

Court File No. _____

**THE CASH STORE FINANCIAL SERVICES INC.
AND RELATED APPLICANTS**

**FIRST REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

April 15, 2014

**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 THE CASH STORE FINANCIAL
SERVICES INC., THE CASH STORE INC., TCS CASH STORE
INC., INSTALOANS INC., 7252331 CANADA INC., 5515433
MANITOBA INC., AND 1693926 ALBERTA LTD DOING
BUSINESS AS "THE TITLE STORE"

APPLICANTS

**FIRST REPORT TO THE COURT
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INTRODUCTION

1. On April 14, 2014, the Honourable Mr. Justice Morawetz granted certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "CCAA") to The Cash Store Financial Services Inc. ("**Cash Store Financial**"), The Cash Store Inc., TCS Cash Store Inc., Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc. and 1693926 Alberta Ltd. doing business as "The Title Store" (collectively, the "**Applicants**"), including a stay of proceedings until May 14, 2014 and the appointment of FTI Consulting Canada Inc. (the "**Monitor**") as CCAA monitor. The proceedings commenced by the Applicants under the CCAA are referred to herein as the "**CCAA Proceedings**".
2. The relief sought at the hearing included a request for approval of interim financing. The Court requested that the Monitor prepare and file by 8 a.m. on

- April 15, 2014 a report comparing two proposals made to the Applicants for \$8.5 million interim financing referenced at such hearing; namely, a proposal described by counsel to Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (collectively, “**Coliseum**”) and a proposal referenced and described by counsel to a committee of certain holders of the Applicant’s 11.5% senior secured notes (collectively, the “**Ad Hoc Committee**”).
3. To facilitate the Monitor’s ability to prepare such report, through counsel the Monitor asked Coliseum and the Ad Hoc Committee to deliver definitive term sheets, confirmation of the time by which funds would be advanced under their facilities (once a draw request is made) and any factors beyond the express terms of the term sheets that the Monitor should consider.
 4. The Monitor received a definitive term sheet from each of Coliseum (the “**Coliseum Proposal**”) and the Ad Hoc Committee (the “**AHC Proposal**”) on the evening of April 14, 2014.
 5. The purpose of this First Report of the Monitor is to provide the following information to this Honourable Court:
 - (i) A brief summary of the similarities and differences in the two proposals;
 - (ii) Other considerations relevant to the two proposals, including those identified by the parties; and
 - (iii) The Monitor’s own observations and recommendations regarding the two proposals.

TERMS OF REFERENCE

6. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants’ books and records, certain financial information prepared by the Applicants and discussions with the Applicants’ management and advisers. The Monitor has not audited, reviewed or otherwise

attempted to verify the accuracy or completeness of the information.

Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

COMPARISON OF THE INTERIM FINANCING PROPOSALS

8. The Coliseum Proposal is attached as Appendix A.
9. The AHC Proposal is attached as Appendix B. It consists of a hand-written mark-up of the original Coliseum \$20.5 million proposal. Given the time constraints, it was provided to the Monitor in that form, with a request early this morning for an electronic copy of the original Coliseum \$20.5 million term sheet so that a typed version of the AHC Proposal could be generated. Because the hand-written changes were limited, a comparison could be readily made. The Monitor understands that counsel to the Ad Hoc Committee is in the process of preparing a typed version.
10. Given the significant involvement of the Applicants' financial advisor, Rothschild Inc ("Rothschild"), in the Applicants' efforts to negotiate interim financing arrangements prior to the commencement of the CCAA Proceedings with Coliseum and the Ad Hoc Committee, and given the comparatively limited involvement of the Monitor, the Monitor considered it beneficial to request from Rothschild its summary and comparison of the key terms of the two proposals for consideration by the Monitor.

11. Set out below is the Monitor’s comparison of the two proposals which the Monitor believes is generally consistent with the preliminary comparison performed by Rothschild.
12. **Similarities:** The Monitor notes that the proposals are similar in a number of material respects, including:

Borrower	Cash Store Financial
Guarantors	The other Applicants and the UK affiliates of the Borrower, The Cash Store Financial Limited, CSF Insurance Services Limited and The Cash Store Limited
Principal	\$8.5 million
Interest	12.5% per annum payable monthly in arrears, which will be capitalized and added to the outstanding principal balance and paid at maturity
Commitment Fee	3.5%
Exit Fee	None
Security & Priority (in respect of the Applicants)	“Super-priority” court charge, subject only to super priority charges created by operation of law, the Administration Charge, the D&O Charge (to the extent of \$1,250,000), and court charge in favour of the third party lenders (ranking <i>pari passu</i> with the DIP Charge)

13. **Differences:** The Monitor notes the following key differences in the proposals:

	Coliseum Proposal	AHC Proposal
Conditions Precedent	Same as original Coliseum \$20.5 million proposal, <u>but without</u> (a) compliance with laws condition, (b) compliance with other DIP documentation, and (c) requirement of adequate	Same as original Coliseum \$20.5 million proposal

	insurance	
Funding Conditions	Same as original Coliseum \$20.5 million proposal, <u>but without</u> material adverse change condition	Same as original Coliseum \$20.5 million proposal
Availability	Available in one or more tranches; no other availability restrictions	Availability is subject to various financial tests that must be satisfied in the DIP Lender's sole discretion
Maturity Date	Earliest of (a) demand following Event of Default, (b) 21 days from date of initial order, (c) date of the comeback hearing specified in the initial order	Earliest of (a) demand following Event of Default, (b) 180 days from date of initial order, (c) date that an Approved Transaction is consummated, and (d) date that CCAA Proceedings are terminated
Events of Default	Same as original Coliseum \$20.5 million proposal, <u>but without</u> (a) Cash Flow Projection being unacceptable, (b) negative variances from Cash Flow Projection	Same as original Coliseum \$20.5 million proposal
Agency Fee	None	May be agency fee of \$30,000 per month
Payment of Adviser Fees	Does not contemplate payment of Ad Hoc Committee fees	Contemplates payment of Coliseum adviser fees (as well as DIP Lender fees)
Voluntary Prepayments	Not permitted prior to maturity date	Permitted at any time without penalty, subject to Court approval
Extension Option	Borrower, at its option, may request and DIP Lender shall provide an additional commitment of \$12 million, subject to Court approval, on same terms and conditions of the original Coliseum \$20.5	[Not applicable – but, at the option of the DIP Lender, the maximum amount of facility may be increased from \$8.5 million to an unspecified amount]

	million proposal (except for interest and fees)	
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14. **Other Considerations:** The Monitor notes certain other considerations in connection with the proposals, raised by Coliseum or the Ad Hoc Committee:

- (i) The Ad Hoc Committee notes that its proposal provides for *pro rata* participation by all noteholders, including Coliseum. In that regard, they note that by working together with Coliseum now in the context of an interim facility, it may reduce costs and future disputes. They also say that, together with Coliseum, they would represent more than two-thirds of the secured creditors of the Applicants;
- (ii) Coliseum notes that it was able to reach agreement with the Applicants on the original Coliseum \$20.5 million proposal and is willing to partner with the Applicants, and through the process obtained a detailed understanding of the business and its needs;
- (iii) Coliseum states that it was granted a right of first refusal on account of recent funding provided by it; on the other hand, the Ad Hoc Committee states that a right of first refusal of this nature is invalid in a CCAA process;
- (iv) Coliseum states that the noteholders have agreed to subordinate to \$32.5 million of first lien debt (of which \$12 million is outstanding); on the other hand, the Ad Hoc Committee states that the agreement to subordinate to further debt is not effective after a default and, in any

event, is not relevant in the context of determining what is best for the Applicants in these circumstances;

- (v) Coliseum notes that it has provided the Applicants with a “free” option to obtain an additional \$12 million of interim funding on the terms of the original Coliseum proposal (except for interest and fees), subject to Court approval.

15. OBSERVATIONS AND RECOMMENDATIONS

16. Pursuant to section 11.2 of the CCAA, the Court may approve interim financing for a CCAA debtor and create a court-ordered charge on the debtor’s property as security, with the priority provided by the court order. In deciding whether to make an interim financing order, the court is to consider, among other things (as set out in section 11.2(4)):

- (i) the period during which the company is expected to be subject to proceedings under the CCAA;
- (ii) how the company’s business and financial affairs are to be managed during the proceedings;
- (iii) whether the company’s management has the confidence of its major creditors;
- (iv) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;
- (v) the nature and value of the company’s property;
- (vi) whether any creditor would be materially prejudiced as a result of the security or charge; and
- (vii) the monitor’s report referred to in paragraph 23(1)(b), if any.

17. According to the cash flow projections filed the Applicants in connection with their application, the Applicants estimate that they will need cumulative interim

financing of about \$5.0 million by the end of this week, \$7.2 million by the end of next week and \$9.5 million by the end of the week thereafter. Its projected needs increase beyond that time period. The actual needs could, of course, turn out to be higher or lower than projected, but it appears very likely that the Applicants will need more than \$8.5 million of interim financing within a short period of time.

18. The Monitor makes the following observations:

- The relative costs of the two proposals are similar
- The funding conditions and availability provisions are more flexible and less uncertain in the Coliseum Proposal
- Based on the Company's cash flow projections, the Company will require more than \$8.5 million of funding by week 3 of the proceedings; the Coliseum Proposal offers a commitment for further financing, subject to Court approval
- Under the Coliseum Proposal, the company has an option for further financing. If a better proposal can be found in the very near term, the company is under no obligation to extend the Coliseum financing.
- It is encouraging that both key stakeholder groups have demonstrated strong support for the Applicants by offering urgently needed financing; hopefully, over the next couple of weeks, there can be a productive dialogue with the two stakeholders and other interested parties to build on common interests and work toward a successful outcome. Both interim financing proponents have indicated a desire and willingness to cooperate and work with the Applicants.

19. In providing our recommendation, the Monitor has focused principally on the business and economic factors of the two proposals. There are a few points made by the parties that are more legal in nature, which the Court may or may not consider relevant. Based on the above, the Monitor respectfully recommends that the Coliseum Proposal be accepted.

The Monitor respectfully submits to the Court this First Report.

Dated this 15th day of April, 2014.

FTI Consulting Canada Inc.
The Monitor of
The Cash Store Financial Services Inc.
and Related Applicants

A handwritten signature in blue ink, appearing to read 'Greg Watson', with a stylized flourish at the end.

Greg Watson
Senior Managing Director

DEBTOR-IN-POSSESSION TERM SHEET

Initial CDN\$8,500,000 facility with option of additional CDN\$12,000,000

Dated as of April 14, 2014

WHEREAS, the DIP Lenders (as defined below) have agreed to provide funding to The Cash Store Financial Services Inc. in order to assist it in the context of the Borrower's (as defined below) and the Guarantors' (as defined below) proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the **CCAA**) in accordance with the terms set out in this term sheet.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of such consideration is hereby acknowledged), agree as follows:

DEFINED TERMS: Capitalised terms not defined in the body of this term sheet have the meaning ascribed to them in the Definitions section below.

CONFIDENTIALITY: This term sheet and the financing arrangements herein are delivered on the condition that each Loan Party (as defined) and each of its affiliates, shall not disclose this term sheet or the substance of said proposed financing arrangements to any person or entity outside of their respective organizations, except to those professional advisors who are in a confidential relationship with them, or with the prior consent of the DIP Lenders.

DIP BORROWER: The Cash Store Financial Services Inc. (the **Borrower**).

GUARANTORS: 7252331 Canada Inc., 5515433 Manitoba Inc., Instaloans Inc., The Cash Store Inc., TCS Cash Store Inc., 16939623 Alberta Ltd., The Cash Store Financial Limited, CSF Insurance Services Limited and The Cash Store Limited (each a **Guarantor** and together the **Guarantors**).

The Borrower and the Guarantors (each a **Loan Party** and together the **Loan Parties**).

DIP LENDERS: Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (together the **DIP Lender A**) and any financial institution, fund or other entity which has become a party to this term sheet in accordance with the Section below entitled "Assignment by the Lenders" (each a **DIP Lender** and, collectively, the **DIP Lenders**).

AGENT: Coliseum Capital Management, LLC as agent (the **Agent**).

FINANCE PARTIES RIGHTS AND OBLIGATIONS:

(a) The obligations of each Finance Party (as defined below) under the DIP Credit Documentation (as defined below) are several (and not joint and several). Failure by a Finance Party to perform its obligations under the DIP Credit Documentation does not affect the obligations of any other party under the DIP Credit Documentation. No Finance Party is responsible for the obligations of any other Finance Party under the DIP Credit Documentation.

(b) The rights of each Finance Party under or in connection

with the DIP Credit Documentation are separate and independent rights and any debt arising under the DIP Credit Documentation to a Finance Party from a Loan Party shall be a separate and independent debt.

Each DIP Lender shall fulfill its obligations, including its obligation to disburse its participation in the DIP Facility, directly to the Borrower (and not through the Agent).

MAJORITY LENDERS:

Majority Lenders means:

- (a) if there are no DIP Advances (as defined below) then outstanding, a DIP Lender or DIP Lenders whose commitments aggregate more than 50% of the total DIP Facility (or, if the DIP Facility has been reduced to zero, aggregate more than 50% of the DIP Facility which remains undisbursed immediately prior to the reduction); and
- (b) at any other time, a DIP Lender or DIP Lenders whose participations in the DIP Advances then outstanding aggregate more than 50% of all the DIP Advances then outstanding.

In this term sheet, references to any decisions, determinations or directions to be made by the DIP Lenders or decisions, determinations or directions to be made in the sole discretion of the DIP Lenders, or consent to be given by the DIP Lenders, shall be construed as decisions, determinations or directions to be made, or consent to be given, by the Majority Lenders.

PURPOSE AND PERMITTED PAYMENTS:

The Borrower shall use available funds under the DIP Facility solely for the following purpose and in the following order: (collectively, the **Permitted Payments**):

- (a) For the payment of legal fees, financial advisory fees and other costs and expenses of the DIP Lenders incurred in connection with this term sheet, the other DIP Credit Documentation, the CCAA Proceedings (as defined below) and the transactions contemplated herein; and
- (b) To fund the Borrower's and Guarantors' immediate funding requirements during the CCAA Proceedings in accordance with the Cash Flow Projections (as defined below) and subject to the terms of this term sheet and any other DIP Credit Documentation.

DIP FACILITY AND MAXIMUM AMOUNT:

CDN\$ 8,500,000 (the **Maximum Amount**) super priority secured non-revolving credit facility (the **DIP Facility**). DIP Advances shall be made by the DIP Lenders to the Borrower and shall be deposited into a separate, segregated account of the Borrower with a financial institution approved by the DIP Lenders (the **Borrower's Account**). In addition, the amount made available under the DIP Facility shall not, at any time, exceed the Maximum

Amount.

Advances under the DIP Facility will be made available to the Borrower by way of non-revolving loans denominated in Canadian Dollars (the **DIP Advances**).

The DIP Advance set out in a drawdown certificate (in substantially the form set out in Schedule “**B**”), (the **Drawdown Certificate**) shall be shared among each DIP Lender in proportion to each DIP Lender’s share of the DIP Facility.

**DIP LENDERS
COMMITMENTS:**

The respective commitments of each DIP Lender is as follows:

- (a) in relation to the DIP Lender A, CDN\$8,500,000 (the **DIP Lender A Commitment**); and
- (b) in relation to any other DIP Lender, the amount of any of the DIP Lender A Commitment transferred to it under this term sheet and pursuant to an Assignment and Assumption Agreement substantially in the form of Schedule “**F**” of this term sheet,

in each case, and together, to the extent not cancelled, reduced or transferred under this term sheet (the **Commitments**).

FUNDING GAP RIGHT:

The DIP Lender A shall have the right, but not the obligation to fund any shortfall of any DIP Advance requested from another DIP Lender.

GUARANTEE:

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by the Borrower of the Borrower’s indebtedness, obligations and liabilities arising under, or in connection with, the DIP Facility or under the DIP Credit Documentation;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any DIP Credit Documentation, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

Continuing guarantee

This guarantee is a continuing guarantee and will extend to the

ultimate balance of sums payable by any Loan Party under the DIP Credit Documentation, regardless of any intermediate payment or discharge in whole or in part.

Reinstatement

If any payment by a Loan Party or any discharge given by a Finance Party (whether in respect of the obligations of any Loan Party or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Loan Party shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Loan Party, as if the payment, discharge, avoidance or reduction had not occurred.

Waiver of defences

The obligations of each Guarantor under this Section will not be affected by an act, omission, matter or thing which, but for this Section, would reduce, release or prejudice any of its obligations under this Section (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Loan Party or other person;
- (b) the release of any other Loan Party or any other person under the terms of any composition or arrangement with any creditor of the Borrower or its affiliates;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Loan Party or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Loan Party or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any DIP Credit Documentation or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any DIP Credit

Documentation or other document or security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any DIP Credit Documentation or any other document or security; or
- (g) any insolvency or similar proceedings.

Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Section. This waiver applies irrespective of any law or any provision of a DIP Credit Documentation to the contrary.

Until all amounts under the DIP Credit Documentation have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may realise on any security or apply any moneys received by it in respect of those amounts in such manner and order as it sees fit.

Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Loan Parties under or in connection with the DIP Credit Documentation have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the DIP Credit Documentation:

- (a) to be indemnified by a Loan Party;
- (b) to claim any contribution from any other guarantor of any Loan Party's obligations under the DIP Credit Documentation; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the DIP Credit Documentation or of any other guarantee or security taken pursuant to, or in connection with, the DIP Credit Documentation by any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Loan Parties under or in connection with the DIP Credit Documentation to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same as the Agent may direct for application.

Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

**FUNDING CONDITIONS
UNDER THE DIP FACILITY:**

After the Court (as defined below) issues the Initial Order and upon the satisfaction of the additional conditions in this term sheet (together with paragraphs (a) and (b) below the **Funding Conditions**), the DIP Lenders shall fund DIP Advances on the terms and conditions set out in this term sheet (the **DIP Funding**), provided, however, that the DIP Lenders shall not be obligated to provide any DIP Funding if any one or more of the following occurs:

- (a) the Initial Order has been vacated, stayed or otherwise caused to become ineffective or is amended in a manner not reasonably acceptable to the DIP Lenders (in their sole and absolute discretion); or
- (b) a Default or Event of Default (each as defined below) has occurred and is continuing under the DIP Facility or would result from it,

**MATURITY DATE AND
REPAYMENT:**

Subject to the terms of the Initial Order, the DIP Facility shall be repayable in full on the earlier of:

- (a) the date on which a demand is made following the occurrence of any Event of Default which is continuing;
- (b) 21 days from the date of the granting of the Initial Order; and
- (c) the date of the “come-back” hearing as specified in the Initial Order,

(the **Maturity Date**).

Unless, the Borrower exercises the Extension Option (as defined below), the Commitments of the DIP Lenders in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be repaid in full no later than the Maturity Date, without the DIP Lenders being required to make demand upon the Borrower or any other Loan Party or to give notice that the DIP Facility has expired and the obligations are due and payable.

Repayments of the DIP Facility shall be made in Canadian Dollars.

EXTENSION OPTION

If no Event of Default (as such term is defined in the Initial Term Sheet) has occurred and is continuing, at the option of the Borrower and subject to the Court’s approval, the Borrower may request, and the DIP Lenders shall provide, an additional commitment of CDN\$12,000,000 (the **Additional DIP Facility Amount**), which shall mature, together with the DIP Facility

provided hereunder, in accordance with the Maturity Date provided in the Initial Term Sheet, and shall be on the same terms and conditions as contemplated by the Initial Term Sheet except for the interest and fees, which shall be as specified in the applicable sections below (the **Extension Option**).

CASH FLOW PROJECTIONS:

The Borrower, with the assistance of the Monitor, shall keep the DIP Lenders apprised on a weekly basis of its and the other Loan Parties (on a consolidated basis) cash flow requirements by providing subsequent cash flow projections, in form and substance satisfactory to the DIP Lenders, acting reasonably, by no later than 2 pm (Toronto, ON time) on the Wednesday of each week and containing a comparison of the previous week's actual cash flow to the projections for that previous week (in each case on a consolidated basis) (individually, a **Cash Flow Projection** and together with the CCAA Cash Flow, collectively, the **Cash Flow Projections**).

DIP LENDERS' RIGHT TO APPOINT A FINANCIAL ADVISOR

The DIP Lenders shall have the right and may instruct the Agent to engage Moelis & Company as financial advisor to assist them in relation to this term sheet, the CCAA Proceedings or any potential Plan or Sale Transaction (the **DIP Lenders' Financial Advisor**).

AVAILABILITY UNDER DIP FACILITY:

The DIP Facility shall be available in one or more tranches as required by the Borrower.

VOLUNTARY PREPAYMENTS:

Except as otherwise provided in this term sheet, the Borrower and the Guarantors shall not be entitled to voluntarily prepay any principal amount of the DIP Obligations, in whole or in part in any circumstances, except that if any aspect of the Initial Order that approved any aspect of the DIP Facility is subsequently reversed, vacated or rescinded on appeal, then the Borrower shall have the right to prepay in full the amount of the DIP Obligations then outstanding without penalty or premium.

