

**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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC.  
AND KIT FINANCE INC

Applicants

**MOTION RECORD**

**Returnable: Monday, May 30, 2011**

May 24, 2011

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**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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST,  
PRISZM INC. AND KIT FINANCE INC.

(the "Applicants")

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**TAB "1"**

**ONTARIO  
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Applicants

**NOTICE OF MOTION  
(RETURNABLE MAY 30, 2011)**

Priszm Income Fund, Priszm Canadian Operating Trust, Priszm Inc., Kit Finance Inc. and Priszm LP (collectively, the "**Priszm Entities**"), will make a motion (the "**Assignment Motion**") in the above-captioned proceeding to the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) at 10:00 a.m. on May 30, 2011, or as soon after such time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR AN ORDER**, substantially in the form attached hereto as Schedule 1, among other things:

- (i) if necessary, abridging the time for service of this Notice of Motion and the materials filed in support of the within motion and dispensing with the need for any further or other service thereof;
- (ii) authorizing the assignment of all of the rights and obligations of the Priszm Entities under the Outstanding Leases (as defined below) pursuant to section 11.3 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and the inherent jurisdiction of this Court; and

(iii) such further and other relief as this Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

1. Prizm LP is a franchisee of Yum! Restaurants International (Canada) Company (the “**Franchisor**”) and is Canada’s largest independent quick service restaurant operator. The Prizm Entities own and operate approximately 425 KFC, Taco Bell, and Pizza Hut restaurants in seven provinces across Canada.

2. The Applicants were granted protection from their creditors under the CCAA pursuant to the initial order of the Ontario Superior Court of Justice, dated March 31, 2011 (the “**Initial Order**”).

3. While Prizm LP, as an unincorporated entity, was not an Applicant under the Initial Order, as the sole operating entity of the Prizm Entities, this Court ordered that the stay of proceedings and other protections provided in the Initial Order shall also apply to Prizm LP.

4. The Prizm Entities request this Court’s approval of the assignment of the Outstanding Leases pursuant to the terms of the Soul Agreement (as defined below), the appropriateness of which is more fully discussed herein and in the Affidavit of Deborah Papernick, sworn May 24, 2011, (the “**Assignment Affidavit**”) filed in support of the within motion.

**THE PRISZM ENTITIES’ RESTRUCTURING EFFORTS AND ENTRY INTO THE SOUL AGREEMENT**

5. The Prizm Entities undertook extensive measures in 2010 to seek to increase their profitability and to seek out strategic business alternatives, including, but not limited to, through exploring financing and divestiture options.

6. As a result of that process, on December 11, 2010, Priszm LP (the "**Vendor**") and Priszm Inc. (the general partner of Priszm LP) entered into an Asset Purchase Agreement with Soul Restaurants Canada Inc. (formerly 7716443 Canada Inc.) (the "**Purchaser**"), an affiliate of Soul Foods Group, a U.K. based franchisee of the Franchisor, with respect to the sale of more than 200 operating restaurants in Ontario and British Columbia.

7. The Purchaser is an affiliate of Soul Foods Group, a U.K. based franchisee of the Franchisor with over thirty (30) years experience as a successful operator of forty-one (41) fast-food restaurant outlets in the U.K., including long-standing operation of the Franchisor's specific brands in the U.K.

8. Following extensive negotiations of the terms of the proposed transaction and related agreements, on May 17, 2011, the parties entered into an Amended and Restated Asset Purchase Agreement (the "**Soul Agreement**").

9. The Soul Agreement contemplates the sale of 204 operating restaurants in Ontario, British Columbia and Quebec, including the leases related thereto (collectively, the "**Leases**"), for an aggregate purchase price of approximately \$42.8 million before certain purchase price adjustments (the "**Purchase Price**").

**THE OUTSTANDING LEASES**

10. Priszm LP holds title to the leases relating to the Priszm Entities' restaurant operations.

11. Pursuant to section 4(1) of the Soul Agreement, the Vendor is obligated to use its commercially reasonable efforts to obtain, prior to the Closing Date (as defined in the Soul Agreement), the consents of all of the landlords under the Leases which, by their terms, require

the consent of the landlord to any assignment, prior to the closing date of the Soul Agreement (collectively, the “**Landlord Consents**”).

12. Pursuant to section 8(8) of the Soul Agreement, in the event that at the end of the six (6) month period commencing on the Closing Date, (a) Landlord Consents, (b) notices, with respect to Leases that only require notice for assignment per the terms of the applicable Lease, and (c) Lease assignments ordered by this Court, together representing at least ninety-five (95%) of the Purchased Outlets (as defined in the Soul Agreement) specified on Schedule “F” of the Soul Agreement have not been obtained or delivered, as applicable, then the Vendor shall within five (5) Business Days (as defined in the Soul Agreement) refund to the Purchaser that portion of the Purchase Price allocated in Schedule “F” of the Soul Agreement for those Purchased Outlets (i) for which a Landlord Consent, notice or assignment order have not been obtained or delivered, or (ii) where the Lease is terminated or the Purchaser is evicted from the Premises (as defined in the Soul Agreement) prior to the delivery of notice, the obtaining of the Landlord Consent, or the obtaining of an assignment order, and the end of the six (6) month period.

13. The Prizm Entities are able to assign 94 Leases, or approximately 46.1% of the Leases, by simply providing notice to the landlord under those Leases. No consent to assignment is required in respect of those Leases.

14. In respect of the Leases which by their terms require consent to assignment, the Prizm Entities have used commercially reasonable efforts in their attempt to obtain the Landlord Consents.

15. As a result of those efforts, as of the date hereof, the Prizm Entities have obtained Landlord Consents or made other arrangements satisfactory to the Purchaser for 38 Leases, or

approximately 18.6% of the Leases, which by their terms require consent to assignment. However, the Prizm Entities have been unable to obtain acceptable Landlord Consents relating to 72, or approximately 35.3% of the Leases (collectively, the “**Outstanding Leases**”).

**THIS COURT’S APPROVAL OF THE ASSIGNMENT OF THE OUTSTANDING LEASES IS WARRANTED**

16. This Court’s approval of the assignment of the Outstanding Leases to the Purchaser is appropriate and necessary.

17. The Prizm Entities’ entry into the Soul Agreement was the culmination of an extensive qualifying and marketing process.

18. The assignment of the Outstanding Leases to the Purchaser is important to the restructuring efforts of the Prizm Entities and necessary to ensure maximum realization of value by the Prizm Entities pursuant to the Soul Agreement.

19. The consummation of the transaction under the Soul Agreement (the “**Soul Sale Transaction**”) will result in the preservation of approximately 3,100 jobs, continued supplier relationships, and continued business activity at the locations subject to the Leases in numerous communities.

20. The Monitor is supportive of the Prizm Entities proceeding with the Soul Sale Transaction and approves of the assignment of the Outstanding Leases to the Purchaser.

21. The Purchaser has provided evidence satisfactory to the Prizm Entities of its financial capabilities, which evidence was also satisfactory to the Prizm Entities’ senior lender and the

Franchisor, and the Purchaser would be ready, willing, and able to perform the obligations under the Outstanding Leases upon approval by this Court of the assignment.

22. The proposed Soul Sale Transaction to the Purchaser pursuant to the Soul Agreement represents a fair price in the circumstances for the Purchased Assets, which includes the Outstanding Leases.

23. In order for the Prizm Entities to ensure the realization of maximum value under the Soul Agreement, it is necessary that the Prizm Entities obtain the relief sought herein to assign the Outstanding Leases. Such relief will eliminate the risk pursuant to Section 8(8) of the Soul Agreement that the Prizm Entities will be required to refund to the Purchaser for any Purchased Outlet subject to an Outstanding Lease where a Landlord Consent has not been obtained, and will preserve the value of such Purchased Outlets and provide greater certainty to this sale process.

24. The interests of the landlords under the various Outstanding Leases have been considered and are adequately protected under the Soul Sale Transaction sought to be implemented pursuant to the Soul Agreement.

25. The Prizm Entities are in good standing under the Outstanding Leases and there are no monetary defaults thereunder.

26. The Prizm Entities request that, to the extent any confidential information is used in connection with the within motion, that this Court issue an order sealing such information or materials.

27. Rules 1.04, 2.03, 3.02, and 37 of the *Rules of Civil Procedure*, R.S.O. 1990, Reg. 194, as amended, and such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing on the motion:

1. the Assignment Affidavit, sworn in support of the within motion;
2. the Affidavit of Aly Janmohamed, sworn May 20, 2011 in support of the within motion;
3. the report of the Monitor in respect of the within motion; and
4. such further and other materials as counsel may request and this Court may permit.

May 24, 2011

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Conflict Lawyers for the Applicants

**TO: THE ATTACHED SERVICE LIST**



**Schedule 1**  
**Proposed Order**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. )  
 )  
JUSTICE MORAWETZ ) MONDAY, THE 30<sup>th</sup>  
 DAY OF MAY, 2011

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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM  
INC. AND KIT FINANCE INC.

Applicants

**ORDER AUTHORIZING ASSIGNMENT OF  
OUTSTANDING LEASES<sup>1</sup>**

**THIS MOTION**, made by Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Prizm LP, and Kit Finance Inc. (collectively, the "**Prizm Entities**"), for an order authorizing the assignment of all of the rights and obligations of the Prizm Entities under certain Outstanding Leases, pursuant to section 11.3 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and the inherent jurisdiction of this Court, was heard this day at 330 University Avenue, Toronto, Ontario.

<sup>1</sup> Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Affidavit of Deborah Papernick, sworn May 23, 2011, in support of the within Motion.

UPON READING the Notice of Motion, the Affidavit of Deborah Papernick, sworn May 23, 2011 and the exhibits attached thereto, filed in support of the within Motion, the Affidavit of Aly Janmohamed, sworn May 20, 2011, the Initial Order Affidavit, the Sale Approval Affidavit, the [NUMBER] Report of the Monitor, dated [DATE], and on hearing the submissions of counsel for the Prizm Entities, the Monitor, the Purchaser, Prudential Investment Management, Inc., Yum! Restaurants International (Canada) Company, and certain landlords under the Outstanding Leases, and no one appearing for any other person on the service list, although duly served as appears from the affidavit of service, filed:

**SERVICE**

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

**APPROVAL OF ASSIGNMENT OF OUTSTANDING LEASES**

2. **THIS COURT ORDERS** that the Prizm Entities are authorized and directed, pursuant to section 11.3 of the CCAA and the inherent jurisdiction of this Court, to assign to the Purchaser all of the Prism Entities' rights and obligations in and under the Outstanding Leases listed hereto at Schedule "A", effective as of the Closing Date.
3. **THIS COURT ORDERS** that the assignment and transfer of the Outstanding Leases shall further be subject to the terms and conditions of this Court's Approval and Vesting

Order (Re Sale to Soul Restaurants Canada Inc.), dated May •, 2011, such Outstanding Leases being included within the definition of Purchased Assets thereunder.

4. **THIS COURT ORDERS** that the assignment of the Outstanding Leases is valid and binding upon all of the counterparties to the Outstanding Leases, notwithstanding any restriction or prohibition contained in any such Outstanding Lease, including, but not limited to, any provision requiring the consent of any party to the transfer or assignment of the Outstanding Lease or any fee or payment required to be paid in connection therewith, and further that no fee or payment (whether contemplated by the terms of the Outstanding Leases or otherwise) shall be required to be made by the Prizm Entities in connection with such assignment.

5. **THIS COURT ORDERS** that, from and after the date hereof, all counterparties under the Outstanding Leases shall be deemed to have waived any and all non-monetary defaults existing as of the date hereof under the Outstanding Leases, including, but not limited to, any default related to the insolvency of the Prizm Entities or the commencement of these CCAA proceedings, and such non-monetary defaults shall be deemed to have been rescinded and shall be of no further force or effect, including as against the Purchaser.

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**Schedule "A"**  
**Outstanding Leases**

GL Store Number	Store Brand	Store Street Address	Store City	Store Province	Store #	Landlord Name	Landlord Address	Lease Expiry Date	Cont. Amount
1391/KFC	Taco Bell	6277 MISSISSAUGA ROAD	MISSISSAUGA	Ontario	LSN 1A7	562592 ONTARIO LIMITED	Attention: Tom Boonins 105 Elevation Drive 1000 EAST HAMILTON, ONTARIO	Dec 31, 2012	\$0
1431/KFC	Taco Bell	706 QUEENSTON ROAD	HAMILTON	Ontario	LSG 1A2	706 QUEENSTON ROAD LIMITED CO THE EFFORT TRUST COMPANY		Oct 31, 2015	\$0
1388/KFC-Taco Bell	Taco Bell	5322 DUNDAS STREET WEST	TORONTO	Ontario	AMB 1B3	AVON INC.	76 THE BRIDLE PATH, NORTH YORK, TORONTO ONTARIO M5B 2B1	Apr 30, 2021	\$0
1827/KFC	Taco Bell	9 - 8751 IND. 1 RD.	TORONTO	British Columbia	V7C 1V2	B.P.Y.A 218 HOLDINGS LTD	#200, 8211 ACKROYD ROAD RICHMOND, BRITISH COLUMBIA V6X 3K6	Aug 31, 2013	\$0
1891/KFC	Taco Bell	#3 - 3151 LAKESHORE RD.	RICHMOND	British Columbia	V1W 3S9	CALLAHAN CONSTRUCTION COMPANY LTD.	9216 - 6298 RICHTER STREET KELOWNA, BRITISH COLUMBIA V1Y 2M3	Nov 30, 2013	\$0
6901/Taco Bell	Taco Bell	3100 HOWARD AVENUE	WINDSOR	Ontario	MSX 3Y8	CAMBRIDGE SHOPPING CENTRES LIMITED	80 KINGSTON STREET WEST WINDSOR, ONTARIO	Aug 31, 2011	\$0
1409/KFC-Taco Bell	Taco Bell	1340 KINGSTON ROAD	PICKERING	Ontario	L1V 3M9	CHUNG & JAO HOLDINGS INC. CO CONNIUM MANAGEMENT INC.	80 ACADIA AVENUE, UNIT #108 MARKHAM, ONTARIO	Oct 31, 2013	\$0
1919/KFC	Taco Bell	4927 INNES ROAD	GLOUCESTER	Ontario	K1C 1T1	CONTROLEX CORPORATION CO MER BLEUE PLAZA INC.	223 COLONADE ROAD SOUTH, SUITE 100 OTTAWA, ONTARIO	Jun 30, 2014	\$0
1928/KFC	Taco Bell	3100 HOWARD AVE	WINDSOR	Ontario	MSX 3Y8	DEVONSHIRE MALL LIMITED	95 WELLINGTON STREET WEST SUITE 300	Sep 30, 2012	\$0
6317/Taco Bell-Pizza Hut-KFC	Pizza Hut	900 DUFFERIN STREET	TORONTO	Ontario	M6H 4V1	DUFFERIN MALL INC. CO PRIMARIS MANAGEMENT INC.	217-900 DUFFERIN STREET TORONTO, ONTARIO M6H 4B1	Nov 30, 2014	\$0
1317/KFC	Pizza Hut	1700 LAWRENCE AVE. E.	TORONTO	Ontario	M6H 4V1	DUFFERIN MALL INC. CO PRIMARIS MANAGEMENT INC.	130 ADELAIDE STREET WEST, SUITE 1100 TORONTO, ONTARIO M5H 3P5	Nov 30, 2011	\$0
1927/KFC	Pizza Hut	1800 SHEPPARD AVE. E.	SCARBOROUGH	Ontario	M1R 2Y1	EUCLOID SECURITIES LIMITED, CO THE BECKER MILK COMPANY LIMITED	393 EGLINTON AVE. EAST, 2ND FLOOR TORONTO, ONTARIO	Jan 31, 2001	\$0
1392/KFC	Pizza Hut	6740 MEADOWVALE TOWN CENTRE CIRC	NORTH YORK	Ontario	M2J 5A7	FAIRMAL LEASEHOLDS INC.	20 QUEEN STREET WEST TORONTO, ONTARIO	Jul 31, 2017	\$0
1818/KFC-Taco Bell	Pizza Hut	9056-152ND ST.	MISSISSAUGA	Ontario	LSN 4B7	FIRST CAPITAL MEADOWVALE CORPORATION CO FCB PROPERTY MGMT SERVICES LP	6777 MEADOWVALE TOWN CENTRE CIRCLE MISSISSAUGA, ONT L5N 2F5	Aug 31, 2014	\$0
1407/KFC	Pizza Hut	1556 MERVALE ROAD	SURREY	British Columbia	V3R 4E7	FLEETWOOD CENTER INVESTMENTS CO YENIK REALTY LTD.	SUITE 502 - 2895 GRANVILLE STREET, VANCOUVER, BC V6H 3H4	Oct 31, 2015	\$0
8316/Taco Bell-KFC	Pizza Hut	16598 YONGE STREET	NEPEAN	Ontario	K2G 3J8	GALLOP PROPERTIES LTD., CO THE PROPERTIES GROUP MANAGEMENT LTD.	239 METCALFE STREET OTTAWA, ONTARIO K2P 1R3	Sep 30, 2011	\$0
1313/KFC	Pizza Hut	1265 LAWRENCE AVE. W.	NEWMARKET	Ontario	L3Y 2E8	GAPPER-DUNCAN INC.	2690 LAKESHORE ROAD SARNIA, ONTARIO N6L 1A4	Oct 31, 2015	\$0
4518/Pizza Hut-KFC	Pizza Hut	1 RICHMOND BT	TORONTO	Ontario	M6L 1A4	INVESTRADE SECURITY CORPORATION	100 CITY CENTRE DRIVE MISSISSAUGA, ONTARIO L4V 1T7	Aug 31, 2012	\$0
1389/KFC	Pizza Hut	27 RUTH AVENUE (HEARTLAK)	NAPANEE	Ontario	K7R 3M8	J.S.M. CORPORATION (ONTARIO) LTD	620 ST. JACQUES, SUITE 200 MONTREAL, QUEBEC	Dec 31, 2012	\$0
1918/KFC	Pizza Hut	100 CITY CENTRE DR. UNIT 1-128	MISSISSAUGA	Ontario	L5B 2C9	LETHBRIDGE DEVELOPMENTS LTD.	3625 DUFFERIN STREET, SUITE 105 DOMINION, ONTARIO	Mar 31, 2016	\$0
8314/Taco Bell-KFC	Pizza Hut	5000 HWY #7 EAST	MARKHAM	Ontario	L3R 4M9	ONTREA INC.	100 CITY CENTRE DRIVE MISSISSAUGA, ONTARIO L4V 1T7	Jul 31, 2012	\$0
1839/KFC-Taco Bell	Pizza Hut	7028 YONGE STREET	THORNHILL	Ontario	L4J 1V7	PARTNERSHIP PROPERTY & DONVIEW MANAGEMENT LTD. IN TRUST	1252 LAWRENCE AVENUE EAST, # 218 TORONTO, ONTARIO	Aug 31, 2020	\$0
1859/KFC	Pizza Hut	1 - 2991 LOUGHEED HIGHWAY	COQUITLAM	British Columbia	V3B 7K5	PINETREE VILLAGE HOLDINGS INC. CO CREB MANAGEMENT (BC) LIMITED	SUITE 1040 - 1185 W. GEORGIA STREET, VANCOUVER, BC V6E 4E6	Oct 31, 2014	\$0
1850/KFC-Taco Bell	Pizza Hut	2017-48TH AVE	LANGLEY	British Columbia	V1M 2N9	REIDING PROJECTS LTD	13816 - 33RD AVENUE LUMBA, V1P 2B4 SURREY, BRITISH COLUMBIA	Jan 31, 2022	\$0
1304/KFC	Pizza Hut	1638 AVENUE ROAD	TORONTO	Ontario	L6Y 1N7	RIO CAN REAL ESTATE INVESTMENT TRUST	428 HAIG STREET BRAMPTON, ONT L6Y 1N7	Apr 30, 2016	\$0
1909/KFC	Pizza Hut	380 BOROUGH DRIVE	SCARBOROUGH	Ontario	M1P 4P5	ROUTLEY'S HOLDINGS (1967) LIMITED, CO ROBERT MCKAY	ESPANOLA, ONTARIO	Mar 31, 2014	\$0
1208/KFC	Pizza Hut	347 BD ST-JOSEPH	HULL	Quebec	J8Y 2Z3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	300 BOROUGH DRIVE SUITE 28 SCARBOROUGH, ONTARIO M1P 4P5	Dec 31, 2013	\$0
1209/KFC	Pizza Hut	258 RUE NOTRE-DAME	GATINEAU	Quebec	J8P 1K4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Mar 27, 2018	\$0
1210/KFC-Taco Bell	Pizza Hut	184 BD GREBER	POINTE GATINEAU	Quebec	J8T 6K2	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Mar 27, 2018	\$0
1351/KFC	Pizza Hut	1650 QUEEN ST. E.	TORONTO	Ontario	M4L 1G3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1355/KFC	Pizza Hut	5863 HIGHWAY #7	MARKHAM	Ontario	L3P 1A4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1411/KFC	Pizza Hut	41 DUFFERIN STREET	PERTH	Ontario	K7H 3B5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Mar 27, 2018	\$0
1412/KFC	Pizza Hut	415 PEMBROKE STREET EAST	PEMBROKE	Ontario	K8A 3K9	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1414/KFC	Pizza Hut	145 MADAWASKA BLVD	ARNPRIOR	Ontario	K7S 3K1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1425/KFC	Pizza Hut	307 CANNON STREET E.	HAMILTON	Ontario	L8L 2B7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1428/KFC	Pizza Hut	716 MAIN STREET E.	HAMILTON	Ontario	L8M 1K6	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1428/KFC	Pizza Hut	45 PARKDALE AVE. N.	HAMILTON	Ontario	L8H 9N7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1429/KFC	Pizza Hut	1222 BARTON STREET E.	HAMILTON	Ontario	L8H 2V2	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1438/KFC	Pizza Hut	631 KING STREET W.	HAMILTON	Ontario	L8H 1X1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1439/KFC	Pizza Hut	1883 DUNDAS STREET	LONDON	Ontario	NSW 3C9	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Mar 27, 2018	\$0

1448	KFC	1916 WYANDOTTIE ST. W.	WINDSOR	Ontario	NBB 1J5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1449	KFC	1485 ERIE STREET E.	WINDSOR	Ontario	NBA 4A1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1506	KFC	786 CHEMONG ROAD	PETERBOROUGH	Ontario	K9H 5Z3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1519	KFC	90 MAIN STREET	PICTON	Ontario	K0K 2T0	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1528	KFC	346 ST. CLAIR STREET	CHATHAM	Ontario	N7L 3K2	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1529	KFC	1314 DUFFERIN ST.	WALLACEBURG	Ontario	NBA 2V5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0
1532	KFC	1390 LASALLE BLVD	SUDBURY	Ontario	P3A 1Y8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0
1533	KFC	1341 MARTINDALE ROAD	SUDBURY	Ontario	P3E 4J7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1555	KFC	405 COTE BLVD.	CHELMSFORD	Ontario	P0M 1L0	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1541	KFC	1611 TRUNK ROAD	SAULT STE MARIE	Ontario	P6A 3S8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1548	KFC	60 HARTZELL ROAD	ST. CATHARINES	Ontario	L2P 1M7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1552	KFC	3587 PORTAGE ROAD	NIAGARA FALLS	Ontario	L2L 2K5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1553	KFC	311 MAIN STREET	DUNNVILLE	Ontario	N1A 2Y8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1559	KFC	28 DUMFRIES STREET	PARIS	Ontario	N3L 2C9	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1814	KFC	2180 KINGSWAY	VANCOUVER	British Columbia	V5N 2T5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1824	KFC	795 E BROADWAY	VANCOUVER	British Columbia	V6Z 3K4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1861	KFC	3140 DOUGLAS ST.	VICTORIA	British Columbia	V8Z 3K4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1821	KFC	220 YONGE STREET	TORONTO	Ontario	M5B 2H1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1522	KFC	80 TALBOT STREET WEST	ATLWER	Ontario	NSH 1J8	T.E.C. LEASEHOLDS LIMITED	SUITE 408-4576 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Jan 31, 2012	\$0
1525	KFC	134 TALBOT ST. W.	LEAMINGTON	Ontario	NSH 1J8	TALMONT INVESTMENTS INC.	SUITE 408-4576 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Nov 09, 2018	\$0
1538	KFC	1657 MAIN STREET WEST	VAL CARON	Ontario	N8H 1N3	TALMONT INVESTMENTS INC.	SUITE 408-4576 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Nov 09, 2018	\$0
1831	KFC	40 KING STREET WEST, BOX 528	TORONTO	Ontario	P0M 3A0	TALMONT INVESTMENTS INC.	SUITE 408-4576 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Nov 09, 2018	\$0
1365	KFC	1871 FINCH AVE. W.	NORTH YORK	Ontario	M6H 3Y8	THE BANK OF NOVA SCOTIA CO CB RICHARD ELLIS MANAGEMENT SERVICES	40 KING STREET WEST, PO BOX 1 TORONTO, ONTARIO M5H 3Y2	Dec 31, 2020	\$0
1851	KFC-Taco Bell	PROMENADE CIRCLE, UNIT #F113	THORNHILL	Ontario	M8N 2V5	THE NORFINCH GROUP INC.	50 WEST BEAVER CREEK RD., UNIT B RICHMOND HILL, ON	Dec 31, 2013	\$0
					L4L 4P8	VAUGHAN PROMENADE SHOPPING CENTRE INC.	C/O CADILLAC FAIRVIEW CORP.LTD 29 QUEEN ST WEST	Apr 30, 2012	\$0

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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC. AND KIT FINANCE INC., APPLICANTS

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

Proceeding commenced at Toronto

**ORDER**

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Conflict Lawyers for the Applicants



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

Court File No. CV-11-9159CL

AND IN THE MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF PRISZM  
INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC., AND KIT  
FINANCE INC, APPLICANTS

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

Proceeding Commenced at Toronto

**NOTICE OF MOTION  
(Returnable May 30, 2011)**

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**TAB "2"**

**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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST,  
PRISZM INC. AND KIT FINANCE INC.

Applicants

**AFFIDAVIT OF DEBORAH PAPERICK  
(sworn May 24, 2011)**

I, Deborah Papernick, of the City of Thornhill, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Chief Financial Officer of the Applicant Prizm Inc. ("**Prizm GP**") and the Court-appointed Chief Restructuring Officer ("**CRO**") of the Prizm Entities (as defined below) and, as such, have personal knowledge of the matters addressed herein. Where I do not have personal knowledge of the matters discussed herein, I have informed myself by review of the relevant background documents and facts.
2. This Affidavit is being sworn in support of a motion (the "**Assignment Motion**") to, *inter alia*, approve the assignment of any and all rights and obligations of Prizm Income Fund, Prizm Canadian Operating Trust, Prizm GP, Kit Finance Inc. (collectively, the "**Applicants**"), and Prizm LP (together with the Applicants, the "**Prizm Entities**"), under the Outstanding Leases to the Purchaser (each as defined below), pursuant to section 11.3 of the *Companies'*

*Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) and the inherent jurisdiction of this Court, and for no other or improper purpose.

## **BACKGROUND**

3. Prizm LP is a franchisee of Yum! Restaurants International (Canada) Company (the “**Franchisor**”) and is Canada’s largest independent quick service restaurant operator. Prizm LP is the largest operator of the KFC concept in Canada, accounting for approximately 60% of all KFC product sales in Canada. The Prizm Entities own and operate approximately 425 KFC, Taco Bell, and Pizza Hut restaurants in seven provinces across Canada.

4. The Applicants were granted protection from their creditors under the CCAA pursuant to the initial order of the Ontario Superior Court of Justice, dated March 31, 2011 (the “**Initial Order**”). While Prizm LP, as an unincorporated entity, was not an Applicant under the Initial Order, as the sole operating entity of the Prizm Entities, this Court ordered that the stay of proceedings and other protections provided in the Initial Order shall also apply to Prizm LP.

5. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor of the Applicants (the “**Monitor**”) in this CCAA proceeding. The Initial Order and all other filings in this CCAA proceeding are available on the Monitor’s website at: <http://cfcanada.fticonsulting.com/prizm>.

6. The Applicants sought relief under the CCAA as a result of, among other things, declining sales, significant capital expenditure requirements, and the inability to secure additional or alternate financing, which resulted in the Prizm Entities being unable to meet their liabilities as they became due.

7. Further details regarding the background to this CCAA proceeding are set out in the affidavit sworn by me on March 31, 2011 (the “**Initial Order Affidavit**”) and, unless relevant to the present motion, are not repeated herein. As noted in the Initial Order Affidavit, the Prizm Entities required the protection of the CCAA to, among other things, complete the transactions contemplated by the Soul Agreement (the “**Soul Sale Transaction**”).

8. Pursuant to the Assignment Motion, the Prizm Entities seek this Court’s approval of the assignment of the Outstanding Leases pursuant to the terms of the Soul Agreement (as defined below), the appropriateness and necessity of which will be more fully discussed herein.

9. By separate motion, the Prizm Entities will concurrently seek this Court’s approval of the Soul Agreement and the Soul Sale Transaction. In connection with such motion, on May 24, 2011, I submitted another affidavit in support of the Court’s approval of the Prizm Entities’ entry into the Soul Agreement (the “**Sale Approval Affidavit**”), which Sale Approval Affidavit is incorporated herein by reference.

#### **THE PRIZM ENTITIES’ RESTRUCTURING EFFORTS AND ENTRY INTO THE SOUL AGREEMENT**

10. In September 2010, the Prizm Entities commenced a sales process in an effort to divest some of their assets and engaged PricewaterhouseCoopers Corporate Finance Inc. (“**PWC**”) to assist in identifying potential buyers for the Prizm Entities’ business or assets. A detailed description of that sales process is set out in the Sale Approval Affidavit at paragraphs 14 - 22.

11. As a result of these marketing and sales efforts, the Prizm Entities entered into exclusive negotiations with the Purchaser, who had submitted an offer to purchase more than 200 of the Prizm Entities’ restaurants located in Ontario and British Columbia.

12. On December 11, 2010, Prizm LP (the "**Vendor**") and Prizm GP (the general partner of Prizm LP) negotiated the terms of, and entered into, an Asset Purchase Agreement (the "**Original APA**") with Soul Restaurants Canada Inc. (formerly 7716443 Canada Inc.) (the "**Purchaser**"), an affiliate of Soul Foods Group, a U.K. based franchisee of the Franchisor, with respect to more than 200 operating restaurants in Ontario and British Columbia.

13. The Vendor and the Purchaser then entered into an extension agreement, dated March 22, 2011 extending the outside closing date under the Original APA from March 31, 2011 to April 30, 2011.

14. Following extensive negotiations of the terms of the proposed transaction and related agreements, on May 17, 2011, the parties entered into an Amended and Restated Asset Purchase Agreement (the "**Soul Agreement**"). A copy of the Soul Agreement is attached hereto as Exhibit "A".

15. The Soul Agreement contemplates the sale of 204 operating restaurants in Ontario, British Columbia and Quebec, including the leases related thereto (collectively, the "**Leases**"), for an aggregate purchase price of approximately \$42.8 million before certain purchase price adjustments (the "**Purchase Price**").

16. As detailed below and in the Sale Approval Affidavit, the Soul Sale Transaction will result in the sale of more than 200 of the Prizm Entities' restaurants on a going concern basis with numerous attendant benefits, including the preservation of approximately 3,100 jobs, continued supplier relationships, and continued business activity at the locations subject to the Leases in numerous communities.

17. Moreover, as described below, the assignment of the Outstanding Leases (which are included under the definition of "Purchased Assets" under the Soul Agreement), is important to the ability of the Prizm Entities to realize value from the assets being sold.

#### **THE OUTSTANDING LEASES**

18. Prizm LP holds title to the leases relating to the Prizm Entities' restaurant operations. As noted, a total of 204 Leases are subject to be transferred to the Purchaser together with the other Purchased Assets pursuant to the terms of the Soul Agreement.

