54 and 56 hereof.

CHIEF RESTRUCTURING ADVISOR

41. THIS COURT ORDERS that CRS Inc. (“**CRS**”) be and is hereby appointed as Chief Restructuring Advisor of the LP Entities in accordance with the terms and conditions of the agreement entered into between Canwest Global Communications Corp. (“**Canwest Global**”), the LP Entities and CRS (CRS and its President, Gary F. Colter, are collectively referred to herein as the “**LP CRA**”) dated November 1, 2009 (the “**LP CRA Agreement**”), effective as of the date of this Order.

42. THIS COURT ORDERS that the LP CRA Agreement is hereby approved and given full force and effect and that the LP CRA is hereby authorized to retain counsel as set out in the LP CRA Agreement. The LP CRA Agreement shall not be amended without prior Court approval.

43. THIS COURT ORDERS that the LP Entities are authorized and directed to continue the engagement of the LP CRA on the terms and conditions set out in the LP CRA Agreement.

44. THIS COURT ORDERS that the LP CRA shall not be or be deemed to be a director, officer or employee of any of the LP Entities.

45. THIS COURT ORDERS that the LP CRA and its directors and officers shall incur no liability or obligation as a result of the LP CRA’s appointment or the carrying out of the provisions of this Order, or the provision of services pursuant to the LP CRA Agreement, save and except as may result from gross negligence or wilful misconduct on the part of the LP CRA. In particular, the LP CRA and its directors and officers shall incur no liability, whether statutory or otherwise, as a director or officer of the LP Entities.

46. THIS COURT ORDERS that (i) the indemnification obligations of Canwest Global in favour of the LP CRA and its officers and directors set out in the LP CRA Agreement; and (ii)

the payment obligations set out in the LP CRA Agreement shall be entitled to the benefit of and form part of the LP Administration Charge set out herein.

47. THIS COURT ORDERS that any claims of the LP CRA under the LP CRA Agreement shall be treated as unaffected in any plan of compromise or arrangement filed by the LP Entities under the CCAA, any proposal filed by the LP Entities under the BIA or any other restructuring.

DIP FINANCING

48. THIS COURT ORDERS that LP Entities are hereby authorized and empowered to obtain and borrow under a credit facility from The Bank of Nova Scotia as Administrative Agent (the "LP DIP Agent") and certain other lenders from time to time party to the LP DIP Definitive Documents (as defined below)(collectively, the "LP DIP Lenders") in order to finance the LP Entities' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$25 million unless permitted by further Order of this Court.

49. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the LP Entities, the LP DIP Lenders and LP DIP Agent dated as of January 8, 2010 (the "**Commitment Letter**"), filed.

50. THIS COURT ORDERS that the LP Entities are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**LP DIP Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the LP DIP Lenders pursuant to the terms thereof, and the LP Entities are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the LP DIP Lenders under and pursuant to the Commitment Letter and the LP DIP Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

51. THIS COURT ORDERS that the LP DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**LP DIP Lenders' Charge**") on the LP Property as security for any and all obligations of the LP Entities under the LP DIP Definitive Documents, which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the LP

DIP Definitive Documents. The LP DIP Lenders' Charge shall have the priority set out in paragraphs 54 and 56 hereof.

52. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the LP DIP Lenders or the LP DIP Agent may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the LP DIP Lenders' Charge or any of the LP DIP Definitive Documents;
- (b) upon the occurrence of an event of default under the LP DIP Definitive Documents or the LP DIP Lenders' Charge, the LP DIP Lenders, upon 2 days notice to the LP Entities and the Monitor, may exercise any and all of their rights and remedies against the LP Entities or the LP Property under or pursuant to the Commitment Letter, LP DIP Definitive Documents and the LP DIP Lenders' Charge (except that the right to cease making advances or credit available under the LP DIP Definitive Documents, to set off and/or consolidate any amounts owing by the LP DIP Lenders to the LP Entities against the obligations of the LP Entities to the LP DIP Lenders under the Commitment Letter, the LP DIP Definitive Documents or the LP DIP Lenders' Charge and make demand or accelerate payment thereunder shall be without notice or demand), including, without limitation, to give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the LP Entities and for the appointment of a trustee in bankruptcy of the LP Entities, and upon the occurrence of an event of default under the terms of the LP DIP Definitive Documents, the LP DIP Lenders shall be entitled to seize and retain proceeds from the sale of the LP Property and the cash flow of the LP Entities to repay amounts owing to the LP DIP Lenders in accordance with the LP DIP Definitive Documents and the LP DIP Lenders' Charge, but subject to the priorities as set out in paragraphs 54 and 56 of this Order; and
- (c) the foregoing rights and remedies of the LP DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the LP Entities or the LP Property.

53. THIS COURT ORDERS AND DECLARES that the LP DIP Lenders shall be treated as unaffected in any plan of compromise or arrangement filed by the LP Entities under the CCAA, any proposal filed by the LP Entities under the BIA or any restructuring with respect to any advances made under the LP DIP Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

54. THIS COURT ORDERS that the priorities of the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge and the LP MIP Charge (as defined below), shall be as follows:

First – LP Administration Charge

Second – LP DIP Lenders' Charge and the Cash Management Existing Security up to \$7.5 million on a *pari passu* basis;

Third – The FA Charge; and

Fourth – the LP Directors' Charge and the LP MIP Charge on a *pari passu* basis.

55. THIS COURT ORDERS that the filing, registration or perfection of the LP Directors' Charge, LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge or the LP MIP Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

56. THIS COURT ORDERS that the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge and the LP MIP Charge shall constitute a charge on the LP Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, notwithstanding the order of perfection or attachment, except for any validly perfected purchase money security interest in favour of any secured creditor or for any statutory Encumbrance existing on the date of this order in favour of any Person that is a "secured creditor" as defined in the CCAA in respect of source deductions from wages, employer health

tax, workers compensation, GST/QST, PST payables, vacation pay and banked overtime for employees, and amounts under the Wage Earners' Protection Program that are subject to a super priority claim under the BIA.

57. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the LP Entities shall not grant any Encumbrances over any LP Property that rank in priority to, or *pari passu* with, any of the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge or the LP MIP Charge, unless the LP Entities also obtain the prior written consent of the Monitor, the beneficiaries of the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the LP MIP Charge or the FA Charge and the Agent, or upon further Order of this Court.

58. THIS COURT ORDERS that the LP Directors' Charge, the LP DIP Lenders' Charge, the LP Administration Charge, the FA Charge, the LP MIP Charge and the LP Support Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the LP Entities, or any of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery or performance of the Commitment Letter, the LP DIP Definitive Documents or the LP Support Agreement shall create or be deemed to constitute a breach by any of the LP Entities of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges

or the execution, delivery or performance of the Commitment Letter or any LP DIP Definitive Documents; and

- (c) the LP Support Agreement, the Commitment Letter, the LP DIP Definitive Documents, payments made by the LP Entities pursuant to this Order, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

59. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the relevant LP Entity's interest in such real property leases.

60. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the terms and conditions with respect to any release and discharge of the Charges (as defined herein) shall be subject to the consent of the applicable Chargee and the Monitor or further Order of the Court.

APPROVAL OF FINANCIAL ADVISOR AGREEMENT

61. THIS COURT ORDERS that the Financial Advisor Agreement in the form attached to the Confidential Supplement to the Monitor's Pre-Filing Report (the "**Confidential Supplement**") is hereby approved and the LP Entities are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the Financial Advisor Agreement.

MANAGEMENT INCENTIVE PLAN

62. THIS COURT ORDERS that the LP Entities' management incentive plan (the "**LP MIP**"), the National Post Inc. management incentive plan (the "**NP MIP**") and employee special arrangements (the "**Special Arrangements**") in the forms attached to the Confidential Supplement are hereby approved and the LP Entities are authorized and directed to make payments contemplated thereunder in accordance with the terms and conditions of the LP MIP, the NP MIP and the Special Arrangements which shall not be amended without the consent of the Agent, acting in consultation with the Steering Committee and further Order of the Court.

63. THIS COURT ORDERS that the key employees referred to in the LP MIP and the beneficiaries of the Special Arrangements shall be entitled to the benefit of and are hereby granted a charge (the “**LP MIP Charge**”) on the LP Property, which charge shall not exceed an aggregate amount of \$3 million, to secure amounts owing to such key employees under the LP MIP and amounts owing to the beneficiaries of the Special Arrangements.

SEALING OF CONFIDENTIAL SUPPLEMENT

64. THIS COURT ORDERS that the Confidential Supplement be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

PART II – SENIOR LENDERS CCAA PLAN OF ARRANGEMENT

SENIOR LENDERS CCAA PLAN OF ARRANGEMENT

65. THIS COURT ORDERS that capitalized terms used in Parts II, III, and IV of this Order not otherwise defined herein shall have the meanings given to them in the Senior Lenders CCAA Plan.

66. THIS COURT ORDERS that the plan of compromise or arrangement (hereinafter referred to as the “**Senior Lenders CCAA Plan**”) between the LP Entities and the Senior Secured Creditors, substantially in the form attached as Schedule “B” hereto, be and is hereby accepted for filing, and that the LP Entities are authorized to seek approval of the Senior Lenders CCAA Plan in the manner set forth herein.

67. THIS COURT ORDERS that the Agent is hereby authorized to amend, modify and/or supplement the Senior Lenders CCAA Plan at any time and from time to time prior to the Senior Lenders Meeting (as defined below). The Monitor shall disclose and make available all amendments, modifications and supplements to the Senior Lenders CCAA Plan at the Senior Lenders Meeting.