MANDATORY PREPAYMENTS

- (a) At the option of the DIP Lenders, the Borrower shall make the following mandatory prepayments of the DIP Obligations, if any, at the time of receipt of the net cash proceeds described below, in an amount equal to 100% of the net cash proceeds:
 - (i) of any sale or disposition (including as a result of casualty or condemnation) that are not used by such Loan Party to replace or repair any such lost or damaged property, asset or undertaking of any of its property, assets, or undertakings outside the ordinary course of business with net proceeds greater than CDN\$25,000 in the aggregate;
 - (ii) from any extraordinary receipts of cash outside of the ordinary course of business, including, without limitation, (A) tax refunds, (B) any proceeds of insurance paid on account of any loss or damage of any property, assets, or undertakings of any Loan Party, and (C) judgements, awards, proceeds of settlements or other consideration of

any kind in connection with any cause of action; and

- (b) All net cash proceeds from any of the events described above shall be applied, except as otherwise agreed to by the DIP Lenders in writing, as follows:
 - (i) *first*, to pay unpaid and accrued interest on, and fees and expenses payable in respect of, the DIP Obligations; and
 - (ii) *second*, to repay any principal amounts of the DIP Obligations.

Amounts applied in prepayment may not be re-borrowed, without the prior written consent of the DIP Lenders.

INTEREST RATE:

The interest rate applicable in respect of the aggregate amount of DIP Advances (together with any capitalised interest) under the DIP Facility shall be 12.50% *per annum* payable monthly in arrears provided that all such accrued and unpaid interest will be capitalised (and not paid in cash) and added to the outstanding principal balance of the loan and all such capitalised interest shall be due and payable on the Maturity Date (as may be extended if the Extension Option is exercised), and shall be payable on the amounts owing under the DIP Facility (including any capitalised interest).

If the Borrower exercises the Extension Option, the interest rate applicable in respect of the Additional DIP Facility Amount (together with any capitalised interest) shall be the Interest Rate B under the Initial Term Sheet.

Interest shall be calculated daily for the actual number of days elapsed in the period during which it accrues based on a year of 365 days and interest shall compound on each payment date, to the extent not paid when due.

If the DIP Obligations are not repaid when due, subject to applicable law, all amounts then owing under or in respect of the DIP Advances will bear interest at the Interest Rate plus 2% *per annum*, compounded monthly on the last day of each month, and payable on demand.

For purposes of the *Interest Act* (Canada), where in this term sheet a rate of interest is to be calculated on the basis of a year of 365 days, the yearly rate of interest to which the rate is equivalent is the rate multiplied by the actual number of days in the year for which the calculation is made and divided by 365, as applicable.

The parties shall comply with the following provisions to ensure that no receipt by the DIP Lenders of any payments to the DIP Lenders under this term sheet would result in a breach of section 347 of the *Criminal Code* (Canada):

- (a) If any provision of this term sheet or any of the DIP Credit

Documentation would obligate the Loan Parties to make any payment to the DIP Lenders of an amount that constitutes “interest”, as such term is defined in the *Criminal Code (Canada)* and referred to in this section as “**Criminal Code interest**”, during any one-year period after the date of the first DIP Advance in an amount or calculated at a rate which would result in the receipt by the DIP Lenders of Criminal Code interest at a criminal rate (as defined in the *Criminal Code (Canada)* and referred to in this section as a “criminal rate”), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the DIP Lenders during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:

- (i) *first*, by reducing the amount or rate of interest required to be paid to the DIP Lenders during such one-year period; and
- (ii) *thereafter*, by reducing any upfront fees and liquidity payments and other amounts (if any) required to be paid to the DIP Lenders during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to in this section as the **Excess Amount**.

- (b) Any Excess Amount shall be payable and paid by the Loan Parties to the DIP Lenders in the then next succeeding one-year period or then next succeeding one-year periods until paid to the DIP Lenders in full, subject to the same limitations and qualifications set out in paragraph (a), so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the DIP Lenders of Criminal Code interest at a criminal rate.
- (c) Any amount or rate of Criminal Code interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any DIP Advances remain outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be *pro-rated* over the period commencing on the date of the first DIP Advance and ending on the relevant Maturity Date (as may be extended by the DIP Lenders from time to time under this term sheet) and, in the event of a dispute, a

certificate of a Fellow of the Canadian Institute of Actuaries appointed by the DIP Lenders shall be conclusive for the purposes of such calculation and determination.

AGENCY FEE:

If the Borrower exercises the Extension Option, the Borrower shall pay to the Agent monthly, for its own account, an agency fee in an aggregate amount equal to CDN\$30,000 in respect of Agent's services for each month (or part thereof) following the exercise of the Extension Option, which fee shall be fully earned and payable in advance on the first date of each month commencing on the date of the exercise of the Extension Option.

DIP FINANCING FEE:

The Borrower shall pay to the DIP Lender A for its own account, a fee of 3.5% of CDN\$8,500,000, in respect of the establishment of this DIP Facility and the commitment to provide the DIP Funding. Such fee shall be fully earned and payable upon Court approval of this term sheet and shall be paid from the proceeds of the initial DIP Advance.

If the Borrower exercises the Extension Option, the Borrower shall pay to the DIP Lender A for its own account, a fee of 5% of CDN\$12,500,000, in respect of the establishment of the Extension Option of the DIP Facility and the commitment to provide the Additional DIP Facility Amount. Such fee shall be fully earned and payable upon the date of the exercise of the Extension Option and shall be paid from the proceeds of the DIP Advance immediately following such date.

EXIT FEES:

If the Borrower exercises the Extension Option, the Borrower shall pay to the DIP Lenders an exit fee which is equal to, in the case of the first CDN\$40 million of Excess, 15% of such Excess; which fee shall be earned on the date of the exercise of the Extension Option by the Borrower and is payable on the closing date or implementation date of the Sale Transaction, out of the closing proceeds of the Sale Transaction, or out of the consideration being offered pursuant to the Plan, in accordance with the priority of the DIP Obligations.

For the purpose of this Section, Excess shall mean, the difference between:

(a) (A) the purchase price (taking into account any assumption of debt and potential contingent consideration included therein) offered by the purchaser(s) under Sale Transaction(s); or (B) the enterprise value used in determining the proposed distributions, pursuant to Plan transaction(s), in each case, involving any Loan Party; and

(b) the aggregate amount of the DIP Obligations and the drawn obligations under the Priority Lien Credit Agreement.

DIP SECURITY AND PRIORITY:

All obligations of the Borrower under, or in connection with, the DIP Facility, this term sheet and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lenders, acting reasonably, shall

be secured by a first super priority charge (subject only to: (i) any charge, encumbrance or security arising by operation of, and given priority over the DIP Security (as defined below) by, any applicable law without any contractual grant of security; (ii) the Administration Charge, (iii) the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000; (iv) the TPL Protections (which shall rank *pari passu*) and (v) in respect of the assets of the English Entities only, the English Registrations (as defined below)), over all present and after-acquired property, assets and undertakings of the Loan Parties, including, without limitation, accounts, rights of repayments or reimbursement, claims for cash, accounts receivable and proceeds thereof, and all cash whether in any Loan Party's bank accounts or elsewhere and, subject to (i), (ii), (iii), (iv) and (v) above, ahead of and senior to all other creditors, interest holders, lien holders and claimants of any kind whatsoever, pursuant to a Court ordered charge under the CCAA (the **DIP Priority Charge**) and any Additional DIP Security Documents (as defined below).

The Borrower agrees that, with respect to the D&O Charge, an amount equal to CDN\$1,250,000 of the D&O Charge shall rank in priority to the DIP Priority Charge and the remaining CDN\$1,250,000 of the D&O Charge shall rank behind any liens granted in connection with the Priority Lien Credit Agreement

**ADDITIONAL CONDITIONS
PRECEDENT TO EACH DIP
ADVANCE:**

The DIP Lenders shall have no obligation to fund a DIP Advance unless the conditions set forth in this term sheet are in form and substance satisfactory to the DIP Lenders (unless waived by the DIP Lenders):

- (a) The Initial Order shall have been issued by the Court and such Initial Order shall be in form and substance satisfactory to the DIP Lenders, acting reasonably, which order: (i) shall be in full force and effect; (ii) shall not (in whole or in part) have been revised, rescinded, reversed, modified, amended, stayed, vacated, appealed or subject to stay pending appeal or otherwise challenged, unless otherwise consented to by the DIP Lenders, acting reasonably; and (iii) shall, without limitation, include:
 - (i) provisions approving this term sheet and the DIP Facility created in it, the execution and delivery by the Loan Parties of this term sheet and such other documents as the DIP Lenders deem necessary or appropriate, acting reasonably, and directing the Loan Parties to comply with the *terms hereof*;
 - (ii) provisions granting to the DIP Lenders the DIP Priority Charge;
 - (iii) provisions authorizing and directing the Loan Parties to execute and deliver such loan and security documents relating to the DIP Facility and such security documents evidencing the DIP Priority Charge in such form and substance as the

DIP Lenders may reasonably require;

- (iv) provisions authorizing the DIP Lenders to effect registrations, filings and recordings wherever in their discretion they deem appropriate regarding the DIP Priority Charge;
 - (v) provisions confirming that the DIP Priority Charge, the documents delivered pursuant hereto (collectively, the **DIP Security**) (including without limitation, the Additional DIP Security Documents (as defined below)) shall have priority over all present and future charges, encumbrances and security, whether legal or equitable, other than (i) any charge, encumbrance or security arising by operation of, and given priority over the DIP Priority Charge and the DIP Security by, any applicable statutory law, (ii) the Administration Charge; (iii) the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000; and (iv) the TPL Protections (which shall rank *pari passu*);
 - (vi) provisions providing that the DIP Priority Charge shall be valid and effective to secure all of the obligations of the Loan Parties to the DIP Lenders without the necessity of the making of any registrations or filings and whether or not any other documents are executed by the Loan Parties and/or the DIP Lenders pursuant to this term sheet; and
 - (vii) provisions declaring that the granting of the DIP Priority Charge and all other documents executed and delivered to the DIP Lenders as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Priority Charge, do not constitute conduct meriting an oppression remedy, settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable federal or provincial legislation;
- (b) The DIP Lenders shall have received evidence satisfactory to them in their sole discretion, that the Borrower's Account has been opened by the Borrower;
 - (c) The Agent shall have received weekly updates of the Borrower's cash flow requirements by providing subsequent Cash Flow Projections and the same shall be in form and substance, and contain such details as shall be, satisfactory to the DIP Lenders, acting reasonably;
 - (d) All reasonable and documented expenses of the DIP Lenders incurred up to the date of each DIP Advance in connection with this term sheet and the CCAA Proceedings, including, without limitation, the reasonable

and documented fees of legal counsel and financial advisors to the DIP Lenders, shall have been paid in full from the proceeds of the applicable DIP Advance hereunder;

- (e) The DIP Lenders shall be satisfied that there are no Liens ranking ahead of the DIP Priority Charge and the DIP Security, except for the Administration Charge, the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000, the TPL Protections (which shall rank *pari passu*), Liens arising by operation of law and given priority over the DIP Priority Charge and the DIP Security by applicable law without any contractual grant of security, and in the case of the English Entities only, the English Registrations;
- (f) The Loan Parties shall be in compliance with all their covenants under this term sheet;
- (g) All representations and warranties contained in this term sheet remain true and correct in all material respects as of the date of issuance of the relevant DIP Advance (unless stated to related to a specific earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date);
- (h) The issuance of any DIP Advance shall not violate any applicable law, judgement or order of any court of competent jurisdiction;
- (i) The Borrower or other Loan Parties have engaged a chief restructuring officer (a **CRO**), whose identity and scope of authority shall be agreed to by the Borrower and the DIP Lenders, acting reasonably; and
- (j) Before any amount can be paid, loaned or transferred to any Loan Party that carries on business in England & Wales (the **English Entities**), the DIP Lenders shall have received from such English Entities such DIP Credit Documentation as the DIP Lenders shall require in order to obtain valid and enforceable guarantees and security interests in all of the assets of the English Entities.

For greater certainty, the DIP Lenders shall not be obligated to advance or otherwise make available any funds pursuant to this term sheet unless and until all of the Funding Conditions and all other conditions to the funding as set forth in this term sheet, have been satisfied and all the foregoing documentation and confirmations, together with the documentation and confirmations set forth in all other conditions to funding set forth in this term sheet have been obtained, in a form and content satisfactory to the DIP Lenders.

**REPRESENTATIONS AND
WARRANTIES:**

The Borrower represents and warrants to the DIP Lenders, upon which the DIP Lenders rely in entering into this term sheet and the other DIP Credit Documentation, that:

- (a) The transactions contemplated by this term sheet and other DIP Credit Documentation, including the DIP Security:
 - (i) are within the powers of the Loan Parties;
 - (ii) have been duly authorized by all necessary corporate approval;
 - (iii) have been duly executed and delivered by or on behalf of the Loan Parties;
 - (iv) upon the granting of the Initial Order, constitute legal, valid and binding obligations of the Loan Parties, enforceable in accordance with their terms;
 - (v) upon the granting of the Initial Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings that may be made to register or otherwise record the DIP Security; and
 - (vi) will not violate the charter documents or by-laws of the Loan Parties or any applicable law relating to such party;
- (b) To the Borrower's knowledge, or to the extent the Borrower could be reasonably expected to know, the business operations of the Loan Parties have been and will continue to be conducted in compliance with all laws of each jurisdiction in which the business has been or is carried out, other than in respect of those matters disclosed in the affidavit of Steven Carlstrom dated April 13, 2014, including in respect of its payday loan lender's licence in Ontario under the *Payday Loans Act, 2008* (Ontario) and its payday loan lender's license in Manitoba under the *Consumer Protection Act* (Manitoba);
- (c) Each Loan Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect and no proceedings have been commenced or threatened to revoke or amend any of such licenses or permits, in each case other than in respect of those matters disclosed in the affidavit of Steven Carlstrom dated April 13, 2014, including in respect of the lending licence required under the *Payday Loans Act* (Ontario) 2008 for the purposes of

the Borrower's operations in Ontario;

- (d) Each Loan Party has filed all tax returns and paid all taxes owing for all prior fiscal periods;
- (e) The Loan Parties own their assets and undertaking free and clear of all liens other than the Permitted Liens;
- (f) No Loan Party has a pension plan;
- (g) The Borrower and each of its subsidiaries has been duly incorporated and is validly existing under the law of its jurisdiction of incorporation except for those subsidiaries listed in **Schedule "D"** (the **Inactive Affiliates**);
- (h) No Inactive Affiliate: (i) carries on any business whatsoever, (ii) owns any inventory, accounts or any other personal or real property and assets, and (iii) has granted a Lien to any person and no person otherwise has a Lien against it or its personal or real property and assets;
- (i) To its knowledge or to the extent it could reasonably be expected to know, each Loan Party maintains adequate insurance coverage, except with respect to directors and officers insurance, of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and contain coverage and scope;
- (j) Each Loan Party has maintained its obligations for payroll, source deductions, retail sales tax, and Harmonized Sales Tax/Goods and Services Tax, and is not in arrears in respect of these obligations;
- (k) The Loan Parties are not aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which may result in a material adverse change other than in respect of those matters disclosed in the affidavit of Steven Carlstrom dated April 13, 2014;
- (l) The Loan Parties have not entered into any transaction or other contractual relationship with any related party (material or immaterial) other than as provided to the DIP Lenders as part of their diligence, including whatever is posted in the data room prior to the date of this term sheet, other than currently existing employment arrangements;
- (m) All of the third party lenders to any of the Loan Parties and all contractual arrangements with such parties have been disclosed by the Borrower to the DIP Lenders, and each such party and each such arrangement is set out in Schedule **"G"**;

- (n) The commencement of the CCAA proceedings will not trigger change of control provisions or severance obligations, in each case, which would entitle any officer or director of any Loan Party to claim additional compensation or severance; and
- (o) No Default or Event of Default has occurred and is continuing.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party agrees to do, or cause to be done, the following:

- (a) Allow the DIP Lenders reasonable access to the books and records of the Loan Parties, including internal memoranda, work papers and any other documents in the possession of any Loan Party, subject to solicitor-client privilege and applicable privacy laws, and cause management thereof to fully co-operate with the DIP Lenders;
- (b) Keep the DIP Lenders apprised on a timely basis of all material developments with respect to the business and affairs of the Loan Parties and the CCAA Proceedings;
- (c) Deliver to the DIP Lenders the reporting and other information from time to time reasonably requested by the DIP Lenders and as set out in this term sheet including, without limitation, the Cash Flow Projections at the times requested and in form and substance satisfactory to the DIP Lenders;
- (d) Use the proceeds of the DIP Facility only for the Permitted Payments and in a manner consistent with the restrictions set out herein and the Cash Flow Projections;
- (e) Comply with the provisions of the Court orders made in connection with the CCAA Proceedings and (collectively, the **Court Orders** and each a **Court Order**);
- (f) Preserve, renew and keep in full force its corporate existence and its existing licenses and any licences it obtains in the future;
- (g) Conduct all activities in accordance with the Cash Flow Projections previously approved by the DIP Lenders and the credit limits established under the DIP Facility as set out hereunder;
- (h) Notify the DIP Lenders of the occurrence of any Default or Event of Default, or material adverse change or of any event or circumstance that may materially affect the Cash Flow Projections, including any material change in its contractual arrangements or relationships with third parties;
- (i) Make commercially reasonable efforts to comply in all

material respects with all applicable laws, rules and regulations applicable to its business;

- (j) (A) Provide the DIP Lenders, on a timely basis, with information on the proposed steps to be taken by the Loan Parties or their advisors to solicit initial bids or letters of intent for the business or assets of the Loan Parties ("**Preliminary Indications of Interest**"), which steps are to be acceptable to the DIP Lenders; (B) provide the DIP Lenders with copies of the written Preliminary Indications of Interest within two (2) Business Days of receipt of the same by the Loan Parties; and (C) if warranted in the circumstances after receipt of Preliminary Indications of Interest and in consultation with the DIP Lenders, provide the DIP Lenders with the Loan Parties' proposed sale and investment solicitation process (the **Sale Process**), which Sale Process shall be acceptable to the DIP Lenders;
- (k) Cause any tax refund (as set out in, and as described as, "income taxes receivable" in the December 31 2013 financial statements of the Borrower) which is due to be reimbursed by the Canada Revenue Agency, or any provincial tax authority, to the Borrower (or any Loan Party) (the **Tax Refunds**) to be deposited directly into the Borrower's Account.
- (l) Provide the DIP Lenders and Norton Rose Fulbright Canada LLP (**NRF**) draft copies of all motions, applications, proposed orders (including without limitation, the draft Initial Order and any other orders in respect of the DIP Facility, DIP Credit Documentation or DIP Priority Charge) or other materials or documents that any of Loan Parties intend to file in the CCAA Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible, which all such filings shall be in form and substance acceptable to the DIP Lenders or NRF, and when served and filed with the Court, such materials shall be in form which is, confirmed by the DIP Lenders to be, satisfactory.
- (m) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in advance by the DIP Lenders;
- (n) The DIP Lenders shall be entitled to have an observer attend all board and committee meetings of the Loan Parties and any such observer shall have all information disclosure rights that existing board members have;
- (o) The Loan Parties shall promptly provide notice to the DIP Lenders and NRF of any material developments in respect of any licence or permit required for the operation of the Loan Parties' business and of any notices, orders, decisions, letters, or other documents, materials,

information or correspondence received from any regulatory authority having jurisdiction over the Loan Parties in respect of such licence or permit;

- (p) Provide the DIP Lenders and NRF with draft copies of all letters, submissions, notices, or other materials or correspondence that any of the Loan Parties intend to file with or submit to any regulatory authority having jurisdiction over the Loan Parties relating to any licence or permit required for the operation of their business at least three (3) Business Days prior to such submission or filing or, where it is not practically possible to do so within such time, as soon as possible, which all such submissions or filings shall be in form and substance acceptable to the DIP Lenders;
- (q) Provide the Agent with any written proposal in respect of any Sale Transaction or Plan, or any amendments to any such proposal, which in each case is received by any of its representatives within two (2) Business Days of receipt by the Loan Parties and in any event before engaging in any discussions or further negotiations with the party which provided the proposal;
- (r) Execute and deliver, or cause each Guarantor (as applicable) to execute and deliver, loan and collateral security documentation (including any guarantees in respect of the indebtedness, obligations and liabilities of the Borrower arising under, or in connection with, the DIP Facility and the other DIP Credit Documentation) in a manner satisfactory in all respects to the DIP Lenders, acting reasonably, including, without limitation, such security agreements, financing statements, discharges, opinions or other documents and information, in form and substance satisfactory to the DIP Lenders, acting reasonably (collectively, the **Additional DIP Security Documents**);
- (s) Complete of all necessary lien and other searches, together with all registrations, filings and recordings wherever the DIP Lenders, acting reasonably, deem appropriate, in connection with the DIP Security, and satisfaction that there are no Liens affecting the property or assets of the Loan Parties except: (A) Liens granted to the lender under the Priority Lien Credit Agreement; (B) Liens granted to the noteholders under the Indenture; (C) Liens arising by operation of law in the normal course of business without any contractual grant of security, (D) Liens for leased equipment and not prohibited by term sheet; provided that such Liens only cover the property subject to such arrangements; (E) the Liens set out in Schedule "C" Permitted Liens; (F) Liens granted by the Court with the consent of the DIP Lenders in their sole discretion; (G) the D&O Charge and (H) the TPL Protections , (collectively, the **Permitted Liens**);

- (t) Use its best efforts to obtain an estoppel certificate from each of Barclays Bank plc, Kerwal Limited and Portculis Investments Limited as secured parties in the assets of The Cash Store Limited as described in Schedule “C” hereto (collectively, the “**English Registrations**”); in form and substance satisfactory to the DIP Lenders; and
- (u) Ensure that the CRO shall have responsibility and final decision making authority for all restructuring, sale and other similar matters (in consultation with the Monitor).

**REPORTING
REQUIREMENTS:**

The Borrower will provide the DIP Lenders with such information about the financial condition of the Loan Parties, the CCAA Proceedings, and any other information that the DIP Lenders may reasonably request from time to time.

