

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 18th DAY
)
MADAM JUSTICE PEPALL) OF JUNE, 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.

APPLICANTS



VESTING ORDER

THIS MOTION made by Canwest Publishing Inc./Publications Canwest Inc. ("**CPI**"), Canwest Books Inc. and Canwest (Canada) Inc. (the "**Applicants**") and Canwest Limited Partnership/Canwest Societe en Commandite ("**Limited Partnership**", collectively and together with the Applicants, the "**LP Entities**", and each an "**LP Entity**"), for an order vesting in 7536321 Canada Inc. (the "**Purchaser**") the LP Entities' right, title and interest in and to the assets described in the asset purchase agreement between CW Acquisition Limited Partnership (the "**Assignor**"), 7535538 Canada Inc. ("**Holdco**") and the LP Entities dated as of May 10, 2010, as amended by the assignment and amendment agreement dated June 10, 2010 among Holdco, the Assignor, the Purchaser and the LP Entities (the "**Asset Purchase Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Douglas E.J. Lamb sworn June 14, 2010, the Eighth Report of FTI Consulting Canada Inc. (the "**Monitor's Eighth Report**") in its capacity as Court-appointed monitor of the LP Entities (the "**Monitor**") and the Supplement to the Monitor's Eighth Report, the Tenth Report dated June 14, 2010, the consolidated plan of compromise concerning, affecting and involving the LP Entities dated May 20, 2010, as such

Plan has been and may be amended, varied, or supplemented by the LP Entities from time to time in accordance with the terms thereof (the “**Plan**”) and on hearing from counsel for the LP Entities, the Monitor, the ad hoc committee of holders of 9.25% notes issued by the Limited Partnership, The Bank of Nova Scotia in its capacity as Administrative Agent (the “**Administrative Agent**”) for the Senior Lenders, the court-appointed representatives of the salaried employees and retirees and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

DEFINITIONS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Vesting Order shall have the meanings ascribed to them in the Plan.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with and that the service of the Notice of Motion, the Motion Record and the Monitor’s Eighth Report as effected by the LP Entities is hereby validated in all respects.

VESTING

3. **THIS COURT ORDERS** that upon the delivery of the Monitor’s certificate (the “**Vesting Certificate**”) to the Purchaser and the LP Entities in accordance with the Plan, substantially in the form attached hereto as Schedule “A”, and, with respect to the Quebec Property (as defined in Schedule “C”) only the execution and delivery of the Deed of Transfer (as hereinafter defined) and, with respect to the Quebec Property (and any other Acquired Assets located or deemed to be located in the Province of Quebec) only the execution and delivery of the Deeds of Mainlevée (as hereinafter defined) and the RV Forms (as hereinafter defined), in accordance with paragraphs 3(b), 16 and 17 of this Vesting Order:

- (a) all of the LP Entities’ right, title and interest in and to the Acquired Assets, including, without limitation, the LP Entities’ right, title and interest as landlord, tenant and sub-tenant, as the case may be, in and to the lands and premises leased pursuant to the leases and related agreements listed in Schedule “B” of this

Vesting Order (collectively, the “**Leases**”) and all other rights of the LP Entities in, and pursuant to, such Leases, and all of the LP Entities’ right, title and interest in and to the real property legally described in Schedule “C” and Schedule “C.2” of this Vesting Order, shall vest absolutely in the Purchaser, free and clear of all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limiting the generality of the foregoing, any and all Encumbrances (other than Permitted Encumbrances);