PART III – SENIOR LENDERS CLAIMS PROCESS

68. THIS COURT ORDERS that for the purposes of voting and distribution under the Senior Lenders CCAA Plan, the Principal amount of the Senior Secured Claims shall be determined in the following manner (the “**Senior Lenders Claims Process**”):

- (a) Within two (2) Business Days of the date hereof (the “**Filing Date**”), the Agent, on behalf of the Senior Lenders, shall send to the LP Entities (with a copy to the Monitor):
 - (i) a notice substantially in the form attached as Schedule “C” hereto, setting out based upon its records: (x) the aggregate Principal amount of the Senior Secured Claims owing directly by each of the LP Entities under the Senior Credit Agreement as at the Filing Date (the “**Syndicate Claims**”) and (y) each Senior Lender’s pro rata share of the Syndicate Claims as at the Filing Date (all of which shall constitute, the “**Notice of Claim - Syndicate Claims and Pro Rata Notice**”).
 - (ii) concurrently with the delivery of the Notice of Claim - Syndicate Claims and Pro Rata Notice to the LP Entities, the Agent shall post a copy of the Notice of Claim - Syndicate Claims and Pro Rata Notice to one of the IntraLinks websites (the “**Senior Lenders Website**”) maintained by the Agent for the benefit of the Senior Lenders.
- (b) The LP Entities shall within five (5) Business Days of receipt of the Notice of Claim - Syndicate Claims and Pro Rata Notice advise the Monitor (with a copy to the Agent) whether the amounts set out therein are consistent with their books and records. If the LP Entities fail to file a notice of dispute substantially in the form attached as Schedule “D” hereto (a “**Notice of Dispute - Syndicate Claims and Pro Rata Notice**”), within the five (5) day period noted above, then the LP Entities shall be deemed to have confirmed the amounts set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice.
- (c) Each of the Senior Lenders holding Syndicate Claims shall within five (5) Business Days of the posting of the Notice of Claim - Syndicate Claims and Pro Rata Notice to the Senior Lenders Website advise the Monitor (with a copy to the Agent) whether such Senior Lender’s pro rata share of the Syndicate Claims set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice is accurate. If a Senior Lender fails to file a Notice of Dispute - Syndicate Claims and Pro Rata Notice within the five (5) day period noted above then such Senior Lender shall be deemed to have confirmed

its pro rata share of the Syndicate Claims as set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice is accurate.

- (d) If the amount of a Senior Lender's Syndicate Claim is: (i) confirmed by the LP Entities pursuant to paragraph 68(b); and (ii) confirmed by such Senior Lender pursuant to paragraph 68(c), then the amount designated in the Notice of Claim - Syndicate Claims and Pro Rata Notice to be such Senior Lender's pro rata share of the Syndicate Claims shall be deemed to be finally determined ("**Finally Determined**") and accepted as the Proven Principal Claim of such Senior Lender for the purposes of voting and for calculating the entitlement to distribution under the Senior Lenders CCAA Plan in respect of the Syndicate Claims.
- (e) Within two (2) Business Days of the Filing Date, the LP Entities shall send to each holder of a Senior Secured Claim under or pursuant to one or more Hedging Agreements (each, a "**Hedging Creditor**") (with a copy to the Monitor and the Agent) a notice, substantially in the form attached as Schedule "E" hereto, setting out the Principal amount of such Hedging Creditor's Senior Secured Claim owing directly by each of the LP Entities and the rate of interest payable on such Principal amount (each, a "**Notice of Claim - Hedging Agreements**").
- (f) Each Hedging Creditor shall within five (5) Business Days of receipt of their respective notices confirm to the Monitor whether the amounts and interest rate set out therein are accurate.
- (g) If the Principal amount and interest rate set out in a Notice of Claim - Hedging Agreements is confirmed by the specified Hedging Creditor or if such Hedging Creditor does not deliver a notice of dispute substantially in the form attached as Schedule "F" hereto (a "**Notice of Dispute - Hedging Agreements**") within five (5) Business Days of receipt of such Notice of Claim - Hedging Agreements, then the Principal amount set out in such Notice of Claim - Hedging Agreements shall be deemed to be Finally Determined and accepted as the Proven Principal Claim of such Hedging Creditor for the purposes of voting and for calculating the entitlement to distributions under the Senior Lenders CCAA Plan and the interest rate set out in the Notice of Claim - Hedging Agreements shall be deemed to be the proper interest rate

for the purposes of calculating the entitlement to distributions under the Senior Lenders CCAA Plan.

- (h) Within five (5) Business Days of receipt (or posting on the Senior Lenders Website) of either the Notice of Claim - Syndicate Claims and Pro Rata Notice or a Notice of Claim - Hedging Agreements, as the case may be, a Senior Lender holding a Syndicate Claim, the LP Entities or a Hedging Creditor (in such circumstances a **“Disputing Claimant”**) may deliver a Notice of Dispute - Syndicate Claims and Pro Rata Notice or a Notice of Dispute - Hedging Agreements to the Monitor (with a copy to the Agent in respect of a Notice of Dispute - Syndicate Claims and Pro Rata Notice) as follows:
- (i) the LP Entities or a Senior Lender holding a Syndicate Claim may deliver a Notice of Dispute - Syndicate Claims and Pro Rata Notice indicating that they dispute the amount set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice. If a Notice of Dispute - Syndicate Claims and Pro Rata Notice is delivered pursuant to the preceding sentence, then the applicable Senior Lender, the Monitor, the LP Entities and the Agent shall have three (3) Business Days to reach an agreement in writing as to the Principal amount of the Senior Secured Claim that is subject to the Notice of Dispute - Syndicate Claims and Pro Rata Notice, in which case such agreement shall govern and the Principal amount of such Senior Secured Claim as agreed shall be deemed to be Finally Determined and accepted as the Senior Lender’s Proven Principal Claim for the purposes of voting and for calculating the entitlement to distributions under the Senior Lenders CCAA Plan in respect of the Syndicate Claims.
 - (ii) a Hedging Creditor may deliver a Notice of Dispute - Hedging Agreements indicating that it disputes the amount or interest rate set out in its Notice of Claim - Hedging Agreements. If a Notice of Dispute - Hedging Agreements is delivered pursuant to the preceding sentence, then the Monitor, the LP Entities and the Agent and the particular Hedging Creditor shall have three (3) Business Days to reach an agreement in writing as to the Principal amount of, and/or interest rate applicable to the Senior Secured Claim that is subject to the Notice of Dispute - Hedging Agreements, in which case such agreement shall govern and the Principal amount as agreed shall be deemed to be Finally Determined and accepted as the Proven Principal Claim of such Hedging Creditor for the purposes of voting and for calculating the entitlement to distributions under the Senior Lenders CCAA Plan and the interest rate, as agreed, shall be deemed to be the proper interest rate for the purposes of calculating the entitlement to distributions under the Senior Lenders CCAA Plan.

- (i) If a Notice of Dispute - Syndicate Claims and Pro Rata Notice or a Notice of Dispute - Hedging Agreements is unable to be resolved in the manner and within the time period set out in paragraph 68(h) above, then the Claim of such Disputing Claimant shall be determined by the Court on a motion for advice and directions brought by the Monitor (the “**Dispute Motion**”) on notice to all interested parties. The Monitor and the Disputing 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 Claim of the Disputing Claimant Finally Determined on a timely basis.
- (j) If the Principal amount of a Senior Secured Claim held by a Senior Lender is the subject of a Notice of Dispute - Syndicate Claims and Pro Rata Notice and is not Finally Determined on or before the second Business Day immediately prior to the day of the Senior Lenders Meeting, then for the purposes of voting, such a Senior Lender shall be deemed to have an accepted Senior Secured Claim for voting purposes (an “**Accepted Voting Claim**”) equal to the amount of its pro rata share of the Syndicate Claims set out in the Notice of Claim - Syndicate Claims and Pro Rata Notice.
- (k) If the Principal amount of a Senior Secured Claim held by a Hedging Creditor is the subject of a Notice of Dispute - Hedging Agreements and is not Finally Determined on or before the second Business Day immediately prior to the day of the Senior Lenders Meeting, then for the purposes of voting, such a Hedging Creditor shall be deemed to have an Accepted Voting Claim equal to the amount set out in its Notice of Claim - Hedging Agreements.

69. **THIS COURT ORDERS** that any Senior Lender, who asserts that its Senior Secured Claim as at the Filing Date includes a claim or claims for amounts in addition to a claim for Principal (an “**Additional Claim**”), shall notify the Monitor (with a copy to the Agent and the LP Entities), of such Additional Claim and the amount of such Additional Claim within ten (10) Business Days of the Filing Date. If no such notice is received by the Monitor within ten (10) Business Days of the Filing Date, such Senior Lender’s Additional Claim shall be and is hereby forever extinguished and barred.

70. **THIS COURT ORDERS** that, for the purposes of calculating Senior Secured Claims for voting and distribution purposes, Senior Secured Claims denominated in US dollars shall be converted into Canadian dollars at the Bank of Canada United States/Canadian Dollar noon exchange rate in effect on the date of the Initial Order.

71. **THIS COURT ORDERS** that the Agent shall post a copy of this Order on the Senior Lenders Website within two (2) Business Days of the making of the Order.

PART IV – SENIOR LENDERS MEETING

THE SENIOR LENDERS MEETING

72. **THIS COURT ORDERS** that the holding and conduct of a meeting of the Senior Lenders on January 27, 2010 for the purpose of voting on, with or without variation, a resolution to approve the Senior Lenders CCAA Plan (the “**Senior Lenders Meeting**”) is hereby authorized.

73. **THIS COURT ORDERS** that an officer of the Monitor shall preside as the chair of the Senior Lenders Meeting (the “**Chair**”) and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of the Senior Lenders Meeting.

74. **THIS COURT ORDERS** that the Chair is authorized to adjourn the Senior Lenders Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene the Senior Lenders Meeting for the purpose of adjournment). Notice of such adjourned date shall be posted on the Monitor’s website and there shall be no requirement to provide any other notice.

75. **THIS COURT ORDERS** that the only persons entitled to attend the Senior Lenders Meeting shall be the LP Entities, the Monitor, the LP CRA, the Agent and the Senior Lenders entitled to vote at the Senior Lenders Meeting (including, for the purposes of attendance, speaking and voting, their respective proxy holders) and their respective legal counsel. Any other person may be admitted to the Senior Lenders Meeting by the Chair or the LP Entities.

76. **THIS COURT ORDERS** that the only Persons entitled to vote at the Senior Lenders Meeting are Senior Lenders holding Proven Principal Claims or Accepted Voting Claims (collectively “**Accepted Senior Voting Claims**”) on the second Business Day immediately prior to the day of the Senior Lenders Meeting.

77. THIS COURT ORDERS that record date (the “**Record Date**”) for the purposes of voting on the Senior Lenders CCAA Plan shall be the date hereof.