These requirements are supplemental to and not *in lieu* of the requirements set out in the Section above entitled “*Cash Flow Projections*” and the other reporting requirements set out in this term sheet.

The Borrower, with the participation of the Monitor, shall host weekly call updates with representatives of the DIP Lenders during which, the DIP Lenders shall receive updates as to the status of, and developments in, the CCAA Proceedings, dealings with regulatory authorities with respect to licensing requirements, compliance with the Cash Flow Projections, or other matters related to the Loan Parties’ business, any Sale Transaction or Plan, and on any other matter as the DIP Lenders shall request, acting reasonably.

NEGATIVE COVENANTS:

The Loan Parties covenant and agree not to do, or cause not to be done, the following other than with the prior written consent of the DIP Lenders:

- (a) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking over CDN\$ 25,000 at any one time or through a series of related transactions, or more than CDN\$ 75,000 in the aggregate;
- (b) Make any payment of existing (pre-filing) indebtedness or liability or make any payment that reduces any trade or unsecured liabilities of the Loan Parties; provided that the Loan Parties may make critical vendor payments to the extent contemplated in the CCAA Cash Flow and may make interest payments under the Priority Lien Credit Agreement;
- (c) Other than as stayed pursuant to the Initial Order, create or permit to exist any indebtedness other than: (A) debt owing under the Priority Lien Credit Agreement; (B) debt owing under the Indenture; (C) the DIP Obligations; (D) post-filing trade payables in the ordinary course of business; (E) if applicable, any debt relating to paragraph (i) of the definition of TPL Protections; (F) the D&O

Charge; and (G) the Administration Charge;

- (d) Make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise) to any Loan Party, Inactive Affiliate or other affiliate of the Borrower or otherwise; or (ii) a retirement, redemption, purchase or repayment of other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon) to any Loan Party, Inactive Affiliate or other affiliate of the Borrower; or (iii) any other payments, loans or transfers to any Inactive Affiliate or English Entity or other affiliate of the Borrower which is not subject to the Initial Order, in each case other than with the prior consent of the DIP Lenders or as permitted under the CCAA Cash Flow, and, for greater certainty, in the case of paragraph (iii), no payment, loan or transfer shall be made to English Entities until condition precedent (I) of this term sheet is satisfied, in the DIP Lenders' sole discretion, and once such condition is met, payments, loans or transfers to English Entities shall be limited to the amounts set out in the CCAA Cash Flow;
- (e) Enter into any transaction or contractual relationship with any affiliate, related party or subsidiary or any of its or their directors or senior or executive officers or senior management, or enter into or assume any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management, or make any payment to any of its or their directors or senior or executive officers or senior management, industry bonuses, change of control payments or severance packages of any kind whatsoever (other than as permitted under the CCAA Cash Flow only so far as permitted by paragraph (d) above);
- (f) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as reflected in the CCAA Cash Flow;
- (g) Make any payments on account of bonuses or new retainers (other than to the CRO or as contemplated in the CCAA Cash Flow) or establish or create any trust accounts;
- (h) Make any retention payments or any other type of payment (in cash, or otherwise) or enter into any assignment or transfer (whether voluntary or otherwise) of accounts receivable, cash, or any other property, or any swap of cash for accounts receivable, or other property with any third party lender other than as contemplated in the CCAA Cash Flow;
- (i) Create or permit to exist any new Liens on any of its properties or assets other than the Administration Charge, the D&O Charge, the TPL Protections, Liens in favour of

the DIP Lenders and Permitted Liens;

- (j) Make any capital expenditures other than as reflected in the CCAA Cash Flow;
- (k) Seek, obtain or support any Court Order that affects the DIP Lenders except with the prior written consent of the DIP Lenders, acting reasonably, which Court Order shall be in form and substance acceptable to the DIP Lender, acting reasonably;
- (l) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change the nature of their business or their corporate or capital structure or enter into any agreement committing to such actions;
- (m) Unless the transaction satisfies all of the DIP Obligations and payments that have priority over the DIP Priority Charge, in full, make a public announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business, if not approved in advance by the DIP Lenders;
- (n) Enter into, extend, renew, waive or otherwise modify in any material respect the terms of any transaction with an affiliate, or extend or renew existing operational arrangements without the prior approval of the DIP Lenders;
- (o) Participate in any material discussions with a regulatory authority having jurisdiction over the Loan Parties relating to any licence or permit required for the operation of their business without providing the DIP Lenders and NRF reasonable advance notice of such discussions and discuss and agree with the DIP Lenders in advance regarding the conduct and nature of such discussions provided that the Loan Parties or their advisors shall, following such discussion, advise the DIP Lenders and NRF of the content of those discussions aside from external counsel only matters;
- (p) Participate in any material discussions with any party (other than their legal and financial advisors) with respect to any Sale Transaction or Plan after the delivery by such party of a written expression of interest in respect of same, in each case without providing reasonable notice to the DIP Lenders and NRF, and an opportunity for a representative of NRF or Moelis & Company to participate in such discussions;
- (q) Enter into any settlement agreement or agree to any settlement arrangements with any regulatory authority or in connection with any litigation, arbitration, other

investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the DIP Lenders' prior consent, or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the CCAA Cash Flow;

- (r) Cease to carry on its business or activities as they are currently being conducted or change their operations or business practices (including normal lending practices) without the prior approval of the DIP Lenders; and
- (s) Transfer the proceeds of any DIP Advance to any other account of the Borrower or any Loan Party other than the Borrower's Account.

EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default (**Event of Default**) under this term sheet:

- (a) Failure of the Borrower to pay: (i) interest, fees or other amounts when due under this term sheet or any other DIP Credit Documentation; (ii) principal when due under the DIP Facility; or (iii) legal fees of the DIP Lenders and the Agent and the DIP Lender's Financial Advisors within, in the case of paragraph (iii) only, two (2) Business Days of being invoiced therefore (if applicable);
- (b) Failure of any Loan Party to perform or comply with any term or covenant under this term sheet or any other DIP Credit Documentation (other than as set out in paragraph (a) above) unless remedied in two (2) days;
- (c) Any representation or warranty by a Loan Party made or deemed to be made in this term sheet or any DIP Credit Document is or proves to be incorrect or misleading in any material respect as of the date made or deemed to be made unless remedied in two (2) days;
- (d) Issuance of an order (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against any Loan Party or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of any Loan Party, other than in respect of a non-material asset not required for the operations of any Loan Party's business and which is subject to a priority Lien; (ii) granting any other claim super priority status or a Lien equal or superior to that granted to the DIP Lenders other than the Administration Charge, the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000 and the TPL Protections (which shall rank *pari passu*); or (iii) staying, reversing, vacating or otherwise modifying this term sheet or the DIP Credit Documentation, any Court Order (including the Initial

Order and the DIP Priority Charge) or the entry of an order by the Court having the equivalent effect, without the prior written consent of the DIP Lenders;

- (e) Unless consented to by the DIP Lenders, the expiry without further extension of the stay of proceedings provided for in the Initial Order;
- (f) Any Loan Party ceases to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of a Loan Party or other restructuring or reorganization of a Loan Party, which has been consented to by the DIP Lenders;
- (g) The filing by any of the Loan Parties of any motion or proceeding which (i) is not consistent with any provision of this term sheet, the DIP Credit Documentation or the DIP Priority Charge, in a manner that is materially adverse to the interests of the DIP Lenders; (ii) seeks to obtain a "critical supplier charge" or similar protection pursuant to the CCAA to any party, other than the critical vendor payments contained in the CCAA Cash Flow; (iii) could reasonably be expected to materially adversely affect the interests of the DIP Lenders; (iv) seeks an order which, if granted, could reasonably be expected to result in a material adverse change, or (v) seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court, unless in the case of any of the foregoing, the DIP Lenders have consented thereto in writing;
- (h) An order of the court that results in any third party lender receiving from a Loan Party any of the following, in each case, except such amounts as are subject to paragraph (i) of the definition of TPL Protection, such amounts contemplated in the CCAA Cash Flow, or as otherwise provided in this term sheet or with the prior consent of the DIP Lenders: (i) any retention payment or other type of payment (in cash or otherwise); (ii) any assignment of accounts receivable or any swap of cash for accounts receivable or other property; or (iii) other property or any other amount transferred to a third party lender for its benefit;
- (i) Unless the transaction satisfies all DIP Obligations and payments that have priority over the DIP Priority Charge, in full, any proceeding, motion or application shall be commenced or filed by any Loan Party, or if commenced by another party, supported or otherwise consented to by any Loan Party, seeking the approval of any Sale Transaction or Plan that does not have the prior consent of the DIP Lenders;
- (j) The making by the Borrower or any Guarantor of a payment of any kind not permitted by the Initial Order, this term sheet, the DIP Credit Documentation or the CCAA

Cash Flow without the prior consent of the DIP Lenders;

- (k) The occurrence and continuance of an event of default under any of the DIP Credit Documentation that is not cured or waived in accordance with the terms thereof;
- (l) Except as stayed by order of the Court, a default under, revocation or cancellation of, any material contract, licence or permit, which has or could reasonably be expected to result in a material adverse change;
- (m) In the event a CRO is appointed, the removal, termination, replacement or change in the scope or extent of the authority of the CRO, without the prior consent of the DIP Lenders, acting reasonably;
- (n) In the event that any of the directors of the Borrower resign without leaving at least one independent director or one independent replacement director on the board or a CRO with the authority to act on behalf of the Loan Parties;
- (o) The denial or repudiation by any Loan Party of the legality, validity, binding nature or enforceability of this term sheet, any DIP Credit Documentation or any other document or certificate delivered pursuant to the terms hereof or thereof;
- (p) Except as stayed by order of the Court, any requirement by a regulatory authority that any of the Loan Parties reimburse amounts to customers of any of the Loan Parties; or
- (q) The occurrence of a material adverse change.

REMEDIES:

Subject to the Initial Order, upon the occurrence of an Event of Default, the Agent, if so directed by the Majority Lenders may:

- (a) Declare the DIP Obligations to be immediately due and payable;
- (b) Apply to a court: (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, property and assets of any Loan Party; (ii) for the appointment of a trustee in bankruptcy of any Loan Party; or (iii) to seek other relief;
- (c) Exercise the powers and rights of a secured party under the *Personal Property Security Act* (Manitoba), *Personal Property Security Act* (Alberta), *Personal Property Security Act* (Ontario) or any other legislation of similar effect applicable to the DIP Security; and
- (d) Exercise all such other rights and remedies under this term sheet and the DIP Credit Documentation and the

Court Orders.

For greater certainty and subject to the Initial Order, the DIP Lenders shall have customary remedies under the DIP Credit Documentation, including, but not limited to, the right to realize on all or part of the DIP Security without the necessity of obtaining further relief or order from the Court, subject to applicable law.

**INDEMNITY AND
RELEASE:**

Each Loan Party agrees to indemnify and hold harmless the Finance Parties and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as **Indemnified Persons**) from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from the CCAA Proceedings, any bankruptcy or insolvency proceedings, this term sheet or any other DIP Credit Documentation, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, the Loan Parties shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this term sheet shall survive any termination of the DIP Facility.

EXPENSES:

The Borrower will reimburse the Finance Parties for all reasonable and documented fees disbursements, out-of-pocket expenses incurred by them (including reasonable and documented legal and professional fees and expenses, on a full indemnity basis), in connection with the CCAA Proceedings (including preparation for and attendance at the Court), due diligence, negotiation and documenting of this term sheet and related documentation and the on-going monitoring and administration of each, including the fees and expenses of a tax advisor, and the enforcement of the DIP Priority Charge and any Additional DIP Security Documents.

All such fees, disbursements and expenses shall be included in the DIP Obligations and secured by the DIP Priority Charge.

**APPOINTMENT OF
COLLATERAL AGENT:**

The DIP Lenders shall be entitled to appoint a collateral agent (the **Collateral Agent**) to accept, enter into, hold, maintain, administer and enforce all DIP Security including all Collateral subject to it and all Liens created under it and sell, assign, foreclose on, or institute proceedings with respect to, or otherwise exercise or enforce the rights and remedies of a secured party with respect to

the Collateral.

**APPOINTMENT OF AGENT
AND AGENT'S ROLE:**

- (a) Each DIP Lender appoints the Agent to act as its agent under and in connection with this term sheet and the DIP Credit Documentation.
- (b) Each DIP Lender authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with this term sheet and the DIP Credit Documentation together with any other incidental rights, powers, authorities and discretions.
- (c) Any communication or document to be delivered to the Agent will be effective only when received by the Agent.
- (d) Nothing in this Agreement constitutes the Agent as a trustee or fiduciary of any other person.
- (e) The Agent shall not be bound to account to any DIP Lender for any sum or the profit element of any sum received by it for its own account.
- (f) The Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Loan Party.

DUTIES OF THE AGENT:

- (a) The Agent's duties under this term sheet and the DIP Credit Documentation are solely mechanical and administrative in nature.
- (b) Except with respect to the Assignment and Assumption Agreement, the Agent shall as soon as reasonably practicable forward to a DIP Lender the original or a copy of any document which is delivered to the Agent for that party by any other party.
- (c) The Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.
- (d) The Agent shall have only those duties, obligations and responsibilities expressly specified in this term sheet or the other DIP Credit Documentation to which it is expressed to be a party (and no others shall be implied).

**LIMITATIONS ON AGENT'S
DUTIES:**

Responsibility for documentation

The Agent is not responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Borrower or any other person in, or in connection with, the term sheet or any other DIP Credit Documentation or any report or financial information received from the Borrower or any party or the transactions contemplated in this term

sheet or any DIP Credit Documentation or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any of them; or

- (b) the legality, validity, effectiveness, adequacy or enforceability of this term sheet or any DIP Credit Documentation or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any of them; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

No duty to monitor

The Agent shall not be bound to enquire:

- (d) whether or not any Default has occurred;
- (e) as to the performance, default or any breach by any Party of its obligations under this term sheet or any DIP Credit Documentation; or
- (f) whether any other event specified in this term sheet or any DIP Credit Documentation has occurred.

**RIGHTS AND
DISCRETIONS:**

- (a) The Agent may rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised.
- (b) The Agent may:
 - (i) assume that (A) any instructions received by it from the Majority Lenders, are duly given in accordance with the terms of this term sheet and any DIP Credit Documentation; and (B) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (ii) rely on a certificate from any person (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing, in each case as sufficient evidence that that is the case and, in the case of paragraph (a) above, may assume the truth and accuracy of that certificate.
- (c) The Agent may act in relation to this term sheet and any other DIP Credit Documentation through its personnel and agents and is not liable for any error of judgment made by any such person or bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person.
- (d) The Agent may disclose to any other Finance Party any information it reasonably believes it has received as agent under this term sheet and the other DIP Credit Documentation.
- (e) Notwithstanding any provision of this term sheet or any DIP Credit Documentation to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

**DIP LENDER
INSTRUCTIONS:**

- (a) Unless a contrary indication appears in the DIP Credit Documentation, the Agent shall: (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

- (b) Unless a contrary indication appears in this term sheet or any other DIP Credit Documentation, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if this term sheet or the relevant DIP Credit Documentation stipulates the matter is a decision for any other DIP Lender or group of DIP Lenders, from that DIP Lender or group of DIP Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (d) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the DIP Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (e) In the absence of instructions from the Majority Lenders, (and to the extent they are entitled to vote, the DIP Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the DIP Lenders.
- (f) The Agent is not authorised to act on behalf of a DIP Lender (without first obtaining that DIP Lender's consent) in any legal or arbitration proceedings relating to any DIP Credit Documentation.

The Administration and Mechanics of Voting

If a decision, determination or direction of the DIP Lenders or Majority Lenders is required under the terms of this term sheet or the other DIP Credit Documentation, the Agent shall communicate with each DIP Lender that it is entitled to vote and provide a deadline for response.

Deemed Responses

In the event that the Agent seeks instructions or a decision, determination or direction from the Majority Lenders or all of the DIP Lenders, then to the extent that any DIP Lender fails to give such instructions or response within the deadline prescribed in the request then that DIP Lender shall be deemed to have no principal indebtedness owing to it under its DIP Facility (and a result no voting entitlement in relation to that decision) and where no DIP Lender has provided a response in connection with that decision by the deadline date for decision, each DIP Lender shall be deemed to have irrevocably approved the implementation of that

decision.

EXCLUSION OF AGENT'S LIABILITY:

- (a) Without limiting paragraph (b) below in this Section, the Agent shall not be liable for any action taken by it under, or in connection with, this term sheet or any other DIP Credit Documentation, unless directly caused by its gross negligence or wilful misconduct.
- (b) No party (other than the Agent) shall take proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to this term sheet or any other DIP Credit Documentation and any officer, employee or agent of the Agent may rely on this provision.
- (c) If any monies are transferred to the Agent, the Agent will not be liable for any delay (or related consequences) in crediting an account with any amount required under this term sheet or any other DIP Credit Documentation to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system which may be used by the Agent for that purpose.
- (d) Nothing in this term sheet or the other DIP Credit Documentation, shall oblige the Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any DIP Lender and each DIP Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

DIP LENDERS' INDEMNITY TO THE AGENT:

Each DIP Lender shall (in proportion to its share of the DIP Facility or, if the DIP Facility has been fully disbursed, to its share of the DIP Facility remaining to be disbursed immediately prior to the reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under this term sheet or any other DIP Credit Documentation (unless the Agent has been reimbursed by a Loan Party pursuant to any DIP Credit Documentation).

ADDITIONAL AGENCY PROVISIONS:

Delegation or Assignment of Authority

The Agent may delegate or assign its role as Agent at any time and upon agreeing the terms and conditions of such delegation or assignment with its delegate or assignee (as the case may be).

Resignation

- (a) The Agent may resign at any time and appoint another

party as successor by giving notice to the other Finance Parties and the Borrower.

- (b) The retiring Agent shall, make available to the successor Agent such documents and records as the successor Agent may reasonably request for the purposes of performing its functions as Agent under this term sheet, the DIP Credit Documentation and the DIP Security. The Borrower shall, within three (3) Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (c) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (d) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of performing its functions as Agent under this term sheet, the DIP Credit Documentation and the DIP Security but shall be entitled to the benefit of the Section above entitled "DIP Lenders' Indemnity to the Agent" and this Section entitled "Agent's Resignation" (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party.

**CONDUCT OF BUSINESS
BY THE FINANCE
PARTIES:**

No provision of this term sheet will:

- (a) Interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) Oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) Oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

**ADMINISTRATION OF THE
DIP FACILITY:**

All payment to be made by a Loan Party shall be calculated and be made (and fee and clear of any deduction for) set-off or counterclaim.

CURRENCY:

The DIP Facility shall be repaid by the Borrower or a Loan Party (as applicable and as required under this term sheet) in the currency in which the DIP Facility was obtained by it. Any payment on account of an amount payable under any DIP Credit Documentation in a particular currency (the **proper currency**) made to or for the account of a DIP Lender in a currency (the **other currency**) other than the proper currency, whether pursuant to a judgement or order of any court or tribunal or otherwise, shall

constitute a discharge of such Loan Party's obligation under such DIP Credit Documentation only to the extent of the amount of the proper currency which the applicable DIP Lender is able, in the normal course of its business within one (1) Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which such DIP Lender is so able to purchase is less than the amount of the proper currency originally due to it under such DIP Credit Documentation, the Loan Party, from whom such sum is due, shall indemnify and save such DIP Lender harmless from and against any loss or damage arising as a result of such deficiency.

TAXES:

All payments by the Borrower or any Loan Party under the DIP Credit Documentation to the DIP Lenders, including any payments required to be made from and after the exercise of any remedies available to the DIP Lenders upon an Event of Default, shall be made free and clear of, and without reduction for or on account of Taxes.

If any Taxes are required by applicable law to be withheld (**Withholding Taxes**) from any interest or other amount payable to the DIP Lenders under any DIP Credit Documentation, the amount so payable to the DIP Lenders shall be increased to the extent necessary to yield to the DIP Lenders on a net basis after payment of all Withholding Taxes, the amount payable under such DIP Credit Documentation at the rate or in the amount specified in such DIP Credit Documentation and the Borrower and any applicable Loan Party shall provide evidence satisfactory to the DIP Lenders that the Taxes have been so withheld and remitted, provided however that Withholding Taxes shall not include any such taxes that arise by virtue of: (i) the Borrower or any applicable Loan Party not dealing at arm's length for purposes of the Tax Act with a DIP Lender; (ii) a payment being deemed to be a dividend for purposes of the Tax Act, (iii) the application of proposed subsection 212(3.2) of the Tax Act or (iv) other customary exclusions.

STATUS OF PERMITTED LIENS:

Except as expressly provided in this term sheet, the designation of any Lien as a Permitted Lien is not, and shall not be deemed to be, an acknowledgement by the DIP Lenders that the Lien shall have priority over the security interests granted to the DIP Lenders in the Collateral pursuant to this term sheet, the DIP Priority Charge and the DIP Security Documents.

FURTHER ASSURANCES:

The Borrower shall, and shall cause each Loan Party at its own expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lenders may reasonably request for the purpose of giving effect to this term sheet and the DIP Security, perfecting, protecting and maintaining the Liens created by the DIP Security establishing compliance with the representations, warranties and conditions of this term sheet or any other DIP Credit Documentation.

NOTICES:

Any communication to be made under or in connection with the DIP Credit Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or e-mail.

The address, fax number and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with the DIP Credit Documents is:

- (a) in the case of the Borrower and the Guarantors is set out in Schedule "E" (Initial administrative details of the Parties);
- (b) in the case of each DIP Lender, as set out in Schedule "E" (Initial administrative details of the Parties) or notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent, as set out in Schedule "E" (Initial administrative details of the Parties),

or any substitute address, fax number, e-mail address or department or officer as the party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

Promptly upon changing its address, fax number or e-mail address, the Agent shall notify the other parties.