- (b) all Encumbrances (other than Permitted Encumbrances), including all security registrations against the LP Entities in favour of any Affected Creditor, shall be and are hereby deemed to be discharged and extinguished including, without limitation, all personal and movable property encumbrances listed in Schedule “C.1” of this Vesting Order and all real and immovable property encumbrances listed in Schedule “C.1”, Schedule “C.2” and in Parts 2 and 4 of Schedule “D” of this Vesting Order and, with respect to all security registrations registered against either the Quebec Property or any of the Acquired Assets at the Register of Personal and Movable Real Rights (the “**RPMRR**”), each of CIBC Mellon Trust Company and The Bank of Nova Scotia shall execute the necessary applications for registration of a voluntary cancellation required to discharge all encumbrances listed in Schedule “C.1” relating to such property (the “**RV Forms**”), which RV Forms shall be in form and substance satisfactory to each of CIBC Mellon Trust Company, The Bank of Nova Scotia and the Purchaser, acting reasonably, and shall be effective only upon delivery of the Vesting Certificate to the Purchaser;
- (c) the entitlements of the Affected Creditors shall be restricted to their rights under the Plan and the Plan Sanction Order granted by this Honourable Court on the date hereof; and

- (d) the Senior Secured Creditors' Claims and all Encumbrances in respect thereof as against the Acquired Assets, the Unsecured Creditors' Pool and the Administrative Reserve shall be discharged, barred and extinguished.

4. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Vesting Certificate set out in paragraph 3, as soon as reasonably practicable after delivery thereof provided that notwithstanding any other provision in this Order, the Monitor shall not deliver such Vesting Certificate unless and until (i) the Monitor has received confirmation from the Administrative Agent that the Administrative Agent has received, or escrow arrangements satisfactory to the Administrative Agent have been 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) and any other amounts secured by the security granted by the LP Entities in favour of the Collateral Agent (as defined in the Senior Credit Agreement), including Cash Management Claims, provided that the cash management services currently provided to the LP Entities by The Bank of Nova Scotia will either be assumed by the Purchaser or terminated on the Plan Implementation Date, in either case on terms satisfactory to the Purchaser and The Bank of Nova Scotia, acting reasonably; and (ii) the Monitor has received confirmation from the DIP Administrative Agent that either the DIP Lender Distribution Amount is nil or that the DIP Administrative Agent has received, or escrow arrangements satisfactory to the DIP Administrative Agent have been made, to ensure that the DIP Administrative Agent receives, from or on behalf of the LP Entities in immediately available funds, the DIP Lender Distribution Amount. For the purposes of calculating the amount set out in paragraph 4(i) herein, the principal amount outstanding under the Credit Agreement and the Hedging Agreements (as such capitalized terms are defined in the Initial Order) shall be as set out in Schedule "C" of the Plan Sanction Order granted by this Honourable Court on the date hereof provided that to the extent there is a dispute among the Administrative Agent, the LP Entities and the Monitor with respect to the amounts owing under the Credit Agreement, the Hedging Agreements, the Collateral Agency Agreement (as such capitalized terms are defined in the Initial Order), or any other amounts secured by the security granted by the LP Entities in favour of the Collateral Agent, including Cash Management Claims, such dispute will be determined by Order of the Court.

REAL AND IMMOVABLE PROPERTY REGISTRATIONS

Ontario

5. **THIS COURT ORDERS** that upon the registration in the Land Titles Division of the Toronto Registry Office (No. 66) (the “**Toronto Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Toronto Property (as defined in Schedule “C”), the Land Registrar for the Toronto Land Registry Office is hereby directed to enter the Purchaser as the owner of the Toronto Property in fee simple, and is hereby directed to delete and expunge from title to the Toronto Property all of the real property encumbrances relating to the Toronto Property listed in Schedule “C.1”.

6. **THIS COURT ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) (the “**Ottawa Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Ottawa Property (as defined in Schedule “C”), the Land Registrar for the Ottawa Land Registry Office is hereby directed to enter the Purchaser as the owner of the Ottawa Property in fee simple, and is hereby directed to delete and expunge from title to the Ottawa Property all of the real property encumbrances relating to the Ottawa Property listed in Schedule “C.1”.