78. THIS COURT ORDERS that if, after the Record Date, the holder of a Senior Secured Claim on the Record Date, or any subsequent holder of the whole of a Senior Secured Claim who has been acknowledged by the Monitor as the Senior Lender (as disclosed in either the Notice of Claim - Syndicate Claims and Pro Rata Notice or an applicable Notice of Claim - Hedging Agreements) in respect of such Senior Secured Claim, transfers or assigns the whole of such Senior Secured Claim to another Person, the Agent, the LP Entities and the Monitor shall not be obligated to give notice to or to otherwise deal with a transferee or assignee of a Senior Secured Claim as the Senior Lender for the purposes of such Person’s entitlement to vote at the Senior Lenders Meeting.

CLASSIFICATION OF CREDITORS AND VOTING

79. THIS COURT ORDERS that for the purpose of voting on the Senior Lenders CCAA Plan there shall be one class of creditors constituted by the Senior Lenders holding Accepted Senior Voting Claims.

80. THIS COURT ORDERS that the quorum required at the Senior Lenders Meeting shall be one Senior Secured Creditor holding an Accepted Senior Voting Claim present at the Senior Lenders Meeting in person or by proxy. If the requisite quorum is not present at the Senior Lenders Meeting, then the Senior Lenders Meeting shall be adjourned by the Chair to such time, date and place as the Chair deems necessary or desirable.

81. THIS COURT ORDERS that the Chair shall direct a vote with respect to a resolution to approve the Senior Lenders CCAA Plan and containing such other related provisions as the Agent, in consultation with the Monitor, may consider appropriate.

82. THIS COURT ORDERS that if any matter other than those referred to in paragraph 81 arises at the Senior Lenders Meeting and requires a vote, such vote shall be conducted in the manner decided by the Chair, and (i) if the Chair decides to conduct such vote by way of show of hands, the vote shall be decided by a majority of the votes given on a show of hands, and (ii) if the Chair decides to conduct such vote by written ballot, the vote shall be decided by a majority in number of Senior Lenders holding Accepted Senior Voting Claims and representing a two-

thirds majority in value of the Accepted Senior Voting Claims present and voting at the Senior Lenders Meeting (the “**Required Majority**”).

83. THIS COURT ORDERS that the Monitor is authorized to accept and rely upon a proxy submitted in the form attached hereto as Schedule “G”, or such other form of proxy as is acceptable to the Monitor, and received by the Monitor by 5:00 p.m. (Toronto time) on January 25, 2010 or 2 days prior to any adjournment of the Senior Lenders Meeting.

84. THIS COURT ORDERS that following the vote at the Senior Lenders Meeting, the Monitor shall tally the votes and determine whether the Senior Lenders CCAA Plan has been accepted by the Required Majority and how the result of the votes, for and against the Senior Lenders CCAA Plan, would have been affected if Senior Lenders had been allowed to vote in respect of the portion of any Senior Secured Claim, including, for greater certainty, any Additional Claim, that had not been Finally Determined at the time of the Senior Lenders Meeting (the “**Unresolved Senior Claims**”).

85. THIS COURT ORDERS that the result of any vote at the Senior Lenders Meeting shall be binding on all Persons affected by the Senior Lenders CCAA Plan, whether or not any such Person is present at the Senior Lenders Meeting.

NOTICE OF SENIOR LENDERS MEETING

86. THIS COURT ORDERS that on or before January 12, 2010, the Monitor shall deliver the following documents (collectively, the “**Meeting Materials**”) to the Agent and the Agent shall forthwith post such documents on the Senior Lenders Website:

- (a) A Notice of Senior Lenders Meeting, substantially in the form attached hereto as Schedule “H”;
- (b) A copy of this Order;
- (c) A copy of the Senior Lenders CCAA Plan, as amended; and
- (d) A form of proxy for use at the Senior Lenders Meeting, substantially in the form attached hereto as Schedule “G”;

87. THIS COURT ORDERS that on or before January 12, 2010, the Monitor shall post the Meeting Materials on the Monitor's website at: [<http://cfcanada.fticonsulting.com/clp>].

88. THIS COURT ORDERS that service of a copy of the Meeting Materials upon the Senior Lenders in the manner set out in paragraph 86 shall constitute good and sufficient service of the Senior Lenders CCAA Plan and this Order and good and sufficient notice of the Senior Lenders Meeting on all the Senior Lenders who may be entitled to receive notice thereof, or of these proceedings, and no other document or material need be served on any Persons in respect of these proceedings.

SANCTION HEARING AND ORDER

89. THIS COURT ORDERS that the Monitor shall file a report to this Court by no later than February 5, 2010, with respect to the results of the vote, including whether:

- (a) the Senior Lenders CCAA Plan was approved by the Required Majority; and
- (b) the votes, for and against the Senior Lenders CCAA Plan, that were cast by Senior Lenders holding Unresolved Senior Claims would affect the result of the vote on the Senior Lenders CCAA Plan.

90. THIS COURT ORDERS that if the approval or non-approval of the Senior Lenders CCAA Plan would be altered by the votes in respect of Unresolved Senior Claims, the Monitor shall, in consultation with the LP Entities and the Agent, request the direction of the Court.

91. THIS COURT ORDERS that if the Senior Lenders CCAA Plan has been accepted by the Required Majority, the LP Entities shall bring a motion seeking the Sanction Order (the "**Sanction Hearing**") on a date to be determined by the Monitor in accordance with the SISP and in consultation with the LP CRA and the Agent, or such other date as the Court may set.

92. THIS COURT ORDERS that service of the Meeting Materials and this Order pursuant to paragraphs 86 and 96 hereof shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who are entitled to receive such service and no other form of service need be made and no other materials need be served on any Person in respect of the Sanction Hearing.

93. THIS COURT ORDERS that any Person intending to object to the motion seeking the Sanction Order shall serve on counsel to the Monitor, the Agent and the LP Entities and those persons listed on the LP Entities' service list and file with the Court no later than three days before the Sanction Hearing a written notice containing a description of its proposed grounds of contestation.

94. THIS COURT ORDERS that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance herein are required to be served with notice of the adjourned date.

SERVICE AND NOTICE

95. THIS COURT ORDERS that the LP Entities and the Monitor shall (i) without delay, publish, in each of the National Post, the Globe and Mail and La Presse newspapers, one notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the LP Entities of more than \$5,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims (other than in respect of Senior Lenders holding Senior Secured Claims, as contemplated by the LP Support Agreement), and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the names and addresses of individual creditors publicly available.

96. THIS COURT ORDERS that the LP Entities and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the LP Entities' creditors or other interested parties at their respective addresses as last shown on the records of the LP Entities and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

97. THIS COURT ORDERS that the LP Entities, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on its website at <http://cfcanada.fticonsulting.com/clp>.

GENERAL

98. THIS COURT ORDERS that the LP Entities, the Monitor or the Agent may from time to time apply to this Court for advice and directions in connection with, *inter alia*, the discharge of powers and duties hereunder.

99. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the LP Entities, the LP Business or the LP Property.

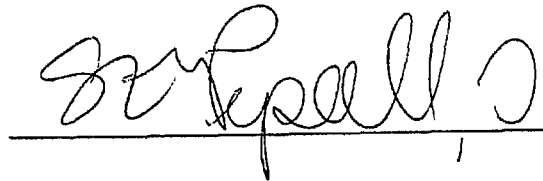
100. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the LP Entities, the Monitor and their respective agents in carrying out the terms of this 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.

101. THIS COURT ORDERS that each of the LP Entities and the Monitor 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.

102. THIS COURT ORDERS that any interested party (including the LP Entities, the Monitor and the Agent) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided however that the LP DIP Lenders shall be entitled to rely on this Order as issued for all advances made under the Commitment Letter and the LP DIP Definitive Documents up to and including the date this Order may be varied or amended.

103. THIS COURT ORDERS that, notwithstanding the immediately preceding paragraph, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the Commitment Letter or the LP DIP Definitive Documents, unless notice of a motion for such order is served on the Monitor and the LP Entities, the Agent and the LP DIP Lenders returnable no later than February 11, 2010.

104. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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

JAN 15 2010

PER / PAR: JSN Joanne Nicoara
Registrar, Superior Court of Justice

APPENDIX "B"

LP SUPPORT AGREEMENT

Made as of January 8, 2010

Between

CANWEST LIMITED PARTNERSHIP/CANWEST SOCIÉTÉ EN COMMANDITE

and

CANWEST (CANADA) INC.

and

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

and

CANWEST BOOKS INC.

and

**THE BANK OF NOVA SCOTIA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT
ON BEHALF OF THE LENDERS**

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LP SUPPORT AGREEMENT

This Agreement is made as of January 8, 2010 between

**CANWEST LIMITED PARTNERSHIP/ CANWEST
SOCIÉTÉ EN COMMANDITE**

and

CANWEST (CANADA) INC.

and

**CANWEST PUBLISHING INC. /
PUBLICATIONS CANWEST INC.**

and

CANWEST BOOKS INC.

and

**THE BANK OF NOVA SCOTIA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT
ON BEHALF OF THE LENDERS**

RECITALS

- A. Canwest LP is the borrower under the Senior Credit Agreement and each Consenting Senior Lender is a Lender under the Senior Credit Agreement.
- B. Certain Events of Default have occurred under the Senior Credit Agreement and each LP Entity entered into the Forbearance Agreement with respect to such Events of Default, which has now expired.
- C. The Hedging Agreements have been terminated by the applicable Senior Lenders.
- D. This Agreement sets out certain agreements and arrangements between the Parties in respect of the Acquireco Plan and the Proceeding.

FOR VALUE RECEIVED, the Parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

- (1) “Acquireco” means 7272049 Canada Inc., a corporation incorporated pursuant to the CBCA for the purpose of acquiring the Acquired Assets as described in the Acquisition and Assumption Agreement and the Acquireco Plan.