**ENTIRE AGREEMENT;
CONFLICT:**

This term sheet, including its schedules and the other DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this term sheet and any of the other DIP Credit Documentation, this term sheet shall govern. In the event of any inconsistency between any DIP Credit Documentation and a Court Order, the Court Order shall govern.

DIP LENDER APPROVALS:

Any consent, approval (including, without limitation, any approval of or authorization for any waiver under or any amendment to any of the DIP Credit Documentation), instruction or other expression of the DIP Lenders under any of the DIP Credit Documentation may be obtained by an instrument in writing (which instrument in writing, for greater certainty, may be delivered by facsimile or other electronic transmission).

**AMENDMENTS, WAIVERS,
ETC.:**

No waiver or delay on the part of a DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorised officer of the DIP Lenders acting on the instructions of the Majority Lenders.

Any term of this term sheet or the other DIP Credit Documentation may be amended or waived only with the consent of the Majority Lenders and any such amendment or waiver will be binding on all

Parties, provided however that no amendment may be made without the prior written consent of the Loan Parties.

The Agent may effect, on behalf of any Finance Party, any permitted amendment or waiver.

An amendment or waiver which relates to the rights or obligations of the Agent may not be effected without the consent of the Agent.

**ASSIGNMENT BY DIP
LENDERS:**

A DIP Lender (the Existing Lender, for the purposes of this section) may, subject to the Right of First Refusal (as defined below), assign its rights and obligations under this term sheet, in whole or in part, to any party (the New Lender for the purposes of this section) acceptable to the DIP Lender A, in its sole and absolute discretion.

(a) Following such transfer, the Existing Lender shall be released from its obligations (to the extent transferred) under the term sheet, the DIP Credit Documentation and the DIP Security, and the respective rights of each of the Borrower and the Existing Lender against one another shall be cancelled, and the New Lender shall assume those obligations and acquire those rights and shall become a party to the term sheet, the DIP Credit Documentation and the DIP Security.

(b) An assignment may be effected when the Agent executes an otherwise duly completed assignment and assumption agreement attached in Schedule "F" (the Assignment and Assumption Agreement) delivered to it by the Existing Lender and the New Lender, whereby the New Lender has agreed to be bound by the terms of the term sheet, the DIP Credit Documentation and the DIP Security as a DIP Lender and has agreed to a specific Commitment with respect to the DIP Facility. The Agent shall as soon as reasonably practicable after receipt by it of a duly completed Assignment and Assumption Agreement execute that Assignment and Assumption Agreement.

(c) Once the transfer is effected, the Commitment of the Existing Lender shall be deemed to be reduced by the amount of the Commitment of the New Lender with respect to the DIP Facility.

(d) The Borrower and the other Finance Parties irrevocably authorize the Agent to execute any Assignment and Assumption Agreement on their behalf, without any consultation with them.

(e) The New Lender shall become a party as a "DIP Lender" and will be bound by its obligations under this term sheet, the DIP Credit Documentation and the DIP Security.

(f) On behalf of itself and the other Loan Parties, the Borrower authorizes the Agent and the DIP Lenders to disclose to any New Lender (each, a "Transferee") and any prospective Transferee or any professional advisor of any Transferee or prospective Transferee and authorizes each of the DIP Lenders to

disclose to any other DIP Lender any and all financial information in their possession concerning the Loan Parties which has been delivered to them by or on behalf of any Loan Party pursuant to this term sheet or which has been delivered to them by or on behalf of any Loan Party in connection with their credit evaluation of the Loan Parties prior to becoming a party to this term sheet, so long as any such Transferee or professional advisor agrees not to disclose any confidential, non-public information to any person other than the Transferee's affiliates, employees, accountants or legal counsel, unless required by law and authorizes each of the DIP Lenders to disclose to any other DIP Lender and to any person where disclosure is required by law, regulation, legal process or regulatory authority (for certainty under any circumstance and not solely in connection with assignment of rights).

(g) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

- (i) has made, and shall continue to make, its own independent investigation and assessment of the financial condition and affairs of the Borrower and each Loan Party or any related entities in connection with its participation in this term sheet or the other DIP Credit Documentation and has not relied exclusively on any information provided to it by the Existing Lender in connection with this term sheet or the other DIP Credit Documentation and
- (ii) will continue to make its own independent appraisal of the creditworthiness of the Borrower and their related entities whilst any amount is or may be outstanding under this term sheet or the DIP Credit Documentation.

Right of First Refusal

The DIP Lender A shall have a right of first refusal to participate in any transfer of the rights and obligations of any DIP Lender. The DIP Lender A shall have five (5) days upon receipt of notice from the Existing Lender of the proposed transfer to confirm whether or not they wish to participate (such right being the Right of First Refusal).

Rights of the DIP Lender A

To the extent that Coliseum Capital Management, LLC or its affiliates comprise the Agent and DIP Lender A, the DIP Lender A may require any DIP Lender to assign any or all of its rights and obligations (in whole or in part) under the term sheet, DIP Credit Documentation and the DIP Security at par plus accrued interest by giving three (3) Business Days of notice to such other DIP Lender, following which time such DIP Lender shall execute an Assignment and Assumption Agreement to give effect to such assignment of rights and obligations. If the DIP Lender fails to sign the Assignment and Assumption Agreement within three (3)

Business Days after receipt of the above notice, it hereby authorises the Agent to do so on its behalf.

**ASSIGNMENT BY THE
LOAN PARTIES:**

Neither this term sheet nor any right and obligation under it may be assigned by any Loan Party.

TIME OF ESSENCE:

Time is of the essence in this term sheet and the time for performance of the obligations of each Loan Party may be strictly enforced by the Finance Parties.

SEVERABILITY:

Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this term sheet or any other DIP Credit Documentation affecting the validity or enforceability of such provision in any other jurisdiction.

**COUNTERPARTS AND
FACSIMILE SIGNATURES:**

This term sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this term sheet by signing any counterpart of it.

**GOVERNING LAW AND
JURISDICTION:**

This term sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in it. Each Loan Party irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or forum *non conveniens* or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

DEFINITIONS:

Capitalised terms not otherwise defined herein shall have the following meanings:

Administration Charge is a court-ordered administration charge to secure payment of the professional fees and disbursements of counsel to the Loan Parties, counsel to the special committee of the board of the Loan Parties, financial advisors to the Loan Parties, counsel to the DIP Lenders and the Agent, the Monitor and its legal counsel, in a maximum amount of CDN\$1,500,000;

Approved Transaction means a Plan or Sale Transaction that is acceptable to the DIP Lenders;

Business Day means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Ontario and New York;

CCAA Cash Flow means the cash flow projections attached as Schedule "A" to this term sheet;

CCAA Proceedings means the proceedings in respect of the Borrower and the Guarantors before the Court commenced

pursuant to the CCAA;

Collateral means all present and after-acquired property, assets and undertakings of the Loan Parties, including, without limitation, accounts, rights of repayments or reimbursement, claims for cash, accounts receivable of the Loan Parties and proceeds thereof, and all cash whether in any Loan Party's bank accounts or elsewhere;

Court means the Ontario Superior Court of Justice, Commercial List (Toronto);

Default means an event which, with the giving of notice and/or lapse of time would constitute an Event of Default (as defined herein);

DIP Credit Documentation means this term sheet, the Additional Security Documents and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lenders;

DIP Obligations means any and all amounts now or hereafter owing by the Borrower and/or the Guarantors to the DIP Lenders pursuant to this term sheet or any other DIP Credit Documentation (including all principal, interest, fees, expenses, indemnities and any other amounts);

D&O Charge means a Court-ordered directors' charge in favour of the existing directors and officers of the Loan Parties, up to a maximum amount of CDN\$ 2,500,000, CDN\$1,250,000 of which shall rank ahead of the DIP Priority Charge and CDN\$1,250,000 shall rank behind any liens granted in connection with the Priority Lien Credit Agreement;

Initial Order means an initial order granted by the Court in respect of the Borrowers and the Guarantors in form and substance satisfactory to the DIP Lenders acting reasonably, as the same may be amended by the Court with the consent of the DIP Lenders acting reasonably;

Indenture means an agreement dated as of January 31, 2012 between, among others the Borrower as issuer, the Guarantors and Computershare Trust Company of Canada as Collateral Agent;

Initial Term Sheet means a term sheet dated April 13, 2014 between the Borrower, Guarantors, the DIP Lender A and the Agent;

Finance Parties means each DIP Lender, the Agent and the Collateral Agent and **Finance Party** means any one of them;

Liens means all mortgages, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever;

Monitor means FTI Consulting Canada Inc.;

Priority Lien Credit Agreement means the priority lien credit agreement between dated as of November 29, 2013 DIP Lender A and the other lenders;

Plan means any plan of compromise, arrangement or reorganization filed pursuant to the CCAA or any other statute, in respect of any of the Loan Parties.

related party has the meaning ascribed to it in the *Securities Act* and any regulations, rules and policies made under it;

Sale Transaction means a sale by the Borrower or any Guarantors of all or substantially all of its assets on-going business operations or the acquisition of the shares of any Loan Party by another party;

Tax Act means the *Income Tax Act* (Canada);

Taxes means any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country; and

TPL Protections means each of the following, which are for the sole purpose of preserving the claims of the third party lenders as they existed immediately prior to the effective time of the Initial Order and which are without prejudice to the rights or remedies of any party, including the Finance Parties: (i) a Court-ordered charge in favour of the third party lenders in an amount equal to the Loan Parties' cash as of the effective time of the Initial Order which court-ordered charge shall rank *pari-passu* with the DIP Priority Charge; and (ii) such accounting or other actions provided for in the Initial Order to track the receipt by the Loan Parties of accounts receivable in connection with loans brokered for the Loan Parties' third party lenders, and for greater certainty, the protections in (i) and (ii) above is not intending to grant third party lenders any new, additional or greater right than they would have had without the protections in (i) and (ii).

[Remainder of page intentionally left blank.]

IN WITNESS HEREOF, the parties hereby execute this term sheet as at the date above.

**THE CASH STORE FINANCIAL SERVICES
INC. AS BORROWER**

Per: _____
Name:
Title:
I have authority to bind the corporation

7252331 CANADA INC. AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation.

5515433 MANITOBA INC. AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation

INSTALOANS INC. AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation.

THE CASH STORE INC. AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation

TCS CASH STORE INC. AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation.

1693926 ALBERTA LTD. AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation

**THE CASH STORE FINANCIAL LIMITED AS
GUARANTOR**

Per: _____
Name:
Title:
I have authority to bind the corporation

**CSF INSURANCE SERVICES LIMITED AS
GUARANTOR**

Per: _____
Name:
Title:
I have authority to bind the corporation

THE CASH STORE LIMITED AS GUARANTOR

Per: _____
Name:
Title:
I have authority to bind the corporation

**COLISEUM CAPITAL MANAGEMENT, LLC
AS AGENT**

Per: _____
Name:
Title:
Authorised signatory.

**COLISEUM CAPITAL PARTNERS, LP, AS DIP
LENDER A**

by: Coliseum Capital, LLC, General Partner

Per: _____
Name:
Title: Manager
Authorised signatory.

**COLISEUM CAPITAL PARTNERS II, LP
AS DIP LENDER A**

by: Coliseum Capital, LLC, General Partner

Per: _____
Name:
Title: Manager
Authorised signatory.

**BLACKWELL PARTNERS, LLC
AS DIP LENDER A**

by: Coliseum Capital, MANAGEMENT, LLC,
Attorney-in-fact

Per: _____
Name:
Title:
Authorised signatory.

SCHEDULE "A"
CCAA CASH FLOW

The Cash Store Financial Services, Inc.
 Weekly Cash Forecast
 (CAD 000's)

Week of Cash Flow	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	26	
Week Ended	4/11/2014	4/18/2014	4/25/2014	5/2/2014	5/9/2014	5/16/2014	5/23/2014	5/30/2014	6/6/2014	6/13/2014	6/20/2014	6/27/2014	7/4/2014	7/11/2014	7/18/2014	7/25/2014	8/1/2014	8/8/2014	8/15/2014	8/22/2014	8/29/2014	9/5/2014	9/12/2014	9/19/2014	9/26/2014	10/3/2014	Total	
Cash Receipts	\$ 7,537	\$ 10,821	\$ 8,153	\$ 7,853	\$ 7,080	\$ 9,440	\$ 14,160	\$ 16,320	\$ 6,175	\$ 8,234	\$ 12,350	\$ 14,409	\$ 6,660	\$ 4,440	\$ 8,880	\$ 11,099	\$ 13,319	\$ 6,855	\$ 9,973	\$ 13,709	\$ 15,160	\$ 7,858	\$ 11,430	\$ 15,716	\$ 17,383	\$ 7,628	\$ 272,840	
OPERATING DISBURSEMENTS:																												
Loan Disbursements	6,732	10,726	5,363	7,569	5,222	10,444	10,444	8,703	5,045	10,089	10,089	8,408	3,474	6,948	6,948	6,949	10,423	6,452	12,505	12,505	10,754	6,899	8,929	14,610	10,146	4,403	221,581	
Operating Expenses	2,969	1,385	4,117	2,479	3,372	905	3,297	2,484	2,924	702	3,040	1,626	2,535	504	2,338	302	3,771	873	3,282	873	4,688	626	2,229	783	5,574	538	57,587	
TOTAL OPERATING DISBURSEMENTS	9,700	12,111	9,479	10,044	8,594	11,350	13,741	11,187	7,969	10,792	13,130	10,034	6,009	7,453	9,282	7,251	14,194	7,125	16,186	13,577	15,442	7,526	11,158	15,393	15,520	4,941	279,168	
OPERATING CASH FLOW	\$ (2,163)	\$ (1,290)	\$ (1,327)	\$ (2,191)	\$ (1,514)	\$ (1,910)	\$ 419	\$ 5,353	\$ (1,793)	\$ (2,558)	\$ (779)	\$ 4,375	\$ 600	\$ (3,013)	\$ (408)	\$ 3,848	\$ (875)	\$ (270)	\$ (6,213)	\$ 132	\$ (282)	\$ 332	\$ 272	\$ 322	\$ 1,863	\$ 2,687	\$ (6,328)	
NON-OPERATING DISBURSEMENTS:																												
Post Petition Non Operating Expenses	506	1,063	253	438	301	301	241	467	239	239	191	398	191	191	191	143	343	206	206	206	326	491	491	491	1,084	-	9,399	
Credit Facility Interest	-	-	-	250	-	-	-	125	-	-	-	125	-	-	-	-	125	-	-	-	125	-	-	-	125	-	875	
DIP Interest and Related Fees	-	868	-	-	30	-	-	70	30	-	-	70	30	-	-	-	71	30	-	-	71	30	-	-	71	-	1,372	
Capex	-	-	-	-	-	-	-	-	6	6	6	6	5	5	5	5	5	5	6	6	6	6	6	6	6	6	5	105
TOTAL NON-OPERATING DISBURSEMENTS	506	1,930	253	688	331	301	241	662	275	245	197	600	226	196	196	148	544	243	212	212	728	528	497	497	1,287	5	11,751	
BoP Cash	\$ 3,988	\$ 1,318	\$ 3,134	\$ 3,739	\$ 3,139	\$ 3,293	\$ 3,083	\$ 3,261	\$ 7,952	\$ 5,883	\$ 3,081	\$ 3,104	\$ 6,879	\$ 7,303	\$ 4,094	\$ 3,495	\$ 7,196	\$ 5,777	\$ 5,264	\$ 3,339	\$ 4,758	\$ 3,748	\$ 3,552	\$ 3,327	\$ 3,152	\$ 3,728	\$ 3,988	
Total Cash Flow	(2,669)	(3,220)	(1,580)	(2,880)	(1,846)	(2,211)	178	4,691	(2,068)	(2,803)	(977)	3,775	424	(3,209)	(599)	3,700	(1,419)	(513)	(6,425)	(80)	(1,011)	(196)	(225)	(175)	576	2,682	(18,078)	
BoP Cash Before New Borrowing	\$ 1,318	\$ (1,901)	\$ 1,554	\$ 859	\$ 1,293	\$ 1,083	\$ 3,261	\$ 7,952	\$ 5,883	\$ 3,081	\$ 2,104	\$ 6,879	\$ 7,303	\$ 4,094	\$ 3,495	\$ 7,196	\$ 5,777	\$ 5,264	\$ (1,161)	\$ 3,258	\$ 3,748	\$ 3,552	\$ 3,327	\$ 3,152	\$ 3,728	\$ 6,410	\$ (14,090)	
BoP DIP Loan	\$ -	\$ -	\$ 5,035	\$ 7,220	\$ 9,500	\$ 11,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 19,000	\$ 20,500	\$ 20,500	\$ 20,500	\$ 20,500	\$ 20,500	\$ -	
DIP Proceeds	-	5,035	2,185	2,280	2,000	2,000	-	-	-	-	1,000	-	-	-	-	-	-	-	-	4,500	1,500	-	-	-	-	-	20,500	
BoP DIP Loan	\$ -	\$ 5,035	\$ 7,220	\$ 9,500	\$ 11,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 19,000	\$ 20,500	\$ 20,500	\$ 20,500	\$ 20,500	\$ 20,500	\$ 20,500	\$ 20,500	
BoP Cash After New Borrowing	\$ 1,318	\$ 3,134	\$ 3,739	\$ 3,139	\$ 3,293	\$ 3,083	\$ 3,261	\$ 7,952	\$ 5,883	\$ 3,081	\$ 3,104	\$ 6,879	\$ 7,303	\$ 4,094	\$ 3,495	\$ 7,196	\$ 5,777	\$ 5,264	\$ 3,339	\$ 4,758	\$ 3,748	\$ 3,552	\$ 3,327	\$ 3,152	\$ 3,728	\$ 6,410	\$ 6,410	

SCHEDULE "B"

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CASH FLOW PROJECTION FOR *[insert applicable period]*

[TO BE ATTACHED]

**SCHEDULE "C"
PERMITTED LIENS**

<u>Debtors</u>	<u>Secured Creditors</u>	<u>Jurisdiction of Registration</u>	<u>Registration Number and Date</u>	<u>Limitations on the scope of the secured interest</u>
- The Cash Store Inc. - The Cash Store Financial Services Inc.	Assistive Financial Corp.	Alberta	13090526496 (September 5, 2013)	Borrower to provide evidence satisfactory to the DIP Lenders that this registration will be subordinated to the DIP Priority Charge, or satisfactory estoppel letter with respect to its scope or a discharge.
The Cash Store Limited	Barclays Bank plc	England, UK	Created September 15, 2011)	Borrower to use best efforts to provide DIP Lenders with satisfactory estoppel letter with respect to its scope.
The Cash Store Limited	Kerwal Limited	England, UK	Created September 30, 2011)	Borrower to use best efforts to provide DIP Lenders with satisfactory estoppel letter with respect to its scope.
The Cash Store Limited	Portcullis Investments Limited	England, UK	Created December 12, 2011)	Borrower to use best efforts to provide DIP Lenders with satisfactory estoppel letter with respect to its scope.

SCHEDULE "D"
INACTIVE AFFILIATES

1677547 Alberta Ltd

The Cash Store Financing Corporation

SCHEDULE "E"
ADMINISTRATIVE DETAILS OF THE PARTIES

The Borrower and each Guarantor

15511 – 123rd Avenue
Edmonton, Alberta, T5V 0C3
Fax No: +1 780 408 5110
Email: gord@csfinancial.ca
Attention: The Chief Executive Officer

With copy to:
Osler, Hoskin & Harcourt LLP.
Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8, Canada
Fax No.: +1 416.862.6666
Email: mwasserman@osler.com
Attention: Marc Wasserman

The DIP Lenders

Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC
Metro Center
One Station Place, 7th Floor South
Stamford, CT, USA, 06902
Fax No: +1 203 286 1111
Email: cshackelton@ccap-llc.com
Attention: Chris Shackelton

The Agent

Coliseum Capital Management, LLC
Metro Center
One Station Place, 7th Floor South
Stamford, CT, USA, 06902
Fax No: +1 203 286 1111
Email: cshackelton@ccap-llc.com
Attention: Chris Shackelton

With copy to:
Norton Rose Fulbright Canada LLP.
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84, Toronto, ON M5J
2Z4, Canada
Fax No.: +1 416.216.3930
Email: waliied.soliman@nortonrosefulbright.com
and virginie.gauthier@nortonrosefulbright.com
Attention: Waliied Soliman and Virginie Gauthier

SCHEDULE "F"
ASSIGNMENT AND ASSUMPTION AGREEMENT

To: The Agent (on its own behalf and on behalf of the Finance Parties); the Collateral Agent; the Borrower; and the Guarantors (as such terms are defined in the Term Sheet defined below)

From: [*the Existing Lender*] (the **Existing Lender**) and [*the New Lender*] (the **New Lender**)

Dated:

RE: **The Cash Store Financial Services Inc. DIP Term Sheet dated April [], 2014 (the Term Sheet)**

1 We refer to the Term Sheet. This assignment and assumption agreement (the **Agreement**) shall take effect as an Assignment and Assumption Agreement for the purpose of the Term Sheet. Capitalised terms contained herein and not otherwise defined shall have the meaning ascribed to such terms under the Term Sheet.

2 We refer to the section entitled "Assignment by the Lenders" of the Term Sheet.

(a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender all or part of the Existing Lender's Commitments, rights and obligations as specified in the Appendix hereto in accordance with the section of the Term Sheet entitled "Assignment by the Lenders".