7. **THIS COURT ORDERS** that upon registration in the Land Registry Office for the Land Titles Division of Essex (No. 12) (the “**Windsor Land Registry Office**”) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario) with respect to the Windsor Properties (as defined in Schedule “C”), the Land Registrar for the Windsor Land Registry Office is hereby directed to enter the Purchaser as the owner of the Windsor Properties in fee simple, and is hereby directed to delete and expunge from title to the Windsor Properties all of the real property encumbrances relating to the Windsor Properties listed in Schedule “C.1”.

Alberta

8. **THIS COURT ORDERS** that, upon presentation for registration at the Alberta Land Titles Office (the “**Alberta LTO**”) of a certified copy of this Vesting Order and an

Affidavit of Value as prescribed by the *Land Titles Act* (Alberta), the Alberta LTO be and is hereby authorized and directed to cancel the existing certificates of title to the Alberta Properties (as defined in Schedule "C") and to issue new certificates of title for the Alberta Properties in the name of the Purchaser. The Alberta LTO be and is hereby directed to delete, discharge and expunge from such new certificates of title to the Alberta Properties all of the real property encumbrances relating to the Alberta Properties listed in Schedule "C.1".

9. **THIS COURT ORDERS** that, upon presentation for registration in the Alberta LTO, of a certified copy of this Vesting Order, the Alberta LTO be and is hereby authorized and directed to transfer the following real property instruments to the Purchaser: (a) Registration No. 912 088 658 registered on April 16, 1991 being a Caveat re: Purchase Agreement, registered in the name of Edmonton Journal Group ULC relating to the Edmonton Leasehold Property (as defined in Schedule "D"); and (b) Registration No. 912 088 661 registered on April 16, 1991 being a Caveat re: Lease, Etc., registered in the name of Edmonton Journal Group ULC relating to the Edmonton Leasehold Property and the 101 Street Edmonton Freehold Property (as defined in Schedule "C").

10. **THIS COURT ORDERS** that, upon presentation for registration in the Alberta LTO, of a certified copy of this Vesting Order, the Alberta LTO be and is hereby authorized and directed to delete, discharge and expunge the following instrument: Registration No. 002 341 255 registered on November 16, 2000 being a Caveat re: Mortgage, registered in the name of The Bank of Nova Scotia relating to the Edmonton Leasehold Property.

11. **THIS COURT ORDERS** that the cancellation of titles, issuance of new titles, transfers of instruments and discharge of instruments as set out in paragraphs 8, 9 and 10 shall be registered notwithstanding the requirements of Section 191(1) of the *Land Titles Act* (Alberta).

British Columbia

12. **THIS COURT ORDERS** that, for greater certainty, those lands and premises defined in Schedule "C" hereto as the BC Properties (the "**BC Properties**") and those lands and premises set out in Schedule "C.2" hereto be hereby conveyed to and vested in the Purchaser and upon presentation for registration in the Land Title Office for each of the relevant Land Title Districts of a certified copy of this Vesting Order, the Registrar of Land Titles (the "**BC**

Registrar”), is hereby directed to enter the Purchaser as owner of the BC Properties, together with all buildings, fixtures, systems, interests, licences, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the BC Properties is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid.

13. **THIS COURT ORDERS**, having considered the interest of third parties, that the BC Registrar is hereby directed to discharge, release, delete and expunge (i) from title to the BC Properties, all of the real property encumbrances relating to the BC Properties listed in Schedule “C.1” hereto; and (ii) from title to those lands and premises set out in Schedule “C.2” hereto, all of the real property encumbrances relating thereto set out on Schedule “C.2” hereof.

14. **THIS COURT ORDERS** that, for greater certainty, the LP Entities’ registered leasehold right, title and interest in the lands and premises described in Part 1 of Schedule “D” hereto as the BC Registered Leasehold Property (the “**BC Registered Leasehold Property**”), together with the LP Entities’ interest in all buildings, fixtures, systems, interests, licences, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, be sold to and vested in the Purchaser, and upon presentation for registration in the Land Title Office for the New Westminster Land Title District of a certified copy of this Vesting Order, and having considered the interest of third parties, that the BC Registrar is hereby directed to enter the Purchaser as owner of the BC Registered Leasehold Property, and to discharge, release, delete and expunge from title to the BC Registered Leasehold Property the encumbrance listed in Part 2 of Schedule “D” hereto.