- (2) **“Acquireco Plan”** means a plan of compromise or arrangement under the CCAA in respect of the LP Entities substantially in the form attached hereto as Schedule 1.1(2), as approved as to form and substance by the Administrative Agent, acting in consultation with the Steering Committee.
- (3) **“Acquired Assets”** means the assets or property of or used by or in the possession or control of the LP Entities to be acquired by Acquireco pursuant to the Acquisition and Assumption Agreement and the Acquireco Plan.
- (4) **“Acquisition and Assumption Agreement”** means an acquisition and assumption agreement substantially in the form attached hereto as Schedule 1.1(4), as approved as to form and substance by the Administrative Agent, acting in consultation with the Steering Committee, and pursuant to which Acquireco would, *inter alia*, acquire the Acquired Assets from CPI in the circumstances contemplated by the Acquireco Plan, and as may be amended from time to time in accordance with the provisions of the Acquireco Plan.
- (5) **“Administrative Agent”** means The Bank of Nova Scotia or any successor in its capacity as Administrative Agent on behalf of the Senior Lenders under the Senior Credit Agreement.
- (6) **“Agent’s Advisors”** means the legal, financial and other advisors to the Administrative Agent.
- (7) **“Agreement”** means this LP Support Agreement together with all exhibits, schedules and appendices hereto, as may be amended, supplemented, restated or replaced from time to time.
- (8) **“Business Day”** means a day on which banks are open for business in Toronto and Winnipeg, but does not include a Saturday, Sunday or a holiday in either the Province of Ontario or the Province of Manitoba.
- (9) **“Canadian Dollars”** and the symbol “\$” each means the lawful currency of Canada.
- (10) **“Canwest Books”** means Canwest Books Inc., a corporation existing pursuant to the CBCA.
- (11) **“Canwest Entities”** means Canwest Media Inc. or affiliates of Canwest Media Inc. other than the other LP Entities and NP Subco.
- (12) **“Canwest LP”** means Canwest Limited Partnership/Société En Commandite, a limited partnership existing pursuant to the *Limited Partnerships Act* (Ontario).
- (13) **“Cash Reserve Order”** means the order of the Court, on terms and in substance satisfactory to the Administrative Agent, acting in consultation with the Steering Committee, pursuant to which the cash reserve be established as a segregated account in trust out of the LP Entities cash and cash equivalents by the Monitor in accordance with the Acquireco Plan.
- (14) **“CBCA”** means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44.

- (15) "CCAA" means the *Companies' Creditors Arrangement Act (Canada)*, R.S.C. 1985, c. C-36.
- (16) "CCAA Senior Lender Approval" means a super majority approval of the Senior Lenders as required by the CCAA, being 66.7% by amount of Senior Secured Claims in Canadian Dollars and an absolute majority in number of the Senior Lenders that vote.
- (17) "CCP" means Canwest (Canada) Inc., a corporation existing pursuant to the CBCA.
- (18) "Chief Restructuring Advisor" means the chief restructuring advisor to the LP Entities, CRS Inc.
- (19) "Claims" means at any time, any right of any Person against any of the LP Entities in connection with any indebtedness, liability or obligation of any kind of such LP Entity owed to such Person and any interest accrued thereon as at such time or costs or other amounts payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, and for greater certainty, includes any claim that would have been provable if the LP Entities had become bankrupt at such time.
- (20) "Conditions" means the conditions to plan implementation set forth in the Acquireco Plan.
- (21) "Consenting Senior Lender" means a Senior Lender that is party to the Senior Lenders Support Agreement at that time.
- (22) "Court" means the Ontario Superior Court of Justice (Commercial List).
- (23) "CPI" means Canwest Publishing Inc./Publications Canwest Inc., a corporation existing pursuant to the CBCA.
- (24) "Credit Acquisition" means the transaction contemplated by the Acquireco Plan including the acquisition by Acquireco of the Acquired Assets from CPI pursuant to the Acquisition and Assumption Agreement.
- (25) "Credit Acquisition Sanction Order" means an order of the Court substantially in the form attached as a schedule to the Acquireco Plan (i) approving the transactions contemplated in the Acquisition and Assumption Agreement, (ii) sanctioning the Acquireco Plan pursuant to the provisions of the CCAA, (iii) vesting in CPI all of the right, title and interest in and to the Canwest Books Assets, Canwest GP Assets and CLP Assets, each as they will be defined in the Acquireco Plan, (iv) vesting in Acquireco all right, title and interest in and to the Senior Secured Claims and the Senior Security as it will be defined in the Acquireco Plan, (v) vesting in Acquireco all right, title and interest in and to the Acquired Assets and (vi) vesting in Acquireco any amounts in the Cash Reserve Account as it will be defined in the Acquireco Plan that are not

accordance with the Cash Reserve Order, as such order may be amended or modified by the Court from time to time on notice to the Senior Lenders.

(26) **“Credit Acquisition Sanction Order Trigger Date”** means the earliest to occur of the following events, all as contemplated by and defined in the SISP Procedures: (i) the determination that the SISP will not proceed to Phase 2, (ii) the determination by the Monitor in accordance with the SISP that it will be unable to obtain a Successful Bid by the Phase 2 Bid Deadline, (iii) no Qualified Bid is received by the Phase 2 Bid Deadline that constitutes a Superior Offer, and (iv) no Superior Offer results in the completion of a transaction on or before the date that is sixty days following the Phase 2 Bid Deadline (or such longer period as is permitted pursuant to the SISP).

(27) **“DIP Credit Facility”** means the DIP credit facility contemplated and approved pursuant to the Initial Order.

(28) **“Event of Default”** means an Event of Default under the Senior Credit Agreement.

(29) **“Filing Date”** means the date on which the Proceeding is commenced.

(30) **“Forbearance Agreement”** means the letter agreement dated August 31, 2009 between Canwest LP, CCI, CPI, Canwest Books and the Administrative Agent.

(31) **“Governmental Authority”** means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

(32) **“Guarantors”** means the Guarantors party to the Senior Credit Agreement from time to time.

(33) **“Hedge Termination Amounts”** means the amounts owing by Canwest LP on account of the termination of the Hedging Agreements, which amounts are set forth on Schedule 1.1(33), subject to verification pursuant to the claims process contained in the Initial Order.

(34) **“Hedging Agreements”** means the interest rate, currency and commodity hedging agreements entered into between a LP Entity and one or more Lenders set forth on Schedule 1.1(33), in respect of which the LP Entity’s obligations are secured *pari passu* with the obligations under the Senior Credit Agreement.

(35) **“Initial Cash Flow Forecast”** has the meaning given to it in Section 5.3(1).

(36) **“Initial Order”** means an initial order of the Court in respect of the Proceeding, among other things approving this Agreement, the authorization and filing of the Acquireco Plan, and the SISP Procedures, as approved as to form and substance by the Administrative Agent, acting in consultation with the Steering Committee, and substantially in the form attached hereto as Schedule 1.1(36).

(37) **“Lenders”** means the Lenders party to the Senior Credit Agreement from time to time.

- (38) **“LP Entities”** means, collectively, Canwest LP, CCI, CPI, and Canwest Books.
- (39) **“Monitor”** means FTI Consulting Canada Inc., in its capacity as CCAA court-appointed Monitor of the LP Entities pursuant to the Initial Order.
- (40) **“Notice”** means any notice, approval, demand, direction, consent, designation, request, document, instrument, certificate or other communication required or permitted under this Agreement.
- (41) **“NP Intercompany Loan Agreement”** has the meaning given to it in Section 5.3(2)(h).
- (42) **“NP Subco”** means National Post Inc., a corporation existing pursuant to the CBCA.
- (43) **“Parties”** means the Administrative Agent and each of the LP Entities.
- (44) **“Person”** means any natural person, sole proprietorship, partnership, limited partnership, corporation, trust, joint venture, Governmental Authority, incorporated or unincorporated entity, or incorporated or unincorporated association of any nature.
- (45) **“Plan Implementation Date”** means, as applicable, either (i) the date on which all of the conditions precedent to the implementation of the Credit Acquisition have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Acquireco Plan, waived, as evidenced by a certificate to that effect filed with the Court by the Monitor or (ii) the date on which all conditions precedent to the implementation of a transaction pursuant to a Superior Cash Offer have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Acquireco Plan, waived, as evidenced by a certificate to that effect filed with the Court by the Monitor.
- (46) **“Proceeding”** means the proceedings involving, *inter alia*, CCI, CPI, Canwest Books and Canwest LP under the CCAA or alternative proceedings commenced to implement the Credit Acquisition.
- (47) **“RBCCM Engagement Letter”** means the engagement letter dated as of October 1, 2009 pursuant to which RBC Capital Markets was engaged as financial advisor to Canwest LP and CPI.
- (48) **“Recoverable Expenses”** means all recoverable fees, expenses and costs incurred by the Administrative Agent, both prior to and after the date of the Initial Order, which Canwest LP has agreed to reimburse under the terms of the Senior Credit Agreement or otherwise, including the reasonable fees, expenses and costs of the Agent’s Advisors, reasonable costs of conducting the search for directors of Acquireco and, following CCAA Senior Lender Approval of the Acquireco Plan, investment banking advice relating to the equity of Acquireco.
- (49) **“Reference Amount”** means the aggregate amount of the Senior Secured Claims calculated as of the Plan Implementation Date minus \$25 million; for greater certainty, in the case of the Credit Acquisition, such calculation shall be made after crediting any payments on account of the Senior Secured Claims made on the Plan Implementation Date pursuant to the Acquireco Plan and the Acquisition and Assumption Agreement.