(b) The Existing Lender is released from all the obligations of the Existing Lender under the Term Sheet, the other DIP Credit Documentation and in respect of the DIP Security which correspond to that portion of the Existing Lender's Commitment(s) under the Term Sheet specified in the Appendix hereto.

(c) The New Lender becomes a party to the Term Sheet as a DIP Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3 The proposed date on which the assignment of rights by the Existing Lender and the assumption of obligations by the New Lender shall take effect is [*insert date*] (the **Transfer Date**).

4 On the Transfer Date, the New Lender shall become a party to the Term Sheet, the other DIP Credit Documentation and the DIP Security as a DIP Lender.

5 The address, fax number, email address and attention details for notices to be provided to the New Lender for the purposes of the section of the Term Sheet entitled "Notices" are set out in the Appendix hereto.

6 This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with the section of the Term Sheet entitled "Assignment", to the Collateral Agent, Borrower and Guarantors of the assignment of rights and assumption of obligations referred to in this Agreement.

7 The New Lender represents and warrants that: (i) it is a sophisticated investor with expertise and experience in financial and business matters and in evaluating companies and providing financing; (ii) it has conducted and relied upon its own due diligence investigation in connection with the Borrower and the Guarantors and its own in-depth analysis of the merits and risk of provided the financing contemplated in the Term Sheet and has not relied upon any: (A) information provided by the Agent or the Agent's financial advisors, or (B) investigation of the Borrower or the Guarantors made by the Agent

or its advisors; and (iii) the New Lender agrees that neither the Agent nor the Agent's financial advisors shall have liability to the New Lender in connection with the transaction contemplated in the Term Sheet.

8 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of the Province of Ontario and the federal laws applicable therein.

10 This Agreement has been entered into on the date stated at the beginning of this Agreement.

APPENDIX

Commitment/rights and obligations to be transferred by assignment, release and accession

[Insert relevant details]

[Insert address, fax number and email address and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment and Assumption Agreement for the purposes of the Term Sheet by the Agent and the Transfer Date (as defined in this Agreement) is confirmed as *[insert date]*.

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment of rights and assumption of obligations referred to in this Agreement, which notice the Agent receives on behalf of each other Finance Party.

[Coliseum Capital Management, LLC as Agent]

By:

SCHEDULE "G"
THIRD PARTY LENDERS

- 1 Omni Ventures Ltd.
- 2 McCann Family Holding Corporation
- 3 L-Gen Management Inc.
- 4 1396309 Alberta Ltd.
- 5 Trimor Annuity Focus Limited Partnership #5

LIST OF THIRD PARTY LENDING AGREEMENTS

- 1 Broker Agreement between Omni Ventures Ltd. and The Cash Store Inc., dated January 31, 2012
- 2 Broker Agreement between McCann Family Holding Corporation and The Cash Store Inc., dated June 19, 2012
- 3 Broker Agreement between L-Gen Management Inc. and The Cash Store Inc., dated January 31, 2012
- 4 Broker Agreement between 1396309 Alberta Ltd. and The Cash Store Inc., dated January 31, 2012
- 5 Broker Agreement between Trimor Annuity Focus Limited Partnership #5 and The Cash Store Inc., dated June 5, 2012, as amended April 17, 2013

* Participating DIP Proposal of Ad Hoc Committee of Cash Store Noteholders

April 14, 2014

DEBTOR-IN-POSSESSION TERM SHEET

Dated as of April 13, 2014

WHEREAS, the DIP Lenders (as defined below) have agreed to provide funding to The Cash Store Financial Services Inc. in order to assist it in the context of the Borrower's (as defined below) and the Guarantors' (as defined below) proceedings under the Companies' Creditors Arrangement Act (Canada) (the CCAA) in accordance with the terms set out in this term sheet.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of such consideration is hereby acknowledged), agree as follows:

DEFINED TERMS: Capitalised terms not defined in the body of this term sheet have the meaning ascribed to them in the Definitions section below.

CONFIDENTIALITY: This term sheet and the financing arrangements herein are delivered on the condition that each Loan Party (as defined) and each of its affiliates, shall not disclose this term sheet or the substance of said proposed financing arrangements to any person or entity outside of their respective organizations, except to those professional advisors who are in a confidential relationship with them, or with the prior consent of the DIP Lenders.

DIP BORROWER: The Cash Store Financial Services Inc. (the Borrower).

GUARANTORS: 7252331 Canada Inc., 5515433 Manitoba Inc., Instal loans Inc., The Cash Store Inc., TCS Cash Store Inc., 16939623 Alberta Ltd., The Cash Store Financial Limited, CSF Insurance Services Limited and The Cash Store Limited (each a Guarantor and together the Guarantors).

The Borrower and the Guarantors (each a Loan Party and together the Loan Parties).

DIP LENDERS: Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (together the DIP Lender A) and any financial institution, fund or other entity which has become a party to this term sheet in accordance with the Section below entitled "Assignment by the Lenders" (each a DIP Lender and, collectively, the DIP Lenders).

replace with Ad Hoc DIP lenders and Coliseum, and any other

AGENT: Coliseum Capital Management, LLC as agent (the Agent)

FINANCE PARTIES RIGHTS AND OBLIGATIONS: (a) The obligations of each Finance Party (as defined below) under the DIP Credit Documentation (as defined below) are several (and not joint and several). Failure by a Finance Party to perform its obligations under the DIP Credit Documentation does not affect the obligations of any other party under the DIP Credit Documentation. No Finance Party is responsible for the obligations of any other Finance Party under the DIP Credit Documentation.

An agent (and agent fees) may not be necessary

(b) The rights of each Finance Party under or in connection with the DIP Credit Documentation are separate and independent rights and any debt arising under the DIP

all significant affected creditors have right to participate

Credit Documentation to a Finance Party from a Loan Party shall be a separate and independent debt.

Each DIP Lender shall fulfill its obligations, including its obligation to disburse its participation in the DIP Facility, directly to the Borrower (and not through the Agent).

MAJORITY LENDERS:

Majority Lenders means:

- (a) if there are no DIP Advances (as defined below) then outstanding, a DIP Lender or DIP Lenders whose commitments aggregate more than 50% of the total DIP Facility (or, if the DIP Facility has been reduced to zero, aggregate more than 50% of the DIP Facility which remains undisbursed immediately prior to the reduction); and
- (b) at any other time, a DIP Lender or DIP Lenders whose participations in the DIP Advances then outstanding aggregate more than 50% of all the DIP Advances then outstanding.

In this term sheet, references to any decisions, determinations or directions to be made by the DIP Lenders or decisions, determinations or directions to be made in the sole discretion of the DIP Lenders, or consent to be given by the DIP Lenders, shall be construed as decisions, determinations or directions to be made, or consent to be given, by the Majority Lenders.

PURPOSE AND PERMITTED PAYMENTS:

The Borrower shall use available funds under the DIP Facility solely for the following purpose and in the following order: (collectively, the **Permitted Payments**):

- (a) For the payment of legal fees, financial advisory fees and other costs and expenses of the DIP Lenders incurred in connection with this term sheet, the other DIP Credit Documentation, the CCAA Proceedings (as defined below) and the transactions contemplated herein; and
- (b) To fund the Borrower's and Guarantors' immediate funding requirements during the CCAA Proceedings in accordance with the Cash Flow Projections (as defined below) and subject to the terms of this term sheet and any other DIP Credit Documentation.

DIP FACILITY AND MAXIMUM AMOUNT:

CDN\$ 20,500,000 (the **Maximum Amount**) super priority secured non-revolving credit facility (the **DIP Facility**). DIP Advances shall be made by the DIP Lenders to the Borrower and shall be deposited into a separate, segregated account of the Borrower with a financial institution approved by the DIP Lenders (the **Borrower's Account**). In addition, the amount made available under the DIP Facility shall not, at any time, exceed the Maximum Amount.

Advances under the DIP Facility will be made available to the

The Maximum Amount may be increased by the DIP Lenders in their sole discretion following consultation among the CRO, the Monitor, the Loan Parties and the DIP Lenders.

Advances under the DIP Facility will be made available to the CRO, the Monitor, the Loan Parties and the DIP Lenders.

Borrower by way of non-revolving loans denominated in Canadian Dollars (the **DIP Advances**). Each DIP Advance shall be for an amount of no less than CDN\$2 million (the **Minimum Draw**) and in multiples of CDN\$50,000.

The DIP Advance set out in a drawdown certificate (in substantially the form set out in Schedule "B"), (the **Drawdown Certificate**) shall be shared among each DIP Lender in proportion to each DIP Lender's share of the DIP Facility.

**DIP LENDERS
COMMITMENTS:**

The respective commitments of each DIP Lender is as follows:

- (a) ~~in relation to the DIP Lender A, CDN\$20,500,000 (the **DIP Lender A Commitment**); and~~
- (b) in relation to any other DIP Lender, the amount of any of the ~~DIP Lender A~~ Commitment transferred to it under this term sheet and pursuant to an Assignment and Assumption Agreement substantially in the form of Schedule "F" of this term sheet,

in each case, and together, to the extent not cancelled, reduced or transferred under this term sheet (the **Commitments**).

~~**FUNDING GAP RIGHT:**~~

~~The DIP Lender A shall have the right, but not the obligation to fund any shortfall of any DIP Advance requested from another DIP Lender~~

*all
DIP
Lenders
will
participate
pro rata
based on
their
Noteholdings*

GUARANTEE:

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by the Borrower of the Borrower's indebtedness, obligations and liabilities arising under, or in connection with, the DIP Facility or under the DIP Credit Documentation;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any DIP Credit Documentation, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Loan Party under the

DIP Credit Documentation, regardless of any intermediate payment or discharge in whole or in part.

Reinstatement

If any payment by a Loan Party or any discharge given by a Finance Party (whether in respect of the obligations of any Loan Party or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Loan Party shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Loan Party, as if the payment, discharge, avoidance or reduction had not occurred.

Waiver of defences

The obligations of each Guarantor under this Section will not be affected by an act, omission, matter or thing which, but for this Section, would reduce, release or prejudice any of its obligations under this Section (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Loan Party or other person;
- (b) the release of any other Loan Party or any other person under the terms of any composition or arrangement with any creditor of the Borrower or its affiliates;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Loan Party or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Loan Party or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any DIP Credit Documentation or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any DIP Credit Documentation or other document or security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any DIP Credit Documentation or any other document or security; or
- (g) any insolvency or similar proceedings.

Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Section. This waiver applies irrespective of any law or any provision of a DIP Credit Documentation to the contrary.

Until all amounts under the DIP Credit Documentation have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may realise on any security or apply any moneys received by it in respect of those amounts in such manner and order as it sees fit.

Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Loan Parties under or in connection with the DIP Credit Documentation have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the DIP Credit Documentation:

- (a) to be indemnified by a Loan Party;
- (b) to claim any contribution from any other guarantor of any Loan Party's obligations under the DIP Credit Documentation; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the DIP Credit Documentation or of any other guarantee or security taken pursuant to, or in connection with, the DIP Credit Documentation by any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Loan Parties under or in connection with the DIP Credit Documentation to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same as the Agent may direct for application.

Additional security

This guarantee is in addition to and is not in any way prejudiced by

any other guarantee or security now or subsequently held by any Finance Party.

**FUNDING CONDITIONS
UNDER THE DIP FACILITY:**

After the Court (as defined below) issues the Initial Order and upon the satisfaction of the additional conditions in this term sheet (together with paragraphs (a), (b) and (c) below the **Funding Conditions**), the DIP Lenders shall fund DIP Advances on the terms and conditions set out in this term sheet (the **DIP Funding**), provided, however, that the DIP Lenders shall not be obligated to provide any DIP Funding if any one or more of the following occurs:

- (a) the Initial Order has been vacated, stayed or otherwise caused to become ineffective or is amended in a manner not reasonably acceptable to the DIP Lenders (in their sole and absolute discretion);
- (b) a Default or Event of Default (each as defined below) has occurred and is continuing under the DIP Facility or would result from it; or
- (c) any action or event (including in respect of any order (other than the Initial Order as it relates to third party lender accounts receivable) issued by the Court in respect of the Loan Parties' ability to access the funds provided by any third party lenders) has occurred which has resulted in, or may result in, a change, condition, event or occurrence, which, when considered individually or together with all other changes, conditions, events or occurrences could reasonably be expected to have a material adverse effect (or series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect on): (i) the condition (financial or otherwise), business, performance, prospects beyond the CCAA Cash Flow period, operation or property) of any Loan Party (including, a material adverse qualification (other than a 'going concern' qualification) to any of the financial statements of any Loan Party; a material adverse misstatement of the financial statements; or if after the date of this term sheet, it is determined by any Loan Party, its auditors or accountants, or the CRO, that a restatement of any Loan Party's financial statement is or is likely to be necessary or there is a material adverse restatement of any Loan Party's financial statements); (ii) the ability of any Loan Party to carry on its business as presently conducted; (iii) the ability of any Loan Party to timely and fully perform any of its obligations under this term sheet or any other DIP Credit Documentation, or any Court Order; (iv) the Collateral; or (v) the validity or enforceability of this term sheet or any DIP Credit Documentation, or the rights and remedies of the DIP Lenders under this term sheet or any such DIP Credit Documentation (a **Material Adverse Change**).

MATURITY DATE AND

Subject to the terms of the Initial Order, the DIP Facility shall be

REPAYMENT:

repayable in full on the earlier of:

- (a) the date on which a demand is made following the occurrence of any Event of Default which is continuing;
- (b) 180 days from the date of the granting of the Initial Order;
- (c) the date an Approved Transaction (as defined below) is consummated;
- (d) the date on which the stay of proceedings pursuant to the Initial Order expires without being extended or on which the CCAA Proceedings are terminated,

(the **Maturity Date**).

The Commitments of the DIP Lenders in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be repaid in full no later than the Maturity Date, without the DIP Lenders being required to make demand upon the Borrower or any other Loan Party or to give notice that the DIP Facility has expired and the obligations are due and payable.

Repayments of the DIP Facility shall be made in Canadian Dollars.

CASH FLOW PROJECTIONS:

The Borrower, with the assistance of the Monitor, shall have provided to the Agent prior to the execution of this term sheet the cash flow projections to be attached as Schedule "A", in form and substance, and containing such details as shall be, satisfactory to the DIP Lenders and the DIP Lenders shall confirm their satisfaction with same prior to the execution of this term sheet, acting reasonably, reflecting the projected cash requirements of the Borrower from April 11, 2014 through the period ending October 11, 2014 (the **CCAA Cash Flow**).

The Borrower, with the assistance of the Monitor, shall keep the DIP Lenders apprised on a weekly basis of its and the other Loan Parties (on a consolidated basis) cash flow requirements by providing subsequent cash flow projections, in form and substance satisfactory to the DIP Lenders, acting reasonably, by no later than 2 pm (Toronto, ON time) on the Wednesday of each week and containing a comparison of the previous week's actual cash flow to the projections for that previous week (in each case on a consolidated basis) (individually, a **Cash Flow Projection** and together with the CCAA Cash Flow, collectively, the **Cash Flow Projections**).

To the extent that the Borrower delivers a Drawdown Certificate, it shall be delivered concurrently with the ~~Cash Flow~~ Projection for that week.

BUSINESS PLAN:

The Borrower, with the assistance of the Monitor and in consultation with the DIP Lender A, shall provide to the Agent, no later than May 12, 2014, a revised operational business plan for

of Lenders
 - Business Plan should be reviewed by all DIP Lenders, as broader group of affected creditors

the business (the **Business Plan**) in form and content satisfactory to the DIP Lenders, acting reasonably, and the funding available under this term sheet and the Cash Flow Projections shall be adjusted accordingly (subject always to the ~~Maximum~~ Amount).

DIP LENDERS' RIGHT TO APPOINT A FINANCIAL ADVISOR

The DIP Lenders shall have the right and may instruct the Agent to engage ~~Moolis & Company~~ as financial advisor to assist them in relation to this term sheet, the CCAA Proceedings or any potential Plan or Sale Transaction (the **DIP Lenders' Financial Advisor**).

AVAILABILITY UNDER DIP FACILITY:

The Borrower shall not be entitled to issue a Drawdown Certificate until the terms and conditions contained in this term sheet (including, without limitation the following) are satisfied in the DIP Lenders' sole discretion and, each DIP Advance shall be disbursed from an account of the applicable DIP Lender to the Borrower within two (2) Business Days of receipt by the Agent of the Drawdown Certificate (attached to it shall be the most recent Cash Flow Projection applicable to the DIP Advance requested in the Drawdown Certificate) executed by an officer on behalf of the Borrower, certifying, *inter alia*, that the drawdown is: (i) is based on the funding requirements of the Borrower and the Loan Parties at the time of the draw and in an amount sufficient to ensure that the cash balance of the Borrower and the Loan Parties shall not fall below CDN\$3 million based on, and in accordance with, the Cash Flow Projections; and (ii) within the relevant Cash Flow Projections, or not in excess of: (A) the greater of CDN\$1.5 million or 20% of DIP Advances requested during the first four weeks following the issuance of the Initial Order, measured on a cumulative basis from April 11, 2014 to the date of each such DIP Advance; and (B) thereafter, by the greater of CDN\$2 million or 15% of DIP Advance, measured on a cumulative basis from April 11, 2014 to the date of such DIP Advance (in each case, as reflected in the Cash Flow Projections and without giving effect, in such calculation, to any fees which may be payable to the CRO, if any); or (iii) in an amount which is no greater than the Minimum Draw, and that the Borrower is in compliance with this term sheet and the other DIP Credit Documentation (as defined below), (such drawdown certificate to be countersigned by the Monitor);

- (a) each DIP Advance (i) is based on the funding requirements of the Borrower and the Loan Parties at the time of the draw and in an amount sufficient to ensure that the cash balance of the Borrower and the Loan Parties shall not fall below CDN\$3 million based on, and in accordance with, the Cash Flow Projections and (ii) must be no greater than the amount of DIP Advances shown to be required in the most recent Cash Flow Projections delivered to the DIP Lenders for that week; provided, however, that a DIP Advance may exceed the amount shown in the most recent Cash Flow Projections: (A) by the greater of CDN\$1.5 million or 20% of DIP Advances requested during the first four weeks following the issuance of the Initial Order, measured on a cumulative basis from April 11, 2014 to the date of each such DIP Advance; (B) thereafter, by the greater of CDN\$2 million or 15% of DIP Advance, measured on a cumulative basis

Houlahan
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ad up
to speed;
no need
for another
advisor

from April 11, 2014 to the date of such DIP Advance (in each case, as reflected in the Cash Flow Projections and without giving effect, in such calculation, to any fees which may be payable to the CRO, if any), subject always to the Maximum Amount and the terms of this term sheet; and (C) in order to meet the Minimum Draw requirement; and

- (b) no Default or Event of Default has occurred and is continuing and none will occur, as a result of the DIP Advance.

Notwithstanding the foregoing, to the extent that an emergency cash need arises in the Borrower's business that is not contemplated in the Cash Flow Projections, the Borrower may request a DIP Advance from the DIP Lenders by providing written particulars relating to such emergency cash need, which DIP Advance shall only be permitted with the prior written consent of the DIP Lenders, in their discretion, acting reasonably. If such requested emergency DIP Advance is so consented by the DIP Lenders, such DIP Advance shall be made from the DIP Facility and deposited into the Borrower's Account.

VOLUNTARY PREPAYMENTS:

~~Except as otherwise provided in this term sheet, the Borrower and the Guarantors shall not be entitled to voluntarily prepay any principal amount of the DIP Obligations, in whole or in part in any circumstances, except that if any aspect of the Initial Order that approved any aspect of the DIP Facility is subsequently reversed, vacated or rescinded on appeal, then the Borrower shall have the right to prepay in full the amount of the DIP Obligations then outstanding without penalty or premium.~~

• permit voluntary repayment at any time without premium or penalty, subject only to Court approval

MANDATORY PREPAYMENTS

- (a) At the option of the DIP Lenders, the Borrower shall make the following mandatory prepayments of the DIP Obligations, if any, at the time of receipt of the net cash proceeds described below, in an amount equal to 100% of the net cash proceeds:
 - (i) of any sale or disposition (including as a result of casualty or condemnation) that are not used by such Loan Party to replace or repair any such lost or damaged property, asset or undertaking of any of its property, assets, or undertakings outside the ordinary course of business with net proceeds greater than CDN\$25,000 in the aggregate;
 - (ii) from any extraordinary receipts of cash outside of the ordinary course of business, including, without limitation, (A) tax refunds, (B) any proceeds of insurance paid on account of any loss or damage of any property, assets, or undertakings of any Loan Party, and (C) judgements, awards, proceeds of settlements or other consideration of any kind in connection with any cause of action; and
- (b) All net cash proceeds from any of the events described above shall be applied, except as otherwise agreed to by

the DIP Lenders in writing, as follows:

- (i) *first*, to pay unpaid and accrued interest on, and fees and expenses payable in respect of, the DIP Obligations; and
- (ii) *second*, to repay any principal amounts of the DIP Obligations.

Amounts applied in prepayment may not be re-borrowed, without the prior written consent of the DIP Lenders.

INTEREST RATE:

The interest rate applicable in respect of the aggregate amount of DIP Advances (together with any capitalised interest) under the DIP Facility:

- (a) Less than or equal to CDN\$12,500,000, shall be 12.50% *per annum* payable monthly in arrears provided that all such accrued and unpaid interest will be capitalised (and not paid in cash) and added to the outstanding principal balance of the loan and all such capitalised interest shall be due and payable on the Maturity Date (the **Interest Rate A**); and

- ~~(b) Solely for amounts in excess of CDN\$12,500,000, shall be the aggregate of: (i) 10.50% *per annum* and monthly in arrears in cash on the first Business Day of each month and on the Maturity Date; and (ii) 7% *per annum* monthly in arrears provided that all such accrued and unpaid interest will be capitalised (and not paid in cash) and added to the outstanding principal balance of the loan and all such capitalised interest shall be due and payable on the Maturity Date (the **Interest Rate B**).~~

~~shall be payable on the amounts owing under the DIP Facility (including any capitalised interest). For the avoidance of doubt, total interest payable shall be the sum of those amounts determined in subsections (a) and (b) above.~~

Interest shall be calculated daily for the actual number of days elapsed in the period during which it accrues based on a year of 365 days and interest shall compound on each payment date, to the extent not paid when due.

If the DIP Obligations are not repaid when due, subject to applicable law, all amounts then owing under or in respect of the DIP Advances will bear interest at the Interest Rate plus 2% *per annum*, compounded monthly on the last day of each month, and payable on demand.

For purposes of the *Interest Act* (Canada), where in this term sheet a rate of interest is to be calculated on the basis of a year of 365 days, the yearly rate of interest to which the rate is equivalent is the rate multiplied by the actual number of days in the year for

which the calculation is made and divided by 365, as applicable.

The parties shall comply with the following provisions to ensure that no receipt by the DIP Lenders of any payments to the DIP Lenders under this term sheet would result in a breach of section 347 of the *Criminal Code* (Canada):

- (a) If any provision of this term sheet or any of the DIP Credit Documentation would obligate the Loan Parties to make any payment to the DIP Lenders of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this section as "**Criminal Code interest**", during any one-year period after the date of the first DIP Advance in an amount or calculated at a rate which would result in the receipt by the DIP Lenders of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a "criminal rate"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the DIP Lenders during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:
 - (i) *first*, by reducing the amount or rate of interest required to be paid to the DIP Lenders during such one-year period; and
 - (ii) *thereafter*, by reducing any upfront fees and liquidity payments and other amounts (if any) required to be paid to the DIP Lenders during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to in this section as the **Excess Amount**.

- (b) Any Excess Amount shall be payable and paid by the Loan Parties to the DIP Lenders in the then next succeeding one-year period or then next succeeding one-year periods until paid to the DIP Lenders in full, subject to the same limitations and qualifications set out in paragraph (a), so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the DIP Lenders of Criminal Code interest at a criminal rate.
- (c) Any amount or rate of Criminal Code interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices

and principles as an effective annual rate of interest over the term that any DIP Advances remain outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be *pro-rated* over the period commencing on the date of the first DIP Advance and ending on the relevant Maturity Date (as may be extended by the DIP Lenders from time to time under this term sheet) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the DIP Lenders shall be conclusive for the purposes of such calculation and determination.

AGENCY FEE

The Borrower shall pay to the Agent monthly, for its own account, an agency fee in an aggregate amount equal to CDN\$30,000 in respect of Agent's services for each month (or part thereof) while the DIP Facility is in effect, which fee shall be fully earned and payable in advance on the first date of each month commencing on the date of this term sheet.

may not require Agent or any agency fees

DIP FINANCING FEE:

The Borrower shall pay to the DIP Lender A for its own account, a fee of 3.5% of CDN\$12,500,000 plus 5% of ~~CDN\$8,000,000~~, in respect of the establishment of this DIP Facility and the commitment to provide the DIP Funding. Such fee shall be fully earned and payable upon court approval and shall be paid from the proceeds of the initial DIP Advance.

8 Lenders

→ economics should be made available to all DIP lenders

EXIT FEES:

~~The Borrower shall pay to the DIP Lenders an exit fee which is equal to, in the case of the first CDN\$40 million of Excess, 15% of such Excess; which fee shall be earned on the date of this term sheet and payable on the closing date or implementation date of the Sale Transaction, out of the closing proceeds of the Sale Transaction, or out of the consideration being offered pursuant to the Plan, in accordance with the priority of the DIP Obligations.~~

as broader group of affected creditors

~~For the purpose of this Section, **Excess** shall mean, the difference between:~~

not exit fee

~~(a) (A) the purchase price (taking into account any assumption of debt and potential contingent consideration included therein) offered by the purchaser(s) under Sale Transaction(s); or (B) the enterprise value used in determining the proposed distributions, pursuant to Plan transaction(s), in each case, involving any Loan Party; and~~

payable

~~(b) the aggregate amount of the DIP Obligations and the drawn obligations under the Priority Lien Credit Agreement.~~

DIP SECURITY AND PRIORITY:

All obligations of the Borrower under, or in connection with, the DIP Facility, this term sheet and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lenders, acting reasonably, shall be secured by a first super priority charge (subject only to: (i) any charge, encumbrance or security arising by operation of, and given priority over the DIP Security (as defined below) by, any applicable law without any contractual grant of security; (ii) the

Administration Charge, (iii) the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000; (iv) the TPL Protections (which shall rank *pari passu*) and (v) in respect of the assets of the English Entities only, the English Registrations (as defined below)), over all present and after-acquired property, assets and undertakings of the Loan Parties, including, without limitation, accounts, rights of repayments or reimbursement, claims for cash, accounts receivable and proceeds thereof, and all cash whether in any Loan Party's bank accounts or elsewhere and, subject to (i), (ii), (iii), (iv) and (v) above, ahead of and senior to all other creditors, interest holders, lien holders and claimants of any kind whatsoever, pursuant to a Court ordered charge under the CCAA (the **DIP Priority Charge**) and any Additional DIP Security Documents (as defined below).

The Borrower agrees that, with respect to the D&O Charge, an amount equal to CDN\$1,250,000 of the D&O Charge shall rank in priority to the DIP Priority Charge and the remaining CDN\$1,250,000 of the D&O Charge shall rank behind any liens granted in connection with the Priority Lien Credit Agreement

**ADDITIONAL CONDITIONS
PRECEDENT TO EACH DIP
ADVANCE:**

The DIP Lenders shall have no obligation to fund a DIP Advance unless the conditions set forth in this term sheet are in form and substance satisfactory to the DIP Lenders (unless waived by the DIP Lenders):

- (a) The Initial Order shall have been issued by the Court and such Initial Order shall be in form and substance satisfactory to the DIP Lenders, acting reasonably, which order: (i) shall be in full force and effect; (ii) shall not (in whole or in part) have been revised, rescinded, reversed, modified, amended, stayed, vacated, appealed or subject to stay pending appeal or otherwise challenged, unless otherwise consented to by the DIP Lenders, acting reasonably; and (iii) shall, without limitation, include:
 - (i) provisions approving this term sheet and the DIP Facility created in it, the execution and delivery by the Loan Parties of this term sheet and such other documents as the DIP Lenders deem necessary or appropriate, acting reasonably, and directing the Loan Parties to comply with the *terms hereof*;
 - (ii) provisions granting to the DIP Lenders the DIP Priority Charge;
 - (iii) provisions authorizing and directing the Loan Parties to execute and deliver such loan and security documents relating to the DIP Facility and such security documents evidencing the DIP Priority Charge in such form and substance as the DIP Lenders may reasonably require;
 - (iv) provisions authorizing the DIP Lenders to effect registrations, filings and recordings wherever in their discretion they deem appropriate regarding

the DIP Priority Charge;

- (v) provisions confirming that the DIP Priority Charge, the documents delivered pursuant hereto (collectively, the **DIP Security**) (including without limitation, the Additional DIP Security Documents (as defined below)) shall have priority over all present and future charges, encumbrances and security, whether legal or equitable, other than (i) any charge, encumbrance or security arising by operation of, and given priority over the DIP Priority Charge and the DIP Security by, any applicable statutory law, (ii) the Administration Charge; (iii) the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000; and (iv) the TPL Protections (which shall rank *pari passu*);
 - (vi) provisions providing that the DIP Priority Charge shall be valid and effective to secure all of the obligations of the Loan Parties to the DIP Lenders without the necessity of the making of any registrations or filings and whether or not any other documents are executed by the Loan Parties and/or the DIP Lenders pursuant to this term sheet; and
 - (vii) provisions declaring that the granting of the DIP Priority Charge and all other documents executed and delivered to the DIP Lenders as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Priority Charge, do not constitute conduct meriting an oppression remedy, settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable federal or provincial legislation;
- (b) The DIP Lenders shall have received evidence satisfactory to them in their sole discretion, that the Borrower's Account has been opened by the Borrower;
 - (c) The Agent shall have received weekly updates of the Borrower's cash flow requirements by providing subsequent Cash Flow Projections and the same shall be in form and substance, and contain such details as shall be, satisfactory to the DIP Lenders, acting reasonably;
 - (d) The DIP Lenders shall be satisfied that each of the Loan Parties has, to such Loan Parties' knowledge or to the extent such Loan Party could reasonably be expected to know, complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business (other than with respect to those matters disclosed in the affidavit of Steven Carlstrom dated April 13 , 2014, including in respect of its payday loan lender's licence in Ontario under the *Payday*

Loans Act, 2008 (Ontario) and its payday loan lender's license in Manitoba under the *Consumer Protection Act* (Manitoba));

- (e) The DIP Lenders shall be satisfied that there are no Liens ranking ahead of the DIP Priority Charge and the DIP Security, except for the Administration Charge, the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000, the TPL Protections (which shall rank *pari passu*), Liens arising by operation of law and given priority over the DIP Priority Charge and the DIP Security by applicable law without any contractual grant of security, and in the case of the English Entities only, the English Registrations;
- (f) all reasonable and documented expenses of the DIP Lenders incurred up to the date of each DIP Advance in connection with this term sheet and the CCAA Proceedings, including, without limitation, the reasonable and documented fees of legal counsel and financial advisors to the DIP Lenders, shall have been paid in full from the proceeds of the applicable DIP Advance hereunder;
- (g) the Loan Parties shall be in compliance with all their covenants under this term sheet and any other DIP Credit Documentation;
- (h) all representations and warranties contained in this term sheet and any other DIP Credit Documentation remain true and correct in all material respects as of the date of issuance of the relevant DIP Advance (unless stated to related to a specific earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date);
- (i) the issuance of any DIP Advance shall not violate any applicable law, judgement or order of any court of competent jurisdiction;
- (j) each Loan Party has adequate insurance for each Loan Party;
- (k) the Borrower or other Loan Parties have engaged a chief restructuring officer (a **CRO**), whose identity and scope of authority shall be agreed to by the Borrower and the DIP Lenders, acting reasonably; and
- (l) before any amount can be paid, loaned or transferred to any Loan Party that carries on business in England & Wales (the **English Entities**), the DIP Lenders shall have received from such English Entities such DIP Credit Documentation as the DIP Lenders shall require in order to obtain valid and enforceable guarantees and security

interests in all of the assets of the English Entities.

For greater certainty, the DIP Lenders shall not be obligated to advance or otherwise make available any funds pursuant to this term sheet unless and until all of the Funding Conditions and all other conditions to the funding as set forth in this term sheet, have been satisfied and all the foregoing documentation and confirmations, together with the documentation and confirmations set forth in all other conditions to funding set forth in this term sheet have been obtained, in a form and content satisfactory to the DIP Lenders.

**REPRESENTATIONS AND
WARRANTIES:**

The Borrower represents and warrants to the DIP Lenders, upon which the DIP Lenders rely in entering into this term sheet and the other DIP Credit Documentation, that:

- (a) The transactions contemplated by this term sheet and other DIP Credit Documentation, including the DIP Security:
 - (i) are within the powers of the Loan Parties;
 - (ii) have been duly authorized by all necessary corporate approval;
 - (iii) have been duly executed and delivered by or on behalf of the Loan Parties;
 - (iv) upon the granting of the Initial Order, constitute legal, valid and binding obligations of the Loan Parties, enforceable in accordance with their terms;
 - (v) upon the granting of the Initial Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings that may be made to register or otherwise record the DIP Security; and
 - (vi) will not violate the charter documents or by-laws of the Loan Parties or any applicable law relating to such party;
- (b) To the Borrower's knowledge, or to the extent the Borrower could be reasonably expected to know, the business operations of the Loan Parties have been and will continue to be conducted in compliance with all laws of each jurisdiction in which the business has been or is carried out, other than in respect of those matters disclosed in the affidavit of Steven Carlstrom dated April 13, 2014, including in respect of its payday loan lender's licence in Ontario under the *Payday Loans Act, 2008*

(Ontario) and its payday loan lender's license in Manitoba under the *Consumer Protection Act* (Manitoba);

- (c) Each Loan Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect and no proceedings have been commenced or threatened to revoke or amend any of such licenses or permits, in each case other than in respect of those matters disclosed in the affidavit of Steven Carlstrom dated April 13, 2014, including in respect of the lending licence required under the *Payday Loans Act* (Ontario) 2008 for the purposes of the Borrower's operations in Ontario;
- (d) Each Loan Party has filed all tax returns and paid all taxes owing for all prior fiscal periods;
- (e) The Loan Parties own their assets and undertaking free and clear of all liens other than the Permitted Liens;
- (f) No Loan Party has a pension plan;
- (g) The Borrower and each of its subsidiaries has been duly incorporated and is validly existing under the law of its jurisdiction of incorporation except for those subsidiaries listed in **Schedule "D"** (the **Inactive Affiliates**);
- (h) No Inactive Affiliate: (i) carries on any business whatsoever, (ii) owns any inventory, accounts or any other personal or real property and assets, and (iii) has granted a Lien to any person and no person otherwise has a Lien against it or its personal or real property and assets;
- (i) To its knowledge or to the extent it could reasonably be expected to know, each Loan Party maintains adequate insurance coverage, except with respect to directors and officers insurance, of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and contain coverage and scope;
- (j) Each Loan Party has maintained its obligations for payroll, source deductions, retail sales tax, and Harmonized Sales Tax/Goods and Services Tax, and is not in arrears in respect of these obligations;
- (k) The Loan Parties are not aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which may result in a Material Adverse Change other than in respect of those matters disclosed in the affidavit of Steven Carlstrom dated April 13, 2014;
- (l) The Loan Parties have not entered into any transaction or other contractual relationship with any related party

(material or immaterial) other than as provided to the DIP Lenders as part of their diligence, including whatever is posted in the data room prior to the date of this term sheet, other than currently existing employment arrangements;

- (m) All of the third party lenders to any of the Loan Parties and all contractual arrangements with such parties have been disclosed by the Borrower to the DIP Lenders, and each such party and each such arrangement is set out in Schedule "G";
- (n) The commencement of the CCAA proceedings will not trigger change of control provisions or severance obligations, in each case, which would entitle any officer or director of any Loan Party to claim additional compensation or severance; and
- (o) No Default or Event of Default has occurred and is continuing.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party agrees to do, or cause to be done, the following:

- (a) Allow the DIP Lenders reasonable access to the books and records of the Loan Parties, including internal memoranda, work papers and any other documents in the possession of any Loan Party, subject to solicitor-client privilege and applicable privacy laws, and cause management thereof to fully co-operate with the DIP Lenders;
- (b) Keep the DIP Lenders apprised on a timely basis of all material developments with respect to the business and affairs of the Loan Parties and the CCAA Proceedings;
- (c) Deliver to the DIP Lenders the reporting and other information from time to time reasonably requested by the DIP Lenders and as set out in this term sheet including, without limitation, the Cash Flow Projections at the times requested and in form and substance satisfactory to the DIP Lenders;
- (d) Use the proceeds of the DIP Facility only for the Permitted Payments and in a manner consistent with the restrictions set out herein and the Cash Flow Projections;
- (e) Comply with the provisions of the Court orders made in connection with the CCAA Proceedings and (collectively, the **Court Orders** and each a **Court Order**);
- (f) Preserve, renew and keep in full force its corporate existence and its existing licenses and any licences it obtains in the future;
- (g) Conduct all activities in accordance with the Cash Flow

Projections previously approved by the DIP Lenders and the credit limits established under the DIP Facility as set out hereunder;

- (h) Notify the DIP Lenders of the occurrence of any Default or Event of Default, or Material Adverse Change or of any event or circumstance that may materially affect the Cash Flow Projections, including any material change in its contractual arrangements or relationships with third parties;
- (i) Make commercially reasonable efforts to comply in all material respects with all applicable laws, rules and regulations applicable to its business;
- (j) (A) Provide the DIP Lenders, on a timely basis, with information on the proposed steps to be taken by the Loan Parties or their advisors to solicit initial bids or letters of intent for the business or assets of the Loan Parties ("**Preliminary Indications of Interest**"), which steps are to be acceptable to the DIP Lenders; (B) provide the DIP Lenders with copies of the written Preliminary Indications of Interest within two (2) Business Days of receipt of the same by the Loan Parties; and (C) if warranted in the circumstances after receipt of Preliminary Indications of Interest and in consultation with the DIP Lenders, provide the DIP Lenders with the Loan Parties' proposed sale and investment solicitation process (the **Sale Process**), which Sale Process shall be acceptable to the DIP Lenders and shall include the milestones set out in paragraph (r) below;
- (k) Cause any tax refund (as set out in, and as described as, "income taxes receivable" in the December 31 2013 financial statements of the Borrower) which is due to be reimbursed by the Canada Revenue Agency, or any provincial tax authority, to the Borrower (or any Loan Party) (the **Tax Refunds**) to be deposited directly into the Borrower's Account.
- (l) Provide the DIP Lenders, and Norton Rose Fulbright Canada LLP (**NRF**) draft copies of all motions, applications, proposed orders (including without limitation, the draft Initial Order and any other orders in respect of the DIP Facility, DIP Credit Documentation or DIP Priority Charge) or other materials or documents that any of Loan Parties intend to file in the CCAA Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible, which all such filings shall be in form and substance acceptable to the DIP Lenders or **NRF**, and when served and filed with the Court, such materials shall be in form which is, confirmed by the DIP Lenders to be, satisfactory.
- (m) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications,

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amendment, stay or vacating not expressly consented to in advance by the DIP Lenders;

- (n) The DIP Lenders shall be entitled to have an observer attend all board and committee meetings of the Loan Parties and any such observer shall have all information disclosure rights that existing board members have;
- (o) The Loan Parties shall promptly provide notice to the DIP Lenders and NRF of any material developments in respect of any licence or permit required for the operation of the Loan Parties' business and of any notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Loan Parties in respect of such licence or permit;
- (p) Provide the DIP Lenders and NRF with draft copies of all letters, submissions, notices, or other materials or correspondence that any of the Loan Parties intend to file with or submit to any regulatory authority having jurisdiction over the Loan Parties relating to any licence or permit required for the operation of their business at least three (3) Business Days prior to such submission or filing or, where it is not practically possible to do so within such time, as soon as possible, which all such submissions or filings shall be in form and substance acceptable to the DIP Lenders;
- (q) Provide the Agent with any written proposal in respect of any Sale Transaction or Plan, or any amendments to any such proposal, which in each case is received by any of its representatives within two (2) Business Days of receipt by the Loan Parties and in any event before engaging in any discussions or further negotiations with the party which provided the proposal;
- (r) Subject to paragraph (j) above, on or before 45 days following the issuance of the Initial Order, the Borrower shall have obtained from the Court an Order approving the Sale Process, in form and substance satisfactory to the DIP Lenders (the **Sale Process Order**); (ii) to the extent that the "Successful Bid" pursuant to the Sale Process is a Sale Transaction, the Borrower shall have obtained an Order from the Court, in form and substance satisfactory to the DIP Lenders, approving the Sale Transaction (the **Sale Approval Order**), by no later than 60 days following the date of the Sale Process Order, and the closing of the Sale Transaction shall have taken place no later than 60 days following the Sale Approval Order; (iii) to the extent that the "Successful Bid" pursuant to the Sale Process is a Plan transaction, the Borrower shall have obtained an Order from the Court, authorizing the Borrower to file the Plan and to call a meeting of creditors to vote on the Plan (the **Plan Filing and Meeting Order**) by no later than 60 days following the date of the Sale Process Order, the

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Borrower shall have obtained a sanction Order (the **Sanction Order**) in respect of the Plan by no later than 30 days following the date of the Plan Filing and Meeting Order, and the Plan transaction shall have been implemented by no later than 30 days following the date of the Sanction Order;

- (s) Execute and deliver, or cause each Guarantor (as applicable) to execute and deliver, loan and collateral security documentation (including any guarantees in respect of the indebtedness, obligations and liabilities of the Borrower arising under, or in connection with, the DIP Facility and the other DIP Credit Documentation) in a manner satisfactory in all respects to the DIP Lenders, acting reasonably, including, without limitation, such security agreements, financing statements, discharges, opinions or other documents and information, in form and substance satisfactory to the DIP Lenders, acting reasonably (collectively, the **Additional DIP Security Documents**);
- (t) Complete of all necessary lien and other searches, together with all registrations, filings and recordings wherever the DIP Lenders, acting reasonably, deem appropriate, in connection with the DIP Security, and satisfaction that there are no Liens affecting the property or assets of the Loan Parties except: (A) Liens granted to the lender under the Priority Lien Credit Agreement; (B) Liens granted to the noteholders under the Indenture; (C) Liens arising by operation of law in the normal course of business without any contractual grant of security, (D) Liens for leased equipment and not prohibited by term sheet; provided that such Liens only cover the property subject to such arrangements; (E) the Liens set out in Schedule "C" Permitted Liens; (F) Liens granted by the Court with the consent of the DIP Lenders in their sole discretion; (G) the D&O Charge and (H) the TPL Protections , (collectively, the **Permitted Liens**);
- (u) Use its best efforts to obtain an estoppel certificate from each of Barclays Bank plc, Kerwal Limited and Portculis Investments Limited as secured parties in the assets of The Cash Store Limited as described in Schedule "C" hereto (collectively, the "**English Registrations**"); in form and substance satisfactory to the DIP Lenders;
- (v) Ensure that the CRO shall have responsibility and final decision making authority for all restructuring, sale and other similar matters (in consultation with the Monitor); and
- (w) Cause each DIP Lender to be listed as the loss payee on the insurance policies of the Loan Parties before the date of the third DIP Advance.

**REPORTING
REQUIREMENTS:**

The Borrower will provide the DIP Lenders with such information about the financial condition of the Loan Parties, the CCAA Proceedings, and any other information that the DIP Lenders may reasonably request from time to time.

These requirements are supplemental to and not *in lieu* of the requirements set out in the Section above entitled "*Cash Flow Projections*" and the other reporting requirements set out in this term sheet.

The Borrower, with the participation of the Monitor, shall host weekly call updates with representatives of the DIP Lenders during which, the DIP Lenders shall receive updates as to the status of, and developments in, the CCAA Proceedings, the Sale Process, dealings with regulatory authorities with respect to licensing requirements, compliance with the Cash Flow Projections, or other matters related to the Loan Parties' business, any Sale Transaction or Plan, and on any other matter as the DIP Lenders shall request, acting reasonably.

NEGATIVE COVENANTS:

The Loan Parties covenant and agree not to do, or cause not to be done, the following other than with the prior written consent of the DIP Lenders:

- (a) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking over CDN\$ 25,000 at any one time or through a series of related transactions, or more than CDN\$ 75,000 in the aggregate;
- (b) Make any payment of existing (pre-filing) indebtedness or liability or make any payment that reduces any trade or unsecured liabilities of the Loan Parties; provided that the Loan Parties may make critical vendor payments to the extent contemplated in the CCAA Cash Flow and may make interest payments under the Priority Lien Credit Agreement;
- (c) Other than as stayed pursuant to the Initial Order, create or permit to exist any indebtedness other than: (A) debt owing under the Priority Lien Credit Agreement; (B) debt owing under the Indenture; (C) the DIP Obligations; (D) post-filing trade payables in the ordinary course of business; (E) if applicable, any debt relating to paragraph (i) of the definition of TPL Protections; (F) the D&O Charge; and (G) the Administration Charge;
- (d) Make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise) to any Loan Party, Inactive Affiliate or other affiliate of the Borrower or otherwise; or (ii) a retirement, redemption, purchase or repayment of other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon) to any Loan Party, Inactive Affiliate or other affiliate of the Borrower; or (iii) any other payments, loans or transfers to any Inactive

Affiliate or English Entity or other affiliate of the Borrower which is not subject to the Initial Order, in each case other than with the prior consent of the DIP Lenders or as permitted under the CCAA Cash Flow, and, for greater certainty, in the case of paragraph (iii), no payment, loan or transfer shall be made to English Entities until condition precedent (l) of this term sheet is satisfied, in the DIP Lenders' sole discretion, and once such condition is met, payments, loans or transfers to English Entities shall be limited to the amounts set out in the CCAA Cash Flow;

- (e) Enter into any transaction or contractual relationship with any affiliate, related party or subsidiary or any of its or their directors or senior or executive officers or senior management, or enter into or assume any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management, or make any payment to any of its or their directors or senior or executive officers or senior management, industry bonuses, change of control payments or severance packages of any kind whatsoever (other than as permitted under the CCAA Cash Flow only so far as permitted by paragraph (d) above);
- (f) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as reflected in the CCAA Cash Flow;
- (g) Make any payments on account of bonuses or new retainers (other than to the CRO or as contemplated in the CCAA Cash Flow) or establish or create any trust accounts;
- (h) Make any retention payments or any other type of payment (in cash, or otherwise) or enter into any assignment or transfer (whether voluntary or otherwise) of accounts receivable, cash, or any other property, or any swap of cash for accounts receivable, or other property with any third party lender other than as contemplated in the CCAA Cash Flow;
- (i) Create or permit to exist any new Liens on any of its properties or assets other than the Administration Charge, the D&O Charge, the TPL Protections, Liens in favour of the DIP Lenders and Permitted Liens;
- (j) Make any capital expenditures other than as reflected in the CCAA Cash Flow;
- (k) Seek, obtain or support any Court Order that affects the DIP Lenders except with the prior written consent of the DIP Lenders, acting reasonably, which Court Order shall be in form and substance acceptable to the DIP Lender, acting reasonably;
- (l) Amalgamate, consolidate with or merge into or sell all or

substantially all of their assets to another entity, or change the nature of their business or their corporate or capital structure or enter into any agreement committing to such actions;

- (m) Unless the transaction satisfies all of the DIP Obligations and payments that have priority over the DIP Priority Charge, in full, make a public announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business, if not approved in advance by the DIP Lenders;
- (n) Enter into, extend, renew, waive or otherwise modify in any material respect the terms of any transaction with an affiliate, or extend or renew existing operational arrangements without the prior approval of the DIP Lenders;
- (o) Participate in any material discussions with a regulatory authority having jurisdiction over the Loan Parties relating to any licence or permit required for the operation of their business without providing the DIP Lenders, and NRF reasonable advance notice of such discussions and discuss and agree with the DIP Lenders in advance regarding the conduct and nature of such discussions provided that the Loan Parties or their advisors shall, following such discussion, advise the DIP Lenders and NRF of the content of those discussions aside from external counsel only matters;
- (p) Participate in any material discussions with any party (other than their legal and financial advisors) with respect to any Sale Transaction or Plan after the delivery by such party of a written expression of interest in respect of same, in each case without providing reasonable notice to the DIP Lenders, and NRF, and an opportunity for a representative of NRF or Moelis & Company to participate in such discussions;
- (q) Enter into any settlement agreement or agree to any settlement arrangements with any regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the DIP Lenders' prior consent, or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the CCAA Cash Flow;
- (r) Cease to carry on its business or activities as they are currently being conducted or change their operations or business practices (including normal lending practices) without the prior approval of the DIP Lenders; and

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- (s) Transfer the proceeds of any DIP Advance to any other account of the Borrower or any Loan Party other than the Borrower's Account.

EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default (**Event of Default**) under this term sheet:

- (a) Failure of the Borrower to pay: (i) interest, fees or other amounts when due under this term sheet or any other DIP Credit Documentation; (ii) principal when due under the DIP Facility; or (iii) legal fees of the DIP Lenders and the Agent and the DIP Lender's Financial Advisors within, in the case of paragraph (iii) only, five (5) Business Days of being invoiced therefore (if applicable);
- (b) Failure of any Loan Party to perform or comply with any term or covenant under this term sheet or any other DIP Credit Documentation (other than as set out in paragraph (a) above) unless remedied in three (3) days;
- (c) Any representation or warranty by a Loan Party made or deemed to be made in this term sheet or any DIP Credit Document is or proves to be incorrect or misleading in any material respect as of the date made or deemed to be made unless remedied in three (3) days;
- (d) Issuance of an order (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against any Loan Party or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of any Loan Party, other than in respect of a non-material asset not required for the operations of any Loan Party's business and which is subject to a priority Lien; (ii) granting any other claim super priority status or a Lien equal or superior to that granted to the DIP Lenders other than the Administration Charge, the D&O Charge but only to the extent of an amount equal to CDN\$1,250,000 and the TPL Protections (which shall rank *pari passu*); or (iii) staying, reversing, vacating or otherwise modifying this term sheet or the DIP Credit Documentation, any Court Order (including the Initial Order and the DIP Priority Charge) or the entry of an order by the Court having the equivalent effect, without the prior written consent of the DIP Lenders;
- (e) Unless consented to by the DIP Lenders, the expiry without further extension of the stay of proceedings provided for in the Initial Order;
- (f) Any Loan Party ceases to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of a Loan Party or other restructuring or

reorganization of a Loan Party, which has been consented to by the DIP Lenders;

- (g) A Cash Flow Projection is not acceptable to the DIP Lenders, acting reasonably, or is not delivered to the DIP Lenders within three (3) Business Days of its due date under this term sheet;
- (h) The existence of an adverse variance of actual cash flows from the CCAA Cash Flow (without taking into account any positive variance in cash flow as a result of receiving the Tax Refund or any negative variance as a result of any fees which may be payable to a CRO), by an amount exceeding: (i) with respect to the Operating Cash Flow, the greater of CDN\$ 2.0 million or 20% during the first two weeks following the issuance of the Initial Order, measured on a cumulative basis from April 11, 2014; and (ii) thereafter, by the greater of CDN\$1.5 million or 15%, measured on a cumulative basis from April 11, 2014; and (iii) with respect to any Non-Operating Disbursements, the greater of CDN\$500,000 or 15% of the CCAA Cash Flow, measured on a cumulative basis from April 11, 2014;
- (i) If at any time, the Updated Peak Funding Requirement exceeds by more than 15% the Original Peak Funding Requirement (without taking into account any positive variance in cash flow as a result of receiving the Tax Refund or any negative variance as a result of any fees which may be payable to a CRO).
- (j) The filing by any of the Loan Parties of any motion or proceeding which (i) is not consistent with any provision of this term sheet, the DIP Credit Documentation or the DIP Priority Charge, in a manner that is materially adverse to the interests of the DIP Lenders; (ii) seeks to obtain a "critical supplier charge" or similar protection pursuant to the CCAA to any party, other than the critical vendor payments contained in the CCAA Cash Flow; (iii) could reasonably be expected to materially adversely affect the interests of the DIP Lenders; (iv) seeks an order which, if granted, could reasonably be expected to result in a Material Adverse Change, or (v) seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court, unless in the case of any of the foregoing, the DIP Lenders have consented thereto in writing;
- (k) An order of the court that results in any third party lender receiving from a Loan Party any of the following, in each case, except such amounts as are subject to paragraph (i) of the definition of TPL Protection, such amounts contemplated in the CCAA Cash Flow, or as otherwise provided in this term sheet or with the prior consent of the DIP Lenders: (i) any retention payment or other type of payment (in cash or otherwise); (ii) any assignment of accounts receivable or any swap of cash for accounts receivable or other property; or (iii) other property or any

other amount transferred to a third party lender for its benefit;

- (l) Unless the transaction satisfies all DIP Obligations and payments that have priority over the DIP Priority Charge, in full, any proceeding, motion or application shall be commenced or filed by any Loan Party, or if commenced by another party, supported or otherwise consented to by any Loan Party, seeking the approval of any Sale Transaction or Plan that does not have the prior consent of the DIP Lenders;
- (m) The making by the Borrower or any Guarantor of a payment of any kind not permitted by the Initial Order, this term sheet, the DIP Credit Documentation or the CCAA Cash Flow without the prior consent of the DIP Lenders;
- (n) The occurrence and continuance of an event of default under any of the DIP Credit Documentation that is not cured or waived in accordance with the terms thereof;
- (o) Except as stayed by order of the Court, a default under, revocation or cancellation of, any material contract, licence or permit, which has or could reasonably be expected to result in a Material Adverse Change;
- (p) In the event a CRO is appointed, the removal, termination, replacement or change in the scope or extent of the authority of the CRO, without the prior consent of the DIP Lenders, acting reasonably;
- (q) In the event that any of the directors of the Borrower resign without leaving at least one independent director or one independent replacement director on the board or a CRO with the authority to act on behalf of the Loan Parties;
- (r) Receipt of Tax Refunds which are in the aggregate less than CDN\$10 million or not received by August 30, 2014;
- (s) The denial or repudiation by any Loan Party of the legality, validity, binding nature or enforceability of this term sheet, any DIP Credit Documentation or any other document or certificate delivered pursuant to the terms hereof or thereof;
- (t) Except as stayed by order of the Court, (i) the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of CDN\$ 20,000 individually, or CDN\$ 50,000 in the aggregate, against any Loan Party or the Collateral that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy (ii) any requirement by a regulatory authority that any of the Loan Parties reimburse amounts to customers of any of the Loan

Parties; or

- (u) The occurrence of a Material Adverse Change.

REMEDIES:

Subject to the Initial Order, upon the occurrence of an Event of Default, the Agent, if so directed by the Majority Lenders may:

- (a) Declare the DIP Obligations to be immediately due and payable;
- (b) Apply to a court: (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, property and assets of any Loan Party; (ii) for the appointment of a trustee in bankruptcy of any Loan Party; or (iii) to seek other relief;
- (c) Exercise the powers and rights of a secured party under the *Personal Property Security Act* (Manitoba), *Personal Property Security Act* (Alberta), *Personal Property Security Act* (Ontario) or any other legislation of similar effect applicable to the DIP Security; and
- (d) Exercise all such other rights and remedies under this term sheet and the DIP Credit Documentation and the Court Orders.

For greater certainty and subject to the Initial Order, the DIP Lenders shall have customary remedies under the DIP Credit Documentation, including, but not limited to, the right to realize on all or part of the DIP Security without the necessity of obtaining further relief or order from the Court, subject to applicable law.

**INDEMNITY AND
RELEASE:**

Each Loan Party agrees to indemnify and hold harmless the Finance Parties and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as **Indemnified Persons**) from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from the CCAA Proceedings, any bankruptcy or insolvency proceedings, this term sheet or any other DIP Credit Documentation, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, the Loan Parties shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as

finally determined by a court of competent jurisdiction.

The indemnities granted under this term sheet shall survive any termination of the DIP Facility.

EXPENSES:

The Borrower will reimburse the Finance Parties for all reasonable and documented fees disbursements, out-of-pocket expenses incurred by them (including reasonable and documented legal and professional fees and expenses, on a full indemnity basis), in connection with the CCAA Proceedings (including preparation for and attendance at the Court), due diligence, negotiation and documenting of this term sheet and related documentation and the on-going monitoring and administration of each, including the fees and expenses of a tax advisor, and the enforcement of the DIP Priority Charge and any Additional DIP Security Documents.

" will cover Court fees, NRF and Haulshan so that all Stakeholders interests are provided for

All such fees, disbursements and expenses shall be included in the DIP Obligations and secured by the DIP Priority Charge.

APPOINTMENT OF COLLATERAL AGENT:

The DIP Lenders shall be entitled to appoint a collateral agent (the **Collateral Agent**) to accept, enter into, hold, maintain, administer and enforce all DIP Security including all Collateral subject to it and all Liens created under it and sell, assign, foreclose on, or institute proceedings with respect to, or otherwise exercise or enforce the rights and remedies of a secured party with respect to the Collateral.

APPOINTMENT OF AGENT AND AGENT'S ROLE:

- (a) Each DIP Lender appoints the Agent to act as its agent under and in connection with this term sheet and the DIP Credit Documentation.
- (b) Each DIP Lender authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with this term sheet and the DIP Credit Documentation together with any other incidental rights, powers, authorities and discretions.
- (c) Any communication or document to be delivered to the Agent will be effective only when received by the Agent.
- (d) Nothing in this Agreement constitutes the Agent as a trustee or fiduciary of any other person.
- (e) The Agent shall not be bound to account to any DIP Lender for any sum or the profit element of any sum received by it for its own account.
- (f) The Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Loan Party.

DUTIES OF THE AGENT:

- (a) The Agent's duties under this term sheet and the DIP Credit Documentation are solely mechanical and administrative in nature.

- (b) Except with respect to the Assignment and Assumption Agreement, the Agent shall as soon as reasonably practicable forward to a DIP Lender the original or a copy of any document which is delivered to the Agent for that party by any other party.
- (c) The Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.
- (d) The Agent shall have only those duties, obligations and responsibilities expressly specified in this term sheet or the other DIP Credit Documentation to which it is expressed to be a party (and no others shall be implied).

LIMITATIONS ON AGENT'S DUTIES:

Responsibility for documentation

The Agent is not responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Borrower or any other person in, or in connection with, the term sheet or any other DIP Credit Documentation or any report or financial information received from the Borrower or any party or the transactions contemplated in this term sheet or any DIP Credit Documentation or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any of them; or
- (b) the legality, validity, effectiveness, adequacy or enforceability of this term sheet or any DIP Credit Documentation or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any of them; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

No duty to monitor

The Agent shall not be bound to enquire:

- (d) whether or not any Default has occurred;
- (e) as to the performance, default or any breach by any Party of its obligations under this term sheet or any DIP Credit Documentation; or
- (f) whether any other event specified in this term sheet or any DIP Credit Documentation has occurred.

RIGHTS AND DISCRETIONS:

- (a) The Agent may rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised.
- (b) The Agent may:
 - (i) assume that (A) any instructions received by it from the Majority Lenders, are duly given in accordance with the terms of this term sheet and any DIP Credit Documentation; and (B) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (ii) rely on a certificate from any person (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing, in each case as sufficient evidence that that is the case and, in the case of paragraph (a) above, may assume the truth and accuracy of that certificate.
- (c) The Agent may act in relation to this term sheet and any other DIP Credit Documentation through its personnel and agents and is not liable for any error of judgment made by any such person or bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person.
- (d) The Agent may disclose to any other Finance Party any information it reasonably believes it has received as agent under this term sheet and the other DIP Credit Documentation.
- (e) Notwithstanding any provision of this term sheet or any DIP Credit Documentation to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

DIP LENDER INSTRUCTIONS:

- (a) Unless a contrary indication appears in the DIP Credit Documentation, the Agent shall: (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

- (b) Unless a contrary indication appears in this term sheet or any other DIP Credit Documentation, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if this term sheet or the relevant DIP Credit Documentation stipulates the matter is a decision for any other DIP Lender or group of DIP Lenders, from that DIP Lender or group of DIP Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (d) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the DIP Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (e) In the absence of instructions from the Majority Lenders, (and to the extent they are entitled to vote, the DIP Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the DIP Lenders.
- (f) The Agent is not authorised to act on behalf of a DIP Lender (without first obtaining that DIP Lender's consent) in any legal or arbitration proceedings relating to any DIP Credit Documentation.

The Administration and Mechanics of Voting

If a decision, determination or direction of the DIP Lenders or Majority Lenders is required under the terms of this term sheet or the other DIP Credit Documentation, the Agent shall communicate with each DIP Lender that it is entitled to vote and provide a deadline for response.

Deemed Responses

In the event that the Agent seeks instructions or a decision, determination or direction from the Majority Lenders or all of the DIP Lenders, then to the extent that any DIP Lender fails to give such instructions or response within the deadline prescribed in the request then that DIP Lender shall be deemed to have no principal indebtedness owing to it under its DIP Facility (and a result no voting entitlement in relation to that decision) and where no DIP Lender has provided a response in connection with that decision by the deadline date for decision, each DIP Lender shall be deemed to have irrevocably approved the implementation of that

decision.

**EXCLUSION OF AGENT'S
LIABILITY:**

- (a) Without limiting paragraph (b) below in this Section, the Agent shall not be liable for any action taken by it under, or in connection with, this term sheet or any other DIP Credit Documentation, unless directly caused by its gross negligence or wilful misconduct.
- (b) No party (other than the Agent) shall take proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to this term sheet or any other DIP Credit Documentation and any officer, employee or agent of the Agent may rely on this provision.
- (c) If any monies are transferred to the Agent, the Agent will not be liable for any delay (or related consequences) in crediting an account with any amount required under this term sheet or any other DIP Credit Documentation to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system which may be used by the Agent for that purpose.
- (d) Nothing in this term sheet or the other DIP Credit Documentation, shall oblige the Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any DIP Lender and each DIP Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

**DIP LENDERS' INDEMNITY
TO THE AGENT:**

Each DIP Lender shall (in proportion to its share of the DIP Facility or, if the DIP Facility has been fully disbursed, to its share of the DIP Facility remaining to be disbursed immediately prior to the reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under this term sheet or any other DIP Credit Documentation (unless the Agent has been reimbursed by a Loan Party pursuant to any DIP Credit Documentation).

**ADDITIONAL AGENCY
PROVISIONS:**

Delegation or Assignment of Authority

The Agent may delegate or assign its role as Agent at any time and upon agreeing the terms and conditions of such delegation or assignment with its delegate or assignee (as the case may be).

Resignation

- (a) The Agent may resign at any time and appoint another

party as successor by giving notice to the other Finance Parties and the Borrower.

- (b) The retiring Agent shall, make available to the successor Agent such documents and records as the successor Agent may reasonably request for the purposes of performing its functions as Agent under this term sheet, the DIP Credit Documentation and the DIP Security. The Borrower shall, within three (3) Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (c) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (d) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of performing its functions as Agent under this term sheet, the DIP Credit Documentation and the DIP Security but shall be entitled to the benefit of the Section above entitled "DIP Lenders' Indemnity to the Agent" and this Section entitled "Agent's Resignation" (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party.

**CONDUCT OF BUSINESS
BY THE FINANCE
PARTIES:**

No provision of this term sheet will:

- (a) Interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) Oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) Oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

**ADMINISTRATION OF THE
DIP FACILITY:**

All payment to be made by a Loan Party shall be calculated and be made (and fee and clear of any deduction for) set-off or counterclaim.

CURRENCY:

The DIP Facility shall be repaid by the Borrower or a Loan Party (as applicable and as required under this term sheet) in the currency in which the DIP Facility was obtained by it. Any payment on account of an amount payable under any DIP Credit Documentation in a particular currency (the **proper currency**) made to or for the account of a DIP Lender in a currency (the **other currency**) other than the proper currency, whether pursuant to a judgement or order of any court or tribunal or otherwise, shall

constitute a discharge of such Loan Party's obligation under such DIP Credit Documentation only to the extent of the amount of the proper currency which the applicable DIP Lender is able, in the normal course of its business within one (1) Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which such DIP Lender is so able to purchase is less than the amount of the proper currency originally due to it under such DIP Credit Documentation, the Loan Party, from whom such sum is due, shall indemnify and save such DIP Lender harmless from and against any loss or damage arising as a result of such deficiency.