19. Pursuant to section 4(1) of the Soul Agreement, the Vendor is obligated to use its commercially reasonable efforts to obtain, prior to the Closing Date (as defined in the Soul Agreement), the consents of all of the landlords under the Leases which, by their terms, require the consent of the landlord to any assignment, prior to the closing date of the Soul Agreement (collectively, the "**Landlord Consents**"). The Landlord Consents must be on terms which are acceptable to each of the Vendor and the Purchaser, acting reasonably, provided however, there shall not be any material change to the terms of any Leases to which such Landlord Consent relate without the prior written consent of the Purchaser.

20. For any Lease for which a Landlord Consent is required and is not obtained prior to Closing, the Vendor and the Purchaser shall each, for a period expiring six (6) months following the Closing (as defined in the Soul Agreement), continue to use commercially reasonable efforts to obtain such Landlord Consent (in each case in accordance with the provisions of Section 4(1) of the Soul Agreement), or to obtain an order of this Court assigning the Outstanding Leases, which request, pursuant to section 4(3) of the Soul Agreement, shall constitute commercially reasonable efforts.

21. Pursuant to section 8(8) of the Soul Agreement, in the event that at the end of the six (6) month period commencing on the Closing Date, (a) Landlord Consents, (b) notices, with respect to Leases that only require notice for assignment per the terms of the applicable Lease, and (c) Lease assignments ordered by this Court, together representing at least ninety-five (95%) of the Purchased Outlets (as defined in the Soul Agreement) specified on Schedule "F" of the Soul Agreement have not been obtained or delivered, as applicable, then the Vendor shall within five (5) Business Days (as defined in the Soul Agreement) pay to the Purchaser that portion of the Purchase Price allocated in Schedule "F" of the Soul Agreement for those Purchased Outlets (i) for which a Landlord Consent, notice or assignment order have not been obtained or delivered, or (ii) where the Lease is terminated or the Purchaser is evicted from the Premises (as defined in the Soul Agreement) prior to the delivery of notice, the obtaining of the Landlord Consent, or the obtaining of an assignment order, and the end of the six (6) month period.

22. The Prizm Entities are able to assign 94 Leases, or approximately 46.1% of the Leases, without requiring a consent to assignment.

23. The Prizm Entities have diligently attempted to obtain the Landlord Consents, including by sending letters requesting the Landlord Consents. The Prizm Entities have also, as described below, provided certain legal and financial information with respect to the Purchaser to landlords upon receiving requests for same. An example of the form of letter requesting the Landlord Consent sent by the Prizm Entities to the various landlords under the Leases which, by their terms, require consent to assignment, is attached hereto as Exhibit "B".

24. As a result of these efforts, as of the date hereof, the Prizm Entities have obtained Landlord Consents or made other arrangements satisfactory to the Purchaser for 38 Leases, or



approximately 18.6% of the Leases, which by their terms require consent to assignment. However, the Prizm Entities have been unable to obtain the Landlord Consents relating to 72, or approximately 35.3% of the Leases (collectively, the “**Outstanding Leases**”).

25. Scott's Real Estate Investment Trust (“**SREIT**”) is the landlord of 31 of the Outstanding Leases (the “**SREIT Leases**”). The Prizm Entities and SREIT have been in dialogue both prior to and throughout this CCAA proceeding about the consent in respect of the assignment of the SREIT Leases. To that end, SREIT has been provided, at its request, with financial and other pertinent information about the Purchaser.

26. On March 30, 2011, SREIT sent the Prizm Entities execution versions of assignment agreements by which it proposed to consent to the assignment of both its "consent leases" and "notice leases" in respect of the Original APA. The draft assignment agreements proposed by SREIT and a covering letter from SREIT confirming that SREIT "is prepared to provide its consent" is attached hereto as Exhibit "C".

27. On May 23, 2011, SREIT reiterated through counsel that it would provide consent to the assignment of the SREIT Leases on the condition that an assignment agreement in the same or similar form as provided be executed by the Prizm Entities and the Purchaser. SREIT has therefore implicitly confirmed that the Purchaser is an appropriate assignee of the SREIT Leases; however, SREIT and the Prizm Entities have been unable to agree as to the terms of an assignment agreement. Accordingly, SREIT's consent remains outstanding.

28. Among other issues with the proposed assignment agreement, SREIT has advised that it takes the position that clause 21.03 of the SREIT Leases entitles it to all or a portion of the proceeds of the Soul Sale Transaction attributable to the SREIT Leases where it consents to

assignment. The Prizm Entities disagree with this interpretation. In any event, no specific value is ascribed to the transfer of any of the Outstanding Leases, including the SREIT Leases, pursuant to the Soul Agreement (including Schedule "F" thereto). The Prizm Entities seek assignment of the SREIT Leases pursuant to Section 11.3 of the CCAA, among other reasons, to avoid any suggestion that the Soul Sale Transaction creates additional liabilities for the Prizm Entities that may affect the distribution of the proceeds of the Soul Sale Transaction. A copy of the form of the SREIT Leases is attached hereto as Exhibit "D". I understand that the material terms of the SREIT Leases are substantially the same.

29. Further, landlords of an additional 14 of the Outstanding Leases have confirmed to the Prizm Entities that they agree with the form of the proposed consent, but will not execute it at this time or simply still have not done so. Accordingly, those consents also remain outstanding and relief is sought herein with respect to those Outstanding Leases.

30. A list of the Outstanding Leases subject to this Assignment Motion is attached hereto as Exhibit "E". The Prizm Entities will continue to use commercially reasonable efforts to obtain Landlord consents relating to the Outstanding Leases until the return date of this Assignment Motion.

31. For the sake of expediency and convenience, copies of the Outstanding Leases have not been attached to this Affidavit. I am advised by counsel that the material terms of the Outstanding Leases should not affect the outcome of the Assignment Motion, which is governed, I am advised, by a statutory test under the CCAA and the powers of this Court. However, copies of all of the Outstanding Leases will be available at the hearing on the Assignment Motion.

32. Exhibit "E" indicates the names and addresses of the applicable landlords under the Outstanding Leases, as well as any monetary defaults that the Prizm Entities believe to be currently owing thereunder, or that the Prizm Entities believe will be owing as of the projected closing date of the Soul Agreement. As indicated on Exhibit "E", there are no amounts that are required to be made to any counterparty under the Outstanding Leases to cure any monetary default.

**THIS COURT'S APPROVAL OF THE ASSIGNMENT OF THE OUTSTANDING LEASES IS WARRANTED**

33. I believe that this Court's approval of the assignment of the Outstanding Leases to the Purchaser is important to the restructuring efforts of the Prizm Entities and maximum realization of value by the Prizm Entities pursuant to the Soul Agreement.

34. I understand that the Purchaser intends to carry out substantially the same business at the locations governed by the Outstanding Leases. The Outstanding Leases are for the premises underlying certain of the Prizm Entities' restaurant operations in Ontario, British Columbia and Quebec to be sold to the Purchaser pursuant to the Soul Agreement and, therefore, are an essential component of the Purchaser's ability to continue operations at such locations.

35. I am advised by the Purchaser that it is ready, willing and able to perform the obligations under the Outstanding Leases upon approval of this Court of the assignment. As noted above, the Prizm Entities' entry into the Soul Agreement was the culmination of an extensive qualifying and marketing process. Moreover, the Purchaser has already satisfied the financing conditions set forth in the Soul Agreement, including providing a deposit in the amount of \$3 million demonstrating its financial wherewithal to consummate the Soul Sale Transaction.

36. I understand that the Purchaser is an affiliate of Soul Foods Group, a U.K. based franchisee of the Franchisor with over 30 years experience as a successful operator of forty-one (41) fast-food restaurant outlets in the U.K. I further understand that the Purchaser is a newly formed entity that is being capitalized by funds from Mr. Aly Janmohamed, the principal of Soul Foods Group, and his select associates, as well as senior debt facilities provided by the Bank of Montreal. The Purchaser has provided evidence satisfactory to the Prizm Entities of its financial capabilities, which evidence was also satisfactory to the Prizm Entities' senior lender and the Franchisor. I further understand that the Purchaser intends to submit an affidavit in support of the Assignment Motion which will further detail the Purchaser's ability to perform under the Outstanding Leases.

37. It is my further understanding that the Monitor is supportive of the Prizm Entities proceeding with the Soul Sale Transaction and approves of the assignment of the Outstanding Leases to the Purchaser.

***The Prizm Entities' Diligent Marketing Efforts to Obtain the Best Price***

38. 2279549 Ontario Inc. was appointed as the CRO of the Prizm Entities pursuant to the Initial Order. Although I was, prior to that date, the CFO of Prizm GP and therefore had some general knowledge of the strategic decisions then being undertaken by the Prizm Entities, I was not personally involved in directing the sale process undertaken by the Prizm Entities until 2279549 Ontario Inc. was appointed as the CRO. As such, without limiting any of the foregoing, my statements herein with respect to the sales process which refer to events prior to March 31, 2011 are based not on first-hand knowledge, but result from my having informed myself by

review of the relevant background documents and facts and statements from individuals, all of which I believe to be true.

39. The sale process undertaken by the Prizm Entities which culminated in the Original APA and now the Soul Agreement was conducted outside of the CCAA proceeding. However, the Prizm Entities publicly disclosed as early as October 2010 that they were exploring the potential sale of some of their assets. Further, the sales process was undertaken with assistance from PWC and the Franchisor in putting together the list of potentially interested parties and it included the use of a teaser, a non-disclosure agreement (“NDA”), a confidential information memorandum (“CIM”) and three rounds of bids before the Original APA was negotiated with the Purchaser.

40. As described in detail in paras. 14 - 22 of the Sale Approval Affidavit, the Prizm Entities contacted over 45 parties in connection with this marketing process. Nineteen (19) of those parties executed the NDA and received copies of the CIM. Ten (10) parties submitted expressions of interest for different regions of the Prizm Entities’ business and three (3) additional expressions of interest were received after the deadline contained in the CIM. After evaluating and analyzing all bids, eight (8) bids were rejected on the basis that they offered inadequate consideration. Discussions with the remaining five (5) bidders were undertaken, and a second round of bidding resulted in three (3) bidders being given access to further financial and other confidential information. This round of bidding included the requirement to submit an asset purchase agreement with the bid submission. One of the three (3) bidders withdrew from the process, and only one (1) party submitted a bid. Throughout the process, the Prizm Entities conducted themselves in good faith and with the goal of obtaining the best deal possible.

41. The culmination of these marketing efforts and bidding processes is the proposed Soul Sale Transaction to the Purchaser pursuant to the Soul Agreement, which I believe represents a fair price in the circumstances for the Purchased Assets, which includes the Outstanding Leases. As previously stated, the sale of the Purchased Assets will result in the sale of 204 of the Prizm Entities' restaurant operations in Ontario, British Columbia and Quebec.

42. If this Court does not approve the assignment of the Outstanding Leases, the realizations with respect to the Purchased Outlets subject to the Outstanding Leases could be reduced pursuant to section 8(8) of the Soul Agreement. While the Prizm Entities have the right under the Soul Agreement to enter into an occupation arrangement with the Purchaser pursuant to section 4(6) of the Soul Agreement, during such an arrangement the Prizm Entities would be required to continue using commercially reasonable efforts to seek such Landlord Consents (which have not been successful), comply with the terms of the Outstanding Leases to the extent within their control, and hold the Outstanding Leases in trust for the Purchaser. In my view, greater certainty exists for the Prizm Entities and their stakeholders by having this Court order the assignment of the Outstanding Leases at this time. Such an order will eliminate the risk, pursuant to sections 4(7) and 8(8) of the Soul Agreement that the Prizm Entities will be required to refund to the Purchaser for any Purchased Outlet subject to an Outstanding Lease where a Landlord Consent has not been obtained, and will preserve the value of such Purchased Outlets and provide greater certainty to this sale process.

43. In addition, if the Prizm Entities are required to refund part of the Purchase Price to the Purchaser pursuant to Section 8(8) of the Soul Agreement, it will not receive the franchise agreement in respect of that Purchased Outlet in return. Accordingly, there will be little to no

value remaining with respect to those Purchased Outlets for which a Landlord Consent is not obtained.

*The Prizm Entities' Consideration of the Interests of all Parties*


44. In connection with the entry into the Soul Agreement, the Prizm Entities and its advisors have been communicating with various landlords under the Leases in respect of arranging a mutual agreement upon which such landlords would provide the Landlord Consents (where such consent is required pursuant to the terms of the Lease). The Prizm Entities will continue these efforts to seek to obtain the Landlord Consents relating to the Outstanding Leases until the return date of the Assignment Motion, but absent the approval of the assignment of the Outstanding Leases by this Court at that time, the Prizm Entities would risk losing value associated with the Purchased Assets.

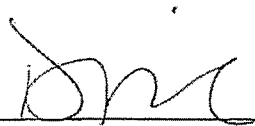
45. I believe that the interests of the landlords under the Outstanding Leases have been considered under the Soul Sale Transaction sought to be implemented pursuant to the Soul Agreement. In particular, my understanding is that the business currently conducted by the Prizm Entities at the locations governed by the Outstanding Leases will be substantially similar to the business operated by the Purchaser at such locations (*i.e.*, exactly the same branded franchise restaurant operations) pursuant to franchise agreements with the Franchisor. As well, the Prizm Entities are in good standing under the Outstanding Leases and there are no monetary defaults.

*The Fairness of the Process*

46. I believe that the Soul Agreement is the result of a reasonable negotiation process, as described herein and in the Sale Approval Affidavit. In my view, the proposed assignment of the Outstanding Leases is appropriate and is important to the Prizm Entities' restructuring.

SWORN before at the City of Vaughan )  
in the Province of Ontario, )  
this 24<sup>th</sup> day of May, 2011 )  
)

  
\_\_\_\_\_  
A Commissioner, etc.

  
\_\_\_\_\_  
Deborah Papernick



# **EXHIBIT "A"**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF DEBORAH PAPERICK SWORN  
THE 24<sup>th</sup> DAY OF MAY, 2011

A handwritten signature in black ink, appearing to be 'D. L.', written over a horizontal line.

A Commissioner for taking affidavits, etc.

## AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

Amended and Restated Asset Purchase Agreement dated May 17, 2011 between PRISZM LP (the "Vendor"), PRISZM INC. (the "General Partner") and SOUL RESTAURANTS CANADA INC. (formerly 7716443 Canada Inc.) (the "Purchaser").

## RECITALS

- (a) The Vendor is the legal and beneficial owner of the Purchased Assets.
- (b) The Vendor entered into an asset purchase agreement, dated December 11, 2010, (the "Original Agreement") with the Purchaser to sell the Purchased Assets on the terms and conditions set out in the Original Agreement.
- (c) The Vendor and the Purchaser have entered into an extension agreement, dated March 22, 2011, (the "Extension Agreement") extending the Closing Date, as defined in the Original Agreement.
- (d) The Vendor has voluntarily commenced proceedings under the CCAA.
- (e) The Vendor and Purchaser wish to amend the terms and conditions of the Original Agreement, as amended by the Extension Agreement, as set forth herein.

In consideration of the mutual agreements contained in this Agreement and for other good and valuable consideration (the receipt and adequacy of which are acknowledged), the parties agree as follows.

## Section 1 Defined Terms.

All capitalized words not defined herein shall have the meaning ascribed thereto in Schedule "A".

## Section 2 Purchase and Sale.

- (1) Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor on the Closing Date all properties, assets, interests and rights of the Vendor which are related to the operation of Outlets and are necessary to conduct the business as now conducted at the Outlets, other than the Excluded Assets (as herein defined) (collectively, the "Purchased Assets"), and for greater certainty, the Purchased Assets will include the assets in Schedule "B" hereto, for each Outlet.
- (2) The Purchased Assets will not include any of the assets (in each case, as of the Closing Date) (collectively, the "Excluded Assets") described in Schedule "C" hereto.

**Section 3 Contracts.**

Nothing in this Agreement shall be construed as an attempt to assign to the Purchaser any Contract or agreement which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the other party or parties to such Contract, unless such consent has been given or the assignment has been ordered by the Court. In order that the Purchaser may receive and realize the full benefit of the non-assigned Contracts, after Closing, subject to the CCAA process, and until all such Contracts are transferred to the Purchaser or six (6) months after the Closing Date, the Vendor shall: (a) maintain its existence; (b) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Contracts to the Purchaser, including holding any such Contracts in trust for the Purchaser and all benefits derived from such Contracts shall be for the account of the Purchaser provided that the requirement of the Vendor to do so does not void the Contract and (c) upon the written direction of the Purchaser, enforce, at the direction, request and expense of the Purchaser and for the account of the Purchaser, any rights of the Vendor under or arising from such Contract against any third person, including the right to elect to terminate any such rights in accordance with the terms of such Contract. The Vendor shall take such action and do or cause to be done such things as are necessary or proper or requested by the Purchaser to ensure that the obligations of the Vendor under the non-assigned Contracts are performed and that the value of all of such Contracts are preserved and enure to the benefit of the Purchaser and that the collection of moneys due and payable to the Purchaser are received by the Purchaser and the Vendor shall promptly pay over to the Purchaser all moneys collected by or paid to the Vendor in respect hereof.

**Section 4 Landlord Consents.**

- (1) The Vendor shall use its commercially reasonable efforts to obtain, prior to the Closing Date, all of the Landlord Consents. Notwithstanding the foregoing, in no event shall the Vendor be required to bear any expense or pay any fee or grant any concession in connection with obtaining any Landlord Consents other than: (a) a Landlord's reasonable consent administration fee and reasonable legal fees incurred by the Landlord in connection with the issuance of its Landlord Consent, and (b) to bring any Lease into good standing.
- (2) The Landlord Consents must be on terms which are acceptable to each of the Vendor and the Purchaser, acting reasonably, provided however there shall not be any material change to the terms of any Leases to which such Landlord Consent relates without the prior written consent of the Purchaser. The Purchaser, acting reasonably, shall be entitled to approve the form of Landlord consent prior to its distribution to any Landlord.
- (3) As to any Lease for which a Landlord Consent is required and is not obtained prior to Closing (in each case an "Outstanding Lease"), the Vendor and the Purchaser shall each, for a period expiring six (6) months following the Closing, continue to use commercially reasonable efforts to obtain such Landlord Consent, in each case in accordance with the provisions of Section 4(1) hereof, or an order of the Court assigning the Outstanding Leases. The Purchaser hereby acknowledges that an application to the Court and its due prosecution (for greater certainty there is no

obligation on the Vendor to pursue or respond to any appeal resulting from the application) for an order for the assignment of such leases shall constitute commercially reasonable efforts on the part of the Vendor and satisfy any obligations under this subsection. The Vendor will consent to the Purchaser having standing on any such motion, if it so desires.

- (4) The Purchaser acknowledges that: (a) it is not entitled to request any amendments to the terms of any Lease in connection with any Landlord Consent; (b) nothing herein shall prohibit the Vendor from seeking a reasonable release from the Landlords in respect of its obligations under the Leases following the Closing provided however that the Vendor's efforts to obtain any such release shall not impede, interfere with or delay obtaining a Landlord Consent; (c) it shall cooperate with and assist the Vendor in pursuing the Landlord Consents (including providing directly to the other party any reasonable information requested by a Landlord, including reasonable financial information, financing structure and proposed management team for the business, which, for greater certainty, shall not be provided to the Vendor without the Purchaser's prior consent, provided however that the Vendor shall not be liable to the Purchaser hereunder for any breach of the Landlord to disclose such information to the Vendor and the Purchaser's sole recourse for any breach relating to this subsection shall be towards such Landlord); and (d) it shall provide certificates of insurance and execute and deliver any necessary acknowledgements and assumption agreements required by any Landlord as a condition to the issuance of its Landlord Consent that are commercially reasonable or otherwise contemplated by the Leases.
- (5) Nothing in this Agreement shall be construed as an attempt to assign to the Purchaser any Lease which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the Landlord, if required, unless such consent has been given or the assignment has been ordered by the Court. From and after Closing and until the earlier of: (a) the date that the Landlord Consent relating to an applicable Outstanding Lease has been obtained or the assignment has been ordered by the Court and such Outstanding Lease has been assigned to the Purchaser; (b) the expiration or earlier termination of such Outstanding Lease; or (c) if a Landlord Consent or assignment order referred to in Section 4(5)(a) has not been obtained within the six (6) months after the Closing Date, the day which is six (6) months after the Closing Date, the Purchaser hereby covenants to:
  - (a) pay the corresponding obligations for the periods from and after the Closing Date associated with the applicable Outstanding Lease to the Vendor or as it directs under the Occupation Agreement, and indemnify and hold the Vendor harmless of and from any claims that may be made pursuant to the applicable Outstanding Lease for any period from and after the Closing as a result of the Purchaser failing to comply with its obligations under this Agreement and the Occupation Agreement; provided that the indemnity provided in this Section shall not be limited to six (6) months or apply to any claims by the Landlord for any pre-Closing liabilities of the Vendor or from any payment of proceeds from the transaction contemplated by this Agreement;

- (b) to the extent within its control, comply with the terms and provisions of the applicable Outstanding Lease; and
  - (c) cooperate in (i) the transfer of the applicable Outstanding Lease, and (ii) the obtaining of such necessary approvals, consents, waivers, and orders, and (iii) such commercially reasonable actions taken by the Vendor, and provide such information and assurances as may be reasonably requested or required pursuant to the applicable Outstanding Lease.
- (6) From and after Closing and until the earlier of: (a) six (6) months after the Closing Date; (b) the date that the Landlord Consent relating to an applicable Outstanding Lease has been obtained or the assignment has been ordered by the Court and such Outstanding Lease has been assigned to the Purchaser; or (c) the expiration or earlier termination of such Outstanding Lease, the Vendor hereby covenants to:
- (i) hold the Outstanding Leases in trust for the Purchaser;
  - (ii) to the extent within its control, comply with the terms and provisions of the applicable Outstanding Lease; and
  - (iii) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of the rights under the Outstanding Leases to the Purchaser.
- (7) The Purchaser hereby acknowledges that, subject to the limited right to a refund set forth in Section 8(8), the obligation to purchase an Outlet with an Outstanding Lease is unconditional. For greater certainty, subject to Section 8(8), the Purchaser shall not be entitled to a refund, in whole or in part, in the Purchase Price for an Outlet, including an Outlet with an Outstanding Lease, as a result of any damage incurred by or in relation to such Outlet.

**Section 5 Material Contract Consents.**

- (1) The Vendor shall use its commercially reasonable efforts to obtain, prior to the Closing Date, all of the Material Contract Consents. Notwithstanding the foregoing, in no event shall the Vendor be required to bear any expense or pay any fee or grant any concession in connection with obtaining any Material Contract Consents other than: (a) such contracting counterparty's reasonable consent administration fee and reasonable legal fees incurred by such contracting counterparty, to the extent applicable, in connection with the issuance of its Material Contract Consent, and (b) to bring any contract into good standing, provided however that the Vendor shall under no circumstances be obliged to pay any amount which individually exceeds \$2,500, or in the aggregate exceeds \$25,000, so long as such Material Contract is not necessary to the Purchaser receiving the full benefit of the Purchased Assets and the Vendor is not in breach of this Agreement.
- (2) The Material Contract Consents obtained pursuant to this Section must be on terms which are acceptable to each of the Vendor and the Purchaser, acting reasonably,

provided however there shall not be any material change to the terms of any Material Contract to which such Material Contract Consent relates without the prior written consent of the Purchaser.

- (3) As to any Material Contract for which a Material Contract Consent is not obtained prior to Closing (each case an "Outstanding Contract"), the Vendor and the Purchaser shall each, for a period expiring six (6) months following the Closing continue to use commercially reasonable efforts to obtain same, in each case in accordance with the provisions of Section 5(1) hereof unless the assignment of such Outstanding Contract is ordered by the Court or the Purchaser has provided the Vendor with notice that assignment of such Outstanding Contract is no longer required.
- (4) The Purchaser acknowledges that: (a) it is not entitled to request any amendments to the terms of any Material Contract in connection with any Material Contract Consent; (b) nothing herein shall prohibit the Vendor, in connection with a Material Contract from seeking a reasonable release from the contracting counterparty in respect of its obligations under the Material Contract following the Closing provided however that the Vendor's efforts to obtain any such release shall not impede, interfere with or delay obtaining a Material Contract Consent; (c) it shall cooperate with and assist the Vendor in pursuing the Material Contract Consents (including providing directly to the other party any reasonable information requested by a contract counterparty, including reasonable financial information, financing structure and proposed management team for the business, which, for greater certainty, shall not be provided to the Vendor without the Purchaser's prior consent, provided however that the Vendor shall not be liable to the Purchaser hereunder for any breach of the Material Contract counterparty to disclose such information to the Vendor and the Purchaser's sole recourse for any breach relating to this subsection shall be towards such Material Contract counterparty); and (d) it shall provide certificates of insurance and execute and deliver any necessary acknowledgements and assumption agreements required by any Material Contract counterparty as a condition to the issuance of its Material Contract Consent that are commercially reasonable or otherwise contemplated by the Material Contracts.

#### Section 6 Representations and Warranties.

The Purchaser acknowledges that there are no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, with respect to the Purchased Assets or in respect of any other matter or thing whatsoever except as otherwise expressly stated in this Agreement or any schedule hereto. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor or its affiliates, or any such entity's directors, officers, employees, professional consultants or advisors with respect to the Purchased Assets or otherwise relating to the transactions contemplated in this Agreement has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete save and except such information is disclosed pursuant to a representation, warranty, covenant or condition contained herein.

**Section 7 Liabilities, Costs and Expenses.**

- (1) The Purchaser covenants with the Vendor that it shall, as and from the Closing Date, discharge, perform and fulfill all the obligations and liabilities on the part of the Vendor with respect to the Purchased Assets arising on or after the Closing Date and not related to any default existing prior to or as a consequence of the closing of the transaction contemplated by this Agreement (the "Assumed Liabilities"). The Purchaser shall not assume any liabilities or other obligations other than the Assumed Liabilities and shall have no obligation to discharge any liability or obligation under any contract or agreement which is not assignable in whole or in part without the consent of the other party or parties to such contract or agreement, unless such consent has been given, or unless such assignment has been ordered by the Court, or unless the Vendor has performed its obligations under Section 3 and the value of such contracts and agreements under Section 3 have enured to the benefit of the Purchaser. For greater certainty, the Assumed Liabilities will not include (a) any fees, costs or expenses relating to obtaining the Landlord Consents, any Material Contracts, or court orders relating to the assignment of Outstanding Leases incurred in accordance to Section 4(3) hereof, or (b) Current Liabilities, as defined below.
- (2) All current liabilities relating to the Purchased Assets arising before the Closing Date, including such liabilities described in Section 21(5), (the "Current Liabilities") shall not form part of the Purchased Assets or Assumed Liabilities but shall be on the account of the Vendor.
- (3) From and after the Closing, all costs and expenses related to the Purchased Assets shall be borne by the Purchaser at its sole cost and expense, including without limitation, title insurance, surveys, Phase I environmental reports and Phase II environmental reports, escrow and recording or registration fees, the transfer fees, ongoing license fees, and any other costs associated with the Purchased Assets.
- (4) For the period from and after the Closing, all costs and expenses related to the Outlet Software Licenses shall be borne by the Purchaser at its sole cost and expense, including, without limitation, escrow and recording or registration fees, transfer fees, ongoing license fees, and any other costs associated with the Outlet Software Licenses or the transfer thereof (including costs in connection with using the Outlet Software Licenses independently of the Vendor or costs to be paid in connection with the transfer of the Outlet Software Licenses to the Purchaser). The Purchaser hereby covenants to comply with all provisions or obligations and perform all such actions as are reasonably necessary or desirable in order to transfer the Outlet Software Licenses.

**Section 8 Purchase Price and Deposit.**

- (1) The aggregate purchase price (the "Purchase Price") payable by the Purchaser to the Vendor for the Purchased Assets is: (a) CDN\$39,500,000, plus (c) the amount of CDN\$408,000, equal to the franchise renewal fees, plus (d) the amount of CDN\$116,000 equal to the price of the UPGC Shares, plus (e) the amount of



CDN\$2,800,000 equal to the Closing Date Current Assets Amount, subject to Section 10.

- (2) The Purchaser delivered a deposit in the amount of CDN\$2,000,000 on or before January 15, 2011 to the Vendor's counsel pursuant to the Escrow Agreement. The Parties agree to take such steps and execute all required documents in order to transfer this initial deposit plus all accrued interest less any bank transfer fees to the Monitor by the Condition Date. The Purchaser agrees to deliver a further deposit in the amount of CDN\$1,000,000 to the Monitor by the Condition Date (together with the prior deposit, the "Deposit"). The Deposit will be applied on Closing in satisfaction of an equivalent amount of the Purchase Price.
- (3) If the Closing does not occur:
  - (a) because the condition precedent set forth in Section 15(1)(c) or any of the conditions precedent set forth in Section 15(3) of this Agreement are not satisfied or waived by May 31, 2011, the full amount of the Deposit together with all accrued interest received by the Vendor's counsel or the Monitor, if any, shall be immediately returned to the Purchaser.
  - (b) for any reason other than the condition precedent set forth in Section 15(1)(c) or one or more of the conditions precedent set forth in Section 15(3) of this Agreement are not satisfied or waived by May 31, 2011, including that the Purchaser does not have adequate financing to close the transaction contemplated by this Agreement for any reason including that the Purchaser's lender refuses to advance adequate monies to the Purchaser, the full amount of the Deposit together with all accrued interest received by the Vendor, if any, shall become the property of, and may be retained by, the Vendor as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities foregone as a result of the failure of the transaction to close. In such event, the Vendor may exercise any other rights or remedies that it may have against the Purchaser in respect of any default by the Purchaser.
- (4) The Purchase Price shall be satisfied by the Purchaser paying to the Vendor as follows: (a) as to the amount of the Deposit, by application of such amounts in the manner specified in Section 8(2); and (b) as to the balance, by the Purchaser paying to or to the order of the Vendor such amount by wire transfer to a Canadian schedule of Banks (or such other method as mutually agreed to by the Vendor and Purchaser) of immediately available funds payable to or to the order of the Vendor or as it may otherwise direct in writing or as may be directed by the Court.
- (5) Any adjustment required to be made to the Purchase Price in accordance with subsection 8(8) or Section 10 shall be satisfied by the payment of the appropriate amount by the party owing such payment to the other party in the manner and at the time contemplated in subsection 8(8) or Section 10, as applicable.

- (6) The Purchaser shall be liable for and shall pay all applicable federal and provincial sales taxes, property transfer taxes, and all other taxes, duties, registration charges or other like charges payable in connection with the sale of the Purchased Assets by the Vendor to the Purchaser.
- (7) The Vendor and the Purchaser will mutually agree on or before the Closing Date a reasonable allocation of the Purchase Price, provided however that the Purchase Price allocated to each Outlet shall be the amount specified in Schedule "F", which Schedule "F" has been agreed to.
- (8) In the event that at the end of the six (6) month period commencing on the Closing Date (the "Extension Period"), (a) Landlord Consents, and (b) notices, with respect to Leases that only require notice for assignment per the terms of the applicable Lease, and (c) Lease assignments ordered by the Court, together representing at least ninety-five (95%) of the Outlets specified on Schedule "F" have not been obtained or delivered, as applicable, then the Vendor shall within five (5) Business Days pay to the Purchaser that portion of the Purchase Price allocated in Schedule "F" for those Outlets (i) for which a Landlord Consent, notice or final assignment order have not been obtained or delivered, or (ii) where the Lease is terminated or the Purchaser is evicted from the Premises prior to the delivery of notice, the obtaining of the Landlord Consent, or the obtaining of a final assignment order, and the end of the Extension Period (provided that at the time the Lease was terminated or the Purchaser was evicted, the Purchaser was not acting in material breach of the Lease (this proviso being limited to breaches which were not existing as at Closing and not applying to breaches based upon the Vendor holding the Outstanding Lease in trust for the Purchaser as contemplated by this Agreement) and was not in material breach of the Occupation Agreement entered into between the parties of even date herewith). This payment by the Vendor shall be the sole remedy of the Purchaser for the failure to obtain the Landlord Consent, give the notice or obtain a final order assigning the Lease, in respect of such Outstanding Lease and for any Damages suffered by the Purchaser in connection therewith.