- (50) **“Revised Cash Flow Forecast”** has the meaning given to it in Section 5.3(2)(c).
- (51) **“Sanction Order”** means the Credit Acquisition Sanction Order or the Superior Cash Offer Sanction Order, whichever is made.
- (52) **“Senior Credit Agreement”** means the Credit Agreement dated as of 10 July 2007 between CanWest MediaWorks Limited Partnership (now Canwest LP), as Borrower, the Guarantors party thereto from time to time, as Guarantors, the Lenders party thereto from time to time as Lenders and the Administrative Agent on behalf of the Lenders, as amended from time to time.
- (53) **“Senior Lenders”** means the Lenders in such capacity under the Senior Credit Agreement and, as applicable, the Lenders in their capacity as counterparties to a Hedging Agreement.
- (54) **“Senior Lenders Meeting”** means a meeting of the Senior Lenders to be called and held in accordance with the provisions of the Initial Order for the purpose of considering and voting on the Acquireco Plan.
- (55) **“Senior Lenders Support Agreement”** means the Senior Lenders Support Agreement dated December 18, 2009 between the Administrative Agent and Senior Lenders party thereto from time to time.
- (56) **“Senior Secured Claims”** means Claims of the Senior Lenders arising under or in connection with the Senior Credit Agreement or a Hedging Agreement, in each case calculated based on the deemed conversion of claims denominated in US Dollars to Canadian Dollars on the Filing Date, and, for greater certainty, does not include any Claims of The Bank of Nova Scotia arising under or pursuant to any agreement or other arrangements relating to the provision of cash management services to any of the LP Entities (including ordinary course spot foreign exchange transactions).
- (57) **“Shared Services”** has the meaning given in Section 5.3(2)(n).
- (58) **“SISP Procedures”** means the procedures for the sale and investor solicitation process as approved as to form and substance by the Administrative Agent, acting in consultation with the Steering Committee, to be set out as a schedule to the Initial Order.
- (59) **“Steering Committee”** means the steering committee of Lenders formed by the Administrative Agent as composed from time to time.
- (60) **“Superior Alternative Offer”** means a credible, reasonably certain and financially viable offer for the purchase of all or substantially all of the LP Property (as defined in the Initial Order), including any such offer where the cash component available for distribution to the Senior Lenders upon closing, if any, is less than the Reference Amount as of the closing of the transaction, or a reorganization of the LP Entities, in each case approved by a CCAA Senior Lender Approval.
- (61) **“Superior Cash Offer”** means a credible, reasonably certain and financially viable offer that would result in a cash distribution to the Senior Lenders on closing of the transaction

contemplated by the offer equal to the Reference Amount calculated as of the closing of the transaction.

(62) **“Superior Cash Offer Sanction Order”** means an order of the Court in form and substance satisfactory to the Administrative Agent, acting in consultation with the Steering Committee, *inter alia*, (i) approving the transaction pursuant to a Superior Cash Offer, (ii) sanctioning the Acquireco Plan pursuant to the provisions of the CCAA, and (iii) approving the distribution to and acceptance by the Senior Lenders of the Reference Amount calculated as of the Plan Implementation Date in full and final satisfaction of the Senior Secured Claims.

(63) **“Superior Offer”** means either a Superior Cash Offer or a Superior Alternative Offer.

(64) **“Term”** means the period commencing on the date of this Agreement and ending on the date on which this Agreement is terminated in accordance with its terms.

(65) **“US Dollars”** means lawful currency of the United States of America.

Section 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.

Section 1.3 Currency

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

Section 1.4 Additional Rules of Interpretation

(1) *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.

(2) *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.

(3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to articles, sections or schedules of this Agreement.

(4) *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.

(5) *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.

(6) *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 and which are legally binding.

(7) *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, include all schedules and exhibits attached thereto.

(8) *Writing.* References to “in writing”, “written” and similar expressions include material that is printed, handwritten, typewritten, faxed, emailed, or otherwise capable of being visually reproduced at the point of reception.

Section 1.5 Schedules

The following are the schedules annexed to this Agreement and incorporated by reference and deemed to be part hereof:

Schedule 1.1(2) – Acquireco Plan

Schedule 1.1(4) – Acquisition and Assumption Agreement

Schedule 1.1(33) – Hedge Termination Amounts

Schedule 1.1(36) – Initial Order

Schedule 2.1(f) – Additional Defaults

Schedule 5.3 – Initial Cash Flow Forecast

Schedule 8.5 – Addresses for Notice

ARTICLE 2 – REPRESENTATIONS AND WARRANTIES OF THE LP ENTITIES

Section 2.1 Representations and Warranties

Each of the LP Entities represents and warrants to the Administrative Agent as stated below and acknowledges that the Administrative Agent is relying on the accuracy of each such representation and warranty in entering into this Agreement and giving effect to the provisions hereof.

- (a) Each of the LP Entities other than Canwest LP has been duly incorporated and organized, is a subsisting corporation under the laws of their jurisdiction of incorporation. Canwest LP is a subsisting limited partnership under the *Limited Partnerships Act* (Ontario).

- (b) The execution and delivery of this Agreement and the consummation of the transactions hereunder have been duly and validly authorized by all necessary corporate action on the part of the LP Entities (other than CCI and Canwest LP). The execution and delivery of this Agreement and the consummation of the transactions hereunder have been duly and validly authorized by all necessary corporate action on the part of CCI on its own behalf and on behalf of Canwest LP.
- (c) Except for the Initial Order and except as may be otherwise addressed in the Initial Order, none of the LP Entities or NP Subco is under any obligation, contractual or otherwise, to request or obtain any Consent or Regulatory Approval or to give any notice to any Governmental Authority or other Person by virtue of or in connection with the execution, delivery or performance by the LP Entities of this Agreement or the performance of its obligations hereunder; provided that certain Consents may be required pursuant to closing the Credit Acquisition to be identified in the Acquisition and Assumption Agreement. For purposes of the foregoing:
- (i) **“Consent”** means any consent, approval, permit, waiver, ruling, exemption or acknowledgement from any Person (other than an LP Entity) which is provided for or required in respect of or pursuant to the terms of any material agreement binding on any of the LP Entities and/or NP Subco; and
 - (ii) **“Regulatory Approval”** means any approval, consent, ruling, authorization, notice, permit or acknowledgement that may be required from any Person pursuant to applicable law.
- (d) This Agreement has been duly and validly executed and delivered by each of the LP Entities (other than Canwest LP) and has been duly and validly executed and delivered by CCI on behalf of Canwest LP. This Agreement is a valid and legally binding obligation of each of the LP Entities enforceable against each of the LP Entities in accordance with its terms, except as may be subject to applicable bankruptcy, insolvency, moratorium or other similar laws, now or hereafter in effect, relating to or affecting the rights of creditors generally and by legal and equitable limitations or the enforceability of specific remedies.
- (e) There are no actions, applications, complaints, claims, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of an LP Entity) pending or, to the best of the LP Entities’ knowledge, threatened, by or against or affecting an LP Entity, at law or in equity, or before or by any court or other Governmental Authority, which might adversely affect the ability of the LP Entities to enter into this Agreement or to perform their obligations hereunder, nor to the knowledge of the LP Entities are there grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.
- (f) Since the date of the Forbearance Agreement, no Default or Event of Default (as those terms are defined in the Senior Credit Agreement) has occurred or is

continuing other than the Specified Defaults as defined in, and described in, the Forbearance Agreement or as described in Schedule 2.1(f).

ARTICLE 3 – REPRESENTATIONS, WARRANTIES, ACKNOWLEDGEMENT AND COVENANT OF THE ADMINISTRATIVE AGENT

Section 3.1 Representations and Warranties

The Administrative Agent hereby represents and warrants, to each of the LP Entities and acknowledges that each of the LP Entities is relying upon such representation and warranty in entering into this Agreement and giving effect to the provisions hereof, that the Administrative Agent has provided the LP Entities with a true and correct copy of the Senior Lenders Support Agreement together with the “Joinders” received by the Administrative Agent as of January 7, 2010.

Section 3.2 Acknowledgement

Notwithstanding paragraph 29 of the Initial Order, the Administrative Agent acknowledges that: (i) coverage under the then existing directors and officers insurance policies of the LP Entities may not be available, acknowledged or extended by the insurer by the time of completion of the Proceeding, and (ii) the allocation of the available coverage between claims against the directors and officers of the LP Entities and claims against the directors and officers of certain of the LP Entities’ affiliates under such policies has not been resolved and may not be resolved by the time of completion of the Proceeding; and that such circumstances may necessitate access to the charge in favour of the directors and officers of the LP Entities contained in the Initial Order. If there is no successful Credit Acquisition, all parties reserve their rights concerning amendments to, and conditions of discharge or vacating the charge in favour of the directors and officers of the LP Entities contained in the Initial Order.

Section 3.3 Specific Performance by Consenting Senior Lenders

In the event that one or more Consenting Senior Lenders fails to vote in favour of the Acquireco Plan at the Senior Lenders Meeting in breach of the Senior Lenders Support Agreement by such Consenting Senior Lenders, unless the Administrative Agent takes action to enforce its rights against such Consenting Senior Lenders under the Senior Lenders Support Agreement, the Administrative Agent shall assign to Canwest LP without any representations or warranties whatsoever any rights under the Senior Lenders Support Agreement it has to seek specific performance of the applicable Consenting Senior Lenders’ obligation to vote in favour of the Acquireco Plan.

ARTICLE 4 - SURVIVAL

Section 4.1 Survival

All representations and warranties contained in this Agreement shall merge on the Plan Implementation Date upon the implementation of the Acquireco Plan.

ARTICLE 5- COVENANTS OF THE LP ENTITIES

Section 5.1 Pursuit of Credit Acquisition

Subject to the Initial Order, any other order of the Court, the SISP Procedures and Section 8.1 hereof, the LP Entities shall:

- (a) commence the Proceeding by filing with the Court on or before January 8, 2010 an application for the Initial Order and shall take all steps necessary or desirable to obtain the Initial Order. An Initial Order shall be submitted to the Court in the form attached as Schedule 1.1(36) and shall be subject to any amendments that are required by the Court that are acceptable as to form and substance to the Administrative Agent, acting in consultation with the Steering Committee;
- (b) comply with all orders made by the Court in respect of the Proceeding;
- (c) on or about the commencement of the Proceeding, cause to be issued a press release or other public disclosure that discloses the material provisions of the Initial Order including the SISP Procedures and the Acquireco Plan;
- (d) pursue, support and use efforts, as and when commercially reasonable, to implement a Credit Acquisition in good faith;
- (e) do all things as and when commercially reasonable in furtherance of, and to implement and make effective, the transactions contemplated by the Acquireco Plan, including:
 - (i) take all commercially reasonable steps to call, hold and conduct the Senior Lenders Meeting on or before January 31, 2010;
 - (ii) from and after the date of CCAA Senior Lender Approval of the Acquireco Plan, take all commercially reasonable steps to cause the Plan Implementation Date to occur within the timeframes contemplated by this Agreement;
 - (iii) use commercially reasonable efforts to ensure that the representations and warranties contemplated to be given by any LP Entity pursuant to the Acquisition and Assumption Agreement will be true and correct at the time that the Acquisition and Assumption Agreement is executed and delivered by the LP Entities and at the time that the Credit Acquisition is completed;
 - (iv) from and after the date of CCAA Senior Lender Approval of the Acquireco Plan, work cooperatively and with commercially reasonable efforts to complete the schedules to the Acquisition and Assumption Agreement and provide to Acquireco any other information required to finalize the terms of the Acquisition and Assumption Agreement;

- (v) use commercially reasonable efforts to satisfy the applicable Conditions prior to the Plan Implementation Date; and
- (vi) from and after the date hereof, observe and perform all of the covenants set forth in the Acquisition and Assumption Agreement as if the Acquisition and Assumption Agreement was executed and delivered by and binding on the LP Entities on and after the date of this Agreement;
- (f) pursue, support and use commercially reasonable efforts to conduct on a timely basis, a sale and investor solicitation process in accordance with the RBCCM Engagement Letter, the Initial Order and the SISP Procedures;
- (g) from and after the Credit Acquisition Sanction Order Trigger Date, take all steps reasonably necessary and desirable to obtain a Credit Acquisition Sanction Order within the timeframes contemplated by this Agreement, the Initial Order and the SISP Procedures with the Credit Acquisition Sanction Order submitted to the Court being duly completed and substantially in the form attached to the Acquireco Plan subject to any amendments that are acceptable to the LP Entities and the Administration Agent acting in consultation with the Steering Committee;
- (h) pay free and clear of any withholding for taxes or otherwise: (i) all interest on the Senior Secured Claims, and (ii) Recoverable Expenses when due;
- (i) pay the following fees free and clear of any withholding for taxes or otherwise (provided that, in respect of (ii) below, such work fees shall be subject to withholding tax for the applicable month (which the LP Entities agree to remit to the applicable Governmental Authority in accordance with applicable law) if any payee that is not a resident of Canada does not provide monthly written evidence to the LP Entities in the form agreed by the Administrative Agent with the LP Entities that withholding tax does not apply):
 - (i) to each Consenting Senior Lender (including the Administrative Agent and members of the Steering Committee) that enters this Agreement (A) prior to the Filing Date, a commitment fee of 37.5 bps or (B) after the Filing Date but on or before January 22, 2010, a commitment fee of 25 bps, in each case based upon the principal amount of their Senior Secured Claims that are subject to this Agreement as of January 22, 2010, such fee being payable in cash at the time of CCAA Senior Lender Approval of the Acquireco Plan by the Senior Lenders; and
 - (ii) to the Administrative Agent, a monthly work fee of \$50,000 per month, and to each entity who is a member of the Steering Committee on or after the Filing Date (excluding the Administrative Agent), a monthly work fee of \$10,000 per month, such work fees commencing as of June 1, 2009, or in the case of entities that joined the Steering Committee after June, 2009, the date the entity became a member of the Steering Committee, for a period not to exceed 12 months, which shall be paid monthly in arrears;

- (j) not pay any of the legal, financial or other advisors to any other Person, except as expressly contemplated by the Initial Order or with the consent in writing from the Administrative Agent acting in consultation with the Steering Committee;
- (k) as soon as practicable following the date hereof, in cooperation with the Administrative Agent and the Agent's Advisors, make all such filings and seek all such consents, approvals, permits and authorizations with any Governmental Authorities or third parties whose consent is required in connection with the applicable transaction contemplated by the Acquireco Plan and use commercially reasonable efforts to obtain any and all required regulatory and/or material third party approvals for or in connection with the applicable transaction contemplated by the Acquireco Plan, in each case at the LP Entities' expense;
- (l) from and after the date of CCAA Senior Lender Approval of the Acquireco Plan, and subject to the execution by Acquireco of a confidentiality and non-disclosure agreement satisfactory to the LP Entities acting reasonably, cooperate with and provide all necessary information and assistance to Acquireco and the Administrative Agent in connection with preparing, filing of and obtaining a receipt for a preliminary prospectus with respect to Acquireco that contains full, true and plain disclosure of all material facts in relation to Acquireco, the Cash and Equivalents, the Acquired Assets and the Assumed Liabilities (as each such term is defined in the Acquisition and Assumption Agreement), and resolving all comments received from the applicable Canadian securities regulatory authorities in relation to such preliminary prospectus, including providing access to and instructions to the auditors and other professional advisors to the LP Entities and NP Subco to assist with the preparation of the preliminary prospectus and audited annual financial statements and unaudited interim financial statements of Acquireco and/or the LP Entities and NP Subco required therefor;
- (m) from and after the date of CCAA Senior Lender Approval of the Acquireco Plan, to the extent permitted by law and the terms of any contractual obligation of confidentiality:
 - (i) provide to the Administrative Agent and the Agent's Advisors reasonable access to the data room established by Canwest LP in connection with the SISP Procedures; and
 - (ii) make the officers and legal and financial advisors of the LP Entities and NP Subco available on a reasonable basis for any discussions with the Administrative Agent, the Agent's Advisors and the Steering Committee; and
- (n) from and after the date of CCAA Senior Lender Approval of the Acquireco Plan, not take any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the implementation of, the Acquireco Plan and/or the Credit Acquisition, except as required by applicable law or by any stock exchange rules, by any other regulatory authority having jurisdiction over the LP Entities and/or NP Subco or by any court of competent jurisdiction.

Section 5.2 Provision of Court Materials, etc.

- (1) The LP Entities shall provide draft copies of all motions or applications and other documents the LP Entities intend to file with the Court to counsel to the Administrative Agent at least three days prior to the date when the LP Entities intend to file such document (except in exigent circumstances where the LP Entities shall provide the documents within such time prior to the filing as is practicable) and such filings shall be in form and substance acceptable to counsel to the Administrative Agent, acting in consultation with the Steering Committee.
- (2) The LP Entities shall keep the Administrative Agent and its counsel advised on a timely and ongoing basis of the status of the Proceeding, including the sale and investor solicitation process under the SISP Procedures and any material changes or development with respect to thereto and, subject to the terms of the Initial Order, shall promptly and fully respond to all requests for information, question and comments of the Administrative Agent and its counsel from time to time.

Section 5.3 Operational Covenants of Canwest LP

- (1) Canwest LP has delivered the cash flow projections set out in Schedule 5.3 to the Administrative Agent (the "**Initial Cash Flow Forecast**").
- (2) During the Term, unless consented to by the Administrative Agent, Canwest LP shall:
 - (a) not make or permit to be made any payment on account of pre-filing obligations (including any payments permitted under the Initial Order) without the prior consent of the Monitor; provided that, in no event shall payments on account of pre-filing obligations exceed, in aggregate, \$12 million (or the US Dollar equivalent thereof) exclusive of payments for employee-related items and sales taxes permitted under the Initial Order. Canwest LP shall use best efforts to deliver a written report to the Administrative Agent not less than 24 hours prior to making any such payment in excess of \$100,000 or the US Dollar equivalent thereof, providing details as to the amount, recipient and nature of any such pre-filing payment together with a statement as to the cumulative balance of all pre-filing payments including such proposed payment and, for greater certainty, payments which are individually less than \$100,000; provided that if such report is not delivered to the Administrative Agent at least 24 hours prior to making any such payment, Canwest LP shall deliver such report to the Administrative Agent as soon as possible and not later than close of business on the date such payment is made;
 - (b) ensure that, as of any date, the aggregate net cash flow (with "net cash flow" to be defined as in the definitive loan documents for the DIP Credit Facility) of Canwest LP, on a consolidated basis, and calculated on a cumulative basis for the period since the commencement of the Initial Cash Flow Forecast or, if applicable, since the commencement of the Revised Cash Flow Forecast, shall not be less than the forecast net cash flow for Canwest LP, on a consolidated basis, for such period as set forth in the Initial Cash Flow Forecast or the Revised Cash Flow Forecast, as applicable, by more than \$10 million, tested every Thursday for the previous week ended Sunday;

- (c) at the time of the first request for advance under the DIP Credit Facility, Canwest LP shall deliver to the Administrative Agent on behalf of the Senior Lenders the revised cash flow forecast of receipts and disbursements from the date of a proposed initial advance under the DIP Credit Facility to the end of the period contemplated in the Initial Cash Flow Forecast (the "**Revised Cash Flow Forecast**"), including variance reports, which Revised Cash Flow Forecast shall be subject to approval by, and must be in form and substance satisfactory to, the Administrative Agent acting in consultation with the Steering Committee. The Revised Cash Flow Forecast shall be provided together with a detailed calculation of working capital balances that exist as at the date of such forecast (to be defined in the definitive DIP Credit Facility) and a compliance certificate signed by an officer of Canwest LP stating that (i) such Revised Cash Flow Forecast and variance reports do not disclose any defaults with respect to financial covenants of Canwest LP herein (if applicable) during the periods covered thereby, (ii) stating that the Revised Cash Flow Forecast discloses that Canwest LP will have sufficient funds to meet its obligations as they become due during such period, and (iii) providing the detailed calculation of working capital and a detailed explanation as to why Canwest LP's operating and/or cash flow circumstances have deteriorated from the expectations at the time of the Initial Cash Flow Forecast;
- (d) not, and shall ensure that its direct and indirect subsidiaries do not, undertake any actions with respect to their business operations and/or capital structure which would, in the determination of the Administrative Agent, have a material adverse effect on Canwest LP or such direct or indirect subsidiaries;
- (e) not, and shall not permit the other LP Entities to incur any indebtedness, other than the DIP Credit Facility including the giving of any guarantees, other than indebtedness specifically contemplated by the DIP Credit Facility or permitted by the Administrative Agent;
- (f) not, and shall not permit the other LP Entities to incur, create, assume or suffer to exist any lien on any Acquired Assets other than: (i) Permitted Encumbrances (as defined in the Senior Credit Agreement) or (ii) charges created pursuant to the Initial Order;
- (g) not, and shall not permit the other LP Entities, except with respect to the Credit Acquisition, as contemplated by the Initial Order, or pursuant to the SISP Procedures, to enter into any merger, amalgamation, consolidation, reorganization or recapitalization, sale or any transaction resulting in the change of ownership or control of Canwest LP or any of the other LP Entities, without the prior written consent of the Administrative Agent;
- (h) not, except with the prior written consent of the Administrative Agent, and shall not permit the other LP Entities (i) to declare or pay any dividends on, or make any other distributions (whether by reduction of capital or otherwise) with respect to any of their issued and outstanding shares or other equity interest except to other LP Entities, (ii) to make any intercompany loans except to other LP Entities

as contemplated by the Initial Cash Flow Forecast or to NP Subco pursuant to the terms and conditions of the letter loan agreement dated October 30, 2009 between CPI and NP Subco, as amended from time to time (the "**NP Intercompany Loan Agreement**"), (iii) to make any other payment or other transfer of funds including fees for service to any CMI Entity, except in accordance with the existing arrangements for Shared Services described in Section 5.3(2)(n);

- (i) not, and shall not permit the other LP Entities to sell any of their assets out of the ordinary course of business or which have an aggregate net book value in excess of \$5 million without the prior written consent of the Administrative Agent;
- (j) ensure that amounts owing on account of shared services under the Agreement on Shared Services and Employees dated October 26, 2009 (as amended, restated or supplemented from time to time) to or from Canwest LP or the other LP Entities are paid when due and shall ensure that all of the terms and conditions of the NP Intercompany Loan Agreement are complied with;
- (k) shall ensure that its Chief Restructuring Advisor, its other advisors and its senior management team are available to meet with and respond to enquiries and information requests from the Administrative Agent, the Consenting Senior Lenders and their advisors as may be reasonably required, and in any event no less frequently than once per week, and to provide them with updates as to progress of the SISP Procedures as set forth in the Initial Order;
- (l) not make any material change to its existing senior management arrangements (including its management incentive plan) without the prior written consent of the Administrative Agent;
- (m) not enter and shall not permit the other LP Entities to enter into any other credit facilities (whether before or after the commencement of the Proceeding) secured in priority or *pari passu* to the Senior Credit Agreement, except for the DIP Credit Facility;
- (n) (i) not repudiate any of the existing arrangements (as amended by the Transition and Reorganization Agreement) between the LP Entities and/or NP Subco on the one hand and the Canwest Entities on the other hand in respect of shared services, shared costs and shared professional services (the "**Shared Services**"), (ii) shall not agree to any alteration or replacement of the agreements relating to such Shared Services without the prior written consent of the Administrative Agent, which alterations or replacements shall be on terms and conditions acceptable to the Administrative Agent, acting in consultation with the Steering Committee;
- (o) in addition to the Revised Cash Flow Forecast, variance reports and other reports described above, provide to the Administrative Agent for and on behalf of the Consenting Senior Lenders:
 - (i) on the Thursday of each week, (A) a rolling 13-week cash flow forecast of receipts and disbursements, and (B) a comparison of actual to forecast for

the prior 4-week period (together with an explanation of any material variances in respect of same);

- (ii) periodic financial reports, (A) for each month, no later than 20 days after the end of such month, (B) for each of the first three fiscal quarters, no later than 45 days after the end of such fiscal quarter (which shall be in addition to the monthly reporting in (A)) and (C) for the fiscal year ending August 31, 2010, no later than 90 days after the end of such fiscal year; and
- (iii) ___ copies of all other reports provided by the LP Entities to the administrative agent pursuant to the DIP Credit Facility;
- (p) provide copies of all reports and other materials relating to the Proceeding to the Administrative Agent under the Senior Credit Agreement;
- (q) not, and shall not permit CPI to: (i) amend any provision of or give any waivers or consents under the NP Intercompany Loan Agreement without the prior written consent of the Administrative Agent, (ii) make any advances or payments to NP Subco except in accordance with the terms and conditions of the NP Intercompany Loan Agreement and under no circumstances shall Canwest LP or CPI make any such advances or payments under the NP Intercompany Loan Agreement if there occurs an "Event of Default" under the NP Intercompany Loan Agreement (unless it has been waived in accordance with (i) above), and (iii) consent to the release of the availability block in the amount of \$2.5 million under the NP Intercompany Loan Agreement without the prior written consent of the Administrative Agent;
- (r) maintain its, and shall ensure that the other LP Entities maintain all of their cash management services and bank accounts with Scotiabank; and
- (s) deliver, and shall ensure that CPI delivers to the Administrative Agent all notices, reports and updated cash flow forecasts delivered by NP Subco to CPI under the NP Intercompany Loan Agreement.

(3) Without limiting Section 5.3(2), during the Term, Canwest LP shall deliver the reports and information required pursuant to the terms of the Senior Credit Agreement and the engagement letter appointing Alvarez and Marsal Canada ULC as financial advisor to McMillan LLP as counsel to the Administrative Agent, dated June 26, 2009.

Section 5.4 Senior Credit Agreement

- (1) Except as expressly permitted under the Initial Order, the LP Entities shall continue to comply with the Senior Credit Agreement.
- (2) For the avoidance of doubt, the LP Entities agree that all amounts payable as Recoverable Expenses or work fees are recoverable expenses under the Senior Credit Agreement.

Section 5.5 MIPs

Except with the prior written consent of the Administrative Agent, acting in consultation with the Steering Committee, CPI shall not and Canwest LP shall ensure that NP Subco does not: (i) amend the existing Management Incentive Programs established by CPI and NP Subco, respectively, as previously disclosed to the Administrative Agent in writing including for greater certainty, to add any participants or beneficiaries or increase any amount payable thereunder; or (ii) make any payments pursuant thereto or in connection therewith, except in compliance with such existing Management Incentive Programs.

Section 5.6 Notice of Breach

The LP Entities shall provide written notice to the Administrative Agent of any failure by any LP Entity to comply with, or default by any LP Entity in the performance or observance of, any term, condition, covenant or agreement set forth in this Agreement, as soon as commercially reasonable and, in any event, within two Business Days of becoming aware of such failure or default.

ARTICLE 6 – TERMINATION

Section 6.1 Termination by the Administrative Agent

This Agreement may be terminated by delivery to the LP Entities of a written Notice by the Administrative Agent in its sole discretion on the occurrence and, if applicable, continuation of any of the following events:

- (a) failure by any LP Entity to comply with Section 5.6 hereof;
- (b) failure by any LP Entity to cure an event of default or failure to comply with, or default by any LP Entity in the performance or observance of, any term, condition, covenant or agreement set forth in this Agreement, within 5 Business Days after the receipt of a Notice of such failure or default from the Administrative Agent;
- (c) if any representation, warranty or other statement of any LP Entity made in this Agreement shall prove untrue in any material respect as of the date when made;
- (d) if the Proceedings are dismissed, terminated, stayed or converted to a proceeding under the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-Up and Restructuring Act* (Canada) unless such dismissal, termination, stay or conversion, as applicable is made with the prior written consent of the Administrative Agent, acting in consultation with the Steering Committee;
- (e) the appointment of a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator in the Proceedings, unless such appointment is made with the prior consent of the Administrative Agent, acting in consultation with the Steering Committee;

- (f) the amendment, modification or filing of a pleading by any LP Entity seeking to amend or modify the Acquireco Plan or any documents related thereto, in a manner not acceptable to the Administrative Agent, acting in consultation with the Steering Committee;
- (g) the following actions have not been completed by the following dates:
 - (i) from and after January 31, 2010, the Senior Lenders have not provided CCAA Senior Lender Approval of the Acquireco Plan;
 - (ii) from and after May 15, 2010, the Sanction Order with respect to the Credit Acquisition shall not have been made; or
 - (iii) from and after June 30, 2010, the Credit Acquisition shall not have been completed;
- (h) the resignation or replacement of the Chief Restructuring Advisor or the amendment of any duties of the Chief Restructuring Advisor (in each case, to the extent not approved by the Administrative Agent in consultation with the Steering Committee), subject to the ability to appoint a new Chief Restructuring Advisor acceptable to the Administrative Agent in consultation with the Steering Committee within 10 days of such resignation; or
- (i) the issuance of any preliminary or final decision, order or decree by a Governmental Authority, in consequence of or in connection with the Acquireco Plan or the Credit Acquisition, which restrains or prohibits the Acquireco Plan or the Credit Acquisition or requires or purports to require a variation of the Acquireco Plan or the Credit Acquisition that is not acceptable to the Administrative Agent acting in consultation with the Steering Committee.

Section 6.2 Termination by LP Entities

This Agreement may be terminated by the delivery to the Administrative Agent of a Notice by Canwest LP on behalf of the LP Entities, in the exercise of its sole discretion, received by the Administrative Agent:

- (a) if any material amendments are made to the Acquireco Plan or the Acquisition and Assumption Agreement (each as scheduled to this Agreement), in each case, that are not acceptable to the LP Entities acting reasonably and notice of termination is given by the LP Entities to the Administrative Agent within five Business Days of becoming aware of the making of such amendments either by receipt by the LP Entities of Notice from the Administrative Agent to the LP Entities or otherwise (including, for greater certainty, any amendments made by the Administrative Agent acting in consultation with the Steering Committee as a result of a decision, order or decree by a Governmental Authority referred to in Section 6.2(b));
- (b) following the issuance of any preliminary or final decision, order or decree by a Governmental Authority, in consequence of or in connection with the Acquireco

Plan or the Credit Acquisition, which restrains or prohibits the Acquireco Plan or the Credit Acquisition or requires or purports to require a variation of the Acquireco Plan or the Credit Acquisition that is not acceptable to the Administrative Agent acting in consultation with the Steering Committee; or

- (c) if the following actions have not been completed by the following dates:
- (i) from and after January 31, 2010, the Senior Lenders have not provided CCAA Senior Lender Approval of the Acquireco Plan;
 - (ii) from and after June 15, 2010, the Sanction Order with respect to the Credit Acquisition shall not have been made; or
 - (iii) from and after July 31, 2010, the Credit Acquisition shall not have been completed.

Section 6.3 Termination on Approval of Superior Offer

If a Superior Offer is closed pursuant to the SISP Procedures, this Agreement shall be automatically terminated immediately following such closing.

Section 6.4 Effect of Termination

On termination of this Agreement under Section 6.1, Section 6.2, Section 6.3 or Section 6.5, each Party shall be released from its commitments, undertakings and agreements under or related to this Agreement and shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take thereafter all actions, whether with respect to the Acquireco Plan or the Credit Acquisition or otherwise, that it would have been entitled to take had it not entered into this Agreement, but such termination shall not affect any votes taken or other acts taken prior to the date of such termination.