Saskatchewan

15. **THIS COURT ORDERS** that upon payment of the required registration fee, the Registrar of Titles of the Saskatchewan Land Titles Registry is hereby authorized and directed pursuant to Section 109 of *The Land Titles Act*, 2000 S.S. 2000, c. L-5.1 and Section 6.5 of *The Land Titles Conversion Facilitation Regulations*, c. L-5.1, Reg. 2 to cancel the existing titles to those lands and premises defined in Schedule “C” hereto as the Saskatchewan Properties (the

“**Saskatchewan Properties**”) and to issue new titles to the Saskatchewan Properties in the name of the Purchaser, free and clear of all of the real property encumbrances related to the Saskatchewan Properties listed in Schedule “C.1”.

Quebec

16. **THIS COURT ORDERS AND DIRECTS**, in order to give effect to this Vesting Order, that prior to closing of the transactions contemplated by the Asset Purchase Agreement, CPI and the Purchaser shall enter into a deed of transfer in registrable form with respect to the Quebec Property (as defined in Schedule “C”), in substantially the form attached hereto as Schedule “E” (the “**Deed of Transfer**”), which Deed of Transfer shall be effective upon the delivery of the Vesting Certificate to the Purchaser.

17. **THIS COURT ORDERS AND DIRECTS**, in order to give effect to this Vesting Order, that prior to closing of the transactions contemplated by the Asset Purchase Agreement, each of CIBC Mellon Trust Company and The Bank of Nova Scotia shall execute deeds of mainlevée in registrable form with respect to all encumbrances granted to each of them as listed in Schedule “C.1” relating to the Quebec Property (collectively, the “**Deeds of Mainlevée**”) which Deeds of Mainlevée and the RV Forms shall be in form and substance satisfactory to each of CIBC Mellon Trust Company, The Bank of Nova Scotia and the Purchaser, acting reasonably, and shall be effective only upon the delivery of the Vesting Certificate to the Purchaser.

ADDITIONAL PROVISIONS

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

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the LP Entities and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the LP Entities;

the vesting of the Acquired Assets in the Purchaser pursuant to this Vesting Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the LP Entities and shall not be void or voidable, nor shall it constitute nor be deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or any other challengeable or voidable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

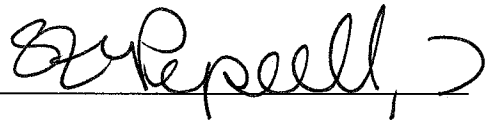
20. **THIS COURT ORDERS AND DECLARES** that the sale transaction contemplated by the Asset Purchase Agreement is exempt from the application of the *Bulk Sales Act* (Ontario) (“BSA”) and any equivalent or applicable legislation of any other province or territory in Canada and the BSA does not apply and, further, the Purchaser is discharged from any obligation under Section 6 of the *Retail Sales Tax Act* (Ontario) (“RSTA”) and any equivalent or applicable legislation under any other province or territory in Canada and the Purchaser shall not incur any liability under Section 6 of the RSTA and any equivalent or applicable legislation under any other province or territory in Canada.

21. **THIS COURT ORDERS** that this Vesting Order shall have full force and effect in all Provinces and Territories of Canada and abroad as against all Persons and parties against whom it may otherwise be enforced.

22. **THIS COURT ORDERS** that the LP Entities and the Monitor may apply to this Court for advice and direction, or to seek relief in respect of, any matters arising from or under the Plan and this Vesting Order, including without limitation the interpretation of this Vesting Order and the Plan or the implementation thereof, and for any further Order that may be

required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

23. **THIS COURT ORDERS AND REQUESTS** the aid and recognition (including assistance pursuant to Section 17 of the CCAA) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this court in carrying out the terms of and giving effect to this Vesting Order.



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

JUN 18 2010

PER / PAR:

