

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MADAM	)	MONDAY, THE 17 <sup>th</sup> DAY
	)	
JUSTICE PEPALL	)	OF MAY, 2010

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

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

**ORDER APPROVING THE AHC TRANSACTION AND AMENDING THE CLAIMS PROCEDURE ORDER AND THE SISP PROCEDURES**

**THIS MOTION** made by Canwest Publishing Inc./Publications Canwest Inc. (“CPI”), Canwest Books Inc. and Canwest (Canada) Inc. (the “**Applicants**”) and Canwest Limited Partnership ( the “**Limited Partnership**”, collectively and together with the Applicants, the “**LP Entities**”, and each an “**LP Entity**”), for the relief set out in the Applicants’ Notice of Motion including the approval of a transaction (the “**AHC Transaction**”) to sell the Acquired Assets (as defined in the AHC APA) pursuant to an asset purchase agreement dated as of May 10, 2010 (the “**AHC APA**”) among 7535538 Canada Inc., CW Acquisition Limited Partnership (the “**Purchaser**”) and the LP Entities, the amendment of the Order of this Honourable Court dated April 12, 2010 (the “**Claims Procedure Order**”) and the amendment of the procedures for the sale and investor solicitation process (the “**SISP Procedures**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Affidavit of Douglas E. J. Lamb sworn May 10, 2010 (the “**Lamb Affidavit**”), the Seventh Report of FTI Consulting Canada Inc. in its capacity as Court-appointed monitor of the LP Entities (the “**Monitor**”) and on hearing from counsel for the LP Entities, the Monitor, the ad hoc committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership (the “**Ad Hoc Committee**”), 7535538 Canada Inc., The Bank of Nova Scotia in its capacity as Administrative Agent (the “**Agent**”) for the senior lenders to the Limited Partnership (collectively, the “**LP Senior Lenders**”), counsel for the Special Committee of the Board of Directors of Canwest Global Communications Corp., counsel for the court-appointed representatives of certain employees and former employees of the LP Entities and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Seventh Report of the Monitor and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **APPROVAL OF AHC OFFER AND AHC TRANSACTION**

2. **THIS COURT ORDERS AND DECLARES** that the AHC Transaction is hereby approved. The execution, delivery and performance of the AHC APA, substantially in the form attached as Exhibit “D” to the Lamb Affidavit, by the LP Entities is hereby authorized and approved, and the LP Entities are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the AHC Transaction and for the conveyance of the Acquired Assets to the Purchaser, including the filing of a related plan of compromise or arrangement and the calling and conduct of a meeting of creditors.

3. **THIS COURT ORDERS** that either Douglas E.J. Lamb or ~~and~~ Kevin Bent is hereby authorized and directed to execute the AHC APA and such additional documents as may be necessary or desirable for the completion of the AHC Transaction and for the conveyance of the Acquired Assets to the Purchaser on behalf of the LP Entities. [Notwithstanding anything herein or any provision of the AHC APA, the approval and completion of the AHC Transaction pursuant to this Order is conditional upon the Administrative Agent receiving, or escrow arrangements](#)

satisfactory to the Administrative Agent being made to ensure that the Administrative Agent receives, from or on behalf of the LP Entities in immediately available funds an amount sufficient to be distributed to the Senior Lenders in indefeasible repayment in full of all amounts owing under the Credit Agreement, the Hedging Agreements and the Collateral Agency Agreement (as such capitalized terms are defined in the Initial Order dated January 8, 2010, which is referred to herein as the “**Initial Order**”).

## AMENDMENTS TO CLAIMS PROCEDURE ORDER

4. **THIS COURT ORDERS** that the Claims Procedure Order made in this proceeding dated April 12, 2010 be and is hereinafter replaced by an amended Claims Procedure Order (the “**Amended Claims Procedure Order**”) that is to be issued substantially in the form attached as Schedule “**●▲**” to this Order.

5. **THIS COURT ORDERS** that the LP Entities and the Monitor are hereby authorized and directed to resume the LP Claims Process as contemplated in paragraph 34 of the Amended Claims Procedure Order and to take steps to adjudicate and resolve claims pursuant to the terms of the Amended Claims Procedure Order.

## AMENDMENT TO SISP PROCEDURES

6. **THIS COURT ORDERS** that the SISP Procedures, as amended by the Order of this Court dated February 2, 2010, be and are hereby amended so that the first two paragraphs in the section entitled “Superior Cash Offer is Received” on page 11 shall read as follows (with added provisions underlined and in italics):

If the Monitor determines in its reasonable business judgment following consultation with the Financial Advisor and the LP CRA, that one or more of the Qualified Bids is a Superior Cash Offer, the Monitor, in consultation with the Financial Advisor and the LP CRA, shall recommend (the “Superior Cash Offer Recommendation”) to the Special Committee that the most favourable Superior Cash Offer be selected and that a definitive agreement be negotiated and settled in respect of that Superior Cash Offer, conditional upon Court approval and conditional on the Superior Cash Offer closing ~~within 91 days after the Phase 2 Bid Deadline~~ on or before July 29, 2010, or such longer period as shall be agreed to by the Monitor, in consultation with the Financial Advisor and the LP CRA, and consented to by the Agent, acting in consultation with the Steering Committee, or by further Order of the Court.

If the Special Committee accepts the Superior Cash Offer Recommendation, the Monitor, in consultation with the Financial Advisor and the LP CRA, shall negotiate and settle a definitive agreement in accordance with the recommendation but subject to the terms and conditions of the Senior Lenders’ CCAA Plan,

provided that nothing herein shall prevent the LP Entities or the Monitor from seeking sanction of the Senior Lenders' CCAA Plan, the implementation of which ~~sanction plan~~ will remain conditional upon delivery of a Monitor's Certificate on such terms as may be agreed to by the LP Entities, the Monitor, the Ad Hoc Committee and the Agent or ordered by the Court and, if such ~~conditional~~ sanction is granted, taking such commercially reasonable steps as are required for the LP Entities to remain in compliance with the terms of the Support Agreement and the Senior Lenders' CCAA Plan pending the closing of the Successful Bid (as defined herein).

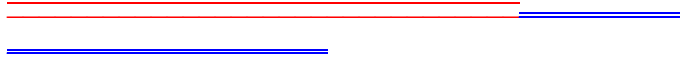
### PRIORITY TO MANAGEMENT TIME

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

### OTHER PROVISIONS

8. THIS COURT ORDERS that in the event that the Monitor's Credit Bid Sanction Certificate provided for in the Conditional Credit Acquisition Sanction, Approval and Vesting Order made on the date of this Order is delivered by the Monitor, then this Order shall be of no force or effect.

9. ~~7.~~ THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and are 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.



**Schedule "A"**

**~~AMENDED CLAIMS PROCEDURE ORDER~~**

**(to be filed)**