#### Section 9 Preparation of Financial Statements.

During the Interim Period, the Vendor shall provide to the Purchaser and shall have the right, in its sole discretion, to provide to any lender that is providing financing to the Purchaser in connection with the transaction contemplated in this Agreement updated financial statements.

- (1) After the Closing, the Vendor will prepare, at the Vendor's expense, a draft statement of the Current Assets ("Current Assets Statement") as at Closing, which shall be delivered to the Purchaser no later than the 30th day following the Closing Date. The Purchaser will: (i) provide access to the Vendor upon every reasonable request to its accounts and books and records relating to the Purchased Assets; and (ii) cooperate with the Vendor for purposes of preparing the Current Assets Statement. The 30 day period for the Vendor to prepare and deliver the Current Assets Statement will be extended for a reasonable period of time in the event that

the preparation or delivery of the draft Current Assets Statement is delayed as a result of circumstances beyond the reasonable control of the Vendor.

- (2) If the Purchaser does not give a notice of objection in accordance with this Section 9, the Purchaser shall be deemed to have accepted the draft Current Assets Statement prepared by the Vendor which shall be final and binding on the parties and such draft Current Assets Statement shall constitute the Current Assets Statement for purposes of this Agreement.
- (3) If the Purchaser objects to any matter in the draft Current Assets Statement prepared pursuant to Section 9(1), then the Purchaser shall give notice to the Vendor and to the Monitor no later than 15 days after delivery of the draft Current Assets Statement. Any notice given by the Purchaser shall set forth in detail the particulars of such objection. The parties shall then use reasonable efforts to resolve such objection for a period of 30 days following the giving of such notice. If the matter is not resolved by the end of such 30 day period, then the dispute with respect to such objection shall be submitted by the parties to a chartered accountant associated with an accounting firm of recognized national standing in Canada, which is independent of the parties, and, failing such agreement between the Purchaser and the Vendor within a further period of five Business Days, such independent firm of chartered accountants shall be KPMG LLP, or if such firm is unable to act, Deloitte LLP (the "Independent Accountant"). The Independent Accountant shall, as promptly as practicable (but in any event, within 45 days following its appointment), make a determination of the Current Assets Statement, based solely on written submissions of the parties given by them to the Independent Accountant. The submissions of each party shall be disclosed to the other party and each other party shall be afforded a reasonable opportunity to respond thereto. The Current Assets Statement as determined by the Independent Accountant shall be final and binding upon the parties and shall constitute the Current Assets Statement for purposes of this Agreement.
- (4) The Purchaser and the Vendor will each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the draft Current Assets Statement. In the case of a dispute and the retention of the Independent Accountant to determine such dispute, the costs and expenses of such firm of chartered accountants shall be borne equally by the Purchaser and the Vendor. However, the Purchaser and the Vendor will each bear their own costs in presenting their respective cases to such firm of chartered accountants.
- (5) The parties agree that the procedure set forth in this Section 9 for resolving disputes with respect to the draft Current Assets Statement is the sole and exclusive method of resolving such disputes.
- (6) After the Closing, the Vendor will prepare, at the Vendor's expense, a draft Profit and Loss Statement as at Closing, which shall be delivered to the Purchaser no later than the 30th day following the Closing Date.

**Section 10 Current Assets Purchase Price Adjustment**

- (1) The Purchase Price will be increased or decreased, as the case may be, dollar-for-dollar, to the extent that the Current Assets as determined from the final Current Assets Statement is more or less than CDN\$2,800,000 (the "Closing Date Current Assets Amount").
- (2) If the Current Assets, as determined from the Current Assets Statement, is more than CDN\$2,800,000, the Purchaser will pay to the Vendor the amount of such difference as an increase to the Purchase Price. If the Current Assets as determined from the Current Assets Statement is less than CDN\$2,800,000, the Vendor will pay to the Purchaser the amount of such difference as a decrease to the Purchase Price. Any amounts to be paid under this Section 10 (the "Current Assets Purchase Price Adjustment") will be paid by bank draft or wire transfer of immediately available funds within two Business Days after the draft Current Assets Statement becomes the Current Assets Statement for purposes of this Agreement in accordance with Section 9(2) or Section 9(3), as the case may be.

**Section 11 Vendor Representations and Warranties.**

The Vendor, to the best of its knowledge, information and belief, represents and warrants as to those matters set forth in Schedule "D" to this Agreement and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement by the Purchaser.

**Section 12 Purchaser's Representations and Warranties.**

The Purchaser represents and warrants as to those matters set forth in Schedule "E" and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the entering into of this Agreement by the Vendor.

**Section 13 Financing.**

The consummation of the transaction contemplated by this Agreement is not contingent on the Purchaser's ability to obtain financing.

**Section 14 Due Diligence.**

- (1) The consummation of the transaction contemplated by this Agreement is not contingent on the Purchaser's due diligence.
- (2) The Vendor will (i) permit the Purchaser and its employees, counsel, agents, accountants or other representatives, during the Interim Period, to have reasonable access during normal business hours and upon reasonable notice to (A) the premises of the Outlets, (B) the Purchased Assets and, in particular to any information, including all Books and Records, copies of Employee Plans, and all insurance policies held by the Vendor with respect to the Purchased Assets, (C) all Contracts and Leases, and (D) the senior personnel of the Vendor, and (ii) furnish to the Purchaser or its employees, counsel, agents, accountants or other representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser may from time to time request.

**Section 15 Conditions of Closing.**

- (1) **Conditions for the Benefit of the Purchaser.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:
- (a) the Vendor shall deliver or cause to be delivered to the Purchaser all keys, entry devices and pass codes with respect to the Purchased Assets including combinations to any locks or vaults; provided that all keys, entry devices and pass codes in the possession of Transferred Employees shall be deemed to have been delivered to the Purchaser;
  - (b) the representations and warranties of the Vendor in Schedule "D" shall be, to the best of the Vendor's knowledge, information and belief, true and correct in all material respects, subject to the CCAA process, as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date. However, (i) if a representation and warranty is qualified by materiality or Material Adverse Effect, it must be true and correct in all respects after giving effect to such qualification and (ii) if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date; and
  - (c) the Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated or required to be so executed and delivered in this Agreement.
- (2) **Conditions for the Benefit of the Vendor.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (a) which shall be fulfilled or performed on or before January 15, 2011 and item (b) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:
- (a) the payment of the Deposit in accordance with Section 8(2) to the Vendor's counsel by the Purchaser;
  - (b) the Vendor shall have received evidence satisfactory to the Vendor that the Purchaser has and will have at Closing all funds on hand necessary to pay the Purchase Price referred to in Section 8;
  - (c) the representations and warranties of the Purchaser in Schedule "E" shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date. However, (i) if a representation and warranty is qualified by

materiality or Material Adverse Effect, it must be true and correct in all respects after giving effect to such qualification and (ii) if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;

- (d) the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated required to be so executed and delivered in this Agreement;
- (3) **Conditions Precedent.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before Closing Date (other than item (b) and (c) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement
- (a) the Sale Approval Order shall have been issued and entered by the Court either (i) in the form attached hereto as Schedule "H", which the Parties acknowledge is satisfactory, or (ii) in a form which is not more adverse to the Purchaser, acting reasonably, and shall not be subject to a stay. For greater certainty, in the case of a form of order which is more adverse to the Purchaser than the form of order attached hereto as Schedule "H", the Parties agree that they will confirm their satisfaction or dissatisfaction with the form of the order at the hearing of the motion prior to the judge signing the order;
  - (b) the Parties shall have received evidence, satisfactory to the Vendor and the Purchaser, acting reasonably, of the consent of Prudential to the transaction contemplated hereby; and
  - (c) the Purchaser and the Franchisor shall have entered into a new franchise agreement or the Purchaser and the Vendor shall have executed an agreement assigning the Master Franchise Agreement as it relates to the Outlets and the Franchise Agreements for each of the Outlets to the Purchaser each in form and substance satisfactory to the Parties acting reasonably and the Franchisor shall have provided its consent to such assignment conditional upon completion of the transaction contemplated hereby and any payments to the Franchisor contemplated by the Sale Approval Order in form and substance satisfactory to the Parties acting reasonably.

- (4) The Vendor and the Purchaser agree to take all such actions as are within their respective powers to control, and to use their commercially reasonable efforts to cause other actions to be taken which are not within their respective powers to control, so as to ensure compliance with all of the conditions set forth in this Section 15.

#### Section 16 Purchaser Covenants.

- (1) The Purchaser shall, on or prior to the Condition Date, either enter into a new franchise agreement with the Franchisor in respect of the Outlets or execute an assignment of the Master Franchise Agreement as it relates to the Outlets and the Franchise Agreement in respect of the Outlets with the Vendor.
- (2) For each Outlet located in an area where Bell Canada provides high speed internet coverage, the Purchaser shall, on or prior to the Closing Date, enter into a contract with Bell Canada for the provision of high speed internet service at such Outlet.
- (3) The Purchaser shall use its best efforts to obtain the Competition Act Approval as promptly as is reasonably practicable upon the execution of the this Agreement and in doing so the Vendor will cooperate with the Purchaser, and without limiting the generality of the foregoing, the Purchaser shall, within 10 days of the execution of this Agreement prepare and provide to the Commissioner of Competition such submissions as are necessary or desirable in order to receive Competition Act Approval as promptly as is reasonably practicable, including without limitation, an application for an Advance Ruling Certificate and a request in the alternative for a no-action letter and a waiver from notification under paragraph 113(c) of the Competition Act, and in connection with the foregoing, the Purchaser shall promptly furnish all information requested under the Competition Act, provided however, that any filing fees or similar amounts specifically required to be submitted to the Commissioner of Competition in connection with the foregoing shall be borne equally by each party.

#### Section 17 Vendor Covenants.

- (1) During the Interim Period, the Vendor will conduct the business carried on with the Purchased Assets only in the Ordinary Course, subject to the CCAA process.
- (2) During the Interim Period, the Vendor shall provide access to the managers, the Regional Directors of Operations, Area Managers, and Field Training Leaders employed by the General Partner who are responsible for the geographic area in which the Outlets are situated for the purpose of offering employment effective as of the Closing Date to such persons.
- (3) On or before the Closing Date, the Vendor shall deliver or cause to be delivered to the Purchaser all keys, entry devices and pass codes with respect to the Purchased Assets including combinations to any locks or vaults; provided that all keys, entry devices and pass codes in the possession of Transferred Employees shall be deemed to have been delivered to the Purchaser.

- (4) After Closing, the Purchaser will have the right to access any customer on-line software system that is currently used at the Outlets and administered by the Vendor for the entire KFC system in Canada on such terms and conditions that are generally provided to other KFC franchisees that also access such software system. This right shall terminate on the date the Vendor no longer administers such software system.

#### Section 18 Closing.

- (1) Subject to satisfaction or waiver by the relevant party or parties, as applicable, of the conditions of closing contained in Section 15, at the Closing, the Vendor will deliver actual possession of the Purchased Assets and all necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser and upon such delivery the Purchaser will pay or satisfy the Purchase Price in accordance with Section 8. The transfer of the Purchased Assets will take effect on the Closing Date.
- (2) The completion of the transaction of purchase and sale contemplated by this Agreement (the "Closing") shall take place at 8:00 a.m. (Toronto time) at the offices of Gardner Roberts LLP, Suite 3100, Scotia Plaza, Toronto, Ontario, on the first Monday after the Sale Approval Order is issued, provided however that the Vendor and the Purchaser may mutually agree to extend such date to such other date not later than May 31, 2011, as may be agreed upon in writing by the parties (the "Closing Date").

#### Section 19 Access to Books and Records

During the Interim Period and for a period of 6 years from the Closing Date, or for such longer period as may be required by Law, the Vendor will retain all original accounting Books and Records relating to the Purchased Assets for the period prior to the Closing Date, but the Vendor shall not be responsible or liable to the Purchaser for any accidental loss or destruction of or damage to any such Books and Records. So long as such Books and Records are retained by the Vendor pursuant to this Agreement, the Purchaser will have the reasonable right to inspect and make copies (at its own expense) of them upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Vendor for purposes of tax returns. The Vendor will have the right to have its representatives present during any such inspection.

#### Section 20 Action During Interim Period.

- (1) During the Interim Period and except as otherwise provided in this Agreement, or as required or permitted under the CCAA process, or the Disclosure Letter delivered contemporaneously with the execution of this Agreement, or as otherwise agreed in writing by the Purchaser, the Vendor shall from the date of this Agreement up to the Closing deal with the Purchased Assets in the Ordinary Course including:



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- (a) Carry on and conduct its business in the Ordinary Course consistent with past practice (including, without limitation, but subject to the provisions of this Section 20 entering into contracts, agreements and commitments for the purchase and sale of inventory items) and in particular:
- (i) use all commercially reasonable efforts to keep available the services of the present employees of the Vendor for the Purchaser and to maintain relations and goodwill with customers having business relations with the Vendor;
  - (ii) make all necessary tax, governmental and other filings in a timely fashion;
  - (iii) pay to all its employees all wages (including overtime claims), salaries, bonuses and commissions, and all earned but unpaid vacation pay and sick leave pay and other entitlements under Employee Plans up to and including the Closing Date; and
  - (iv) comply in all material respects with and not violate any of its contractual, common law or statutory duties and obligations to the Vendor's employees relating to the Purchase Assets, a Trade Union and relevant government authorities.
- (b) Disclose to the Purchaser all notices relating to environmental matters, regulatory matters, employment matters, leasing matters, collective bargaining proposals and the status of ongoing negotiations, in each case, relating to the operation of the Purchased Assets.
- (c) Advise and disclose to the Purchaser any agreement to amend or vary any Leases or of any Material Contracts, and to disclose to the Purchaser the terms of any such agreement.
- (2) During the Interim Period, except as required or permitted under the CCAA process, the Vendor shall not:
- (a) mortgage, pledge, grant a security interest in or otherwise create a Lien on any of the Purchased Assets, except in the Ordinary Course and in amounts which, individually and in the aggregate, are not material to the financial condition or the operation of the Purchased Assets;
  - (b) enter into any lease or other contract or any other transaction relating to the Purchased Assets that is not in the Ordinary Course;
  - (c) dispose of or revalue any of the Purchased Assets, except for sales of Inventory in the Ordinary Course;
  - (d) terminate, cancel, modify or amend in any material respect or take or fail to take any action which would entitle any party to any Material Contract to terminate, cancel, modify or amend any Material Contract;

- (e) unless required by Applicable Laws, make any change in its accounting principles, policies, practices or methods; or
- (f) agree, commit or enter into any understanding to take any actions enumerated in paragraphs of this Section 20(2).

#### Section 21 Employees

- (1) On or before May 24, 2011, the Purchaser shall offer, or cause any of its affiliates to offer, employment effective as of the Closing Date to the Designated Employees on terms substantially similar in the aggregate to those existing as of the Closing Date. In such offer, and subject to Section 21(3), the Purchaser will recognize, to the extent previously recognized by the Vendor, the service of the Designated Employees for all purposes. The Vendor agrees to assist the Purchaser in delivering the offers of employment to the Designated Employees on condition that (a) the Purchaser has prepared, packaged and organized the offers of employment in a manner that is acceptable to the Vendor in its sole discretion, (b) has delivered the packages to the Vendor's head office by no later than 12:00pm on May 20, 2011, and (c) the Vendor shall not be required to expend any funds or incur any costs in respect of such assistance. The Purchaser shall have no liability or obligation in respect of any Designated Employees who reject Purchaser's offer of employment that has been made in accordance with this Section 21(1).
- (2) The Vendor shall not attempt in any way to discourage Designated Employees from accepting the offer of employment made by the Purchaser. Provided that the Purchaser has complied with its obligations set forth under Section 21(1), then the Vendor will use commercially reasonable efforts to deliver its notice of termination concurrent with the Purchaser's delivery of offers of employment to Designated Employees.

The Purchaser shall not assume any of the Employee Plans or liability for accrued benefits or any other liability under or in respect of any of the Employee Plans. The Transferred Employees will, as of the Closing Date in respect of their employment by the Vendor, cease to accrue further benefits under the Employee Plans. The Purchaser agrees that it will permit the Transferred Employees to participate in benefit plans sponsored by the Purchaser (such plans to be called the "Replacement Plans"). The Purchaser shall cause each Replacement Plan to recognize the prior service of the Transferred Employee rendered to the Vendor for purposes of eligibility to participate, vesting and entitlement to benefits under such Replacement Plans but not for the purpose of benefit accrual. The Purchaser shall waive all limitations as to pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Transferred Employees under any Replacement Plans except and only to the extent that any Transferred Employees were subject to such pre-existing conditions, exclusions and waiting periods under the Employee Plans, and will provide each Transferred Employee with credit for any co-payments and deductibles paid prior to the Closing Date (in the calendar year of such start date) in satisfying any applicable deductible or out of pocket requirements under any Replacement Plans.

- (3) The Purchaser shall be responsible for:
- (i) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to the employment of all Transferred Employees on and after the Closing Date and all liabilities under or in respect of the Replacement Plans;
  - (ii) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee;
  - (iii) all liabilities for claims for injury, disability, death or workers' compensation arising from or related to employment of the Transferred Employees at the Outlets on and after the Closing Date; and
  - (iv) all employment-related claims, penalties and assessments in respect of the Purchased Assets arising out of matters which occur on or subsequent to the Closing Date.
- (4) The Purchaser shall not be responsible for:
- (i) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to the employment of all Designated Employees arising prior to the Closing Date and all liabilities accrued under or in respect of Employee Plans prior to the Closing Date;
  - (ii) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination of any Designated Employees who reject Purchaser's offer of employment that has been made in accordance with Section 21(1);
  - (iii) all liabilities for claims for injury, disability, death or workers' compensation arising from or related to employment of the Designated Employees in the Purchased Assets prior to the Closing Date; and
  - (iv) all employment-related claims, penalties and assessments in respect of the Purchased Assets arising out of matters which occur prior to the Closing Date.

#### Section 22 Filings and Authorizations

Each of the Vendor and the Purchaser, as promptly as practicable after the execution of this Agreement, will (i) make, or cause to be made, all such filings and submissions under all Applicable Laws, including as may be required for it to consummate the purchase and sale of the Purchased Assets in accordance with the terms of this Agreement. The Vendor and the Purchaser shall coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied to or filed with any Governmental Entity (except for

notices and information which the Vendor or the Purchaser, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.

#### Section 23 Tax Matters

The parties covenant to use their commercially reasonable efforts to minimize the taxes payable by each of the parties to this Agreement in connection with the completion of the transaction contemplated hereby, including the filing of such elections as would be necessary in order to do so, provided however that such structuring or elections do not adversely effect any party.

The Vendor and the Purchaser agree to use commercially reasonable efforts to execute and deliver or cause to have executed and delivered at Closing a joint election under Section 167(1) of the *Excise Tax Act* (Canada) (and any provincial and/or territorial equivalents) and an election under Section 22 of the *Income Tax Act* (Canada). The parties covenant to cooperate in the filing of such tax elections.

Notwithstanding the above, in the event it is determined by the Canada Revenue Agency or any other competent provincial or territorial Governmental Entity, that there is a liability of the Purchaser to pay, or of the Vendor to collect and remit, any amounts on account of taxes on all or part of the Purchase Price paid for the Purchased Assets, such taxes shall be forthwith paid by the Purchaser to the Canada Revenue Agency, the competent provincial tax authority, or to the Vendor, as the case may be, and the Purchaser shall indemnify and save the Vendor harmless with respect to any such taxes as well as any interest and penalties relating thereto or imposed thereon and any costs or expenses of the Vendor.

#### Section 24 Survival of Covenants, Representations and Warranties.

The covenants (except as expressly provided in this Agreement or except to the extent necessary to give effect to such covenant) and the representations and warranties set forth in this Agreement will merge on Closing and not survive.

#### Section 25 Termination.

This Agreement may, by notice in writing given at or prior to the completion of the transaction, be terminated:

- (a) by mutual consent of the Vendor and the Purchaser;
- (b) by the Purchaser if any of the conditions in Section 15(1) have not been satisfied as at the time specified for the satisfaction of such condition and the Purchaser has not waived such condition;
- (c) by the Vendor if any of the conditions in Section 15(2) have not been satisfied as at the date referred to in Section 15(2) and the Vendor has not waived such condition; or
- (d) by either party if:

- (i) any of the conditions precedent in Section 15(3) have not been satisfied as at the time specified for the satisfaction of such condition and the parties have not waived such condition; or
- (ii) if the Closing has not occurred on or prior to May 31, 2011, or on or before such later date as the parties agree to in writing, provided that a party may not terminate this Agreement under this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

**Section 26 Time of the Essence.**

Time shall be of the essence of this Agreement.

**Section 27 Enurement.**

This Agreement shall become effective when executed by the Vendor and the Purchaser together with complete schedules thereto and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party; provided the Purchaser may assign this Agreement to the Bank of Montreal without the consent of the Vendor effective on or after Closing.

**Section 28 Public Announcements.**

Other than any disclosure in the CCAA proceedings deemed necessary by the Vendor or the Monitor, no Party shall make any public statement or issue any press release concerning the transactions contemplated by this Agreement except as agreed by the Parties acting reasonably or as may be necessary, in the opinion of counsel to the Party making that disclosure, to comply with the requirements of all Applicable Law. If any public statement or release is so required, the Party making the disclosure shall consult with the other Party before making that statement or release.

**Section 29 Entire Agreement.**

This Agreement together with all schedules attached hereto constitutes the entire agreement between the parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, including the Original Agreement and the Extension Agreement, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. 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 in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

**Section 30 Waiver.**

- (1) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.
- (2) No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

**Section 31 Further Assurances.**

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively transfer the Purchased Assets to the Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent.

**Section 32 Severability.**

If any provision of this Agreement shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

**Section 33 Governing Law.**

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**Section 34 Counterparts.**

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

**Section 35 French Language.**

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

**Section 36 Statute References.**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

**Section 37 Headings.**

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

**Section 38 References.**

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto.

**Section 39 Number and Gender.**

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

**Section 40 Use of the word "including" and "or" etc.**

The word "includes" or "including" shall mean "includes without limitation" or "including without limitation", respectively. The word "or" is not exclusive.

**Section 41 Business Days.**

If any payment is required to be made or other action 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 made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

**Section 42 Currency and Payment Obligations.**

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

**Section 43 Accounting Principles.**

All calculations made or referred to herein shall be made in accordance with Canadian GAAP.

**Section 44 Notice.**

Any notice, direction or other communication given pursuant to this Agreement (each a "Notice") must be in writing, sent by personal delivery, courier, facsimile or email and addressed:

(a) To the Vendor:

(i) Prizm LP  
101 Exchange Avenue  
Vaughan, Ontario  
L4K 5R6  
Canada

Attention: Deborah Papernick  
Facsimile: (416) 977-4860

Email: deborah.papernick@priszm.com

(ii) with a copy to the Vendor's solicitors:

Stikeman Elliott LLP  
5300 commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

Attention: Dee Rajpal  
Facsimile: (416) 947-0866  
Email: drajpal@stikeman.com

(iii) with a copy to the Monitor:

FTI Consulting Canada, Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P. O. Box 104  
Toronto, ON M5K 1G8

Attention: Nigel Meakin  
Facsimile: 416-649-8101  
Email: nigel.meakin@fticonsulting.com

and its counsel:

Osler, Hoskin & Harcourt LLP  
1 First Canadian Place  
Toronto, Ontario M5X 1B8

Attention: Marc Wasserman  
Facsimile: 416-862-6666  
Email: mwasserman@osler.com

(b) To Priszm Inc.:

(i) Priszm Inc.  
101 Exchange Avenue  
Vaughan, Ontario  
L4K 5R6  
Canada

Attention:  
Facsimile:  
Email:



(ii) with a copy to Prizm Inc.'s solicitors:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

Attention: Dee Rajpal  
Facsimile: (416) 947-0866  
Email: drajpal@stikeman.com

(iii) with a copy to the Monitor:

FTI Consulting Canada, Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P. O. Box 104  
Toronto, ON M5K 1G8

Attention: Nigel Meakin  
Facsimile: 416-649-8101  
Email: nigel.meakin@fticonsulting.com

(c) To the Purchaser:

(i) Soul Restaurants Canada Inc.

Attention: Aly Janmohamed  
Email: aly@soulfoodsgroup.com

(ii) with a copy to the Purchaser's solicitors:

Gardiner Roberts LLP  
Suite 3100 Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3Y2

Attention: Arlene O'Neill  
Facsimile: (416) 865-6636  
Email: aoneill@gardiner-roberts.com

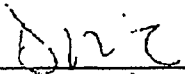
A Notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email, when the sender receives an email from the recipient

acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this Section. Any party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a party.

IN WITNESS WHEREOF the parties have executed this Asset Purchase Agreement,

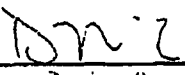
PRISZM LP,  
by its general partner, PRISZM INC.  
by 2279549 ONTARIO INC., solely in its  
capacity as Chief Restructuring Officer,  
and without personal or corporate  
liability

By:

  
Name: Dorian Ryznaruk  
Title: CRO

PRISZM INC.  
by 2279549 ONTARIO INC., solely in its  
capacity as Chief Restructuring Officer,  
and without personal or corporate  
liability

By:

  
Name: Dorian Ryznaruk  
Title: CRO

SOUL RESTAURANTS CANADA INC.

By: Aly Jan Mohamed  
Name: ALY JAN MOHAMED  
Title: PRESIDENT

## SCHEDULE "A"

## DEFINED TERMS

"Accounts Receivable" has the meaning specified in Schedule "B"

"Advance Ruling Certificate" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 of the Competition Act with respect to the transaction contemplated hereby.

"Agreement" means this asset purchase agreement and all schedules and instruments in amendment or confirmation of it and the expression "Section" followed by a number means and refers to the specified Section of this Agreement.

"Applicable Law" " means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, by-laws (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity and (iii) policies, guidelines, notices and protocols, to the extent that they have the force of law.

"Assumed Liabilities" has the meaning specified in Section 7.

"Authorization" means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"Books and Records" means all books of account, financial statements, tax records, audit working papers, general ledgers, personnel records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents, files, correspondence, minute books and corporate records and other information (whether in written, printed, electronic or computer printout form) relating to the Purchased Assets.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"Closing" has the meaning specified in Section 18.

"Closing Date" has the meaning specified in Section 18.

"Closing Date Current Assets Amount" has the meaning specified in Section 10.

"Commissioner of Competition" means the Commissioner of Competition appointed pursuant to the Competition Act.

"Competition Act" means the *Competition Act* (Canada);

"Competition Act Approval" means:

(i) the issuance of an Advance Ruling Certificate and such Advance Ruling Certificate has not been rescinded prior to Closing; or

(ii) the parties have given the notice required under section 114 of the Competition Act with respect to the transaction contemplated hereby and the applicable waiting period under section 123 of the Competition Act has expired or been terminated in accordance with the Competition Act; or

(iii) the obligation to give the requisite notice has been waived pursuant to paragraph 1 13 (c) of the Competition Act,

and, in the case of (ii) or (iii), the parties has been advised in writing by the Commissioner of Competition or a person authorized by the Commissioner of Competition that, in effect, such person does not, at that time, have sufficient grounds on which to apply to the Competition Tribunal under section 92 of the Competition Act and, therefore, does not, at that time, intend to make such an application in respect of the Transaction ("no-action letter").

"Competition Tribunal" means the Competition Tribunal established under the Competition Tribunal Act (Canada).

"Condition Date" means May 18, 2011 at 12:00 p.m. (Toronto time).

"Contracts" means any contracts (except for the Master Franchise Agreement), licences, software licenses, undertakings, engagements or commitments of any nature, written or oral, to which the Vendor is a party.

"Court" means the Ontario Superior Court of Justice.

"Current Assets" means the dollar amount of current assets relating to the Purchased Assets as determined in accordance with this Agreement which shall comprise Inventories, Accounts Receivable, Restaurant Cash Float and any Prepaid Expenses.

"Current Assets Purchase Price Adjustment" has the meaning specified in Section 10.

"Current Assets Statement" has the meaning specified in Section 9.

"Current Liabilities" has the meaning specified in Section 7.

"Damages" means any losses, liabilities, damages or out-of-pocket expenses (including reasonable legal fees and expenses) whether resulting from an action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a third party, including a Governmental Entity, or a cause, matter, thing, act, omission or state of facts not involving a third party.

"Deposit" has the meaning specified in Section 8.

"Designated Employees" means the employees currently employed by the Vendor at the Outlets, the managers employed by the General Partner with respect to the Outlets, and the Regional Directors of Operations, Area Managers, and Field Training Leaders employed by the General Partner with respect to the geographic area in which the Outlets are situated.

"Disclosure Letter" means the letter delivered to the Purchaser by the Vendor on or before January 10, 2011, as may be updated or amended from time to time.

"Employee Plans" means all employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, severance, change of control, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former employees, officers or directors of the Vendor maintained, sponsored or funded by the Vendor, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered.

"Environmental Law" means Applicable Law in respect of the natural environment, public or occupational health or safety, and the manufacture, importation, handling, transportation, storage, disposal and treatment of Hazardous Substances.

"Escrow Agreement" means the Escrow Agreement dated January 17, 2011, among the Vendor, the General Partner, the Purchaser, and Stikeman Elliott LLP, as escrow agent.

"Excluded Assets" has the meaning specified in Section 2(2).

"Franchise Agreement" means the separate and individual franchise agreement for each restaurant in the form of the International Franchise Agreement attached to the Master Franchise Agreement.

"Franchisor" means Yum! Restaurants International (Canada) LP, a limited partnership formed under the laws of the Province of Ontario.

"Governmental Entity" means (i) any multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"Hazardous Substance" means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual and includes any contaminant, waste, substance or material defined by Environmental Law as hazardous, toxic or dangerous or any other substance or material prohibited, regulated or reportable pursuant to any Environmental Law.

"Intellectual Property" means all right, title and interest of the Vendor in and to the "prism" name, mark, logo and domain name and the right, title and interest of the Vendor

in all intellectual property related to the operation of the Vendor's call centre or online ordering system.

"Interim Period" means the period between the close of business on the date of this Agreement and the Closing.

"Inventories" has the meaning specified in Schedule "B"

"Landlords" means the landlords under the Leases.

"Landlord Consents" means the consents, to the extent required by the terms of the applicable Leases, of the applicable Landlords under said Leases for the assignment thereof by the Vendor to the Purchaser as contemplated by the terms of this Agreement.

"Leased Premises" means the lands and premises which are the subject of the Leases relating to the Outlets by reference to their municipal address.

"Leases" means the leases relating to the Outlets.

"Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

"Master Franchise Agreement" means the master franchise agreement between the Vendor and the Franchisor dated as of November 9, 2003, as amended.

"Material Adverse Effect" means any effect that is, or could reasonably be expected to be, material and adverse to the operations, affairs, or condition (financial or otherwise) of the Purchased Assets during the Interim period, taken as a whole which alone or in the aggregate has an adverse effect on the Purchased Assets in excess of CDN\$2,500,000.

"Material Contracts" means those contracts specified in Schedule "I".

"Material Contract Consents" means the consent of the contracting parties to the assignment of any Material Contracts if (a) required by the terms of such Material Contract, and (b) the failure to obtain which would individually have a Material Adverse Effect on the Purchased Assets.

"Monitor" means FTI Canada Consulting Inc., as Court-appointed monitor of the Vendor.

"no-action letter" has the meaning specified in the definition of "Competition Act Approval."

"Occupation Agreement" means the Occupation Agreement between the Vendor and the Purchaser dated as of the date hereof.



"Ordinary Course" means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the day-to-day operations of the Person.

"Outlets" means the outlets of the Vendor listed in Schedule "G".

"Outlet Software Licenses" means the licenses for software used exclusively at the Outlets.

"Outstanding Contract" has the meaning specified in Section 5.

"Outstanding Leases" has the meaning specified in Section 4.

"Permitted Encumbrances" means easements, encroachments, restrictions and other imperfections and matters of title which do not, individually or in the aggregate, materially impair the use of any real property.

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

"Prepaid Expenses" means all prepaid expenses including prepaid taxes and rent, relating exclusively or primarily to the Purchased Assets, which shall include, without limitation, (i) expenses incurred by the Vendor in respect of any direct mailings scheduled for on or after April 29, 2011, and (ii) any deposit or like amounts paid for in the CCAA proceeding to suppliers in respect of supplies to the Outlets.

"Profit / Loss Statements" means the statements prepared by the Vendor in connection with the Outlets for the three year period ending on September 5, 2010, which statements documented the profits and losses of each Outlet.

"Purchase Price" has the meaning specified in Section 8(1).

"Purchased Assets" has the meaning specified in Section 2(1).

"Restaurant Cash Float" means the standard opening cash float and restaurant level petty cash float at each of the Outlets.

"Sale Approval Order" means an order issued by the Court approving this Agreement, the transactions contemplated by this Agreement, and vesting in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Assets free and clear of all liens, charges, pledges, security interests and other encumbrances other than Permitted Encumbrances.

"Taxes" means all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment

insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, in all cases imposed by any Governmental Entity in respect thereof and whether disputed or not.

"Trade Fixtures" means the fixtures, shelves, counters, display units, refrigeration equipment, deep fryers, cooking equipment, video cameras and other fixtures used in connection with the operation of the Purchased Assets and which are owned or leased by the Vendor.

"Trade Union" means a national, international, provincial or local organization or association of employees, or a local or provincial branch of a national or international organization or association of employees in British Columbia, that has as one of its purposes a regulation of relations between employers and employees through collective bargaining, and any member or representative of the same, and includes a council of trade unions or a member or representative of a council of trade unions;

"Transferred Employees" means those Designated Employees who accept the Purchaser's offer of employment.

"UPGC Shares" has the meaning specified in Schedule "B".

## SCHEDULE "B"

## PURCHASED ASSETS

1. The Vendor's right, title and interest in and to the Leases and the Leased Premises;
2. The Master Franchise Agreement as it relates to the Outlets and the Franchise Agreement for each Outlet;
3. All machinery, equipment, tools, handling equipment, computer equipment, information systems, furniture, furnishings and all other accessories and supplies of all kinds owned by the Vendor and used exclusively or primarily in connection with the Purchased Assets or by the Transferred Employees;
4. All inventories of the Purchased Assets (the "Inventories"), including all food, food ingredients, packaging materials, paper products and miscellaneous consumable and non-consumable inventories of the Purchased Assets;
5. All accounts receivable, notes receivable and other debts due or accruing due to the Vendor in connection with the Purchased Assets (the "Accounts Receivable") and the full benefit of all security for the Accounts Receivable;
6. All Prepaid Expenses;
7. Subject to Section 3 of the Agreement, the full benefit of all Material Contracts;
8. All Authorizations, owned, held or used by the Vendor in connection with the Purchased Assets to the extent that they are transferable;
9. The Restaurant Cash Float;
10. The shares in the capital of UPGC, Inc. ("UPGC Shares") owned by the Vendor and directly related to the Outlets;
11. The Vendor's right, title and interest in and to the Outlet Software Licenses; and
12. Any and all right, title and interest of the Vendor in and to the Trade Fixtures.

## SCHEDULE "C"

## EXCLUDED ASSETS

1. Any cash, cash equivalents, securities or other short-term investments of the Vendor (other than, for greater certainty, the Restaurant Cash Float);
2. The original Books and Records;
3. The Intellectual Property;
4. The Master Franchise Agreement other than as the Master Franchise Agreement relates to the Outlets;
5. The Vendor's right, title and interest in and to all software and related software licenses and computer hardware not used directly and exclusively at the Outlets (which for greater certainty does not include the Outlet Software Licenses);
6. The Vendor's right, title and interest in and to the information and technology support and maintenance agreement between the Vendor and IBM;
7. The Vendor's right, title and interest in and to its proportionate share of the sales rebate to which it is entitled to from UPGC, Inc. for the period up to and prior to Closing;
8. The Vendor's right, title and interest in and to the agreement between the Vendor and Global Payments in respect of debit and credit card services;
9. Any real property related to the Purchased Assets;
10. All insurance policies of the Vendor;
11. All Employee Plans; and
12. Any and all assets not located at an Outlet or comprising a Purchased Asset.

## SCHEDULE "D"

## VENDOR'S REPRESENTATIONS AND WARRANTIES

1. Subject to the Sale Approval Order and authorization as is required by the Court, the execution, delivery and performance by the Vendor of this Agreement:
  - (a) has been duly authorized by all necessary corporate and other action on the part of the Vendor;
  - (b) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws; and
  - (c) will not result in the violation of any Law.
2. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligations of the Vendor, enforceable against it in accordance with its terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
3. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
4. Since April 21, 2011, the business carried on at the Outlets has been carried on in the Ordinary Course.
5. The Vendor is conducting and has always conducted the business carried on with the Purchased Assets in compliance with all Applicable Laws of each jurisdiction in which the Outlets are located in all material respects.
6. Except for the Excluded Assets, the property and assets included in the Purchased Assets constitute all of the assets used by the Vendor in carrying on the business conducted with the Purchased Assets.
7. The Vendor has legal and beneficial ownership of the Purchased Assets.
8. The Profit / Loss Statements fairly present the financial position of the Outlets as at the date it is given.
9. The inventory included in the Purchased Assets, subject to a reasonable allowance for obsolete inventory, is good and usable and is capable of being processed and sold in the Ordinary Course at normal profit margins. The inventory levels of the Purchased Assets have been maintained at levels sufficient for the continuation of the business conducted with the Purchased Assets in the Ordinary Course.

10. Except as disclosed in the Disclosure Letter, the Vendor does not own or purport to own any real property related to the Outlets.
11. The Vendor is not a party to, or under any agreement to become a party to, any leases with respect to real property that is used or to be used in connection with the Purchased Assets other than the Leases.
12. The Vendor has provided to the Purchaser a summary of the Leases.
13. Except for such actions as are required or permitted by the terms of the Initial Order, with respect to each Lease (i) all rents and additional rents have been paid, (ii) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor, and (iii) there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under the Lease, other than any default resulting from the Vendor's insolvency, the filing for protection pursuant to the CCAA, or any Outlet upgrade that was not made.
14. The Vendor has made available to the Purchaser the Books and Records related to the Outlets.
15. The Material Contracts represent all of the contracts used in connection with the Purchased Assets, and each Material Contract is in full-force and effect and is unamended and there are no outstanding material defaults or breaches under any of the Material Contracts other than any default resulting from the Vendor's insolvency, the filing for protection pursuant to the CCAA, or as permitted or required by the terms of the Initial Order.
16. No material regulatory approval or filing with, notice to, or waiver from any Governmental Entity (other than the Sale Approval Order) is required to be obtained or made by the Vendor: (a) in connection with the execution and delivery of, and performance by the Vendor of its obligations under, this Agreement or the consummation of the transactions contemplated hereby; (b) to transfer any and all rights and benefits thereunder to the Purchaser; or (c) to permit the Purchaser to carry on the business carried on by the Vendor using the Purchased Assets after the Closing as such business is currently carried on by the Vendor.
17. Except as disclosed in the Disclosure Letter, (a) the Vendor is in compliance with all applicable Environmental Laws related to the Outlets in all material respects and (b) to the actual knowledge of the Vendor there are no material breaches of Environmental Laws with respect to any of the properties on which an Outlet is situated. Except as disclosed in the Disclosure Letter, there are no contaminants located in the ground or in groundwater under any of the Outlets except for contaminants in concentrations which would not exceed applicable cleanup or response thresholds.

18. Except as disclosed in the Disclosure Letter, there is no unfair labour practice complaint, grievance or arbitration proceeding, Employment Standards complaints under applicable legislation, court actions or human rights complaints whatsoever, by or involving any of the Designated Employees or former employee (where the former employee wishes to be reinstated) in progress or, to the knowledge of the Vendor, threatened against it.
19. The Vendor has provided to the Purchaser a complete and accurate list of the Designated Employees relating to the Purchased Assets as at the date it is given, which list contains the material terms related to such employment and agrees to update such list as at the Closing Date.
20. The Vendor has provided to the Purchaser a complete and accurate list and description of all Designated Employees as at the date it is given who are on long term disability, on an extended leave of absence or in receipt of workers' compensation benefits and agrees to update such list as at the Closing Date.
21. The Vendor has provided to the Purchaser a complete and accurate list and description of all collective agreements or other agreements with any Trade Union or employee association currently in force with Vendor or any associated or related company (within the meaning thereof under the Labour Relations Code (British Columbia) (whether or not the expiry date of any such agreement has passed) with respect to the Designated Employees.
22. The Vendor has provided to the Purchaser a complete list and description of the Employee Plans applicable to the Designated Employees, together with all amendments, which have been made to such plans since their inception and all of the employee benefit booklets relating thereto.
23. Except as disclosed in the Disclosure Letter, the Vendor is in compliance with all Applicable Laws respecting employment, employment practices and standards, terms and conditions of employment, wages and hours, occupational health and safety, human rights, labour relations, pay equity and workers' compensation, in each case, in all material respects except as is permitted or required under the terms of the Initial Order.
24. None of the Employees is in material violation of any noncompetition, non-solicitation, non-disclosure or any similar agreement with any third party.
25. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any brokers' or finder's fee or any other commission or similar fee in connection with this Agreement or any of the transactions contemplated hereby except for such fees and commissions as will be paid by the Vendor at Closing without liability whatsoever to the Purchaser.

## SCHEDULE "E"

## PURCHASER'S REPRESENTATIONS AND WARRANTIES

1. The Purchaser has been duly incorporated and is validly subsisting under the laws of the jurisdiction of its incorporation, and has all requisite corporate capacity, power and authority to carry on its business as now conducted by it and to own its properties and assets and is qualified to carry on business under the laws of the jurisdictions where it carries on a material portion of its business.
2. The execution, delivery and performance by the Purchaser of this Agreement:
  - (d) has been duly authorized by all necessary corporate action on the part of the Purchaser;
  - (e) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected; and
  - (f) will not result in the violation of any Law.
3. This Agreement has been duly executed and delivered by the Purchaser and constitute legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. The Purchaser has provided evidence to the Vendor that the Purchaser has, and will have at Closing all funds on hand necessary to pay the Purchase Price referred to in Section 8.
5. The Purchaser is a WTO Investor for the purposes of the *Investment Canada Act*.
6. The Purchaser is a registrant within the meaning of Part IX of the *Excise Tax Act* (Canada) and its GST number is 840671515RT0001.



SCHEDULE "F"  
PURCHASE PRICE ALLOCATION PER OUTLET  
(Attached)

Schedule F

Prov	Store	Address	City	LH	Equip	Franchise Rights	Goodwill	Total
QC	1207	195, rue Principale	Aylmer	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
QC	1208	347, bd. St-Joseph	Hull	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
QC	1209	258, rue Notre-Dame	Gatineau	\$ 197,511	\$ 169,295	\$ 112,863	\$ 84,647	\$ 564,316
QC	1210	164, bd. Greber (PFK/TB)	Gatineau	\$ 138,635	\$ 118,830	\$ 79,220	\$ 59,414	\$ 396,099
ON	1300	2000 Jane Street	North York	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1303	965 Dundas St. E.	Mississauga	\$ 133,930	\$ 114,797	\$ 76,531	\$ 57,399	\$ 382,657
ON	1304	1638 Avenue Road	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1305	3351 Lawrence Ave. E.	Scarborough	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1307	190 Queen St. E.	Brampton	\$ 57,782	\$ 49,528	\$ 33,018	\$ 24,764	\$ 165,092
ON	1309	563 Gerrard Street E.	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1310	3495 Sheppard Ave. E.	Scarborough	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1311	2567 Eglinton Ave. E.	Scarborough	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1313	1265 Lawrence Ave. W.	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1315	829 St. Clair Ave. W. (KFC/PH)	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1317	1760 Lawrence Ave. E.	Scarborough	\$ 110,984	\$ 93,129	\$ 63,419	\$ 47,564	\$ 317,096
ON	1322	1 Steeles Ave. E.	Brampton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1323	3517 Dundas St. W.	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1325	2799 Kingston Road	Scarborough	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1326	9025 Torbram Rd	Brampton	\$ 98,793	\$ 84,680	\$ 56,453	\$ 42,339	\$ 282,265
ON	1327	1221 Dundas Street W.	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1329	415 Mt. Pleasant Road	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1330	7161 Goreway Dr. (KFC/TB)	Mississauga	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1331	1338 Kennedy Road (KFC/TB)	Scarborough	\$ 39,522	\$ 33,876	\$ 22,584	\$ 16,937	\$ 112,919
ON	1333	466 Queen Street W. (KFC/TB)	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1334	636 Bloor Street W. (KFC/TB)	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1335	2774 Victoria Park	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1336	2500 Danforth Avenue	Toronto	\$ 81,288	\$ 69,675	\$ 46,450	\$ 34,838	\$ 232,257
ON	1338	2296 Eglinton Ave. W.	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1339	2377 Finch Ave. W.	North York	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1340	1743 Albion Road (KFC/TB)	Esbicooke	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1344	891 Pape Avenue	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1345	655 Davis Drive	Newmarket	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1346	3015 Winston Churchill	Mississauga	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1347	5500 Lawrence Ave. E.	Scarborough	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1351	1630 Queen St. E.	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1355	5863 Highway #7	Markham	\$ 100,685	\$ 86,302	\$ 57,534	\$ 43,151	\$ 287,672
ON	1356	5109 Sheppard Ave. E.	Scarborough	\$ 45,188	\$ 38,732	\$ 25,822	\$ 19,366	\$ 129,108
ON	1357	2848 Ellesmere Road	Scarborough	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1360	1340 Kingston Rd. #1	Pickering	\$ 130,271	\$ 111,661	\$ 74,441	\$ 55,830	\$ 372,203
ON	1364	896 Burnhamthorpe Rd	Mississauga	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1365	1971 Finch Ave. W.	Downsview	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1367	60 Dundas St. E.	Mississauga	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1369	27 Ruth Ave., Heartlake	Brampton	\$ 34,006	\$ 29,148	\$ 19,432	\$ 14,573	\$ 97,159
ON	1371	4559 Hurontario St. Unit A7	Mississauga	\$ 41,186	\$ 35,302	\$ 23,535	\$ 17,650	\$ 117,673
ON	1372	973 Simcoe St. N.	Oshawa	\$ 107,485	\$ 92,130	\$ 61,420	\$ 46,064	\$ 307,099
ON	1373	474 Simcoe St. S.	Oshawa	\$ 118,808	\$ 101,835	\$ 67,890	\$ 50,918	\$ 339,451
ON	1374	574 King St. E.	Oshawa	\$ 116,400	\$ 99,771	\$ 66,514	\$ 49,886	\$ 332,571
ON	1377	15 Westney Rd.,	Ajax	\$ 389,845	\$ 334,153	\$ 222,769	\$ 167,077	\$ 1,113,844
ON	1378	25 Thickson Rd.	Whitby	\$ 47,923	\$ 41,077	\$ 27,386	\$ 20,539	\$ 136,924
ON	1380	9940 Airport Rd., Bldg. K (KFC/TB)	Brampton	\$ 382,290	\$ 327,677	\$ 218,451	\$ 163,838	\$ 1,092,256
ON	1385	10068 McLaughlin Road (KFC/TB)	Brampton	\$ 420,748	\$ 360,641	\$ 240,428	\$ 180,321	\$ 1,202,138
ON	1388	5322 Dundas Street West (KFC/TB)	Esbicooke	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1389	10594 Yonge Street (KFC/TB)	Richmond Hill	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1391	6277 Mississauga Road	Mississauga	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1392	6740 Meadowvale Town Centre	Mississauga	\$ 174,440	\$ 149,520	\$ 99,680	\$ 74,759	\$ 498,399
ON	1393	1070 Major Mackenzie Dr. E (KFC/TB)	Richmond Hill	\$ 184,045	\$ 157,753	\$ 105,168	\$ 78,876	\$ 525,842
ON	1394	3777 Keele Street (KFC/TB)	North York	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1396	2225 Erin Mills Pky (KFC/TB)	Mississauga	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1402	932 St. Laurent Blvd	Ottawa	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1405	1677 Bank St.	Ottawa	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1406	Hwy #31, 2919 Bank St.	Ottawa	\$ 75,207	\$ 64,463	\$ 42,976	\$ 32,232	\$ 214,878
ON	1407	1556 Merivale Road	Nepean	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1408	3780 Fallowfield Road, Unit 724	Nepean	\$ 160,965	\$ 137,970	\$ 91,980	\$ 68,986	\$ 459,901
ON	1409	4027 Innes Rd (KFC/TB)	Gloucester	\$ 133,292	\$ 114,251	\$ 76,167	\$ 57,125	\$ 380,835
ON	1410	21 Main St. E.	South Falls	\$ 70,529	\$ 60,453	\$ 40,302	\$ 30,226	\$ 201,510
ON	1411	41 Dufferin St.	Perth	\$ 36,642	\$ 31,407	\$ 20,938	\$ 15,703	\$ 104,690
ON	1412	415 Pembroke St. E.	Pembroke	\$ 141,756	\$ 121,505	\$ 81,003	\$ 60,753	\$ 405,017
ON	1413	70 Raglan St. S.	Renfrew	\$ 85,219	\$ 73,045	\$ 48,697	\$ 36,523	\$ 243,484
ON	1414	145 Madawaska Blvd	Arnprior	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1416	476 Hazeldean Rd. (KFC/TB)	Kanata	\$ 189,449	\$ 162,385	\$ 108,257	\$ 81,193	\$ 541,284
ON	1418	1943 Baseline Road	Ottawa	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1425	307 Cannon St. E.	Hamilton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1426	716 Main St. E.	Hamilton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1427	45 Parkdale Ave. N.	Hamilton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1428	1222 Barton St. E.	Hamilton	\$ 53,861	\$ 46,166	\$ 30,778	\$ 23,083	\$ 153,888
ON	1429	631 King St. W.	Hamilton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1430	133 Hwy 8	Stoney Creek	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1431	706 Queenston Road	Hamilton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1437	1072 Adelaida St. N.	London	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1438	1683 Dundas St.	London	\$ 100,456	\$ 86,105	\$ 57,403	\$ 43,053	\$ 287,017



Schedule F

Prov	Store	Address	City	LH	Equip	Franchise Rights	Goodwill	Total
BC	1839	Pinetree Village 1-2991 Loughead Hwy. (KFC/TB)	Coquitlam	\$ 108,688	\$ 93,161	\$ 62,108	\$ 46,581	\$ 310,538
BC	1840	#101-8737 120 St. (KFC/TB)	Delta	\$ 75,132	\$ 64,399	\$ 42,932	\$ 32,199	\$ 214,662
BC	1860	1555 Hillside Avenue	Victoria	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1861	3140 Douglas Street	Victoria	\$ 40,419	\$ 34,645	\$ 23,097	\$ 17,322	\$ 115,483
BC	1862	731 Goldstream Avenue	Victoria	\$ 133,032	\$ 114,027	\$ 76,018	\$ 57,013	\$ 380,090
BC	1870	1897 Main Street (KFC/TB)	Penticton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1872	4102 Redford Street	Port Alberni	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1874	3110 - 32nd Street	Vernon	\$ 51,008	\$ 43,721	\$ 29,147	\$ 21,860	\$ 145,736
BC	1875	855 - 8th Street	North Kamloops	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1876	902 Island Hwy.	Campbell River	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1877	4750 Lakelse Avenue (KFC/TB)	Terrace	\$ 56,810	\$ 48,695	\$ 32,463	\$ 24,347	\$ 162,315
BC	1882	230 N.E. Ross Street	Salmon Arm	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1883	310 Oliver Street	Williams Lake	\$ 52,480	\$ 44,983	\$ 29,989	\$ 22,491	\$ 149,943
BC	1886	520 Cranbrook Street	Cranbrook	\$ 116,753	\$ 100,074	\$ 66,716	\$ 50,038	\$ 333,581
BC	1887	555 Notre Dame Dr (KFC/TB)	Kamloops	\$ 115,201	\$ 98,744	\$ 65,829	\$ 49,373	\$ 329,147
BC	1888	520 Hwy. 33 West (KFC/TB)	Kelowna	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
BC	1890	6896 Island Hwy. N. (KFC/TB)	North Nanaimo	\$ 118,756	\$ 101,791	\$ 67,861	\$ 50,895	\$ 339,303
BC	1891	#3 - 3151 Lakeshore Rd	Kelowna	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1909	SCARBOROUGH TOWN CENTRE #285 - 300 Borough Drive	Scarborough	\$ 219,536	\$ 188,174	\$ 125,449	\$ 94,087	\$ 627,246
ON	1910	BRAMALEA CITY CENTRE 25 Peel Centre Dr.	Brampton	\$ 72,818	\$ 62,415	\$ 41,610	\$ 31,208	\$ 208,051
ON	1918	SQUARE ONE 100 City Center Dr.	Mississauga	\$ 155,187	\$ 133,017	\$ 88,678	\$ 66,509	\$ 443,391
ON	1919	DEVONSHIRE 3100 Howard Ave.	Windsor	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1920	RIDEAU CENTER 50 Rideau St	Ottawa	\$ 140,959	\$ 120,822	\$ 80,548	\$ 60,410	\$ 402,739
ON	1921	TORONTO EATON CENTRE 220 Yonge Street	Toronto	\$ 114,321	\$ 97,990	\$ 65,326	\$ 48,995	\$ 326,632
ON	1926	DUFFERIN MALL 900 Dufferin Street	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1927	FAIRVIEW MALL 1800 Sheppard Ave. E.	North York	\$ 108,577	\$ 93,066	\$ 62,044	\$ 46,533	\$ 310,220
ON	1931	SCOTIA PLAZA 40 King Street W., Box 526	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	1932	YORKDALE PLAZA 3401 Dufferin St	North York	\$ 162,220	\$ 139,046	\$ 92,697	\$ 69,524	\$ 463,487
ON	1933	MARKVILLE UNIT 5000 Hwy 7 E. #261	Markham	\$ 48,970	\$ 41,974	\$ 27,983	\$ 20,987	\$ 139,914
ON	1940	COLLEGE PARK 444 Yonge Street (KFC/TB)	Toronto	\$ 177,050	\$ 151,757	\$ 101,171	\$ 75,878	\$ 505,856
ON	1943	YORK UNIVERSITY 4700 Keele St. (KFC/TB)	North York	\$ 50,384	\$ 43,186	\$ 28,791	\$ 21,592	\$ 143,953
ON	1950	Shoppers World 499 Main St. Unit #56 (KFC/TB)	Brampton	\$ 66,540	\$ 57,035	\$ 38,023	\$ 28,517	\$ 190,115
ON	1951	Promenade Mall, 1 Promenade Circle Units F113 & SC13 (KFC/TB)	Thornhill	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	4409	919 Industrial Avenue (3n1 - PH/TB/KFC) <6400>	Ottawa	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	4518	1 Richmond Street (PH/KFC)	Napanee	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	6307	730 Yonge Street (TB/KFC) (MALL)	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	6311	1610 The Queensway (TB/KFC)	Etobicoke	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	6314	7028 Yonge Street (TB/KFC)	Thornhill	\$ 131,271	\$ 112,518	\$ 75,012	\$ 56,258	\$ 375,059
ON	6315	230 Queen Street East (TB)	Brampton	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	6316	16599 Yonge Street (TB/KFC)	Newmarket	\$ 137,145	\$ 117,553	\$ 78,368	\$ 58,776	\$ 391,842
ON	6317	900 Dufferin Rd. Building B (3n1 - TB/PH/KFC)	Toronto	\$ 10,171	\$ 8,718	\$ 5,812	\$ 4,360	\$ 29,061
ON	6502	336 Front Street North (TB/KFC 1513)	Bellville	\$ 319,867	\$ 274,172	\$ 182,781	\$ 137,087	\$ 913,907
ON	6504	595 Lansdowns Avenue (TB/KFC)	Peterborough	\$ 193,782	\$ 166,099	\$ 110,732	\$ 83,049	\$ 553,662
ON	6901	DEVONSHIRE MALL 3100 Howard Ave. (T3) (MALL)	Windsor	\$ 53,690	\$ 46,020	\$ 30,680	\$ 23,010	\$ 153,400
204 TOTAL				\$ 13,824,972	\$ 11,849,975	\$ 7,899,980	\$ 5,925,073	\$ 39,500,000

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SCHEDULE "G"

OUTLETS

(Attached)

## SCHEDULE "G"

## OUTLETS

	Prov	Store	Address	City
1.	QC	1207	195, rue Principale	Aylmer
2.	QC	1208	347, bd. St-Joseph	Hull
3.	QC	1209	258, rue Notre-Dame	Gatineau
4.	QC	1210	164, bd. Greber (PFK/TB)	Gatineau
5.	ON	1300	2000 Jane Street	North York
6.	ON	1303	965 Dundas St. E.	Mississauga
7.	ON	1304	1638 Avenue Road	Toronto
8.	ON	1305	3351 Lawrence Ave. E.	Scarborough
9.	ON	1307	190 Queen St. E.	Brampton
10.	ON	1309	563 Gerrard Street E.	Toronto
11.	ON	1310	3495 Sheppard Ave. E.	Scarborough
12.	ON	1311	2567 Eglinton Ave. E.	Scarborough
13.	ON	1313	1265 Lawrence Ave. W.	Toronto
14.	ON	1315	829 St. Clair Ave. W. (KFC/PH)	Toronto
15.	ON	1317	1760 Lawrence Ave. E.	Scarborough
16.	ON	1322	1 Steeles Ave. E.	Brampton
17.	ON	1323	3517 Dundas St. W.	Toronto
18.	ON	1325	2799 Kingston Road	Scarborough
19.	ON	1326	9025 Torbram Rd	Brampton
20.	ON	1327	1221 Dundas Street W.	Toronto
21.	ON	1329	415 Mt. Pleasant Road	Toronto
22.	ON	1330	7161 Goreway Dr. (KFC/TB)	Mississauga
23.	ON	1331	1338 Kennedy Road (KFC/TB)	Scarborough

24.	ON	1333	466 Queen Street W. (KFC/TB)	Toronto
25.	ON	1334	636 Bloor Street W. (KFC/TB)	Toronto
26.	ON	1335	2774 Victoria Park	Toronto
27.	ON	1336	2500 Danforth Avenue	Toronto
28.	ON	1338	2296 Eglinton Ave. W.	Toronto
29.	ON	1339	2377 Finch Ave. W.	North York
30.	ON	1340	1743 Albion Road (KFC/TB)	Etobicoke
31.	ON	1344	891 Pape Avenue	Toronto
32.	ON	1345	655 Davis Drive	Newmarket
33.	ON	1346	3015 Winston Churchill	Mississauga
34.	ON	1347	5500 Lawrence Ave. E.	Scarborough
35.	ON	1351	1630 Queen St. E.	Toronto
36.	ON	1355	5863 Highway #7	Markham
37.	ON	1356	5109 Sheppard Ave. E.	Scarborough
38.	ON	1357	2848 Ellesmere Road	Scarborough
39.	ON	1360	1340 Kingston Rd. #1	Pickering
40.	ON	1364	896 Burnhamthorpe Rd	Mississauga
41.	ON	1365	1971 Finch Ave. W.	Downsview
42.	ON	1367	60 Dundas St. E.	Mississauga
43.	ON	1369	27 Ruth Ave., Heartlake	Brampton
44.	ON	1371	4559 Hurontario St. Unit A7	Mississauga
45.	ON	1372	973 Simcoe St. N.	Oshawa
46.	ON	1373	474 Simcoe St. S.	Oshawa
47.	ON	1374	574 King St. E.	Oshawa
48.	ON	1377	15 Westney Rd.,	Ajax

49.	ON	1378	25 Thickson Rd.	Whitby
50.	ON	1380	9940 Airport Rd., Bldg. K (KFC/TB)	Brampton
51.	ON	1385	10068 McLaughlin Road (KFC/TB)	Brampton
52.	ON	1388	5322 Dundas Street West (KFC/TB)	Etobicoke
53.	ON	1389	10594 Yonge Street (KFC/TB)	Richmond Hill
54.	ON	1391	6277 Mississauga Road	Mississauga
55.	ON	1392	6740 Meadowvale Town Centre	Mississauga
56.	ON	1393	1070 Major Mackenzie Dr. E (KFC/TB)	Richmond Hill
57.	ON	1394	3777 Keele Street (KFC/TB)	North York
58.	ON	1396	2225 Erin Mills Pky (KFC/TB)	Mississauga
59.	ON	1402	932 St. Laurent Blvd	Ottawa
60.	ON	1405	1677 Bank St.	Ottawa
61.	ON	1406	Hwy #31, 2919 Bank St.	Ottawa
62.	ON	1407	1556 Merivale Road	Nepean
63.	ON	1408	3780 Fallowfield Road, Unit 724	Nepean
64.	ON	1409	4027 Innes Rd (KFC/TB)	Gloucester
65.	ON	1410	21 Main St. E.	Smith Falls
66.	ON	1411	41 Dufferin St.	Perth
67.	ON	1412	415 Pembroke St. E.	Pembroke
68.	ON	1413	70 Raglan St. S.	Renfrew
69.	ON	1414	145 Madawaska Blvd	Arnprior
70.	ON	1416	475 Hazeldean Rd. (KFC/TB)	Kanata
71.	ON	1418	1943 Baseline Road	Ottawa
72.	ON	1425	307 Cannon St. E.	Hamilton
73.	ON	1426	716 Main St. E.	Hamilton



74.	ON	1427	45 Parkdale Ave. N.	Hamilton
75.	ON	1428	1222 Barton St. E.	Hamilton
76.	ON	1429	631 King St. W.	Hamilton
77.	ON	1430	133 Hwy 8	Stoney Creek
78.	ON	1431	706 Queenston Road	Hamilton
79.	ON	1437	1072 Adelaide St. N.	London
80.	ON	1438	1683 Dundas St.	London
81.	ON	1439	689 Hamilton Rd	London
82.	ON	1442	850 Wellington Rd S.	London
83.	ON	1444	1915 Hyde Park Road (KFC/TB)	London
84.	ON	1445	1026 Wonderland Rd., S. (KFC/TB)	London
85.	ON	1446	3006 Dougall Rd	Windsor
86.	ON	1448	1916 Wyandotte St. W.	Windsor
87.	ON	1449	1485 Erie St. E.	Windsor
88.	ON	1450	4320 Tecumseh Rd E.	Windsor
89.	ON	1452	27 Amy Croft Road	Windsor
90.	ON	1500	315 Bayfield St. N. (KFC/TB)	Barrie
91.	ON	1502	353 Duckworth St.	Barrie
92.	ON	1504	70 First Street	Collingwood
93.	ON	1505	375 King Street	Midland
94.	ON	1506	786 Chemong Rd.	Peterborough
95.	ON	1509	507 Division St.,	Cobourg
96.	ON	1510	63 Lindsay St. (KFC/TB)	Lindsay
97.	ON	1511	209 King St.,	Bowmanville
98.	ON	1512	178 Front St.,	Trenton

99.	ON	1514	464 Dundas St.	Belleville
100.	ON	1515	90 Main St.	Picton
101.	ON	1516	499 Dundas St. (Galt) (KFC/TB)	Cambridge
102.	ON	1518	79 Charing Cross Street	Brantford
103.	ON	1519	27 Dalhousie Street	Brantford
104.	ON	1520	474 Norfolk St. S.	Simcoe
105.	ON	1521	7 King St.	Delhi
106.	ON	1522	80 Talbot St. W.	Alymer
107.	ON	1523	979 Talbot St.	St. Thomas
108.	ON	1525	134 Talbot St. W.	Leamington
109.	ON	1527	541 Queen St.	Chatham
110.	ON	1528	346 St. Clair St.	Chatham
111.	ON	1529	1314 Dufferin St.	Wallaceburg
112.	ON	1530	5 Mill St. W.	Tilbury
113.	ON	1532	1300 LaSalle Blvd	Sudbury
114.	ON	1533	1341 Martindale Rd	Sudbury
115.	ON	1535	405 Cote' Blvd., Box 10.	Chelmsford
116.	ON	1536	1657 Main St. West.	Val Caron
117.	ON	1537	2013 Arthur St. E.	Thunder Bay
118.	ON	1538	825 Red River Rd	Thunder Bay
119.	ON	1539	319 N. Cumberland St.	Thunder Bay
120.	ON	1540	136 Grand Trunk Ave.	Dryden
121.	ON	1541	161 Trunk Road	Sault St. Marie
122.	ON	1542	389 Great Northern Rd (KFC/TB)	Sault St. Marie
123.	ON	1543	50 Wellington St.	Guelph

124.	ON	1544	620 Scottsdale Dr.	Guelph
125.	ON	1545	1001 3rd Avenue East	Owen Sound
126.	ON	1546	675 St. David Street	Fergus
127.	ON	1547	379 Ontario Street (KFC/TB)	St. Catharines
128.	ON	1548	60 Hartzell Road	St. Catharines
129.	ON	1549	Linwell Plaza 486-500 Grantham Ave.	St. Catharines
130.	ON	1552	3567 Portage Road	Niagara Falls
131.	ON	1553	311 Main Street	Dunnville
132.	ON	1554	322 Argyle Street South	Caledonia
133.	ON	1555	1245 Brookdale Ave.	Cornwall
134.	ON	1556	1326 Second St.	Cornwall
135.	ON	1557	827 McGill St.	Hawkesbury
136.	ON	1559	28 Dumfries St.	Paris
137.	ON	1561	644 Yonge Street (KFC/TB)	Barrie
138.	ON	1564	38 Broadway Avenue (KFC/TB)	Orangeville
139.	BC	1800	5094 Kingsway	Burnaby
140.	BC	1802	1147 Davie Street	Vancouver
141.	BC	1803	726 - 6th Street	New Westminster
142.	BC	1807	10565 King George Hwy	Surrey
143.	BC	1808	6487 Knight Street	Vancouver
144.	BC	1811	2255 Lonsdale Avenue	North Vancouver
145.	BC	1813	22219 Lougheed Hwy (KFC/TB)	Maple Ridge
146.	BC	1814	2190 Kingsway	Vancouver
147.	BC	1815	1531 Johnston Rd	White Rock
148.	BC	1818	9056 - 152nd Street (KFC/TB)	Surrey

149.	BC	1819	602 Clarke Rd	Coquitlam
150.	BC	1820	13577 - 73rd Avenue (KFC/TB)	Surrey
151.	BC	1823	32843 South Fraser Way	Abbotsford
152.	BC	1824	795 East Broadway	Vancouver
153.	BC	1826	45843 Yale Road W.	Chilliwack
154.	BC	1827	6 - 8751 No. 1 Road	Richmond
155.	BC	1828	19971 - 64th Avenue (KFC/TB)	Langley
156.	BC	1832	45367 Luckakuck Way (KFC/TB)	Sardis
157.	BC	1835	20177 88th Avenue, R.R.# 15	Langley
158.	BC	1836	#208 - 10111 No. 3 Road	Richmond
159.	BC	1837	2677 Clearbrook Rd.	Clearbrook
160.	BC	1838	12121 - 72nd Avenue	Surrey
161.	BC	1839	Pinetree Village 1-2991 Loughead Hwy. (KFC/TB)	Coquitlam
162.	BC	1840	#101-8737 120 St. (KFC/TB)	Delta
163.	BC	1860	1555 Hillside Avenue	Victoria
164.	BC	1861	3140 Douglas Street	Victoria
165.	BC	1862	731 Goldstream Avenue	Victoria
166.	BC	1870	1897 Main Street (KFC/TB)	Penticton
167.	BC	1872	4102 Redford Street	Port Alberni
168.	BC	1874	3110 - 32nd Street	Vernon
169.	BC	1875	855 - 8th Street	North Kamloops
170.	BC	1876	902 Island Hwy.	Campbell River
171.	BC	1877	4750 Lakelse Avenue (KFC/TB)	Terrace
172.	BC	1882	230 N.E. Ross Street	Salmon Arm
173.	BC	1883	310 Oliver Street	Williams Lake

174.	BC	1886	520 Cranbrook Street	Cranbrook
175.	BC	1887	555 Notre Dame Dr (KFC/TB)	Kamloops
176.	BC	1888	520 Hwy. 33 West (KFC/TB)	Kelowna
177.	BC	1890	6896 Island Hwy. N. (KFC/TB)	North Nanaimo
178.	BC	1891	#3 - 3151 Lakeshore Rd	Kelowna
179.	ON	1909	SCARBOROUGH TOWN CENTRE #286 - 300 Borough Drive	Scarborough
180.	ON	1910	BRAMBLEA CTRY CENTRE 25 Peel Centre Dr.	Brampton
181.	ON	1918	SQUARE ONE 100 City Center Dr.	Mississauga
182.	ON	1919	DEVONSHIRE 3100 Howard Ave.	Windsor
183.	ON	1920	RIDEAU CENTER 50 Rideau St	Ottawa
184.	ON	1921	TORONTO EATON CENTRE 220 Yonge Street	Toronto
185.	ON	1926	DUFFERIN MALL 900 Dufferin Street	Toronto
186.	ON	1927	FAIRVIEW MALL 1800 Sheppard Ave. E.	North York
187.	ON	1931	SCOTIA PLAZA 40 King Street W., Box 526	Toronto
188.	ON	1932	YORKDALE PLAZA 3401 Dufferin St	North York
189.	ON	1933	MARKVILLE UNIT 5000 Hwy 7 E. #261	Markham
190.	ON	1940	COLLEGE PARK 444 Yonge Street (KFC/TB)	Toronto
191.	ON	1943	YORK UNIVERSITY 4700 Keele St (KFC/TB)	North York
192.	ON	1950	Shoppers World 499 Main St. Unit #56 (KFC/TB)	Brampton
193.	ON	1951	Promenade Mall, 1 Promenade Circle Units F113 & SCL3 (KFC/TB)	Thornhill
194.	ON	4409	919 Industrial Avenue (3rd - PH/TB/KFC) <6400>	Ottawa
195.	ON	4518	1 Richmond Street (PH/KFC)	Napanea
196.	ON	6307	730 Yonge Street (TB/KFC) (MALL)	Toronto
197.	ON	6311	1610 The Queensway (TB/KFC)	Etobicoke
198.	ON	6314	7028 Yonge Street (TB/KFC)	Thornhill

199.	ON	6315	230 Queen Street East (TB)	Brampton
200.	ON	6316	16599 Yonge Street (TB/KFC)	Newmarket
201.	ON	6317	900 Dufferin Rd. Building B (3n1 - TB/PH/KFC)	Toronto
202.	ON	6502	336 Front Street North (TB/KFC 1513)	Belleville
203.	ON	6504	595 Lansdowne Avenue (TB/KFC)	Peterborough
204.	ON	6901	DEVONSHIRE MALL 3100 Howard Ave. (TB) (MALL)	Windsor

**SCHEDULE "H"**  
**SALE APPROVAL ORDER**  
**(Attached)**

Court File No. CV-11-9159-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ●	)	●DAY, THE ●
	)	
JUSTICE ●	)	DAY OF MAY, 2011

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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST,  
PRISZM INC. AND KIT FINANCE INC.

(the "Applicants")

**APPROVAL AND VESTING ORDER**  
(Re Sale to Soul Restaurants Canada Inc.)

THIS MOTION, made by Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Prizm LP and Kit Finance Inc. (collectively, the "Prizm Entities") for an order approving the sale transaction (the "Soul Transaction") contemplated by the Amended and Restated Asset Purchase Agreement (the "Soul Agreement") between Prizm LP (the "Vendor"), Prizm Inc. and Soul Restaurants Canada Inc. (formerly 7716443 Canada Inc.) (the "Purchaser") dated May 6, 2011, appended to the Affidavit of Deborah Papernick sworn May ●, 2011 (the "May ● Affidavit") as Exhibit "●", approving certain related agreements, and vesting in the Purchaser the Vendor's right,



title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the May • Affidavit, the Second Report of FTI Consulting Canada Inc., in its capacity as the Court-appointed Monitor of the Prizm Entities (the "Monitor") and the Confidential Supplement thereto (the "Confidential Supplement"), and on hearing the submissions of counsel for the Prizm Entities, the Monitor, the Purchaser, Yum! Restaurants International (Canada) Company, Prudential Investment Management, Inc. [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service, filed:

1. **THIS COURT ORDERS** that any defined term used but not defined herein shall have the meaning ascribed to such term in the Soul Agreement.
  
2. **THIS COURT ORDERS AND DECLARES** that the Soul Transaction, the Soul Agreement, the Transition Services Agreement and the Occupation Agreement (as defined in and in the forms attached to the May • Affidavit as Exhibits "•" and "•", respectively) are hereby approved. The Prizm Entities and the Monitor 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 Soul Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of the Vendor's right, title and interest in and to the Purchased Assets shall vest, without further instrument of transfer or assignment, absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by the Amended and Restated Initial Order of the Honourable Madam Justice Mesbur dated April 29, 2011, or any subsequent charges that may be granted by the Court; (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Civil Code of Québec*, and the *Personal Property Security Act* (British Columbia) or any other personal property registry system; and, for greater certainty, this Court orders that all of the encumbrances or charges affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that on Closing the Purchaser shall pay the Purchase Price to the Monitor (less the Deposit which has previously been paid to the Monitor). After receipt of the Purchase Price, the Monitor shall:

- (a) pay from the Purchase Price to Yum! Restaurants International (Canada) Company [\$7.3 million], in respect of pre-filing monetary obligations owed under the Franchise Agreement (as defined below) in connection with the assignment of the outlets to the Purchaser;
- (b) pay from the Purchase Price to Yum! Restaurants International (Canada) Company [\$2.2 million], in respect of unpaid post-filing continuing fees (exclusive of interest) accrued with respect to the Purchased Assets;
- (c) pay from the Purchase Price to the Purchaser or, at its direction, Bank of Montreal when due any refunds and other amounts referred to in paragraph 5; and
- (d) hold the remainder of the Purchase Price subject to this Order and further Order of this Court.

5. **THIS COURT ORDERS** that any refund of a portion of the Purchase Price to the Purchaser, or at its direction Bank of Montreal, pursuant to Section 8(8) of the Soul Agreement, any Current Assets Purchase Price Adjustment in favour of the Purchaser, and any reimbursement of Occupation Costs pursuant to Section 2 of the Occupation Agreement, shall be paid by the Monitor to the Purchaser or, at its direction, the Bank of Montreal from the Purchase Price being held by the Monitor pursuant to Section 4 hereof in priority to any other payment from such funds or any Claim (including any

Claim by a Chargee (as defined in the Amended and Restated Initial Order of the Honourable Mr. Justice Mesbur dated Friday, April 29, 2011)).

6. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets held by the Monitor, after payment in full of any refunds and other payments to the Purchaser (or, at its direction, Bank of Montreal) from the Purchase Price described in paragraph 5 hereof, shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims, charges and encumbrances shall attach to the net proceeds from the sale of the Purchased Assets, subject to paragraph 5 hereof, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding fulfillment of conditions to closing under the Soul Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

9. THIS COURT ORDERS that the Prizm Entities and the Guarantors (as such term is defined and utilized in the Master Franchise Agreement effective November 10, 2003, including each of the separate and individual franchise agreements for each of the outlets being transferred to the Purchaser, in the form of the International Franchise Agreement attached to the Master Franchise Agreement, that the Franchisor and Prizm LP are deemed to have executed, as amended by the Master Franchise Agreement Amendment Agreement dated November 25, 2009 between Prizm LP and the Franchisor (the "Franchise Agreement")), including, without limitation, Prizm Fund, Prizm Canadian Operating Trust, Kit Inc., Prizm Brandz LP, any person holding 20% or more of the issued and outstanding units of Prizm Fund, John I. Bitove, and Scott's Restaurants Inc., and each of their respective present and former shareholders, unitholders, directors, and/or officers (collectively, the "Released Parties") are hereby released effective the date of the Closing from any and all demands, claims and liabilities with respect to the Purchased Assets under the Franchise Agreement whether existing or taking place on, prior to or after the date of the Closing, save and except for the obligation to pay any unpaid post-filing continuing fees (exclusive of interest) accrued with respect to the Purchased Assets.

10. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendor's records pertaining to the Vendor's past and current

employees in Ontario, British Columbia and Quebec. 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 Vendor.

11. 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 Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order and the obligations of the Vendor under the Soul Agreement, the Occupation Agreement and the Transition Services Agreement (including the potential obligation to refund any portion of the Purchase Price to the Purchaser pursuant to Section 8(8) of the Soul Agreement, the potential obligation to make the Current Asset Purchase Price Adjustment pursuant to Section 10(2) of the Soul Agreement, and the potential obligation to reimburse excess Occupation Costs pursuant to Section 2 of the Occupation Agreement), shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall any of them constitute nor be deemed to be a settlement, fraudulent

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

12. **THIS COURT ORDERS AND DECLARES** that the Soul Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

13. **THIS COURT ORDERS AND DECLARES** that the Soul Transaction is exempt from any requirement under any applicable federal or provincial law to obtain unitholder or shareholder approval.

14. **THIS COURT ORDERS** that the Confidential Supplement be kept 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 which 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 the Court.

15. **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 Vendor and its 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

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provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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Schedule "A"  
Form of Monitor's Certificate

Court File No. CV-11-9159-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST,  
PRISZM INC. AND KIT FINANCE INC.

(the "Applicants")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated March 31, 2011, FTI Consulting Canada Inc. was appointed as the monitor (the "Monitor") of, *inter alia*, Prizm Limited Partnership (the "Vendor").

B. Pursuant to an Order of the Court dated May 9, 2011, the Court approved the Amended and Restated Agreement of Purchase and Sale made as of May 13, 2011 (the "Soul Agreement") between the Vendor, Prizm Inc. and Soul Restaurants Canada Inc. (formerly 7716443 Canada Inc.) (the "Purchaser") and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate certifying (a) receipt of the Deposit and the

balance of the Purchase Price by the Monitor; and (b) receipt of confirmation from the Vendor and the Purchaser that the conditions to Closing as set out in section [15] of the Soul Agreement have been satisfied or waived by the Vendor and the Purchaser, as applicable.

C. Unless otherwise indicated herein, defined terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Soul Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received the Deposit and the balance of the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Soul Agreement;
2. The Monitor has received confirmation from the Vendor and the Purchaser that the conditions to Closing as set out in section 15 of the Soul Agreement have been satisfied or waived by the Vendor and the Purchaser, as applicable; and
3. This Certificate was delivered by the Monitor to the Purchaser at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

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

Per: \_\_\_\_\_

Name:

Title:

## SCHEDULE "T"

## MATERIAL CONTRACTS

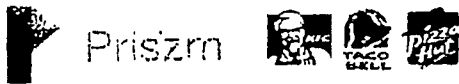
1. The Franchise Agreement for each Outlet.
2. The Master Franchise Agreement as it relates to the Outlets.
3. The supply agreement dated December 23, 2009 between the Vendor and Keybrand Foods Inc.

# **EXHIBIT "B"**

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF DEBORAH PAPERICK SWORN  
THE 24<sup>th</sup> DAY OF MAY, 2011

A handwritten signature in black ink, appearing to be 'D. L.', written over a horizontal line.

A Commissioner for taking affidavits, etc.



VIA REGISTERED MAIL

Monday January 31, 2011

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Attn: Legal Department,

Re: Assignment of certain Prizm Limited Partnership leases

We are contacting you with respect to the lease in respect of Lease Property ([REDACTED]), between [REDACTED] (the "Landlord"), as landlord, and Prizm Limited Partnership ("Prizm"), as tenant, dated [REDACTED] as amended, restated, renewed, extended or assigned from time to time, the "Lease").

As you may be aware, Prizm owns and operates more than 400 KFC™, Taco Bell™ and Pizza Hut™ restaurants in seven provinces across Canada. Prizm is Canada's largest independent restaurant operator and the world's largest KFC franchisee. Pursuant to an asset purchase agreement dated December 11, 2010, (the "APA"), Prizm has agreed to sell 231 of its restaurants (being all of Prizm's operating restaurants located in Ontario and British Columbia) (the "Sale Outlets") to 7716443 Canada Inc. ("7716443"), an affiliate of Soul Foods Group, a U.K. based franchisee of YUM! Restaurants International with over 25 years experience as a successful operator of 41 outlets in the U.K. The newly formed entity ("7716443") is being capitalized by funds from Mr. Aly Janmohamed, the principal of Soul Foods Group, and his select associates, as well as senior debt facilities provided by the Bank of Montreal. 7716443 has provided evidence satisfactory to Prizm of its financial capabilities, which evidence was also satisfactory to Prizm's senior lender and YUM! Restaurants International.

If you require further details from the purchaser, we request that you contact the purchaser directly as follows:

Mr. Nazir Hussein  
Soul Foods Group  
Business: +441923897726 or cell +447974028013  
Email: nhussein1@btinternet.com



# **EXHIBIT "C"**



THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF DEBORAH PAPERICK SWORN  
THE 24<sup>th</sup> DAY OF MAY, 2011



---

A Commissioner for taking affidavits, etc.



Scott's Real Estate Investment Trust  
 Suite 1500, P.O. Box 122 : t 416.361.9665  
 113 Canada Trust Tower, B.C. Place f 416.361.9010  
 165 Bay Street Toronto ON M5J 2S1 www.scottsreit.com

March 30, 2011

SENT BY EMAIL AND COURIER

Prizm Limited Partnership, by its general partner Prizm Inc.  
 101 Exchange Avenue  
 Vaughan, Ontario  
 L4K 5R6

Attention: Deborah Papernick, CFO

Dear Deborah:

**Re: Proposed Assignment by Prizm Limited Partnership, by its general partner Prizm Inc. ("Prizm") of certain Leases with Scott's Real Estate Limited Partnership ("Scott's")**

In the spirit of moving this matter forward as expeditiously as possible, Scott's is prepared to provide its consent for the assignment of those leases as requested on your January 31, 2011 letter. The aforementioned consent is subject to Scott's obtaining those representations from Soul Restaurants Canada Inc. as outlined in section 13 of the assignment agreement, as enclosed.

We have used a precedent agreement previously entered into between our companies as the basis for drafting the assignment agreement. As such we have executed the agreement assuming that this will be acceptable to you and Soul Restaurants Canada Inc. and have enclosed a signed copy for the parties to execute.

If you have any questions or comments, please do not hesitate to contact me directly at your earliest opportunity.

Yours very truly,

Evelyn Sutherland,  
 CFO

cc. Mr S. Michael Brooks, Aird & Berlis  
 cc. Ms. Arlene O'Neill, Gardiner Roberts

ASSIGNMENT AGREEMENT

THIS AGREEMENT made as of March 30, 2011 among Scott's Real Estate Limited Partnership, acting by its general partner Scott's GP Trust, acting through its sole trustee Scott's Trustee Corp. (hereinafter referred to as the "Landlord" or "Scott's"), Prizm LP, by its general partner Prizm Inc. (hereinafter called the "Assignor") and Soul Restaurants Canada Inc. (hereinafter called the "Assignee")

WHEREAS:

- A. By a lease (the "Scott's Restaurant #1 Lease") dated May 7, 2001, as amended, Scott's Restaurant Inc. leased to Prizm Brandz LP, by its general partner Prizm Brandz Inc. ("Brandz") (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 1 attached hereto (the "Scott's Restaurant #1 Premises"), as more particularly described in Schedule "A" of the Scott's Restaurant #1 Lease for a term of fifteen (15) years commencing May 7, 2001 and expiring on May 6, 2016.
- B. By a lease (the "Lawrence & Bellamy Lease") dated May 7, 2001, as amended, Scott's Restaurant Inc. leased to Prizm Brandz LP, by its general partner Prizm Brandz Inc. ("Brandz") (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 2 attached hereto (the "Lawrence & Bellamy Premises"), as more particularly described in Schedule "A" of the Scott's Restaurant #1 Lease for a term of fifteen (15) years commencing May 7, 2001 and expiring on May 6, 2016.
- C. By a lease (the "SR2 Lease") dated October 1, 2002, as amended, SRI Realty (No. 2) Inc. (the predecessor in interest to the Landlord) leased to Prizm Brandz LP, by its general partner Prizm Brandz Inc. ("Brandz") (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 3 attached hereto (the "SR2 Premises"), as more particularly described in Schedule "A" of the SR2 Lease for a term of fifteen (15) years commencing on October 1, 2002 and expiring on September 30, 2017.
- D. By a lease (the "Scott's Restaurant #2 Lease") dated October 1, 2002, as amended, Scott's Restaurant Inc. leased to Prizm Brandz LP, by its general partner Prizm Brandz Inc. ("Brandz") (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 4 attached hereto (the "Scott's Restaurant #2 Premises"), as more particularly described in Schedule "A" of the Scott's Restaurant #1 Lease for a term of fifteen (15) years commencing October 1, 2002 and expiring on September 30, 2017.
- E. By a lease (the "Torbram Lease") dated March 19, 2008, Scott's leased to the Assignor, as tenant, certain premises outlined in Exhibit 5 attached hereto (the "Torbram Premises"), as more particularly described in the Torbram Lease for a term of fifteen (15) years commencing on August 1, 2007 and expiring on July 31, 2022.
- F. The Scott's Restaurant #1 Lease, Lawrence & Bellamy Lease, SR2 Lease, Scott's Restaurant #2 Lease and Torbram Lease are hereinafter collectively referred to as the "Lease" or the "Leases" as the context may require.
- G. The Scott's Restaurant #1 Premises, Lawrence & Bellamy Premises, SR2 Premises, Scott's Restaurant #2 Premises and Torbram Premises are hereinafter collectively referred to as the "Premises".
- H. Each Lease allows the Tenant to assign the Lease or the Premises upon prior written notice to the Landlord.
- I. The Assignor has delivered such written notices to the Landlord pursuant to the Leases for the Premises.
- J. The Assignor has agreed to assign the Leases and its leasehold interest in the Premises to the Assignee.
- K. The Assignor will assign its leasehold interest in the Premises to the Assignee as of the Effective Date (as defined herein), subject to the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements between the parties and the sum of Ten Dollars (\$10.00) that has been paid by each of the parties to the others, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

The foregoing recitals are true in substance and in fact and for the purposes of this Agreement, "rent" includes all minimum rent, percentage rental, additional rent and any other amounts payable under the Lease and this Agreement.

#### Section 1 - Assignment

The Assignor hereby transfers, sets over and assigns unto the Assignee, as of and from the date of completion of the transaction contemplated in the Asset Purchase Agreement dated December 11, 2010 (the "Effective Date"), the Premises and all privileges and appurtenances thereto belonging, together with the unexpired residue of the Term, the Leases and all benefits and advantages to be derived under the Leases pertaining to the Premises.

TO HAVE AND TO HOLD the same, subject to the payment of rent and the observance and performance of the tenant's covenants and the conditions and agreements contained in each Lease.

#### Section 2 - Assignor's Covenants:

The Assignor covenants and agrees with the Assignee that:

- (a) each Lease is a good, valid and subsisting lease and the rent thereby reserved has been duly paid up to the Effective Date and the covenants and conditions therein contained have been duly observed and performed by the Assignor up to the Effective Date;
- (b) the Assignor has good right, full power and absolute authority to assign its interest in the Premises and the Leases in the manner aforesaid, according to the true intent and meaning of this Agreement;
- (c) subject to the payment of rent and to the observance and performance of the tenant's covenants and the conditions and agreements contained in each Lease, the Assignee may enter into and upon and hold and enjoy the Premises for the residue of the Term granted by each Lease for its own use and benefit without any interruption by the Assignor or by any person whomsoever claiming through or under the Assignor; and
- (d) the Assignor will from time to time hereafter, at the request and cost of the Assignee, promptly execute such further assurances of the Premises as the Assignee reasonably requires.

#### Section 3 - Assignee's Covenants

The Assignee covenants and agrees with the Assignor and the Landlord that:

- (a) from and after the Effective Date and for the remainder of the Term of the Leases, the Assignee will pay the rent and observe and perform the tenant's covenants and the conditions and agreements contained in the Leases pertaining to the Premises and indemnify and save harmless the Assignor and the Landlord from all actions, suits, costs, losses, charges, demands and expenses for and in respect thereof;
- (b) it will at all times from the Effective Date and for the remainder of the Term of the Leases, pay directly to the Landlord annual minimum rent. The Assignee shall be responsible for payment of Property Taxes and all other payments covenanted to be paid by the tenant therein at the times and in the manner provided for in the Leases, and will observe and perform all of the terms, covenants,

conditions and agreements contained in the Leases on the part of the tenant to be observed and performed;

- (c) the Assignee acknowledges that it has received a copy of the executed Leases and is familiar with the terms, covenants and conditions contained therein; and
- (d) the Assignee accepts the Premises in the condition in which they exist as of the Effective Date. The Landlord has no responsibility or liability for making any renovations, alterations or improvements in or to the Premises.

#### Section 4 – Acknowledgments to Landlord

The Assignor and the Assignee acknowledge and agree with the Landlord, that:

- (a) this Agreement does not in any way derogate from the rights of the Landlord under the Lease nor operate to release the Assignor from the observance and performance of all of the terms, covenants and conditions contained in the Leases on the part of the Tenant therein to be observed and performed, and notwithstanding the within assignment (or any disaffirmance or disclaimer of the within assignment), the Assignor shall continue to remain liable for all of such covenants during the balance of the Term of each Lease;
- (b) this Agreement does not constitute a waiver of the necessity for consent to any further Transfer (as defined in the Leases) of the Premises and/or the Leases in respect of the Premises, which must be completed in accordance with the terms of the Leases. If the Assignee proposes to effect a further Transfer, the terms of each Lease with respect to a Transfer shall be applicable;
- (c) the Assignor and the Assignee shall hereinafter be jointly and severally responsible for and shall save the Landlord harmless and indemnify it from and against all costs, including all legal costs, incurred by the Landlord in connection with the preparation of this Agreement and any additional documentation related thereto and the Landlord's consent to this assignment;
- (d) the Landlord does not hereby acknowledge or approve of any of the terms of this Agreement (or any other related agreements) as between the Assignor and Assignee except for the assignment (described in Section 1 hereof) itself and except for any amendments to the Leases agreed to by all of the parties hereunder;
- (e) the Assignor and the Assignee shall, at their expense, promptly execute such further assurances with respect to the Premises as the Landlord reasonably requires from time to time; and
- (f) the Assignee shall not be entitled to enter into and take possession of the Premises or any part thereof, until (i) it shall deliver to the Landlord certificates of insurance, or, if required by the Landlord's mortgagee, certified copies of each such insurance policy which the Tenant is required to take out pursuant to the Leases, and (ii) all required permits, licenses and approvals from all governmental authorities having jurisdiction for the carrying on by the Assignee of its permitted business on the Premises;

#### Section 5 – Landlord Confirmation

The Landlord hereby acknowledges, confirms and agrees that, as of the date hereof:

- (a) to the best of the Landlord's knowledge and belief, all payments on account of rent due under the Leases relating to the Premises, including without limitation, Minimum Rent and additional rent (if any) up to and including the date hereof have been paid in full;

- (b) to the best of the Landlord's knowledge and belief (but without inspection), all of the work required to be performed to the Premises by the Assignor under each Lease was completed in accordance with the provisions of the Lease and to the satisfaction of the Landlord. The Assignee hereby acknowledges and agrees that the Landlord has not inspected the Premises and the Landlord makes no representations whatsoever regarding the current state of repairs or condition of the Premises; and
- (c) to the best of the Landlord's knowledge and belief, in respect of the Premises, each Lease is without breach, default or dispute on the part of the Assignor or the Landlord.

#### Section 6 - Notice

All notices required to be given under this Agreement or under the Leases shall be in writing and may be served either personally or by registered mail at the following address:

To the Assignor at: Prizm LP by its general partner Prizm Inc.  
101 Exchange Avenue  
Vaughan, Ontario, L4K 5R6  
Attention: Senior Director of Development

To the Assignee at: Soul Restaurants Canada Inc  
•

To the Landlord at: c/o Scott's Real Estate Investment Trust  
161 Bay Street, Suite 2300  
TD Canada Trust Tower, BCE Place  
Toronto, Ontario M5J 2S1

#### Section 7 - Confirmation

The parties in all other respects hereby confirm that each Lease constitutes the entire agreement between the Assignor and the Landlord and is in full force and effect, unchanged and unmodified except in accordance with this Agreement. It is understood and agreed that all capitalized terms and expressions used in this Agreement have the same meaning as they have in the Leases, unless otherwise defined herein.

#### Section 8 - Facsimile / Counterpart

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

#### Section 9 - Binding Effect

This Agreement shall be binding upon and, to the extent expressly permitted pursuant to the provisions of the Leases, will enure to the benefit of the parties and their respective successors and permitted assigns.

#### Section 10 – Assignor's Covenants with the Landlord

The Assignor covenants and agrees with the Landlord that:

- (a) the Landlord and the Assignee may from time to time agree as between themselves to amend the terms of the Leases, it being agreed that no such amendments shall have the effect of releasing either the Assignor from any of its obligations under the Leases, for which the Assignor shall remain liable to the same extent as if such amendments had not been made;
- (b) if the Landlord terminates a Lease as a result of any default by the Assignee in the performance of its obligations pursuant to the Lease or this Agreement, such termination shall, as against the Assignor and the Assignee, be without prejudice to all the rights of the Landlord under the Lease and at law, included in which shall be the right to obtain from either of them all arrears of rent and other charges owing under the Lease up to the date of termination and damages in respect of losses and deficiencies sustained by the Landlord;
- (c) if the Assignee is released or discharged in any receivership, bankruptcy, winding up or other creditors' proceeding or a Lease is disclaimed in any such proceeding or otherwise by a trustee, receiver or other person, or where the Assignee is a partnership, in the event of a change in the constitution of the partnership, the obligations of the Assignor shall not thereby be or be deemed to be released, waived, impaired or affected but shall continue with respect to the entire Term as if the Lease had not been disclaimed, and, at the option of the Landlord, the Assignor shall forthwith execute a new lease with the Landlord for a term commencing on the date of such disclaimer and expiring at what would have been the end of the Term but for such disclaimer, and such lease shall contain the same terms and conditions as contained in the Lease insofar as they are applicable to what would have been the unexpired Term but for such disclaimer; and
- (d) its liability hereunder and under the Leases shall not be released, discharged, mitigated, impaired or affected by any loss of or in respect of any security received or intended to be received by the Landlord from the Assignee or from any other person, firm or corporation, whether or not occasioned or contributed to by or through any act, omission, default or neglect of the Landlord.

#### Section 11 – Non-Liability

The Assignee and the Assignor acknowledges, covenants and agrees:

- (a) that the Landlord is the nominee on behalf of Scott's Real Estate Investment Trust (the "Trust"); and
- (b) the obligations under the Leases and this Agreement and any liabilities arising in any manner whatsoever out of or in connection with the Leases and this Agreement are not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of:
  - (I) the unit holders of the Trust;
  - (II) annuitants under a plan of which a unit holder of the Trust acts as trustee or carrier; and
  - (III) the officers, trustees, employees or agents of the Trust.

#### Section 12 – Irrevocability

This Agreement shall be irrevocable by Assignor and Landlord until 5 o'clock p.m. on the day which is five (5) days following execution by them, after which time, if the Assignee has not delivered a signed

copy to both parties, the Assignor and/or the Landlord may declare this Agreement to be null and void and of no further effect.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written under the hands of their proper signing officers duly authorized in that behalf.

Scott's Real Estate Limited Partnership, acting by its general partner Scott's GP Trust, acting through its sole trustee Scott's Trustee Corp.

Per: E. Schward  
Authorized Signing Officer

I have authority to bind the corporation.

Prizm LP by its general partner Prizm Inc.

Per: \_\_\_\_\_  
Authorized Signing Officer

I have authority to bind the corporation.

Soul Restaurants Canada Inc.

Per: \_\_\_\_\_  
Authorized Signing Officer

I have authority to bind the corporation.



## SCHEDULE "A"

## Exhibit 1 – Scott's Restaurant #1 Premises

Store #	Address	City	Province	Current Landlord
1307	190 QUEEN STREET E.	BRAMPTON	ON	Scott's
1303	965 DUNDAS STREET E.	MISSISSAUGA	ON	Scott's
1331	1338 KENNEDY ROAD	SCARBOROUGH	ON	Scott's
1311	2567 EGLINTON AVE. E.	SCARBOROUGH	ON	Scott's
1327	1221 DUNDAS STREET W.	TORONTO	ON	Scott's
1338	2296 EGLINTON AVE. W.	TORONTO	ON	Scott's
1336	2500 DANFORTH AVENUE	TORONTO	ON	Scott's
1333	466 QUEEN STREET W.	TORONTO	ON	Scott's
1309	563 GERRARD STREET E.	TORONTO	ON	Scott's
1334	636 BLOOR STREET W.	TORONTO	ON	Scott's

## Exhibit 2 – Lawrence &amp; Bellamy Premises

Store #	Address	City	Province	Current Landlord
1305	3351 LAWRENCE AVE. E.	SCARBOROUGH	ON	Scott's

## Exhibit 3 – SR2 Premises

Store #	Address	City	Province	Current Landlord
1323	3517 DUNDAS STREET W.	TORONTO	ON	Scott's
1514	464 DUNDAS STREET	BELLEVILLE	ON	Scott's
1519	27 DALHOUSIE STREET	BRANTFORD	ON	Scott's
1554	322 ARGYLE STREET SOUTH	CALEDONIA	ON	Scott's
1516	499 DUNDAS STREET (GALT)	CAMBRIDGE	ON	Scott's
1509	507 DIVISION STREET	COBOURG	ON	Scott's
1312	3719 LAKESHORE BLVD.	ETOBICOKE	ON	Scott's
1557	827 MC GILL STREET	HAWKESBURY	ON	Scott's
1510	63 LINDSAY STREET	LINDSAY	ON	Scott's
1440	1291 COMMISSIONERS ROAD W.	LONDON	ON	Scott's
1436	450 WHARNCLIFFE ROAD	LONDON	ON	Scott's
1400	2795 ST. JOSEPHS BLVD	ORLEANS	ON	Scott's
1373	474 SIMCOE STREET SOUTH	OSHAWA	ON	Scott's
1374	574 KING STREET EAST	OSHAWA	ON	Scott's
1372	973 SIMCOE STREET NORTH	OSHAWA	ON	Scott's
1403	1096 WELLINGTON STREET	OTTAWA	ON	Scott's
1405	1677 BANK STREET	OTTAWA	ON	Scott's
1418	1943 BASELINE ROAD	OTTAWA	ON	Scott's
1419	917 RICHMOND ROAD	OTTAWA	ON	Scott's
1402	932 ST. LAURENT BLVD.	OTTAWA	ON	Scott's
1406	HWY 31, 2919 BANK STREET	OTTAWA	ON	Scott's
1310	3495 SHEPPARD AVE. E.	SCARBOROUGH	ON	Scott's
1349	239 SCARLETT ROAD	TORONTO	ON	Scott's
1446	3006 DOUGALL ROAD	WINDSOR	ON	Scott's
1451	7435 TECUMSEH RD E.	WINDSOR	ON	Scott's

## Exhibit 4 - Scott's Restaurant #2 Premises

Store #	Address	City	Province	Current Landlord
1442	850 WELLINGTON ROAD SOUTH	LONDON	ON	Scott's
1329	415 MT. PLEASANT RD	TORONTO	ON	Scott's
1315	829 ST. CLAIR AVE. W.	TORONTO	ON	Scott's

## Exhibit 5 - Torbram Premises

Store #	Address	City	Province	Current Landlord
	9025 TORBRAM RD	BRAMPTON	ON	Scott's

8481125.3

ASSIGNMENT AGREEMENT

**THIS AGREEMENT** made as of March 30, 2011 among Scott's Real Estate Limited Partnership, acting by its general partner Scott's GP Trust, acting through its sole trustee Scott's Trustee Corp. ("Scott's"), CRI Realty (No. 3) Inc. ("CRI") and Colonel's Realty Inc. ("Colonel's") (hereinafter referred to as the "Landlord" as applicable to the appropriate Lease as outlined in Schedule "A"), Prizm LP, by its general partner Prizm Inc. (hereinafter called the "Assignor") and Soul Restaurants Canada Inc. (hereinafter called the "Assignee")

**WHEREAS:**

- A. By a lease (the "YUM Lease") dated November 10, 2003, as amended, YUM! Brands Canada Management LP (the predecessor in interest to the Landlord) leased to KIT Limited Partnership, by its general partner, KIT Inc. (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 1 attached hereto (the "YUM Premises"), as more particularly described in Schedule "A" of the Yum Lease for a term of fifteen (15) years commencing November 10, 2003 to and including November 9, 2018.
- B. By a lease (the "Colonel Lease") dated November 10, 2003, as amended, Colonel's Realty Inc. leased to KIT Limited Partnership, by its general partner, KIT Inc. (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 2 attached hereto (the "Colonel Premises"), as more particularly described in Schedule "A" of the Colonel Lease for a term of fifteen (15) years commencing November 10, 2003 to and including November 9, 2018.
- C. By a lease (the "SR3 Lease") dated March 28, 2003, as amended, SRI Realty (No. 3) Inc. (the predecessor in interest to the Landlord) leased to Prizm Brandz LP, by its general partner Prizm Brandz Inc. ("Brandz") (the predecessor in interest to the Assignor), as tenant, certain premises outlined in Exhibit 3 attached hereto (the "SR3 Premises"), as more particularly described in Schedule "A" of the SR3 Lease for a term of fifteen (15) years commencing on March 28, 2003 and expiring on March 27, 2018.
- D. The YUM Lease, Colonel Lease and SR3 Lease are hereinafter collectively referred to as the "Lease" or the "Leases" as the context may require.
- E. The YUM Premises, the Colonel Premises and the SR3 Premises are hereinafter collectively referred to as the "Premises".
- F. Each Lease contains a covenant on the part of the Tenant not to assign the Lease or sublet the Premises or any part thereof without the Landlord's consent.
- G. The Assignor has agreed to assign the Leases and its leasehold interest in the Premises to the Assignee, subject to obtaining the Landlord's consent to such assignment.
- H. The Assignor has applied to the Landlord for the Landlord's consent to assign the Leases and its leasehold interest in the Premises to the Assignee, subject to and upon the terms and conditions herein set out.
- I. The Landlord has agreed to grant its consent to the within assignment as of the 30<sup>th</sup> day of March, 2011, subject to the terms and conditions set out herein.

**NOW THEREFORE** in consideration of the mutual covenants and agreements between the parties and the sum of Ten Dollars (\$10.00) that has been paid by each of the parties to the others, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

The foregoing recitals are true in substance and in fact and for the purposes of this Agreement, "rent" includes all minimum rent, percentage rental, additional rent and any other amounts payable under the Lease and this Agreement.

### Section 1 - Assignment

The Assignor hereby transfers, sets over and assigns unto the Assignee, as of and from the date of completion of the transaction contemplated in the Asset Purchase Agreement dated December 11, 2010 (the "Effective Date"), the Premises and all privileges and appurtenances thereto belonging, together with the unexpired residue of the Term, the Leases and all benefits and advantages to be derived under the Leases pertaining to the Premises.

TO HAVE AND TO HOLD the same, subject to the payment of rent and the observance and performance of the tenant's covenants and the conditions and agreements contained in each Lease.

### Section 2 - Assignor's Covenants:

The Assignor covenants and agrees with the Assignee that:

- (a) each Lease is a good, valid and subsisting lease and the rent thereby reserved has been duly paid up to the Effective Date and the covenants and conditions therein contained have been duly observed and performed by the Assignor up to the Effective Date;
- (b) the Assignor has good right, full power and absolute authority to assign its interest in the Premises and the Leases in the manner aforesaid, according to the true intent and meaning of this Agreement;
- (c) subject to the payment of rent and to the observance and performance of the tenant's covenants and the conditions and agreements contained in each Lease, the Assignee may enter into and upon and hold and enjoy the Premises for the residue of the Term granted by each Lease for its own use and benefit without any interruption by the Assignor or by any person whomsoever claiming through or under the Assignor; and
- (d) the Assignor will from time to time hereafter, at the request and cost of the Assignee, promptly execute such further assurances of the Premises as the Assignee reasonably requires.

### Section 3 - Assignee's Covenants

The Assignee covenants and agrees with the Assignor and the Landlord that:

- (a) from and after the Effective Date and for the remainder of the Term of the Leases, the Assignee will pay the rent and observe and perform the tenant's covenants and the conditions and agreements contained in the Leases pertaining to the Premises and indemnify and save harmless the Assignor and the Landlord from all actions, suits, costs, losses, charges, demands and expenses for and in respect thereof;
- (b) it will at all times from the Effective Date and for the remainder of the Term of the Leases, pay directly to the Landlord annual minimum rent. The Assignee shall be responsible for payment of Property Taxes and all other payments covenanted to be paid by the tenant therein at the times and in the manner provided for in the Leases, and will observe and perform all of the terms, covenants, conditions and agreements contained in the Leases on the part of the tenant to be observed and performed;
- (c) the Assignee acknowledges that it has received a copy of the executed Leases and is familiar with the terms, covenants and conditions contained therein; and
- (d) the Assignee accepts the Premises in the condition in which they exist as of the Effective Date. The Landlord has no responsibility or liability for making any renovations, alterations or improvements in or to the Premises.

#### Section 4 – Landlord's Consent

The Landlord consents to the within assignment from the Assignor to the Assignee as of and from the Effective Date upon and subject to the following terms and conditions, that:

- (a) this consent does not in any way derogate from the rights of the Landlord under the Leases nor operate to release the Assignor from the observance and performance of all of the terms, covenants and conditions contained in the Leases on the part of the Tenant therein to be observed and performed, and notwithstanding the within assignment (or any disaffirmance or disclaimer of the within assignment), the Assignor shall continue to remain liable for all of such covenants during the balance of the Term of each Lease;
- (b) this consent does not constitute a waiver of the necessity for consent to any further Transfer (as defined in the Leases) of the Premises and/or the Leases in respect of the Premises, which must be completed in accordance with the terms of the Leases. If the Assignee proposes to effect a further Transfer, the terms of each Lease with respect to a Transfer shall be applicable;
- (c) this consent is given upon the express understanding that the Assignor and the Assignee shall hereinafter be jointly and severally responsible for and shall save the Landlord harmless and indemnify it from and against all costs, including all legal costs, incurred by the Landlord in connection with the preparation of this Agreement and any additional documentation related thereto and the Landlord's consent to this assignment;
- (d) by giving its consent pursuant to this Agreement, the Landlord does not hereby acknowledge or approve of any of the terms of this Agreement (or any other related agreements) as between the Assignor and Assignee except for the assignment (described in Section 1 hereof) itself and except for any amendments to the Leases agreed to by all of the parties hereunder;
- (e) the assignment is deemed not to have been delivered to the Assignee by the Assignor until the consent of the Landlord has been evidenced by the execution and delivery of this Agreement by the Landlord to both the Assignor and the Assignee;
- (f) the Assignor and the Assignee shall, at their expense, promptly execute such further assurances with respect to the Premises as the Landlord reasonably requires from time to time; and
- (g) the Assignee shall not be entitled to enter into and take possession of the Premises or any part thereof, until (i) it shall deliver to the Landlord certificates of insurance, or, if required by the Landlord's mortgagee, certified copies of each such insurance policy which the Tenant is required to take out pursuant to the Leases, and (ii) all required permits, licenses and approvals from all governmental authorities having jurisdiction for the carrying on by the Assignee of its permitted business on the Premises;

#### Section 5 – Landlord Confirmation

The Landlord hereby acknowledges, confirms and agrees that, as of the date hereof:

- (a) to the best of the Landlord's knowledge and belief, all payments on account of rent due under the Leases relating to the Premises, including without limitation, Minimum Rent and additional rent (if any) up to and including the date hereof have been paid in full;
- (b) to the best of the Landlord's knowledge and belief (but without inspection), all of the work required to be performed to the Premises by the Assignor under each Lease was completed in accordance with the provisions of the Lease and to the satisfaction of the Landlord. The Assignee hereby acknowledges and agrees that the Landlord has not inspected the Premises and the

Landlord makes no representations whatsoever regarding the current state of repairs or condition of the Premises; and

- (c) to the best of the Landlord's knowledge and belief, in respect of the Premises, each Lease is without breach, default or dispute on the part of the Assignor or the Landlord.

#### Section 6 - Notice

All notices required to be given under this Agreement or under the Leases shall be in writing and may be served either personally or by registered mail at the following address:

To the Assignor at: Prizm LP by its general partner Prizm Inc.  
101 Exchange Avenue  
Vaughan, Ontario, L4K 5R6  
Attention: Senior Director of Development

To the Assignee at: Soul Restaurants Canada Inc  
•

To the Landlord at: c/o Scott's Real Estate Investment Trust  
161 Bay Street, Suite 2300  
TD Canada Trust Tower, BCE Place  
Toronto, Ontario M5J 2S1

#### Section 7 - Confirmation

The parties in all other respects hereby confirm that each Lease constitutes the entire agreement between the Assignor and the Landlord and is in full force and effect, unchanged and unmodified except in accordance with this Agreement. It is understood and agreed that all capitalized terms and expressions used in this Agreement have the same meaning as they have in the Leases, unless otherwise defined herein.

#### Section 8 - Facsimile / Counterpart

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

#### Section 9 - Binding Effect

This Agreement shall be binding upon and, to the extent expressly permitted pursuant to the provisions of the Leases, will enure to the benefit of the parties and their respective successors and permitted assigns.

#### Section 10 - Assignor's Covenants with the Landlord

The Assignor covenants and agrees with the Landlord that:

- (a) the Landlord and the Assignee may from time to time agree as between themselves to amend the terms of the Leases, it being agreed that no such amendments shall have the effect of releasing

either the Assignor from any of its obligations under the Leases, for which the Assignor shall remain liable to the same extent as if such amendments had not been made;

- (b) if the Landlord terminates a Lease as a result of any default by the Assignee in the performance of its obligations pursuant to the Lease or this Agreement, such termination shall, as against the Assignor and the Assignee, be without prejudice to all the rights of the Landlord under the Lease and at law, included in which shall be the right to obtain from either of them all arrears of rent and other charges owing under the Lease up to the date of termination and damages in respect of losses and deficiencies sustained by the Landlord;
- (c) if the Assignee is released or discharged in any receivership, bankruptcy, winding up or other creditors' proceeding or a Lease is disclaimed in any such proceeding or otherwise by a trustee, receiver or other person, or where the Assignee is a partnership, in the event of a change in the constitution of the partnership, the obligations of the Assignor shall not thereby be or be deemed to be released, waived, impaired or affected but shall continue with respect to the entire Term as if the Lease had not been disclaimed, and, at the option of the Landlord, the Assignor shall forthwith execute a new lease with the Landlord for a term commencing on the date of such disclaimer and expiring at what would have been the end of the Term but for such disclaimer, and such lease shall contain the same terms and conditions as contained in the Lease insofar as they are applicable to what would have been the unexpired Term but for such disclaimer; and
- (d) its liability hereunder and under the Leases shall not be released, discharged, mitigated, impaired or affected by any loss of or in respect of any security received or intended to be received by the Landlord from the Assignee or from any other person, firm or corporation, whether or not occasioned or contributed to by or through any act, omission, default or neglect of the Landlord.

#### Section 11 – Non-Liability

The Assignee and the Assignor acknowledges, covenants and agrees:

- (a) that the Landlord is the nominee on behalf of Scott's Real Estate Investment Trust (the "Trust"); and
- (b) the obligations under the Leases and this Agreement and any liabilities arising in any manner whatsoever out of or in connection with the Leases and this Agreement are not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of:
  - (I) the unit holders of the Trust;
  - (II) annuitants under a plan of which a unit holder of the Trust acts as trustee or carrier; and
  - (III) the officers, trustees, employees or agents of the Trust.

#### Section 12 – Irrevocability

This Agreement shall be irrevocable by Assignor and Landlord until 5 o'clock p.m. on the day which is five (5) days following execution by them, after which time, if the Assignee has not delivered a signed copy to both parties, the Assignor and/or the Landlord may declare this Agreement to be null and void and of no further effect.

#### Section 13 – Representations & Warranties

The Assignor and Assignee represent and warrant that all information disclosed to the Landlord, either verbally or in writing, as more specifically disclosed during the meeting between the Landlord and the representatives of the Assignee on February 12, 2011 and the letters and correspondence delivered to the Landlord by, or on behalf of, the Assignee on February 22, 2011, February 28, 2011 and March 17, 2011 is true, complete and accurate and continues to be true, complete and accurate as of the date hereof, and shall also be true, complete and accurate as of the Effective Date. The Assignor and the Assignee acknowledge and agree that all of such information has been and may be relied upon by the Landlord in giving the consent set out in Section 4 hereof, and the Assignor and Assignee will indemnify and save the Landlord harmless from any and all costs, claims, expenses, demands and liabilities, whatsoever, arising from any breach of the representation and warranty contained in this Section 13.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written under the hands of their proper signing officers duly authorized in that behalf.

Scott's Real Estate Limited Partnership, acting by its general partner Scott's GP Trust, acting through its sole trustee Scott's Trustee Corp.

Per: E. Sutherland  
Authorized Signing Officer

I have authority to bind the corporation.

CRI Realty (No. 3) Inc.

Per: E. Sutherland  
Authorized Signing Officer

I have authority to bind the corporation

Colonel's Realty Inc.

Per: E. Sutherland  
Authorized Signing Officer

I have authority to bind the corporation

Prizm LP by its general partner Prizm Inc.

Per: \_\_\_\_\_  
Authorized Signing Officer

I have authority to bind the corporation.

Soul Restaurants Canada Inc.

Per: \_\_\_\_\_  
Authorized Signing Officer

I have authority to bind the corporation.



## SCHEDULE "A"

## Exhibit 1 - YUM Premises

Store #	Address	City	Province	Current Landlord
1806	4605 E. HASTINGS ST.	BURNABY	BC	Scott's
1893	1584 HIGHWAY, 99	SQUAMISH	BC	Scott's
1814	2190 KINGSWAY	VANCOUVER	BC	Scott's
1824	795 E. BROADWAY	VANCOUVER	BC	Scott's
1861	3140 DOUGLAS ST.	VICTORIA	BC	Scott's
1889	3620 GELLATLY RD.	WESTBANK	BC	Scott's
1414	145 MADAWASKA BLVD	ARNPRIOR	ON	Scott's
1415	45 MUNRO STREET	CARLETON PLACE	ON	Scott's
1528	346 ST. CLAIR STREET	CHATHAM	ON	Scott's
1535	405 COTE AVENUE	CHELMSFORD	ON	Scott's
1553	311 MAIN STREET	DUNNVILLE	ON	Scott's
1531	325 TALBOT STREET NORTH	ESSEX	ON	Scott's
1428	1222 BARTON STREET E.	HAMILTON	ON	Scott's
1425	307 CANNON STREET E.	HAMILTON	ON	Scott's
1427	45 PARKDALE AVE. N.	HAMILTON	ON	Scott's
1429	631 KING STREET W.	HAMILTON	ON	Scott's
1426	716 MAIN STREET E.	HAMILTON	ON	Scott's
1355	5863 HIGHWAY #7	MARKHAM	ON	Scott's
1552	3567 PORTAGE ROAD	NIAGARA FALLS	ON	Scott's
1559	28 DUMFRIES STREET	PARIS	ON	Scott's
1411	41 DUFFERIN STREET	PERTH	ON	Scott's
1506	786 CHEMONG ROAD	PETERBOROUGH	ON	Scott's
1515	90 MAIN STREET	PICTON	ON	Scott's
1541	161 TRUNK ROAD	SAULT STE MARIE	ON	Scott's
1548	60 HARTZELL ROAD	ST. CATHARINES	ON	Scott's
1533	1341 MARTINDALE ROAD	SUDBURY	ON	Scott's
1375	301 DUNDAS STREET WEST	WHITBY	ON	Scott's
1449	1485 ERIE STREET E.	WINDSOR	ON	Scott's
1447	1797 HURON CHURCH RD	WINDSOR	ON	Scott's
1448	1916 WYANDOTTE ST. W.	WINDSOR	ON	Scott's

## Exhibit 2 - Colonel Premises

Store #	Address	City	Province	Current Landlord
1210	164 BD GREBER	POINTE GATINEAU	QC	Colonel's

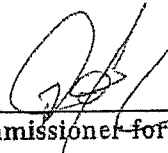
## Exhibit 3 - SR3 Premises

Store #	Address	City	Province	Current Landlord
1438	1683 DUNDAS STREET	LONDON	ON	Scott's
1412	415 PEMBROKE STREET EAST	PEMBROKE	ON	Scott's
1532	1300 LASALLE BLVD	SUDBURY	ON	Scott's
1534	582 KATHLEEN STREET WEST	SUDBURY	ON	Scott's
1351	1630 QUEEN ST. E.	TORONTO	ON	Scott's
1529	1314 DUFFERIN ST.	WALLACEBURG	ON	Scott's
1209	258 RUE NOTRE-DAME	GATINEAU MILLS	QC	CRI
1208	347 BD ST-JOSEPH	HULL	QC	CRI

8480159.3

# **EXHIBIT "D"**

THIS IS EXHIBIT "D" REFERRED TO IN THE  
AFFIDAVIT OF DEBORAH PAPERICK SWORN  
THE 24<sup>th</sup> DAY OF MAY, 2011

A handwritten signature in black ink, appearing to be 'J.P.', is written above a horizontal line.

---

A Commissioner for taking affidavits, etc.

YUM! BRANDS CANADA MANAGEMENT LP  
as Landlord

and

KIT LIMITED PARTNERSHIP  
as Tenant

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MASTER LEASE - NON QUEBEC PROPERTIES  
November 10, 2003

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THIS LEASE made as of the \_\_\_\_\_ day of November, 2003.

BETWEEN:

Yum! Brands Canada Management LP  
(the "Landlord")

AND

KIT Limited Partnership  
(the "Tenant")

#### ARTICLE 1 - DEFINITIONS

1.01 In this Lease the following words and terms shall have the following meanings respectively:

- (a) "Building" means the building and the other fixtures and improvements on each of the Lands.
- (b) "GST" means any business transfer tax, value added tax or goods and services tax presently or hereafter imposed from time to time upon the Landlord or the Tenant or in respect of this Lease and payable on account of the rental of each of the Leased Premises or the Landlord's receipt of the rents and other amounts and charges hereunder.
- (c) "Landlord's Insurance" shall have the meaning attributed thereto in section 11.01.
- (d) "Lands" means each of the seventy-six (76) lands and premises as shown on Schedule "A" attached hereto.
- (e) "Lease" means this lease as executed by the Landlord and the Tenant.
- (f) "Leased Premises" means each of the Lands and Buildings.
- (g) "Property Taxes" means all taxes, rates, local improvement rates, impost charges, duties, assessments or levies which may be levied, rated, charged or assessed against each of the Lands and Buildings, whether real or personal, moveable or immovable, by any authority having jurisdiction, whether federal, provincial, municipal, school board, utility commission or other, and includes any taxes or levies which may be imposed on the Landlord or the Tenant or anyone else on account or in lieu thereof, whether or not forming a charge on each property itself, and any other taxes, rates, duties, assessments or levies which may hereafter be levied in lieu of, or of a nature similar to, the foregoing, and whether recurring annually, or at other intervals, or on a special or single instance only, but shall not include the Landlord's income taxes, capital tax, value added taxes, business transfer taxes or other taxes personal to the Landlord.
- (h) "Term" shall have the meaning attributed thereto in section 3.01.
- (i) "Transfer" shall have the meaning attributed thereto in Section 21.01.
- (j) "Transferee" shall have the meaning attributed thereto in Section 21.01.
- (k) "Utilities" means gas, fuel, electricity, light, heat, power, other forms of energy, sewage disposal service, garbage and trash removal, cable T.V. and telephone and other communication services used, rendered or supplied upon or in connection with each of the Leased Premises and "Utility" shall have a corresponding meaning.

## ARTICLE 2 - DEMISE

2.01 In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord by these presents does demise and lease unto the Tenant for the Term, the Leased Premises.

## ARTICLE 3 - TERM

3.01 The term of the Lease (the "Term") shall be for a period of fifteen years, subject to any extension under Section 3.02 hereof, and shall commence at 9:00 a.m. on the \_\_\_\_\_ day of November, 2003 (the "Commencement Date"), to be fully completed at 11:59 p.m. on the \_\_\_\_\_ day of November, 2018.

3.02 Provided that the Tenant is not then in default under the terms of this Lease, the Tenant shall have the right, on prior written notice to the Landlord to be given at least six (6) months prior to the expiration of the Term or the first extension of the Term, to extend the Term for two further periods of five (5) years each, such extensions to be on the same terms and conditions of this Lease except that (i) Minimum Rent shall be at then prevailing market rates for each of the premises leased hereunder and (ii) there shall be no further right of extension. In the event that the parties are unable to agree to the Minimum Rent for any extension of the Term within three (3) months after the Tenant providing notice of such extension, then such Minimum Rent shall be determined by arbitration in accordance with the Arbitration Act (Ontario), and such arbitration shall be conducted in Toronto, Ontario. In exercising its extension rights pursuant to this Section 3.02, the Tenant shall have the right to extend the Term in respect of any one or more of the Leased Premises leased hereunder but, in so doing, shall not be obligated to extend the Term in respect of all the Leased Premises leased hereunder. Notwithstanding the foregoing, in the event the Tenant elects not to extend the Term in respect of any one or more of the Leased Premises for the first five year extension term contemplated by this Section 3.02, it shall thereafter be prohibited from exercising an extension of the Term in respect of such particular Leased Premises pursuant to the second five year extension term contemplated by this Section 3.02.

## ARTICLE 4 - RENT

4.01 Throughout the Term, the Tenant shall pay to the Landlord in each and every year, an annual minimum rent for each of the Leased Premises (the "Minimum Rent") yearly and every year during the within Term in monthly installments as set out in Schedule "B" attached hereto, with the first instalment payable on November \_\_\_\_\_, 2003, and subsequent installments payable on the first day of each month. Rent payable in respect of any broken portion of a calendar month shall be prorated.

## ARTICLE 5 - TAXES

5.01 The Tenant covenants with the Landlord to pay to the respective taxing authorities, subject to the provisions of Section 5.02, all Property Taxes as and when due. The Tenant covenants that it will upon the request of the Landlord forward to the Landlord copies of all receipted tax bills. All sums payable by the Tenant under this clause shall be apportioned for any calendar year during which the Tenant is not in possession of the Leased Premises for the full calendar year.

5.02 Notwithstanding anything contained in Section 5.01, the Tenant agrees that if at any time and from time to time the Landlord places a mortgage or other financial encumbrance on the Leased Premises and such mortgage or encumbrance requires monthly payments to be made with respect to the taxes and other charges required to be made pursuant to the provisions of Section 5.01, then, in such event, all such payments shall be paid by the Tenant to the mortgagee or encumbrancer rather than to the respective taxing authorities as additional rent on the date and in the amounts specified in such mortgage or encumbrance.

5.03 . In any suit or proceeding affecting this Lease, a bill from the office, bureau, department or agency issuing bills for any of the Property Taxes shall be prima facie evidence of the amount thereof and that the same is or are due and payable.

5.04 In the event that the Tenant shall deem any of the Property Taxes illegal or excessive or otherwise subject to contest, it may, at its election, contest such imposition in the name of the Landlord or in its own name, but at the Tenant's expense; provided that nothing in this paragraph

shall be construed to permit the Tenant to postpone its obligation to make the payments required under this Article.

5.05 The Tenant shall pay when due all taxes, rates, duties, assessments and other charges that may be levied, rated, charged or assessed against or in respect of all improvements, equipment, facilities on or in the Leased Premises and every tax and license fee in respect of any business carried on thereon or therein or in respect of the use or occupancy of the Leased Premises.

5.06 The Tenant covenants with the Landlord to pay to the Landlord the GST at the same time as rent is payable under Section 4.01 hereof. The Landlord shall have the same rights and remedies with respect to non-payment of GST as it does with respect to non-payment of rent.

#### ARTICLE 6 - USE OF PREMISES

6.01 The Leased Premises shall be used by the Tenant for the purpose of conducting therein, to the extent permitted by all applicable requirements of law, a sit down family type restaurant, drive-thru, take out and delivery fast food facility, or any combination thereof, which may or may not be licensed to sell alcoholic beverages, and for no other purpose without the prior written consent of the Landlord, which will not be unreasonably withheld.

6.02 The Tenant shall not commit, cause or permit any nuisance or waste on the Leased Premises or permit the emission of any offensive substance, odor or noise from the Leased Premises.

6.03 The Tenant will not bring upon the Leased Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size, or use might, in the opinion of the Landlord, damage the Leased Premises and will not at any time overload the floors of the Leased Premises, the roof deck, the perimeter walls, ceilings, structural steel elements, overhead doors or the parking lots.

6.04 The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Leased Premises or the electrical wiring and service in the Building or in the Leased Premises and agrees that if any equipment installed by the Tenant shall require additional utility facilities, same shall be installed, if available, and subject to the Landlord's prior written approval thereto (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

#### ARTICLE 7 - REPAIRS AND MAINTENANCE

7.01 The Tenant shall repair the Leased Premises and, in the event that there is a change of use of the Leased Premises after the Commencement Date, the standard to which the Tenant will be responsible to repair the Leased Premises will be the standard of good condition and repair and consistent with recognized industry standards for comparable operations. Without limiting the generality of the foregoing, the Tenant's obligation to repair extends to matters notwithstanding that such may be repair of a capital or structural nature.

7.02 The Tenant shall provide normal day-to-day maintenance of the Leased Premises and will repair according to notice in writing. The obligations of the Tenant to provide normal day-to-day maintenance shall include, without limitation, snow removal for the Leased Premises, outside maintenance and gardening of the Leased Premises, pest control for the Building, painting and decorating, and maintenance of the parking lot.

#### ARTICLE 8 - COMPLIANCE WITH LAWS

8.01 The Tenant, at its own expense, shall comply promptly with and conform to the requirements of all applicable statutes, laws, by-laws, regulations, ordinances and order at any time in force during the Term which affect the condition, equipment, maintenance, use or occupation of the Leased Premises, and with every applicable reasonable regulation, order and requirement of the Canadian Fire Underwriters Association or any body having similar functions or of any liability or casualty insurance company by which the Building may be insured by the Landlord or the Tenant at any time during the Term.



8.02 If the Tenant defaults under the provisions of this Article, the Landlord may itself comply with the requirements of this Article and the Tenant shall forthwith pay all costs and expenses incurred by the Landlord in so doing and all such costs and expenses shall be recoverable by the Landlord as additional rent.

#### ARTICLE 9 - UTILITIES

9.01 The Tenant shall make arrangements, at its own cost and expense, directly with the public service companies and private utilities supplying Utilities during and throughout the Term, and shall indemnify the Landlord against any liability for any charges therefor.

9.02 The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the Utilities.

9.03 The Tenant, at its own cost and expense, shall procure each and every permit, license or other authorization required during the Term, for lawful and proper installation upon the Building of wire, pipes, conduits, tubes and other equipment and appliances for use in supplying Utilities.

9.04 In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Leased Premises, or to any property of the Tenant or anyone else for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any Utility to the Leased Premises.

#### ARTICLE 10 - TENANT'S INSURANCE

10.01 The Tenant shall throughout the Term hereof keep in full force and effect at its sole cost and expense in the names of the Tenant, the Landlord and the Landlord's mortgagees as their respective interests may appear,

- (a) all risks (including flood and earthquake) property insurance in an amount of at least one hundred percent (100%) of the full replacement cost, insuring (1) all property owned by the Tenant, or for which the Tenant is legally liable, or installed by or on behalf of the Tenant, and located within the Building including, but not limited to, fittings, installations, alterations, additions, partitions, and all other leasehold improvements, and (2) the Tenant's inventory, furniture and movable equipment;
- (b) the repair and replacement of boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus on a broad form blanket coverage basis;
- (c) public liability and property damage insurance including personal injury liability, contractual liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Leased Premises, coverage to include the activities and operations conducted by the Tenant and any other parties on the Leased Premises and by the Tenant and any other parties performing work on behalf of the Tenant and those for whom the Tenant is in law responsible. Such policies shall (1) be written on a comprehensive basis with inclusive limits of at least Two Million Dollars (\$2,000,000.00) for bodily injury for any one or more persons, or property damage, (but the Landlord, acting reasonably, or the Landlord's mortgagee, may require higher limits from time to time) and (2) contain a severability of interests clause and cross liability clauses;
- (d) Tenant's legal liability insurance for the replacement cost of the Leased Premises;
- (e) any other or additional insurance coverage as the Landlord, or the Landlord's mortgagee reasonably require from time to time, in form, in amounts and for risks against which a prudent tenant would insure.

10.02 So long as the Tenant is KIT Limited Partnership and is not in default of any provisions of this Lease, the Tenant shall be entitled to insure the Leased Premises, and the Tenant's business operations therein, under the Tenant's blanket insurance policy which the Tenant maintains for the group of restaurants operated by the Tenant including the deductible amounts and amounts of

coverages as therein contained, provided that this Section 10.02 shall not have any effect upon the obligations of the Tenant to maintain or repair the Leased Premises or to be responsible for any property owned by the Tenant under this lease.

10.03 All the foregoing policies shall be kept in good standing and in full force and effect at all times throughout the Term, shall be reviewed annually by the Tenant to ensure that they are up to date, and shall be in a form and with insurers acceptable to the Landlord. All the foregoing policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, and others for whom they may be responsible at law, whether or not any loss is caused by the act, omission or negligence of such persons. The Tenant shall obtain undertakings to the Landlord from its respective insurers that none of the foregoing policies shall be cancelled or allowed to lapse or materially changed, as against the Landlord or its mortgagees until at least thirty days written notice has been given to the Landlord and its mortgagees to that effect. The Tenant shall provide the Landlord with a certificate of such insurance coverages, issued by its insurer, in the insurer's form, as evidence of compliance with its obligations to insure under this Lease, and the Tenant shall, within a reasonable period of time after written request by the Landlord, provide either the original or certified copies of the Tenant's insurance policies to the Landlord.

10.04 If the Tenant fails to take out any of the foregoing insurance, or permits any such insurance to lapse, or fails to put such insurance in good standing promptly after the Landlord or its mortgagees have received notice of an intended cancellation or lapse and have notified the Tenant thereof, the Landlord or its mortgagees may (but shall have no obligation to) place such insurance on the Tenant's behalf and the premiums payable for such insurance shall be payable by the Tenant to the Landlord or its mortgagees forthwith.

#### ARTICLE 11 - LANDLORD'S INSURANCE

11.01 The Landlord shall throughout the Term hereof keep in full force and effect the following insurance (collectively the "Landlord's Insurance"):

- (a) "all risks" rent and rental value insurance in an amount sufficient to replace all Minimum Rent and additional rent payable under the provisions of this Lease for an indemnity period of one year or such other period as the Landlord may determine;
- (b) such insurance as may be available to it at reasonable cost under a standard extended form of fire insurance policy but excluding foundations and excavations and any property that the Tenant is obliged to insure and with such reasonable deductions and exclusions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Building.

11.02 The Tenant covenants with the Landlord to pay to the Landlord as additional rent the costs to the Landlord of the Landlord's Insurance within thirty (30) days following written demand therefor by the Landlord.

11.03 The amount of any bill or account for Landlord's Insurance shall be apportioned between the Landlord and the Tenant where the Tenant is not in possession of the Leased Premises for the whole of the period covered by the amount of such bill or account.

11.04 The Tenant shall not be an insured under the policies with respect to the Landlord's Insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

11.05 If the occupancy of the Leased Premises, the conduct of business in the Leased Premises, or any acts or omissions of the Tenant in the Building or any part thereof, causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Building, the Tenant shall pay any such increase in premiums, as additional rent, forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Leased Premises, a schedule issued by the organization computing the insurance rate on the Building showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor

thereof) or of any insurer now or hereafter in effect, pertaining to or affecting the Leased Premises.

11.06 If any insurance policy upon the Building or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled, or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Leased Premises or any part thereof by the Tenant or by any assignee or subtenant of the Tenant, or by anyone permitted by the Tenant to be upon the Leased Premises, and if the Tenant fails to remedy the conditions giving rise to the cancellation, threatened cancellation or reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord, the Landlord may (but shall have no obligation to), at its option, either: (a) re-enter and take possession of the Leased Premises forthwith by leaving upon the Leased Premises a notice in writing of its intention so to do and thereupon the Landlord shall have the same rights and remedies as contained in Article 22 hereof; or (b) enter upon the Leased Premises and remedy the conditions giving rise to such cancellation, threatened cancellation or reduction, and the Tenant shall forthwith pay the cost thereof to the Landlord, which cost may be collected by the Landlord as additional rent and the Landlord shall not be liable for any damage or injury caused to any property of the Tenant or of others located on the Leased Premises as a result of such entry. The Tenant agrees that any such entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

#### ARTICLE 12 - DAMAGE AND DESTRUCTION

12.01 If the Leased Premises or any portion thereof are damaged or destroyed by fire or by other casualty against which the Landlord is insured, rent for such Leased Premises shall abate in proportion to the area of that portion of the Leased Premises which, in the reasonable opinion of the Landlord, is thereby rendered unfit for the purposes of the Tenant until the Leased Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Leased Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance under Section 10.01 hereof (regardless of the application of Section 10.02 hereof) or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may occupy the Leased Premises.

12.02 Notwithstanding section 12.01, if the Leased Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the reasonable opinion of the Landlord, be rebuilt within 180 days of the damage or destruction, the Landlord instead of rebuilding the Leased Premises may terminate this Lease in respect of such Leased Premises by giving to the Tenant within 30 days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Leased Premises to the Landlord.

12.03 Notwithstanding sections 12.01 and 12.02, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Building or the Leased Premises, or in the event that any mortgagee is entitled to, and does, require that any insurance proceeds be applied against mortgage debt, the Landlord may terminate this Lease in respect of such Leased Premises on written notice to the Tenant.

#### ARTICLE 13 - EXPROPRIATION

13.01 If during the Term the whole of any Leased Premises shall be expropriated or such portion of any Leased Premises as renders the remainder unsuitable or impracticable for the purposes intended in this Lease shall be expropriated, upon possession being required all rentals shall be paid up to that date and both the Landlord and the Tenant will have their separate and distinct claims against the expropriating authority in such manner as may be provided in law, and neither shall have a claim against the other for the termination of the Lease or the shortening of the Term of the Lease.

13.02 In the event of any expropriation of part of any Leased Premises that does not render the remainder unsuitable or impracticable for the purposes intended in this Lease there shall be no abatement of rent or other charges under this Lease and both the Landlord and the Tenant will

have their separate and distinct claims against the expropriating authority in such manner as may be provided in law, and neither shall have a claim against the other of any type or kind.

#### ARTICLE 14 - INSPECTION OF PREMISES BY LANDLORD

14.01 The Landlord shall have the right to enter the Leased Premises at all reasonable times on reasonable notice to the Tenant for the purpose of:

- (a) making any repairs to the Leased Premises and performing any work therein that may be necessary by reason of the Tenant's default under the terms of this Lease continuing beyond any applicable grace periods;
- (b) exhibiting the Leased Premises (within three (3) months prior to the expiration of the Term of this Lease or any extension thereof) to prospective tenants and (at any time during the Term) to prospective purchasers and mortgagees; and
- (c) viewing the state of repair of the Leased Premises.

14.02 The Landlord shall have the right to enter the Leased Premises at any time in the event of an emergency.

#### ARTICLE 15 - LOSS OR DAMAGE, INDEMNITY

15.01 The Landlord, its contractors, agents and employees shall not be liable for any death, injury, or damage to or loss of property, of the Tenant, its employees, agents, or invitees occurring in or about the Leased Premises, unless such death, injury, damage or loss resulted from the negligence of the Landlord, its contractors, agents or employees or other persons for whom it may be responsible. All property of the Tenant within the Leased Premises shall be at the risk of the Tenant only.

15.02 The Tenant shall, during the Term, indemnify and save harmless the Landlord from any and all liabilities, damages, costs, claims, suits or actions incurred by it as a result of or arising out of:

- (a) any breach, violation or non-performance of any covenants, condition or agreement in this Lease set forth and contained, on the part of the Tenant to be fulfilled, kept and observed and performed;
- (b) any damage to property occasioned by the Tenant's use and occupation of the Leased Premises; and
- (c) any injury to person or persons, including death, resulting at any time therefrom occurring in or about the Leased Premises and/or on the sidewalks and laneways or streets adjacent to same, unless the same is caused by the negligence of the Landlord, its servants or agents or others for whom it is in law responsible.

#### ARTICLE 16 - LANDLORD MAY CURE TENANT'S DEFAULTS

16.01 If the Tenant shall default in the performance of any of the terms, covenants and conditions of this Lease, the Landlord, after fifteen (15) days' notice to the Tenant specifying such default, or without notice if, in the reasonable exercise of the Landlord's judgment, an emergency exists, may but shall not be obligated to perform the same for the account and at the expense of the Tenant and the amount of any payments made or expenses incurred by the Landlord for such purpose, shall become due and payable by the Tenant as additional rent with the next or any subsequent installment of rent which shall become due after such expenditure by the Landlord; but any such expenditure by the Landlord shall not be deemed to waive or relieve the Tenant's default or the right of the Landlord to take such action as may be permissible under the terms of this Lease in the event of such default. When no emergency exists, the provisions of this Article shall be inapplicable if, within fifteen (15) days after such notice by the Landlord, the Tenant shall have cured such default or shall have commenced and is diligently proceeding to cure same.

## ARTICLE 17 - CONSTRUCTION LIENS

17.01 If any construction or other liens or order for the payment of money shall be filed against the Leased Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant within thirty (30) days after notice to the Tenant of the filing thereof shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien, or orders, against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage as a result of such liens or orders.

17.02 Notwithstanding anything contained in this Lease, the Landlord and the Tenant agree that the Landlord has not, nor is it intended by any provisions of this Lease, waived the right to receive any notice required to be given the Landlord by any person doing work or supplying materials to the Tenant pursuant to the provisions of the *Construction Lien Act* (Ontario), or equivalent or similar legislation of any other province as may be applicable.

## ARTICLE 18 - WAIVERS, CUMULATIVE REMEDIES, ETC.

18.01 The specific remedies to which Landlord may resort under the provisions of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by the Tenant of any of the terms, covenants and conditions of this Lease. The failure of the Landlord to insist upon the strict performance of any of the terms, covenants and conditions of this Lease, or to exercise any right or remedy herein contained, shall not be construed as a waiver or relinquishment for the future of such terms, covenants and conditions. In addition to the other remedies in this Lease provided, the Landlord shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the terms, covenants and conditions of this Lease or to a decree, in any court having jurisdiction of the matter, compelling performance of any such terms, covenants and conditions.

## ARTICLE 19 - INVALIDITY OF PARTICULAR PROVISIONS

19.01 If any term or provision of this Lease or the application thereof to any person or circumstances or Leased Premises shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such terms or provision to persons or circumstances or Leased Premises other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

## ARTICLE 20 - ALTERATIONS AND ADDITIONS

20.01 The Tenant shall not make any repairs, alterations, replacements or improvements to the structure, any perimeter or bearing wall or alterations, replacements or improvements to the sprinkler system, or the heating, ventilating, air-conditioning, plumbing, electrical or mechanical equipment of the Leased Premises or Building without obtaining the Landlord's prior written approval, which approval may not be unreasonably or arbitrarily withheld, but may be given on such conditions as the Landlord reasonably imposes. With any such request, the Tenant shall submit to the Landlord details of the proposed work, including drawings and specifications prepared by qualified architects or engineers, if the Landlord shall so require, and conforming to good construction practice. The Tenant will pay the Landlord's reasonable out-of-pocket expenses for consulting services in connection with the Landlord's consideration of any request for approval under this section. Any such repairs, alterations, replacements or improvements shall comply with all applicable laws, by-laws, regulations, and orders enacted or made by any federal, provincial or municipal authority having jurisdiction, and the Landlord's fire insurance underwriters. The Tenant shall at its own expense obtain all requisite building and other permits.

20.02 The Tenant shall indemnify the Landlord and save it harmless from any costs, expenses, damages or increased insurance premiums which may result from the performance of any work (whether or not the Landlord's approval was required or obtained under section 20.01).

20.03 Provided the Tenant obtains all necessary permits and approvals from all authorities having jurisdiction, and provided the Tenant's signage does not conflict with the Landlord's signage criteria for the Building, the Tenant shall have the right to install and use at the Leased Premises such signage as is used and installed by the Tenant in its other retail locations in the Province in which

such Leased Premises are situate, and to use those trademarks, names, logos and other registrable marks as may from time to time be used by the Tenant in its business operations. The Tenant shall also have the right to install and use its standard illuminated menu board within the Leased Premises.

#### ARTICLE 21 - ASSIGNMENT AND SUBLETTING

21.01 The Tenant shall not assign, sublet, transfer, set over, mortgage, charge, hypothecate, create any security interest in, or part with possession of, all or any part of the Leased Premises or of this Lease (a "Transfer"), without the prior written consent of the Landlord in each instance, which consent may not be unreasonably withheld. With any request for consent, the Tenant shall submit information as to the financial background, financial status, and business history of the party who is to acquire an interest in this Lease or the Leased Premises (the "Transferee") and such other information as the Landlord may reasonably request in connection with such request for consent.

21.02 Any consent by the Landlord under this Article shall not constitute a waiver of the necessity for such consent on any subsequent occasion requiring consent, and shall not relieve the Tenant from any of its obligations to pay rent or perform the covenants contained in this Lease. Notwithstanding any Transfer, the Tenant shall not be relieved of liability by any subsequent amendment of the terms hereof between the Landlord and the assignee or any granting of time, renewals, extensions, indulgences, releases, discharges or other arrangements with the assignee. If this Lease is disclaimed or terminated by any trustee in bankruptcy of any assignee of this Lease, the original tenant named in this Lease shall, if requested by the Landlord within thirty days of such disclaimer or termination, enter into a lease with the Landlord upon the same terms and conditions as contained herein except for the duration of term, which shall expire on the date this Lease would have expired save for such disclaimer or termination. Any assignment or other document effecting a transaction to which the Landlord's consent is required shall be in a form satisfactory to the Landlord. Any assignment or sublease shall at the Landlord's option be on the Landlord's form and shall in any event contain a covenant by the Transferee with the Landlord that it will observe and perform all of the Tenant's obligations contained in this Lease. Any such document shall be reviewed by the Landlord or its solicitors or prepared by them at the expense of the Tenant.

21.03 The Landlord's consent to any Transfer shall be subject to the condition that if the minimum rent, and additional rent to be paid by the Transferee under such Transfer exceeds the Minimum Rent and additional rent payable under this Lease, the amount of any excess shall be paid by the Tenant to the Landlord. If the Tenant receives from any Transferee, either directly or indirectly, any consideration other than rent and additional rent for such Transfer, either in the form of cash, goods or services (other than the proceeds of any bona fide financing as the result of a Transfer involving a mortgage, charge or similar security interest in this Lease) the Tenant shall forthwith pay to the Landlord an amount equivalent to such consideration. The Tenant and the Transferee shall execute any agreement required to give effect to the foregoing term.

#### ARTICLE 22 - DEFAULT AND REMEDIES

22.01 If any of the following shall occur:

- (a) if the Tenant shall fail to pay any rent or other sums due hereunder when due, and if such rent or other sums are not paid within five days after notice is given by the Landlord of such non-payment;
- (b) if the Tenant does not observe, perform and keep each and every of the covenants, provisions, stipulations, conditions, rules and regulations and other terms herein contained to be observed, performed and kept by the Tenant, and, where the breach can be rectified, such non-observance or non-performance shall continue for fifteen days after notice is given by the Landlord requiring that the Tenant rectify the breach, except where rectifying the breach would reasonably require more than fifteen days and the Tenant has commenced rectification in good faith within the fifteen day period and thereafter promptly, diligently and continuously proceeds with rectification of the breach;
- (c) if the Tenant shall abandon the Leased Premises, or make a bulk sale of its goods or sell the business conducted at the Leased Premises, or move, or commence,

attempt or threaten to move any of its goods, chattels and equipment out of the Leased Premises (other than in the ordinary course of its business);

- (d) if a writ of execution shall issue against the Tenant, or if the Term hereby granted or any of the goods, chattels or equipment of the Tenant shall be taken in execution or attachment or be seized by any creditor of the Tenant, whether secured or otherwise;
- (e) if the Tenant shall become insolvent or commit an act of bankruptcy or become bankrupt or take the benefit of any Act that may be in force for bankrupt or insolvent debtors, or become involved in voluntary or involuntary winding up proceedings, or if a receiver shall be appointed by the Court or by any creditor for the business, property, affairs or revenues of the Tenant;

then, and in every such case, the Landlord may, in addition to any other rights or remedies it may have under other provisions of this Lease or by law, at its option exercise all or any of the following remedies:

- (i) The Landlord may perform any obligation which the Tenant should have performed or cause the same to be performed and for such purpose may enter upon the Leased Premises and do such things thereon as the Landlord may consider requisite without effecting a termination of this Lease;
- (ii) The Landlord may enter the Leased Premises and distrain upon the goods and chattels of the Tenant, or may remove and sell the goods, chattels and equipment of the Tenant without any notice or form of legal process, any rule of law to the contrary notwithstanding, and the Landlord may seize and sell the goods and chattels and the equipment, whether they are within the Leased Premises or at any place to which the Tenant or any other person may have removed them in the same manner as if they had remained and been distrained upon in the Leased Premises, and the Landlord may follow the goods and chattels for the maximum period permitted by law, and any sale by the Landlord may, in its sole discretion, be effected by public auction or private contract and either in bulk or by individual items, or partly by one means and partly by the other.
- (iii) The Landlord may remove the goods, chattels, equipment and fixtures of the Tenant from the Leased Premises and store them in a public warehouse or elsewhere at the cost of and for the account of the Tenant.
- (iv) In order to relet, the Landlord may take possession of the Leased Premises as agent of the Tenant and effect such alterations and repairs as it may deem necessary or advisable for the purpose of such reletting, and it may relet the Leased Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term) and at such rental or rentals and upon such other terms and conditions as the Landlord, in its sole discretion, may deem advisable. Upon such reletting, all rentals received by the Landlord from such reletting shall be applied, first to the payment of the Landlord's costs and expenses of such reletting and costs of such alterations and repairs; second to the payment of any indebtedness other than rent due from the Tenant to the Landlord; third to the payment of arrears of rent and other sums owing hereunder; fourth to the payment of rent and other sums owing hereunder as such fall due; and the residue, if any, shall be held by the Landlord without interest until the end of the Term and applied from time to time in payment of rent and other sums owing hereunder as the same may become due and payable, and any residue remaining at the end of the Term shall be held for the Tenant. No such reletting, nor the receipt of any such rentals from any new tenant, nor the creation of the relation of landlord and tenant between the Landlord and any party to whom the Leased Premises may have been relet, shall have the effect of exonerating the Tenant from its obligations to pay rent hereunder as it falls due or of in any way terminating this Lease.
- (v) The Landlord may terminate this Lease by commencing an action for possession or for termination of the Lease or by notice to the Tenant. Such termination may be effected either at or after the time of the breach or at any later time and

notwithstanding that the Landlord may have exercised any of its other remedies including that set out under subsection (iv) hereof. In the event that the Landlord or anyone claiming under it or to whom it has rented the Leased Premises is in possession under the provisions of subsection (iv) hereof, the Landlord may at any time terminate this Lease by notice to the Tenant and thereafter any then existing or later lease of the Leased Premises shall be for the account of the Landlord notwithstanding that such lease may originally have been entered into as agent for the Tenant. If the Landlord enters the Leased Premises without notice to the Tenant as to whether it is terminating this Lease under subsection (v) or proceeding under subsection (i) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under subsection (i) and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant.

- (vi) The Landlord shall be entitled to damages from the Tenant for breach of this Lease.
- (vii) At the option of the Landlord, in the case of the events stated in (d) or (e) above occurring, the full amount of the current month's rent and the next ensuing three months' rent shall accelerate and shall immediately become due and payable.
- (viii) On any termination for default, all fixtures, Tenant's improvements or other installations in the Leased Premises, which in law are fixtures or a part of the realty or are attached, affixed to or incorporated into or with the immovable properties situated in or upon the Building or the Leased Premises, and which are not the property of the Landlord, shall at the Landlord's option forthwith become the property of the Landlord, and whether or not such fixtures are in the nature of Tenant's trade fixtures, and whether or not they would be removable by the Tenant at the expiry of the Term if there had been no default.

22.02 Each of the Landlord and the Tenant acknowledge and agree that, in accordance with the intention contemplated by Section 29.01 hereof that the terms of this Lease be interpreted as if they apply to each of the Leased Premises individually, a default under this Lease in respect of any one of the Leased Premises leased hereunder shall not constitute a default in respect of any other of the Leased Premises leased hereunder, and the Landlord's remedies exercisable in the event of any such default shall be exercisable only in respect of the Leased Premises to which such default relates. So long as the Tenant is KIT Limited Partnership and the use of the Leased Premises remains unchanged from the Commencement Date, notwithstanding anything contained in this Lease, the Tenant shall not be obligated to conduct its business operations on the Leased Premises continuously or in a continuous and uninterrupted manner. In the event that the Tenant elects not to operate its business on the Leased Premises, it is acknowledged and agreed that the Tenant shall still be bound by all of the other applicable terms and covenants of this Lease, save and except that there shall be no default under this Lease as a result of the Tenant's cessation of business operations on the Leased Premises.

22.03 Whenever the Landlord takes any proceedings, sends any notices, does any work, or otherwise incurs any expense or trouble or takes any action with respect to any default by the Tenant, and whether or not legal proceedings are begun or considered in consequence of such default, and whether or not this Lease is terminated, the Landlord shall be entitled to be paid by the Tenant forthwith on demand in addition to any other amounts which may be payable or owing hereunder, all of the following:

- (a) the cost of effecting any repairs or performing any obligation of the Tenant, together with an allowance of fifteen per cent (15%) for the Landlord's overhead and supervision;
- (b) the Landlord's costs and expenses in preparing the Leased Premises for reletting in such manner as in its sole discretion it deems necessary or advisable, together with an allowance of fifteen per cent (15%) for the Landlord's overhead and supervision;



- (c) the Landlord's Court costs, collection costs, and legal fees on a substantial indemnity basis and all judicial and extra-judicial fees of advocates and notaries;
- (d) interest on rent or any other amounts overdue under the terms of this Lease and on any monies expended by the Landlord in consequence of any default by the Tenant at the rate of eighteen per cent (18%) per annum;
- (e) a charge of fifty dollars (\$50.00) for each cheque of the Tenant which is returned to the Landlord because of insufficient funds in the Tenant's account;
- (f) any other costs, charges or expenses, which the Landlord incurs or to which it is put, and which would not have been necessary at the time at which they were incurred but for the default of the Tenant.

22.04 Notwithstanding anything contained in any statute at the present time or in the future in force, the Tenant hereby agrees with the Landlord that none of the Tenant's goods or chattels on the Leased Premises at any time during the Term shall be exempt from levy by distress for rent and other costs and charges payable hereunder in arrears, and that the Landlord may follow the Tenant's goods or chattels without limitation of time, and that on any termination of the Lease by the Landlord under the terms hereof, the Tenant shall have no right of redemption or relief from forfeiture, and that the Landlord may enter or take possession of the Leased Premises without judicial order, a writ of possession or any other legal process, and without notice to the Tenant except as provided under this Lease. The Tenant hereby waives all and every benefit that could or might have accrued to the Tenant, but for this section, by virtue of any present or future statute dealing with the matters set out in this section. The Tenant agrees that upon any claim being made for an exemption from levy by distress, or for a right of redemption or relief from forfeiture, or that the Landlord must proceed by judicial process to obtain possession, or with respect to any of the other rights dealt with herein, this section of this Lease may be pleaded as an estoppel against the Tenant in any action brought in which the rights of the Landlord to take the steps set out in this section are in question.

#### ARTICLE 23 - FINANCING AND ASSIGNMENT BY LANDLORD

23.01 Within ten days after written request therefor by the Landlord, the Tenant shall deliver, in a form supplied by the Landlord, a certificate and acknowledgement to any proposed mortgagee or purchaser, or the Landlord, certifying (if such be the case) that this Lease is in full force and effect (or if there have been amendments, that the Lease is in full force and effect as amended and identifying the amending agreements), the commencement date and Term of the Lease, the dates to which rent and other charges have been paid and whether the Tenant has made any prepayments thereof, whether there is any existing default by the Landlord or the Tenant or any set-offs or claims by the one against the other, whether there is any work remaining to be done by the Landlord within or to the Leased Premises, and such other matters as the Landlord may reasonably request, and shall provide, promptly upon availability and in any event within 120 days after the end of each fiscal year of the Tenant, a copy of its financial statements prepared by a chartered accountant in accordance with GAAP and, the financial statements shall be audited by an independent firm of chartered accountants. The Tenant shall, on the request of the Landlord, acknowledge in writing receipt of any notice of assignment of this Lease by the Landlord.

23.02 This Lease and all the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all mortgages, trust deeds, charges, liens or other security instruments or rights granted or placed on the Lands and Building or any part thereof by the Landlord. Upon request of the Landlord from time to time, the Tenant shall within ten days of such request execute such documents or assurances in such form as the Landlord or its lenders may require to subordinate this Lease to such security and all advances made or to be made upon the security thereof, and if requested, attorning to the holder thereof provided that the said lender first enters into a non-disturbance agreement with the Tenant in form and substance satisfactory to the Tenant acting reasonably.

23.03 In the event of a sale or lease by the Landlord of some or all of the Leased Premises, or the assignment by the Landlord of this Lease, as it relates to some or all of the Leased Premises, and to the extent that any purchaser, lessee or assignee of the Landlord has, by an instrument entered into with the Landlord, assumed the covenants and obligations of the Landlord

hereunder, the Landlord shall without further written agreement or instrument and without notice to the Tenant be freed and released from liability upon such covenants and obligations.

ARTICLE 24 - LIMITATION OF LIABILITY

24.01 If the Landlord or any assignee of the beneficial rights of the Landlord is ever a real estate investment trust (a "REIT") or other type of trust or fund (a "Fund"), then the Tenant acknowledges and confirms that the obligations of the Landlord hereunder are not and will not be binding on a trustee of the REIT or Fund, any registered or beneficial holder of one or more units of the REIT or Fund ("Unitholder") or any annuitant under a plan of which such a Unitholder acts as trustee or carrier, or any officers, employees or agents of the REIT or Fund and that resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing or the private property of any of the foregoing and for clarity, the Tenant's recourse, if any, in respect of the obligations of the REIT or Fund shall be limited to the REIT's or Fund's interest in the Leased Premises.

ARTICLE 25 - NOTICE

25.01 Any notice to be given by the provisions of this Lease shall be sufficiently given if served personally or if mailed postage prepaid at any Post Office in Canada in a registered letter:

(a) if to the Landlord, addressed to: Yum! Brands Canada Management LP  
10 Carlson Court, Ste. 400  
Etobicoke, Ontario M9W 6L2

Attention: David Carr

Telephone: (416) 674-0367  
Facsimile: (416) 674-2697

with a copy to:

Stikeman Elliott LLP  
199 Bay Street  
5300 Commerce Court West  
Toronto, Ontario M5L 1B9

Attention: Deo Rajpal

Telephone: (416) 869-5576  
Facsimile: (416) 947-0866

(b) if to the Tenant, addressed to: KIT Limited Partnership  
101 Exchange Avenue  
Vaughan, Ontario L4K 5R6

Attention: Peter Walkey

Telephone: (416) 739-2900  
Facsimile: (416) 361-6018

with a copy to:

Prizm Brandz LP  
101 Exchange Avenue  
Vaughan, Ontario  
L4K 5R6

Attention: Legal Department

Telephone: (416) 739-2952  
Facsimile: (416) 650-9751

or to such other address as the party concerned shall have notified the other in writing. Any notice so mailed shall be held conclusively to have been given 72 hours after such mailing provided however that if at the time of such mailing a mail strike is in progress which affects the delivery of such notice, such notice shall not be deemed to have been received until it is actually received. Either party may from time to time by notice to the other change the address to which notices are to be given.

#### ARTICLE 26 - SURRENDER OF PREMISES - OWNERSHIP OF IMPROVEMENTS

26.01 The Tenant, upon expiration of the Term or earlier termination of this Lease, shall peaceably and quietly surrender the Leased Premises and any improvements thereon in accordance with this Article 26 and in good order, repair and condition.

26.02 The Tenant shall on any surrender of possession of the Leased Premises have the right (but not the obligation) to remove such of its trade fixtures, other fixtures, leasehold improvements and equipment which are incorporated into, affixed or attached to and which have become a part of the Lands and Building, including such trade fixtures and leasehold improvements which identify the Leased Premises as any particular outlet, and in effecting such removal, shall do no damage to the Leased Premises or any parts of the Lands and Building. Any leasehold improvements, equipment and fixtures which are not removed by the Tenant shall on surrender of possession by the Tenant become the sole and exclusive property of the Landlord without payment to the Tenant. For greater certainty, the Landlord acknowledges that the Tenant shall not be required to remove the interior partitions, drywall, storefront and bulkhead from the Leased Premises.

26.03 When not in default at the expiration of the Term, or at any time during the term if not in default and in the ordinary course of business, the Tenant may remove the Tenant's trade fixtures, inventory and trade articles provided the Tenant makes good any damage in so doing.

#### ARTICLE 27 - QUIET ENJOYMENT

27.01 The Landlord covenants with the Tenant that if the Tenant pays the rents hereby reserved and performs its covenants and obligations herein contained, the Tenant may peaceably possess and enjoy the Leased Premises for the Term without interruption or disturbance from the Landlord or any other person lawfully claiming by from or under it.

#### ARTICLE 28 - CONDITION OF PREMISES

28.01 The Tenant acknowledges and agrees that it is leasing the Leased Premises on an "as is where is" basis and that there are no representations or warranties with respect to the Leased Premises.

#### ARTICLE 29 - MISCELLANEOUS

29.01 The parties acknowledge and agree that this is a lease of seventy-six (76) separate properties each with their own municipal address, legal description, and rent. Where applicable, the terms of this Lease shall be interpreted as if they apply to each separate property individually.

29.02 If the Tenant shall remain in occupation of the Leased Premises after the expiry of the Term hereby granted and any renewal thereof hereby granted, with or without the consent of the Landlord and without any further written agreement, the Tenant shall be a monthly tenant at a monthly rental herein reserved and otherwise on the terms and conditions herein set forth, except as to the length of tenancy.

29.03 All waivers made by the Landlord shall be in writing and no waiver by the Landlord of any default made by the Tenant under this Lease shall be construed as a waiver of any other default which has been made or which may thereafter be made by the Tenant unless so specified in writing. No surrender of this Lease by the Tenant shall be valid unless accepted in writing by the Landlord.

29.04 This Lease contains the entire agreement between the parties relating to the Leased Premises and shall not be modified in any manner except by an instrument in writing executed by the parties and this Lease shall supercede and replace any and all prior leases, agreements to lease, negotiations and discussions between the parties with respect to the Leased Premises.

29.05 The captions herein are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

29.06 This Lease is conditional upon (i) in respect of any Leased Premises situate within Ontario, compliance with the subdivision control provisions of the Planning Act (Ontario), and (ii) in respect of any Leased Premises situate in a province other than Ontario, compliance with legislation of such province equivalent to or similar in nature to the subdivision control provisions of the *Planning Act* (Ontario). The Landlord covenants and agrees to apply and proceed diligently at its expense to obtain any consent, necessary for such compliance, and to comply with any conditions to such consents.

29.07 The covenants, agreements, terms, provisions and conditions of this Lease shall be binding upon and enure to the benefit of the Landlord and its successors and assigns and to the Tenant and its successors and permitted assigns.

29.08 The Tenant shall not register this Lease in full against the title to the Lands. The Tenant may register the minimum notice or memorial of lease required to give notice of its interest under the applicable registration statute with the written consent of the Landlord, such consent not to be unreasonably withheld.

29.09 Without limiting the generality of anything else herein contained, the parties agree that upon expiration of the Term, or any earlier termination of this Lease, the Tenant's right of possession shall cease and terminate, but the obligations of the parties with respect to any item of rent or covenants not performed at the date of such expiration, any indemnification, or any other obligations which, by their nature are not completely performed prior to such expiration, shall remain in full force and effect until satisfied. It is agreed, however, that in no event shall the Tenant have any interest in or right to possession of the Leased Premises or any part of the Lands or Building after the expiration of the Term or any renewal thereof, or any such earlier termination of this Lease.

29.10 Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that no provision contained herein, nor any acts of the parties hereunder shall be deemed to create any relationship other than the relationship of landlord and tenant.

29.11 Each of the Landlord and Tenant has full authority to enter into this Lease and to perform its obligations hereunder.

29.12 In respect of each Leased Premises leased hereby, except as otherwise specifically provided herein, this Lease will be governed by and construed in accordance with the laws of the Province in which such Leased Premises are located.

29.13 The parties hereto agree that the terms and language of this Lease are the result of negotiations between the parties and, as a result, there will be no presumption that any ambiguity in this Lease will be resolved against any party.

#### ARTICLE 30 - NET LEASE

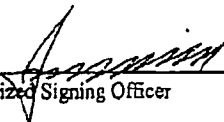
30.01 The parties acknowledge and agree that it is intended that this Lease be a completely net net net and carefree lease to the Landlord, and that except as otherwise specifically provided herein, the Landlord is not responsible during the Term for any costs, charges, expenses or outlays of any nature arising from or relating to the Leased Premises or the ownership use or occupancy thereof, and the Tenant shall pay all such costs charges, expenses and outlays.

30.02 The parties acknowledge that nothing in this Lease has the effect of making the Tenant responsible for the Landlord's debt service costs (principal and interest) or the Landlord's income taxes, capital taxes, business transfer taxes or other taxes personal to the Landlord.

IN WITNESS WHEREOF each of the parties hereto have duly executed this Lease.

YUMI BRANDS CANADA  
MANAGEMENT LP,  
by its general partner YUMI BRANDS  
CANADA MANAGEMENT HOLDING,  
INC.

By:

  
Authorized Signing Officer

KIT LIMITED PARTNERSHIP,  
by its general partner KIT INC.

By:

  
Authorized Signing Officer

## SCHEDULE "A"

## Master Lease Non-Quebec Properties

Store No.	Municipal Address	City	Prov.
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43	1365	5663 HIGHWAY 17	WINDSOR	ON
44	1375	301 DUNDAS STREET WEST	WHITBY	ON
45	1401	1687 MONTREAL ROAD	OTTAWA	ON
46	1410	21 MAIN STREET EAST	SMITHS FALLS	ON
47	1411	41 DUFFERIN STREET	PERTH	ON
48	1413	70 RAGLAN STREET NORTH	RENFREW	ON
49	1414	145 MADAWASKA BLVD	ANAPRIOR	ON
50	1415	45 MUNRO STREET	CARLETON PLACE	ON
51	1425	307 CANNON STREET E.	HAMILTON	ON
52	1426	718 MAIN STREET E.	HAMILTON	ON
53	1427	45 PARKDALE AVE. N.	HAMILTON	ON
54	1428	1222 BARTON STREET E.	HAMILTON	ON
55	1428	631 KING STREET W.	HAMILTON	ON
56	1447	1787 HURON CHURCH RD	WINDSOR	ON
57	1448	1916 WYANDOTTE ST. W.	WINDSOR	ON
58	1449	1485 ERIE STREET E.	WINDSOR	ON

59	1450	4320 TECUMSEH RD E.	WINDSOR	ON
60	1509	788 CHEMONG ROAD	PETERBOROUGH	ON
61	1507	738 LANSDOWNE STREET	PETERBOROUGH	ON
62	1515	90 MAIN STREET	PICTON	ON
63	1522	80 TALBOT STREET WEST	AYLMER	ON
64	1525	134 TALBOT ST. W.	LEAMINGTON	ON
65	1526	198 TALBOT STREET	BLenheim	ON
66	1528	346 ST. CLAIR STREET	CHATHAM	ON
67	1531	325 TALBOT STREET NORTH	ESSEX	ON
68	1533	1341 MARTINDALE ROAD	SUDBURY	ON
69	1535	405 COTE AVENUE	CHELMSFORD	ON
70	1538	1658 MAIN STREET WEST	VAL CARON	ON
71	1541	161 TRUNK ROAD	SAULT STE MARIE	ON
72	1548	80 HARTZELL ROAD	ST. CATHARINES	ON
73	1550	190 PELHAM ROAD	ST. CATHARINES	ON
74	1552	3587 PORTAGE ROAD	NIAGARA FALLS	ON
75	1553	311 MAIN STREET	DUNNVILLE	ON
76	1559	28 DUMFRIES STREET	PARIS	ON

SCHEDULE "B"

See Attached.



43	1355	5963 HIGHWAY #7	MARRHAM	ON	40,044.00	4,002.07	50,429.27	4,402.11	52,890.33	4,912.41
44	1376	301 DUNDAS STREET WEST	WARTBY	ON	40,442.71	3,370.23	42,464.85	3,538.74	44,998.09	3,715.67
45	1401	1887 MONTREAL ROAD	OTTAWA	ON	43,314.31	3,696.63	45,480.02	3,790.00	47,754.03	3,979.60
46	1410	21 MAIN STREET EAST	SMITHS FALLS	ON	32,123.10	2,876.03	33,729.26	2,810.77	35,415.72	2,951.31
47	1411	41 DUFFERIN STREET	PERTH	ON	38,078.86	3,173.33	38,883.96	3,332.00	41,983.18	3,488.00
48	1413	70 BAGLAN STREET NORTH	RENRREW	ON	31,743.72	2,645.31	33,330.90	2,777.58	34,997.45	2,918.45
49	1414	146 MADONASKA BLVD	ARRRROW	ON	30,067.72	2,695.94	31,571.11	2,850.83	33,149.06	2,782.47
50	1415	45 MUNRO STREET	CARLETON PLACE	ON	32,752.58	2,729.38	34,390.21	2,865.86	36,109.72	3,000.14
51	1425	307 CANNON STREET E.	HAMILTON	ON	43,686.00	3,652.17	45,785.30	3,813.77	48,053.96	4,004.48
52	1428	718 MAIN STREET E.	HAMILTON	ON	45,148.50	3,782.48	47,408.98	3,950.58	49,777.32	4,148.11
53	1427	45 PARKDALE AVE. N.	HAMILTON	ON	38,208.85	3,287.39	41,189.08	3,430.76	43,227.54	3,602.59
54	1428	1222 BARTON STREET E.	HAMILTON	ON	46,182.20	3,948.89	49,470.41	4,039.20	50,893.83	4,241.18
55	1429	631 KING STREET W.	HAMILTON	ON	59,818.42	4,988.28	62,600.39	5,218.70	65,730.41	5,477.83
56	1447	1787 HURON CHURCH RD	WINDSOR	ON	46,394.63	3,888.22	48,714.36	4,059.53	51,160.08	4,282.61
57	1448	1918 WYANDOTTE ST. W.	WINDSOR	ON	41,388.43	3,447.45	43,437.81	3,619.83	45,009.80	3,800.82
58	1440	1408 ERIE STREET E.	WINDSOR	ON	49,302.12	4,108.51	51,787.23	4,313.94	54,355.59	4,529.63
59	1450	4320 TECUMSEH RD E.	WINDSOR	ON	56,397.18	4,698.77	58,217.04	4,934.75	62,177.00	5,181.48
60	1508	786 CHEMONG ROAD	PETERBOROUGH	ON	74,375.55	6,107.98	78,094.33	6,507.88	81,988.04	6,833.25
61	1507	738 LANSOWNE STREET	PETERBOROUGH	ON	70,115.43	5,844.82	73,642.20	6,136.85	77,324.31	6,443.68
62	1516	80 MAIN STREET	PICTON	ON	40,228.89	3,382.22	42,288.02	3,519.84	44,349.82	3,895.83
63	1522	80 TALBOT STREET WEST	ATLWNER	ON	40,810.96	3,400.81	42,851.52	3,570.86	44,894.10	3,749.51
64	1525	134 TALBOT ST. W.	LEAMINGTON	ON	59,378.88	4,898.07	59,195.73	4,832.98	62,165.51	5,170.63
65	1528	195 TALBOT STREET	BLENHHEIM	ON	33,441.14	2,788.76	35,113.10	2,828.10	36,869.85	3,072.40
66	1531	325 TALBOT STREET NORTH	ESSEX	ON	45,021.43	3,751.70	47,272.60	3,950.37	49,636.12	4,136.34
67	1531	348 ST. CLAIR STREET	CHAATHAM	ON	48,003.88	4,003.88	48,304.07	4,025.34	50,719.28	4,226.81
68	1533	1341 MARTINDALE ROAD	SUDBURY	ON	46,098.28	3,841.27	48,400.05	4,033.34	50,820.05	4,235.00
69	1539	405 COTE AVENUE	CHELMSFORD	ON	31,897.24	2,840.80	33,271.60	2,772.83	34,835.18	2,911.27
70	1539	1659 MAIN STREET WEST	VAL CARCON	ON	32,065.29	2,691.11	33,655.85	2,804.86	35,338.76	2,944.80
71	1541	161 TRUNK ROAD	SAULT STE MARIE	ON	41,664.46	3,472.04	43,747.66	3,845.84	45,935.07	3,872.82
72	1548	60 HARTZELL ROAD	ST. CATHARINES	ON	41,106.23	3,423.58	43,181.54	3,589.79	45,319.82	3,778.63
73	1560	180 PELHAM ROAD	ST. CATHARINES	ON	24,329.72	2,027.42	25,546.20	2,129.85	26,823.51	2,235.20
74	1562	3567 PORTAGE ROAD	NIAGARA FALLS	ON	34,847.38	2,887.28	36,379.75	3,031.85	38,198.74	3,183.23

4744034

76 1553 311 MAIN STREET  
76 1558 28 DUMFRIES STREET

DUNNVILLE  
PARIS

ON  
ON

34,656.87  
31,075.94

2,888.07  
2,589.66

36,389.71  
32,629.73

3,032.48  
2,719.14

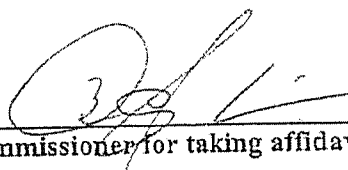
38,209.19  
34,281.22

3,184.10  
2,895.10

4744034

# **EXHIBIT "E"**

THIS IS EXHIBIT "E" REFERRED TO IN THE  
AFFIDAVIT OF DEBORAH PAPERICK SWORN  
THE 24<sup>th</sup> DAY OF MAY, 2011

A handwritten signature in black ink, appearing to be 'D. J. ...', written over a horizontal line.

A Commissioner for taking affidavits, etc.

DL Sheet Number	Block	Block Address	Block City	Block Province	Block State	Block Code	Block Name	Block Address	Block Date	Block Area
120	120	6177 WESSINGTON ROAD	MISSISSAUGA	ON	L6R 1K2	66789	CHRYSLER LIMITED	100 Dundas Street West, Toronto, Ontario M5G 1R1	Dec 31, 2017	30
121	121	206 DUNDAS STREET WEST	MISSISSAUGA	ON	L6R 1K2	66789	CHRYSLER LIMITED	100 Dundas Street West, Toronto, Ontario M5G 1R1	Dec 31, 2017	30
122	122	5323 DUNDAS STREET WEST	LONDON	ON	N6A 3A3	60834	AVON INC	1811 Dundas Street West, London, Ontario N6A 3A3	Apr 24, 2017	30
123	123	6-4211 100 100	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
124	124	2-1111 LAMARQUE RD	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
125	125	1400 WESSINGTON ROAD	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
126	126	477 WESSINGTON ROAD	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
127	127	1100 WESSINGTON AVE	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
128	128	400 DUNDAS STREET WEST	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
129	129	600 DUNDAS STREET WEST	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
130	130	1100 WESSINGTON AVE E.	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
131	131	1100 WESSINGTON AVE E.	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
132	132	1100 WESSINGTON AVE E.	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
133	133	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
134	134	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
135	135	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
136	136	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
137	137	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
138	138	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
139	139	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
140	140	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
141	141	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
142	142	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
143	143	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
144	144	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
145	145	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
146	146	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
147	147	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
148	148	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
149	149	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30
150	150	1100 WESSINGTON AVE W	MISSISSAUGA	ON	L4V 1V2	60834	9 P.V.A. 211 HOLDINGS LTD	100 Dundas Street West, Toronto, Ontario M5G 1R1	Apr 24, 2017	30

1448 JFC	1118 WYNDOLITE ST. W.	WYNDOLITE	Ontario	108 175	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 05, 2018	50
1449 JFC	1405 DINE STREET E.	WYNDOLITE	Ontario	104 441	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1450 JFC	780 CORKING ROAD	PETROBOROUGH	Ontario	104 542	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1451 JFC	80 LAWRENCE STREET	SCOTTIA	Ontario	106 710	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1452 JFC	240 ST. CLAIR STREET	SCOTTIA	Ontario	107 242	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1453 JFC	514 GERRARD ST.	WALLACEBURG	Ontario	104 223	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 27, 2018	50
1454 JFC	1200 LAUREL BLVD	SCOTTIA	Ontario	104 178	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1455 JFC	1241 MORTIMER E. ROAD	SCOTTIA	Ontario	105 477	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1456 JFC	401 COTE BLVA.	CHESHAM	Ontario	104 300	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1457 JFC	84 TRUNK ROAD	SOUTH STEWART	Ontario	102 142	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1458 JFC	60 HATFIELD ROAD	ET. CATHLAMET	Ontario	112 248	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1459 JFC	2941 VONTAGE ROAD	WAGAWAG TALE	Ontario	114 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1460 JFC	211 LAWN STREET	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1461 JFC	26 DUMFRIES STREET	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1462 JFC	2180 LANCOMAV	WAGAWAG TALE	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1463 JFC	705 E. BRIDGEMAN	WAGAWAG TALE	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1464 JFC	3140 DUNDAS ST.	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1465 JFC	228 YONGE STREET	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1466 JFC	46 ST. BOI STREET WEST	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1467 JFC	124 LAURET ST. W.	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1468 JFC	1811 LAURET ST. WEST	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1469 JFC	40 KING STREET WEST, BOX 528	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1470 JFC	1811 PENNY AVE. W.	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50
1471 JFC	1031 HURONTARIO	SCOTTIA	Ontario	104 224	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Nov 09, 2018	50

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

Court File No. CV-11-9159CL

AND IN THE MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF PRISZM  
INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC., AND KIT  
FINANCE INC, APPLICANTS

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

Proceeding Commenced at Toronto

**AFFIDAVIT OF DEBORAH PAPERICK  
(Sworn May 24, 2011)**

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Conflict Lawyers for the Applicants

**TAB "3"**



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.	)	MONDAY, THE 30 <sup>th</sup>
	)	
JUSTICE MORAWETZ	)	DAY OF MAY, 2011

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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM  
INC. AND KIT FINANCE INC.

Applicants

**ORDER AUTHORIZING ASSIGNMENT OF  
OUTSTANDING LEASES<sup>1</sup>**

**THIS MOTION**, made by Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Prizm LP, and Kit Finance Inc. (collectively, the “**Prizm Entities**”), for an order authorizing the assignment of all of the rights and obligations of the Prizm Entities under certain Outstanding Leases, pursuant to section 11.3 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and the inherent jurisdiction of this Court, was heard this day at 330 University Avenue, Toronto, Ontario.

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<sup>1</sup> Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Affidavit of Deborah Papernick, sworn May 20, 2011, in support of the within Motion.

**UPON READING** the Notice of Motion, the Affidavit of Deborah Papernick, sworn May 20, 2011 and the exhibits attached thereto, filed in support of the within Motion, the Affidavit of Aly Janmohamed, sworn May 20, 2011, the Initial Order Affidavit, the Sale Approval Affidavit, the [NUMBER] Report of the Monitor, dated [DATE], and on hearing the submissions of counsel for the Prizm Entities, the Monitor, the Purchaser, Prudential Investment Management, Inc., Yum! Restaurants International (Canada) Company, and certain landlords under the Outstanding Leases, and no one appearing for any other person on the service list, although duly served as appears from the affidavit of service, filed:

#### **SERVICE**

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

#### **APPROVAL OF ASSIGNMENT OF OUTSTANDING LEASES**

2. **THIS COURT ORDERS** that the Prizm Entities are authorized and directed, pursuant to section 11.3 of the CCAA and the inherent jurisdiction of this Court, to assign to the Purchaser all of the Prism Entities' rights and obligations in and under the Outstanding Leases listed hereto at Schedule "A", effective as of the Closing Date.

3. **THIS COURT ORDERS** that the assignment and transfer of the Outstanding Leases shall further be subject to the terms and conditions of this Court's Approval and Vesting

Order (Re Sale to Soul Restaurants Canada Inc.), dated May •, 2011, such Outstanding Leases being included within the definition of Purchased Assets thereunder.

4. **THIS COURT ORDERS** that the assignment of the Outstanding Leases is valid and binding upon all of the counterparties to the Outstanding Leases, notwithstanding any restriction or prohibition contained in any such Outstanding Lease, including, but not limited to, any provision requiring the consent of any party to the transfer or assignment of the Outstanding Lease or any fee or payment required to be paid in connection therewith, and further that no fee or payment (whether contemplated by the terms of the Outstanding Leases or otherwise) shall be required to be made by the Prizm Entities in connection with such assignment.

5. **THIS COURT ORDERS** that, from and after the date hereof, all counterparties under the Outstanding Leases shall be deemed to have waived any and all non-monetary defaults existing as of the date hereof under the Outstanding Leases, including, but not limited to, any default related to the insolvency of the Prizm Entities or the commencement of these CCAA proceedings, and such non-monetary defaults shall be deemed to have been rescinded and shall be of no further force or effect, including as against the Purchaser.

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**Schedule "A"**

**Outstanding Leases**

SL Store Number	Store Brand	Store Street Address	Store City	Store Province	Store Postal Code	Landlord Name	Landlord Address	Lease Expiry Date	Cure Amount
1391 KFC		6277 MISSISSAUGA ROAD	MISSISSAUGA	Ontario	L5N 1A7	562592 ONTARIO LIMITED	Attention: Tom Beaulieu 105 Baxton Drive 242 MAIN STREET EAST HAMILTON, ONTARIO	Dec 31, 2012	\$0
1431 KFC		706 QUEENSTON ROAD	HAMILTON	Ontario	L8G 1A2	706 QUEENSTON ROAD LIMITED C/O THE EFFORT TRUST COMPANY		Oct 31, 2015	\$0
1388 KFC-Taco Bell		5322 DUNDAS STREET WEST	TORONTO	Ontario	MBB 1B3	AVONI INC.	76 THE BRIDLE PATH, NORTH YORK, TORONTO ONTARIO M9B 2B1	Apr 30, 2021	\$0
1827 KFC		6-8751 NO. 1 RD.	RICHMOND	British Columbia	V7C 1V2	B.F.Y.A 219 HOLDINGS LTD	#600, 8711 AKROYD ROAD RICHMOND, BRITISH COLUMBIA V8X 3W6	Aug 31, 2013	\$0
1891 KFC		# 3 - 3151 LAKESHORE RD.	KELOWNA	British Columbia	V1Y1 S38	CALLAHAN CONSTRUCTION COMPANY LTD.	85 WELLSINGTON STREET WEST SUITE 300	Nov 30, 2013	\$0
6801 Taco Bell		3100 HOWARD AVENUE	WINDSOR	Ontario	N6X 3Y8	CAMBRIDGE SHOPPING CENTRES LIMITED	80 ACADIA AVENUE, UNIT #108 MARKHAM, ONTARIO	Aug 31, 2011	\$0
1360 KFC		1340 KINGSTON ROAD	PICKERING	Ontario	L1V 3M9	CHUNG & JAO HOLDINGS INC. C/O CONNUM MANAGEMENT INC.	223 COLONADE ROAD SOUTH, SUITE 100 59 WILKINSON STREET WEST	Oct 31, 2013	\$0
1409 KFC-Taco Bell		4027 INNES ROAD	GLOUCESTER	Ontario	K1C 1T1	CONTROLX CORPORATION C/O MER BLEUJE FLAZA INC.	91 WILKINSON STREET WEST SUITE 300	Jun 30, 2012	\$0
1919 KFC		3100 HOWARD AVE.	WINDSOR	Ontario	N8X 3Y8	DEVONSHIRE MALL LIMITED		Sep 30, 2012	\$0
1928 KFC		800 DUFFERIN STREET	TORONTO	Ontario	M8H 4V1	DUFFERIN MALL INC. C/O PRIMARIS MANAGEMENT INC.	217-800 DUFFERIN STREET TORONTO, ONTARIO M6H 4B1	Nov 30, 2014	\$0
6317 Taco Bell-Pizza Hut-KFC		900 DUFFERIN STREET	TORONTO	Ontario	M8H 4V1	DUFFERIN MALL INC. C/O PRIMARIS MANAGEMENT INC.	130 ADELAIDE STREET WEST, SUITE 100 TORONTO, ONTARIO M5H 9P5	Nov 30, 2011	\$0
1317 KFC		1760 LAWRENCE AVE. E.	SCARBOROUGH	Ontario	M1R 2Y1	EUCLD SECURITIES LIMITED, C/O THE BECKER MILK COMPANY LIMITED	383 EGLINTON AVE. EAST, 2ND FLOOR, TORONTO, ONTARIO	Jan 31, 2001	\$0
1827 KFC		1800 SHEPPARD AVE. E.	NORTH YORK	Ontario	M2J 6J7	FAIRMALL LEASEHOLDS INC.	40 QUEEN STREET WEST TORONTO, ONTARIO	Jul 31, 2017	\$0
1392 KFC		6740 MEADOWVALE TOWN CENTRE CIRC.	MISSISSAUGA	Ontario	L5N 4B7	FIRST CAPITAL (MEADOWVALE) CORPORATION C/O FCB PROPERTY MGMT SERVICES LP	8777 MEADOWVALE TOWN CENTRE CIRCLE MISSISSAUGA, ONT L5N 2R5	Aug 31, 2014	\$0
1818 KFC-Taco Bell		8056-152ND ST.	SURREY	British Columbia	V3R 4E7	FLEETWOOD CENTER INVESTMENTS C/O YENIK REALTY LTD.	SUITE 502 - 2895 GRANVILLE STREET, VANCOUVER, BC V6H 3H4 236 METCALFE STREET OTTAWA, ONTARIO K2P 1R3	Oct 31, 2015	\$0
1407 KFC		1556 MERVILLE ROAD	NEPEAN	Ontario	K2G 3J8	GALLOP PROPERTIES LTD., C/O THE PROPERTIES GROUP MANAGEMENT LTD.	2691 ALEXANDRE ROAD SARASOTA, ONTARIO	Sep 30, 2011	\$0
6518 Taco Bell-KFC		1899 YONGE STREET	NEWMARKET	Ontario	L3X 2Z8	GAPPER-DUNCAN INC.	415 RUIZ ST. GABRIEL UNIT 103 MONTREAL, QUEBEC	Oct 31, 2015	\$0
1319 KFC		1285 LAWRENCE AVE. W.	TORONTO	Ontario	M6L 1A4	INVESTRADE SECURITY CORPORATION	820 ST. JACQUES, SUITE 200 MONTREAL, QUEBEC	Aug 31, 2012	\$0
4818 Pizza Hut-KFC		1 RICHMOND B1	NAPANEE	Ontario	K7R 3M8	J.S.M. CORPORATION (ONTARIO) LTD	3625 DUFFERIN STREET, SUITE 105 DOWNSVIEW, ONTARIO	Dec 31, 2012	\$0
1388 KFC		27 RUTH AVENUE (HEARTLAKE)	BRAMPTON	Ontario	L6Z 4R2	LETHBRIDGE DEVELOPMENTS LTD.	100 CITY CENTRE DRIVE 20 QUEEN STREET WEST, 5TH FLOOR TORONTO, ONTARIO	Mar 31, 2016	\$0
1918 KFC		100 CITY CENTRE DR. UNIT 1-178	MISSISSAUGA	Ontario	L6B 2G9	OMRC (OMERS REALTY MANAGEMENT CORPORATION) C/O OXFORD PROPERTIES GROUP	1292 LAWRENCE AVENUE EAST, # 218 DON MILLS, ONTARIO M3A 1C3	Aug 31, 2020	\$0
1933 KFC		5000 HWY #7 EAST	MARKHAM	Ontario	L3R 4M9	ONTRIA INC.		Oct 31, 2014	\$0
6314 Taco Bell-KFC		7028 YONGE STREET	THORNHILL	Ontario	L4J 1V7	PARTNERSHIP PROPERTY & DONVIEW MANAGEMENT LTD. IN TRUST		Jan 31, 2022	\$0
1839 KFC-Taco Bell		1 - 2991 LOUGHEED HIGHWAY	COQUITLAM	British Columbia	V3B 7K5	PINETREE VILLAGE HOLDINGS INC. C/O CRET MANAGEMENT (BO) LIMITED		Jan 30, 2013	\$0
1935 KFC		20177-88TH AVE.	LANGLEY	British Columbia	V1M 2N9	REIDING PROJECTS LTD		Apr 30, 2013	\$0
1950 KFC-Taco Bell		56-489 MAIN STREET	BRAMPTON	Ontario	L6Y 1N7	RIO CAN REAL ESTATE INVESTMENT TRUST	428 HAIG STREET ESPLANOLA, ONTARIO	Aug 31, 2016	\$0
1304 KFC		1638 AVENUE ROAD	TORONTO	Ontario	M5M 3X9	ROUTLEYS HOLDINGS (1867) LIMITED, C/O ROBERT MCKAY		Mar 31, 2014	\$0
1009 KFC		300 BOROUGHD DRIVE	SCARBOROUGH	Ontario	M1P 4P5	SCARBOROUGH T.C. HOLDINGS INC. C/O OFPI MANAGEMENT LIMITED PARTNERSHIP	300 BOROUGHD DRIVE SUITE 26 SCARBOROUGH, ONTARIO M1P 4P5	Dec 31, 2013	\$0
1208 KFC		347 BD ST-JOSEPH	HULL	Quebec	J8Y 2Z3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0
1209 KFC		258 RUE NOTRE-DAME	GATINEAU	Quebec	J8P 1K4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0
1210 KFC-Taco Bell		164 BD GREBER	POINTE GATINEAU	Quebec	J8T 8K2	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1351 KFC		1630 QUEEN ST. E.	TORONTO	Ontario	M4L 1G3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0
1355 KFC		5983 HIGHWAY #7	MARKHAM	Ontario	L3P 1A4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1411 KFC		41 DUFFERIN STREET	PERTH	Ontario	K7H 3B3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1412 KFC		115 PEMBROKE STREET EAST	PEMBROKE	Ontario	K8A 3K9	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0
1414 KFC		145 MADAWASKA BLVD	ARNPRIOR	Ontario	K7S 3K1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1425 KFC		307 CANNON STREET E.	HAMILTON	Ontario	L8L 2B7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1428 KFC		716 MAIN STREET E.	HAMILTON	Ontario	L8M 1K8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1427 KFC		45 PARKDALE AVE. N.	HAMILTON	Ontario	L8H 5W7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1428 KFC		1222 BARTON STREET E.	HAMILTON	Ontario	L8H 2V2	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1429 KFC		831 KING STREET W.	HAMILTON	Ontario	L8H 1X1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Nov 09, 2018	\$0
1438 KFC		1683 DUNDAS STREET	LONDON	Ontario	N6W 3C8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower BCE Place	Mar 27, 2018	\$0

1448	KFC	1018 WYANDOTTE ST. W.	WINDSOR	Ontario	NB8 1J5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1449	KFC	1485 ERIC STREET E.	WINDSOR	Ontario	N8A 4A1	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 09, 2018	\$0
1506	KFC	786 CHEMONG ROAD	PETERBOROUGH	Ontario	K9H 5Z3	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1515	KFC	90 MAIN STREET	PICTON	Ontario	K0K 2T0	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1528	KFC	346 ST. CLAIR STREET	CHATHAM	Ontario	N7L 3K2	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 09, 2018	\$0
1529	KFC	1314 DUFFERIN ST.	WALLACEBURG	Ontario	N8A 2W5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Mar 27, 2018	\$0
1532	KFC	1300 LASALLE BLVD	SUDBURY	Ontario	P3A 1Y8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Mar 27, 2018	\$0
1533	KFC	1341 MARTINDALE ROAD	SUDBURY	Ontario	P3E 4J7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1535	KFC	405 COTE BLVD.	CHELMSFORD	Ontario	P0M 1L0	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 09, 2018	\$0
1541	KFC	161 TRUNK ROAD	SAULT STE MARIE	Ontario	P6A 3S8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1548	KFC	60 HARTZELL ROAD	ST. CATHARINES	Ontario	L2P 1M7	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 09, 2018	\$0
1552	KFC	3567 PORTAGE ROAD	NIAGARA FALLS	Ontario	L2J 2K5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1553	KFC	311 MAIN STREET	DUNNVILLE	Ontario	N1A 2Y8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 09, 2018	\$0
1559	KFC	28 DUMFRIES STREET	PARIS	Ontario	N3L 2C8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 09, 2018	\$0
1814	KFC	2100 KINGSWAY	VANCOUVER	British Columbia	V5N 2T5	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 08, 2018	\$0
1824	KFC	795 E. BROADWAY	VANCOUVER	British Columbia	V5T 1X8	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	Canada Trust Tower	Nov 08, 2018	\$0
1861	KFC	3140 DOUGLAS ST.	VICTORIA	British Columbia	V8Z 3K4	SCOTT'S REAL ESTATE LIMITED PARTNERSHIP	BCE Place	Nov 09, 2018	\$0
1821	KFC	228 YONGE STREET	TORONTO	Ontario	M5B 2H1	T.E.C. LEASEHOLDS LIMITED	20 QUEEN STREET WEST TORONTO, ONTARIO	Nov 09, 2018	\$0
1522	KFC	80 TALBOT STREET WEST	AYLMER	Ontario	N5H 1J8	TALMONT INVESTMENTS INC.	SUITE 408-478 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Nov 09, 2018	\$0
1525	KFC	134 TALBOT ST. W.	LEAMINGTON	Ontario	N8H 1N3	TALMONT INVESTMENTS INC./C/O STUDIO PROPERTY CONSULTANTS LTD.	SUITE 408-478 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Nov 09, 2018	\$0
1538	KFC	1657 MAIN STREET WEST	VAL CARON	Ontario	P0M 340	TALMONT INVESTMENTS INC./C/O STUDIO PROPERTY CONSULTANTS LTD.	SUITE 408-478 YONGE STREET P.O. BOX 19 TORONTO, ONTARIO M2N 6N4	Nov 09, 2018	\$0
1831	KFC	40 KING STREET WEST, BOX 536	TORONTO	Ontario	M5H 3Y8	THE BANK OF NOVA SCOTIA CO. CB RICHARD ELLIS MANAGEMENT SERVICES	40 KING STREET WEST, P.O. BOX 1, TORONTO, ONTARIO M5H 3Y2	Nov 09, 2018	\$0
1865	KFC	1871 FINCH AVE. W.	NORTH YORK	Ontario	M3N 2V3	THE NORFINCH GROUP INC.	RICHMOND HILL ON C/O CADILLAC FAIRVIEW CORP LTD	Dec 31, 2020	\$0
1951	KFC-Tevo Bell	PROMENADE CIRCLE UNIT #113	THORNHILL	Ontario	L4J 4P8	VAUGHAN PROMENADE SHOPPING CENTRE INC.	20 QUEEN ST WEST	Apr 30, 2012	\$0

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 PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC. AND KIT FINANCE INC., APPLICANTS

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

Proceeding commenced at Toronto

**ORDER**

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Conflict Lawyers for the Applicants

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

Court File No. CV-11-9159CL

AND IN THE MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF PRISZM  
INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC., AND KIT  
FINANCE INC, APPLICANTS

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

Proceeding Commenced at Toronto

**MOTION RECORD  
(Returnable May 30, 2011)**

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