Section 6.5 Expiry on Closing Date

This Agreement shall terminate automatically without any further required action or notice on the date on which a Credit Acquisition is closed and the Acquireco Plan is implemented on the Plan Implementation Date.

ARTICLE 7 – DISCLOSURE

Section 7.1 Disclosure

No LP Entity shall, unless directed otherwise by order of the Court: (a) use the name of any Consenting Senior Lender in any press release or other public disclosure without the Administrative Agent's prior written consent; or (b) disclose to any Person other than legal and financial advisors to the LP Entities, the Monitor or its counsel or the Chief Restructuring Advisor the amount or percentage of any Senior Secured Claims or any other securities of any LP Entity or any of their respective subsidiaries held by a Consenting Senior Lender; provided, however, that any LP Entity may disclose at any time or from time to time the aggregate amount of and aggregate percentage of Senior Secured Claims held by Consenting Senior Lenders.

ARTICLE 8 – MISCELLANEOUS

Section 8.1 LP Approval

The consent of the LP Entities to each of the Initial Order, the Cash Reserve Order and the Sanction Order is subject to the applicable order being in form and substance satisfactory to the LP Entities, acting reasonably; for greater certainty, the form and substance of (i) the Initial Order attached as Schedule 1.1(36) and (ii) the Sanction Order duly completed and substantially as attached to the Acquireco Plan, is each satisfactory to the LP Entities. The LP Entities reserve the right to withhold consent and/or oppose any of the Initial Order, the Cash Reserve Order and the Sanction Order which is not in form and substance satisfactory to the LP Entities, acting reasonably.

Section 8.2 Nature of LP Entities' Obligations

The agreements and covenants of the LP Entities under this Agreement are several in all respects and not, for greater certainty, joint and several; provided however, that a default or failure to perform or observe any term, condition, covenant or agreement set forth in this Agreement by any LP Entity, shall be deemed to be a default and/or failure to perform by all of the LP Entities.

Section 8.3 Waiver of Jury Trial

The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this Section 8.3 with any court as written evidence of the knowing, voluntary and bargained-for agreement between the Parties to irrevocably waive trial by jury, and that any proceeding whatsoever between them relating to or arising out of this Agreement or any of the transactions contemplated by this Agreement shall instead be tried by a judge or judges sitting without a jury.

Section 8.4 Further Assurances

Each Party shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement, including all such actions as may be required to complete the Acquireco Plan.

Section 8.5 Notice

Unless otherwise specified, each Notice to a party must be given in writing and delivered personally or by courier, or transmitted by fax or email to the party as described on Schedule 8.5 or to any other address, fax number, email address or Person that the party designates. Any Notice, if delivered personally or by courier, will be deemed to have been given when actually received, if transmitted by fax or email before 3:00 p.m. on a Business Day, will be deemed to have been given on that Business Day, and if transmitted by fax or email after 3:00 p.m. on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Section 8.6 Time

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

Section 8.7 Governing Law

This Agreement and each document contemplated by or delivered under or in connection with this Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

Section 8.8 Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior agreements, negotiations discussions, undertakings, representations, warranties and understandings, whether written or oral. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth herein. The Parties are not relying on any other information, discussion or understanding in entering into this Agreement and completing the Acquisition.

Section 8.9 Amendment

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each of the LP Entities and the Administrative Agent, acting in consultation with the Steering Committee.

Section 8.10 Waiver

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the Parties to this Agreement entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy, under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision.

Section 8.11 Severability

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

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

Section 8.12 Remedies Cumulative

The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

Section 8.13 Assignment and Enurement

No LP Entity may assign, delegate or transfer any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent in its sole and absolute discretion. The Administrative Agent may not assign, delegate or transfer any of its rights or obligations under this Agreement except to a successor in its capacity as administrative agent on behalf of the Lenders upon written Notice to the LP Entities. This Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

Section 8.14 No Third Party Rights

This Agreement is not intended and shall not be construed to create any rights in any Person other than the Parties and no Person shall any rights as a third party beneficiary hereunder.

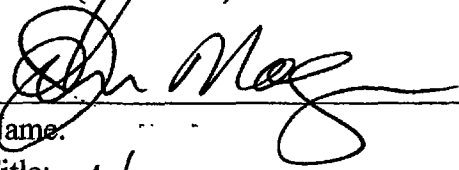
Section 8.15 Counterparts and Facsimile

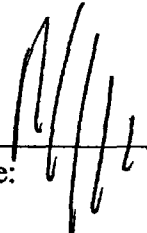
This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by facsimile or electronic transmission and such transmissions shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Signature page follows]

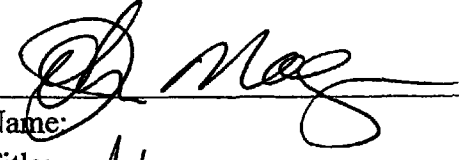
The Parties have executed this Agreement.

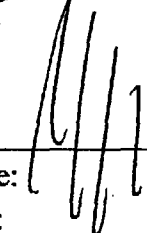
**CANWEST LIMITED PARTNERSHIP/
CANWEST SOCIÉTÉ EN COMMANDITE,
by its general partner,
CANWEST (CANADA) INC.**

By: 
Name: _____
Title: _____

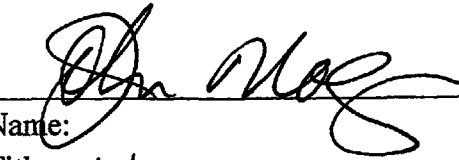
By: 
Name: _____
Title: _____

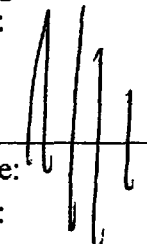
CANWEST (CANADA) INC.

By: 
Name: _____
Title: _____

By: 
Name: _____
Title: _____

**CANWEST PUBLISHING INC.
PUBLICATIONS CANWEST INC.**

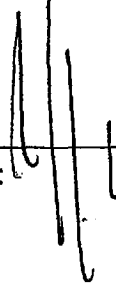
By: 
Name: _____
Title: _____

By: 
Name: _____
Title: _____

CANWEST BOOKS INC.

By: 
Name:

Title:

By: 
Name:

Title:

**THE BANK OF NOVA SCOTIA, IN ITS
CAPACITY AS ADMINISTRATIVE AGENT
ON BEHALF OF THE LENDERS**

By: _____
Name:
Title:

By: _____
Name:
Title:

APPENDIX "C"

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8
416.362.2111 MAIN
416.862.6666 FACSIMILE

OSLER

Toronto

February 17, 2010

Montréal

Marc Wasserman
Direct Dial: 416.862.4908
EPutnam@osler.com
Our Matter Number: 1117119

Ottawa

Calgary

BY FACSIMILE

New York

Mr. Andrew Kent
McMillan Binch LLP
Brookfield Place, Suite 4400
181 Bay Street
Toronto, ON M5J 2T3

Re: *In the Matter of Canwest Publishing Inc. et al.* – Representative Counsel
Motion

Dear Mr. Kent:

As you know, the LP Entities (as such term is defined in the initial order of the Ontario Superior Court of Justice dated January 8, 2010 (the “**Initial Order**”)) have been served with a motion (the “**CSER Motion**”) brought by a group calling itself the Canwest Salaried Employees and Retirees (CSER) Group (the “**CSER Group**”). The CSER Motion is for an Order, *inter alia*:

- (a) appointing four individuals as representatives of the group;
- (b) appointing Nelligan O’Brien Payne LLP and Shibley Righton LLP as counsel for the CSER Group; and
- (c) providing that all reasonable legal, actuarial and financial expert and advisory fees and all other incidental fees and disbursements as may have been or shall be incurred by the representatives and their counsel will be paid by Canwest Publishing Inc. (“**CPI**”).

The CSER Group purports to represent both former employees of the LP Entities who have had payments under their severance packages discontinued and retirees of the LP Entities who have had their Southam Executive Retirement Arrangement (“**SERA**”) benefits discontinued.

The LP Entities and The Bank of Nova Scotia, in its capacity as Administrative Agent on behalf of certain senior secured lenders of Canwest Limited Partnership (the “**LP Administrative Agent**”) are parties to a support agreement dated January 7, 2010 (the

“**Support Agreement**”) that sets forth the terms of certain agreements and arrangements relating to the proposed restructuring of the business and affairs of the LP Entities as a going concern. Pursuant to s. 5.1(j) of the Support Agreement, the LP Entities are not permitted to pay any of the legal, financial or other advisors to any other person, except as expressly contemplated by the Initial Order or with consent in writing from the LP Administrative Agent, acting in consultation with the Steering Committee (as such term is defined in the Support Agreement). The Initial Order does not contemplate the funding of counsel for the CSER Group, and the LP Entities have not received written consent for such funding from the LP Administrative Agent.

In the view of the LP Entities, the CSER Motion is premature. The Support Transaction, which is subject to the outcome of a sale and investor solicitation process (the “**SISP**”) and court approval, would not result in any recovery for unsecured creditors. It is too early in the SISP process to know how unsecured claims will be treated or whether there will be any opportunity for unsecured creditors to make claims. The LP Entities therefore intend to oppose the relief requested in the CSER Motion and, in particular, the appointment and funding of representative counsel. Of course, the LP Entities may re-evaluate their position regarding the need for representative counsel if and when circumstances change.

The LP Entities are currently in the process of drafting materials in response to the CSER Motion. To that end, we would appreciate it if you would advise as to the LP Administrative Agent’s position in respect of the funding of legal, actuarial, financial and other fees of counsel to the CSER Group.

We would appreciate your response as soon as possible.

Yours Very Truly,

 *Marc Wasserman*

Marc Wasserman

c: P. Bishop, *FTI Consulting Canada Inc.*
D. Byers, *Stikeman Elliott LLP*
D. Lamb, *Canwest Publishing Inc.*
G. Colter, *CRS Inc.*
L. Barnes, *Osler, Hoskin & Harcourt LLP*

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

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

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.

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

Proceeding commenced at Toronto

**THIRD REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS MONITOR OF THE
APPLICANTS**

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Lawyers for the Monitor