TAXES:

All payments by the Borrower or any Loan Party under the DIP Credit Documentation to the DIP Lenders, including any payments required to be made from and after the exercise of any remedies available to the DIP Lenders upon an Event of Default, shall be made free and clear of, and without reduction for or on account of Taxes.

If any Taxes are required by applicable law to be withheld (**Withholding Taxes**) from any interest or other amount payable to the DIP Lenders under any DIP Credit Documentation, the amount so payable to the DIP Lenders shall be increased to the extent necessary to yield to the DIP Lenders on a net basis after payment of all Withholding Taxes, the amount payable under such DIP Credit Documentation at the rate or in the amount specified in such DIP Credit Documentation and the Borrower and any applicable Loan Party shall provide evidence satisfactory to the DIP Lenders that the Taxes have been so withheld and remitted, provided however that Withholding Taxes shall not include any such taxes that arise by virtue of: (i) the Borrower or any applicable Loan Party not dealing at arm's length for purposes of the Tax Act with a DIP Lender; (ii) a payment being deemed to be a dividend for purposes of the Tax Act, (iii) the application of proposed subsection 212(3.2) of the Tax Act or (iv) other customary exclusions.

STATUS OF PERMITTED LIENS:

Except as expressly provided in this term sheet, the designation of any Lien as a Permitted Lien is not, and shall not be deemed to be, an acknowledgement by the DIP Lenders that the Lien shall have priority over the security interests granted to the DIP Lenders in the Collateral pursuant to this term sheet, the DIP Priority Charge and the DIP Security Documents.

FURTHER ASSURANCES:

The Borrower shall, and shall cause each Loan Party at its own expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lenders may reasonably request for the purpose of giving effect to this term sheet and the DIP Security, perfecting, protecting and maintaining the Liens created by the DIP Security establishing compliance with the representations, warranties and conditions of this term sheet or any other DIP Credit Documentation.

NOTICES:

Any communication to be made under or in connection with the DIP Credit Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or e-mail.

The address, fax number and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with the DIP Credit Documents is:

- (a) in the case of the Borrower and the Guarantors is set out in Schedule "E" (Initial administrative details of the Parties);
- (b) in the case of each DIP Lender, as set out in Schedule "E" (Initial administrative details of the Parties) or notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent, as set out in Schedule "E" (Initial administrative details of the Parties),

or any substitute address, fax number, e-mail address or department or officer as the party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

Promptly upon changing its address, fax number or e-mail address, the Agent shall notify the other parties.

**ENTIRE AGREEMENT;
CONFLICT:**

This term sheet, including its schedules and the other DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this term sheet and any of the other DIP Credit Documentation, this term sheet shall govern. In the event of any inconsistency between any DIP Credit Documentation and a Court Order, the Court Order shall govern.

DIP LENDER APPROVALS:

Any consent, approval (including, without limitation, any approval of or authorization for any waiver under or any amendment to any of the DIP Credit Documentation), instruction or other expression of the DIP Lenders under any of the DIP Credit Documentation may be obtained by an instrument in writing (which instrument in writing, for greater certainty, may be delivered by facsimile or other electronic transmission).

**AMENDMENTS, WAIVERS,
ETC.:**

No waiver or delay on the part of a DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorised officer of the DIP Lenders acting on the instructions of the Majority Lenders.

Any term of this term sheet or the other DIP Credit Documentation may be amended or waived only with the consent of the Majority Lenders and any such amendment or waiver will be binding on all

Parties, provided however that no amendment may be made without the prior written consent of the Loan Parties.

The Agent may effect, on behalf of any Finance Party, any permitted amendment or waiver.

An amendment or waiver which relates to the rights or obligations of the Agent may not be effected without the consent of the Agent.

**ASSIGNMENT BY DIP
LENDERS:**

A DIP Lender (the Existing Lender, for the purposes of this section) may, subject to the ~~Right of First Refusal (as defined below)~~, assign its rights and obligations under this term sheet, in whole or in part, to any party (the New Lender for the purposes of this section) acceptable to the ~~DIP Lender A, in its sole and absolute discretion.~~

*DIP
lenders,
acting
reasonably*

(a) Following such transfer, the Existing Lender shall be released from its obligations (to the extent transferred) under the term sheet, the DIP Credit Documentation and the DIP Security, and the respective rights of each of the Borrower and the Existing Lender against one another shall be cancelled, and the New Lender shall assume those obligations and acquire those rights and shall become a party to the term sheet, the DIP Credit Documentation and the DIP Security.

(b) An assignment may be effected when the Agent executes an otherwise duly completed assignment and assumption agreement attached in Schedule "F" (the Assignment and Assumption Agreement) delivered to it by the Existing Lender and the New Lender, whereby the New Lender has agreed to be bound by the terms of the term sheet, the DIP Credit Documentation and the DIP Security as a DIP Lender and has agreed to a specific Commitment with respect to the DIP Facility. The Agent shall as soon as reasonably practicable after receipt by it of a duly completed Assignment and Assumption Agreement execute that Assignment and Assumption Agreement.

(c) Once the transfer is effected, the Commitment of the Existing Lender shall be deemed to be reduced by the amount of the Commitment of the New Lender with respect to the DIP Facility.

(d) The Borrower and the other Finance Parties irrevocably authorise the Agent to execute any Assignment and Assumption Agreement on their behalf, without any consultation with them.

(e) The New Lender shall become a party as a "DIP Lender" and will be bound by its obligations under this term sheet, the DIP Credit Documentation and the DIP Security.

(f) On behalf of itself and the other Loan Parties, the Borrower authorizes the Agent and the DIP Lenders to disclose to any New Lender (each, a "Transferee") and any prospective Transferee or any professional advisor of any Transferee or prospective Transferee and authorizes each of the DIP Lenders to

disclose to any other DIP Lender any and all financial information in their possession concerning the Loan Parties which has been delivered to them by or on behalf of any Loan Party pursuant to this term sheet or which has been delivered to them by or on behalf of any Loan Party in connection with their credit evaluation of the Loan Parties prior to becoming a party to this term sheet, so long as any such Transferee or professional advisor agrees not to disclose any confidential, non-public information to any person other than the Transferee's affiliates, employees, accountants or legal counsel, unless required by law and authorizes each of the DIP Lenders to disclose to any other DIP Lender and to any person where disclosure is required by law, regulation, legal process or regulatory authority (for certainty under any circumstance and not solely in connection with assignment of rights).

(g) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

- (i) has made, and shall continue to make, its own independent investigation and assessment of the financial condition and affairs of the Borrower and each Loan Party or any related entities in connection with its participation in this term sheet or the other DIP Credit Documentation and has not relied exclusively on any information provided to it by the Existing Lender in connection with this term sheet or the other DIP Credit Documentation and
- (ii) will continue to make its own independent appraisal of the creditworthiness of the Borrower and their related entities whilst any amount is or may be outstanding under this term sheet or the DIP Credit Documentation.

Right of First Refusal

The DIP Lender A shall have a right of first refusal to participate in any transfer of the rights and obligations of any DIP Lender. The DIP Lender A shall have 10 days upon receipt of notice from the Existing Lender of the proposed transfer to confirm whether or not they wish to participate (such right being the Right of First Refusal).

Rights of the DIP Lender A

To the extent that Coliseum Capital Management, LLC or its affiliates comprise the Agent and DIP Lender A, the DIP Lender A may require any DIP Lender to assign any or all of its rights and obligations (in whole or in part) under the term sheet, DIP Credit Documentation and the DIP Security at par plus accrued interest by giving three (3) Business Days of notice to such other DIP Lender, following which time such DIP Lender shall execute an Assignment and Assumption Agreement to give effect to such assignment of rights and obligations. If the DIP Lender fails to sign the Assignment and Assumption Agreement within three (3)

*- exclusivity
should
not be
granted
to any
single
stakeholder*

~~.Business Days after receipt of the above notice, it hereby authorises the Agent to do so on its behalf.~~

ASSIGNMENT BY THE LOAN PARTIES:

Neither this term sheet nor any right and obligation under it may be assigned by any Loan Party.

TIME OF ESSENCE:

Time is of the essence in this term sheet and the time for performance of the obligations of each Loan Party may be strictly enforced by the Finance Parties.

SEVERABILITY:

Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this term sheet or any other DIP Credit Documentation affecting the validity or enforceability of such provision in any other jurisdiction.

COUNTERPARTS AND FACSIMILE SIGNATURES:

This term sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this term sheet by signing any counterpart of it.

GOVERNING LAW AND JURISDICTION:

This term sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in it. Each Loan Party irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or forum *non conveniens* or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

DEFINITIONS:

Capitalised terms not otherwise defined herein shall have the following meanings:

Administration Charge is a court-ordered administration charge to secure payment of the professional fees and disbursements of counsel to the Loan Parties, counsel to the special committee of the board of the Loan Parties, financial advisors to the Loan Parties, counsel to the DIP Lenders and the Agent, the Monitor and its legal counsel, in a maximum amount of CDN\$1,500,000;

Approved Transaction means a Plan or Sale Transaction that is acceptable to the DIP Lenders;

Business Day means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Ontario and New York;

CCAA Proceedings means the proceedings in respect of the Borrower and the Guarantors before the Court commenced pursuant to the CCAA;

Collateral means all present and after-acquired property, assets and undertakings of the Loan Parties, including, without limitation,

accounts, rights of repayments or reimbursement, claims for cash, accounts receivable of the Loan Parties and proceeds thereof, and all cash whether in any Loan Party's bank accounts or elsewhere;

Court means the Ontario Superior Court of Justice, Commercial List (Toronto);

Default means an event which, with the giving of notice and/or lapse of time would constitute an Event of Default (as defined herein);

DIP Credit Documentation means this term sheet, the Additional Security Documents and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lenders;

DIP Obligations means any and all amounts now or hereafter owing by the Borrower and/or the Guarantors to the DIP Lenders pursuant to this term sheet or any other DIP Credit Documentation (including all principal, interest, fees, expenses, indemnities and any other amounts);

D&O Charge means a Court-ordered directors' charge in favour of the existing directors and officers of the Loan Parties, up to a maximum amount of CDN\$ 2,500,000, CDN\$1,250,000 of which shall rank ahead of the DIP Priority Charge and CDN\$1,250,000 shall rank behind any liens granted in connection with the Priority Lien Credit Agreement;

Initial Order means an initial order granted by the Court in respect of the Borrowers and the Guarantors in form and substance satisfactory to the DIP Lenders acting reasonably, as the same may be amended by the Court with the consent of the DIP Lenders acting reasonably;

Indenture means an agreement dated as of January 31, 2012 between, among others the Borrower as issuer, the Guarantors and Computershare Trust Company of Canada as Collateral Agent;

Finance Parties means each DIP Lender, the Agent and the Collateral Agent and **Finance Party** means any one of them;

Liens means all mortgages, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever;

Monitor means FTI Consulting Canada Inc.;

Non-Operating Disbursements shall mean total cash flow less operating cash flow pursuant to the CCAA Cash Flow;

Operating Cash Flow shall mean the operating cash flow pursuant to the CCAA Cash Flow;

Original Peak Funding Requirement means the maximum

projected draw under the DIP Facility as reflected in the CCAA Cash Flow.

Priority Lien Credit Agreement means the priority lien credit agreement between dated as of November 29, 2013 DIP Lender A and the other lenders;

Plan means any plan of compromise, arrangement or reorganization filed pursuant to the CCAA or any other statute, in respect of any of the Loan Parties.

related party has the meaning ascribed to it in the *Securities Act* and any regulations, rules and policies made under it;

Sale Transaction means a sale by the Borrower or any Guarantors of all or substantially all of its assets on-going business operations or the acquisition of the shares of any Loan Party by another party;

Tax Act means the *Income Tax Act* (Canada);

Taxes means any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country;

TPL Protections means each of the following, which are for the sole purpose of preserving the claims of the third party lenders as they existed immediately prior to the effective time of the Initial Order and which are without prejudice to the rights or remedies of any party, including the Finance Parties: (i) a Court-ordered charge in favour of the third party lenders in an amount equal to the Loan Parties' cash as of the effective time of the Initial Order which court-ordered charge shall rank *pari-passu* with the DIP Priority Charge; and (ii) such accounting or other actions provided for in the Initial Order to track the receipt by the Loan Parties of accounts receivable in connection with loans brokered for the Loan Parties' third party lenders, and for greater certainty, the protections in (i) and (ii) above is not intending to grant third party lenders any new, additional or greater right than they would have had without the protections in (i) and (ii); and

Updated Peak Funding Requirement means any revised maximum projected draw under the DIP Facility as reflected in the updated Cash Flow Projections.

[Remainder of page intentionally left blank.]

IN WITNESS HEREOF, the parties hereby execute this term sheet as at the date above.

**THE CASH STORE FINANCIAL SERVICES
INC. AS BORROWER**

Per: _____

Name:

Title:

I have authority to bind the corporation

7252331 CANADA INC. AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation.

5515433 MANITOBA INC. AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation

INSTALOANS INC. AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation.

THE CASH STORE INC. AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation

TCS CASH STORE INC. AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation.

1693926 ALBERTA LTD. AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation

**THE CASH STORE FINANCIAL LIMITED AS
GUARANTOR**

Per: _____

Name:

Title:

I have authority to bind the corporation

**CSF INSURANCE SERVICES LIMITED AS
GUARANTOR**

Per: _____

Name:

Title:

I have authority to bind the corporation

THE CASH STORE LIMITED AS GUARANTOR

Per: _____

Name:

Title:

I have authority to bind the corporation

**COLISEUM CAPITAL MANAGEMENT, LLC
AS AGENT**

Per: _____
Name:
Title:
Authorised signatory.

**COLISEUM CAPITAL PARTNERS, LP, AS DIP
LENDER A**

by: Coliseum Capital, LLC, General Partner

Per: _____
Name:
Title: Manager
Authorised signatory.

**COLISEUM CAPITAL PARTNERS II, LP
AS DIP LENDER A**

by: Coliseum Capital, LLC, General Partner

Per: _____
Name:
Title: Manager
Authorised signatory.

**BLACKWELL PARTNERS, LLC
AS DIP LENDER A**

by: Coliseum Capital, MANAGEMENT, LLC,
Attorney-in-fact

Per: _____
Name:
Title:
Authorised signatory.

- Ad Hoc DIP Lenders; plus

- Coliseum, as a Noteholder; plus

- any other Noteholders acceptable
to the DIP Lenders

SCHEDULE "A"
CCAA CASH FLOW

SCHEDULE "B"

FORM OF DRAWDOWN CERTIFICATE

TO: Coliseum Capital Management, LLC as Agent for the DIP Lenders

FROM: The Cash Store Financial Services, Inc. (the **Borrower**)
as countersigned by the Monitor

DATE: ●, 2014

- 1 This certificate is delivered to you, as Agent for the DIP Lenders, in connection with a request for DIP Advances pursuant to the term sheet made as of *[insert date]* between, inter alia, the Borrower and the DIP Lenders, as amended, supplemented, restated or replaced from time to time (the **Term Sheet**). All defined terms used, but not otherwise defined, in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.
- 2 The Borrower hereby requests a DIP Advance from the DIP Lenders as follows:
- (d) Date of DIP Advance: _____
- (e) Proposed amount of DIP Advance CDN (\$): _____ to be shared *pro rata* among of the DIP Lenders.
- 3 All of the representations and warranties of the Loan Parties as set forth in the Term Sheet are true and accurate in all material respects as at the date hereof, as though made on and as of the date hereof.
- 4 All of the covenants of the Loan Parties contained in the Term Sheet together with all of the conditions precedent to the DIP Advances hereby requested and contained in the Term Sheet, and all other terms and conditions contained in the Term Sheet to be complied with by the Loan Parties, not properly waived in writing by or on behalf of the DIP Lenders, have been fully complied with.
- 5 In addition to the foregoing, the Loan Parties are in compliance with the DIP Credit Documentation, including, without limitation, the Court Orders.
- 6 The DIP Advance, hereby requested is: (a) within the relevant Cash Flow Projections, or not in excess of: (i) the greater of \$1.5 million or 20% of DIP Advances requested during the first four weeks following the issuance of the Initial Order, measured on a cumulative basis from April 11, 2014 to the date of each such DIP Advance; and (ii) thereafter, the greater of \$2 million or 15% of DIP Advance, measured on a cumulative basis from April 11, 2014 to the date of such DIP Advance (in each case, as reflected in the Cash Flow Projections and without giving effect, in such calculation, to any fees which may be payable to the CRO, if any); or (b) in an amount which is no greater than the Minimum Draw, and that the Borrower is in compliance with this term sheet and the other DIP Credit Documentation.
- 7 The DIP Advance hereby requested is: (i) is based on the funding requirements of the Borrower and the Loan Parties at the time of the draw and in an amount sufficient to ensure that the cash

balance of the Borrower and the Loan Parties shall not fall below CDN\$3 million based on, and in accordance with, the Cash Flow Projections

- 8 The DIP Advance hereby requested is in compliance with the Term Sheet and the other DIP Credit Documentation.
- 9 No Default or Event of Default has occurred and is continuing nor will any such event occur as a result of the DIP Advances hereby requested.

*delete as appropriate

THE CASH STORE FINANCIAL SERVICES INC.

Per: _____

Name:

Title:

I have authority to bind the corporation.

**FTI CONSULTING INC., SOLELY IN ITS
CAPACITY AS MONITOR AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

Per: _____

Name:

Title:

I have authority to bind the corporation.

CASH FLOW PROJECTION FOR *[insert applicable period]*

[TO BE ATTACHED]

**SCHEDULE "C"
PERMITTED LIENS**

<u>Debtors</u>	<u>Secured Creditors</u>	<u>Jurisdiction of Registration</u>	<u>Registration Number and Date</u>	<u>Limitations on the scope of the secured interest</u>
- The Cash Store Inc. - The Cash Store Financial Services Inc.	Assistive Financial Corp.	Alberta	13090526496 (September 5, 2013)	Borrower to provide evidence satisfactory to the DIP Lenders that this registration will be subordinated to the DIP Priority Charge, or satisfactory estoppel letter with respect to its scope or a discharge.
The Cash Store Limited	Barclays Bank plc	England, UK	Created September 15, 2011)	Borrower to use best efforts to provide DIP Lenders with satisfactory estoppel letter with respect to its scope.
The Cash Store Limited	Kerwal Limited	England, UK	Created September 30, 2011)	Borrower to use best efforts to provide DIP Lenders with satisfactory estoppel letter with respect to its scope.
The Cash Store Limited	Portcullis Investments Limited	England, UK	Created December 12, 2011)	Borrower to use best efforts to provide DIP Lenders with satisfactory estoppel letter with respect to its scope.

SCHEDULE "D"
INACTIVE AFFILIATES

1677547 Alberta Ltd

The Cash Store Financing Corporation

SCHEDULE "E"
ADMINISTRATIVE DETAILS OF THE PARTIES

The Borrower and each Guarantor

15511 – 123rd Avenue
Edmonton, Alberta, T5V 0C3
Fax No: +1 780 408 5110
Email: gord@csfinancial.ca
Attention: The Chief Executive Officer

With copy to:
Osler, Hoskin & Harcourt LLP.
Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8, Canada
Fax No.: +1 416.862.6666
Email: mwasserman@osler.com
Attention: Marc Wasserman

The DIP Lenders

Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC
Metro Center
One Station Place, 7th Floor South
Stamford, CT, USA, 06902
Fax No: +1 203 286 1111
Email: cshackelton@ccap-llc.com
Attention: Chris Shackelton

() Add other DIP lenders*

The Agent

~~Coliseum Capital Management, LLC
Metro Center
One Station Place, 7th Floor South
Stamford, CT, USA, 06902
Fax No: +1 203 286 1111
Email: cshackelton@ccap-llc.com
Attention: Chris Shackelton~~

With copy to:
Norton Rose Fulbright Canada LLP.
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84, Toronto, ON M5J
2Z4, Canada
Fax No.: +1 416.216.3930
Email: waliel.soliman@nortonrosefulbright.com
and virginie.gauthier@nortonrosefulbright.com
Attention: Waliel Soliman and Virginie Gauthier

() Add Goodmans*

SCHEDULE "F"
ASSIGNMENT AND ASSUMPTION AGREEMENT

To: The Agent (on its own behalf and on behalf of the Finance Parties); the Collateral Agent; the Borrower; and the Guarantors (as such terms are defined in the Term Sheet defined below)

From: [*the Existing Lender*] (the **Existing Lender**) and [*the New Lender*] (the **New Lender**)

Dated:

RE: **The Cash Store Financial Services Inc. DIP Term Sheet dated April [], 2014 (the Term Sheet)**

1 We refer to the Term Sheet. This assignment and assumption agreement (the **Agreement**) shall take effect as an Assignment and Assumption Agreement for the purpose of the Term Sheet. Capitalised terms contained herein and not otherwise defined shall have the meaning ascribed to such terms under the Term Sheet.

2 We refer to the section entitled "Assignment by the Lenders" of the Term Sheet.

(a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender all or part of the Existing Lender's Commitments, rights and obligations as specified in the Appendix hereto in accordance with the section of the Term Sheet entitled "Assignment by the Lenders".

(b) The Existing Lender is released from all the obligations of the Existing Lender under the Term Sheet, the other DIP Credit Documentation and in respect of the DIP Security which correspond to that portion of the Existing Lender's Commitment(s) under the Term Sheet specified in the Appendix hereto.

(c) The New Lender becomes a party to the Term Sheet as a DIP Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3 The proposed date on which the assignment of rights by the Existing Lender and the assumption of obligations by the New Lender shall take effect is [*insert date*] (the **Transfer Date**).

4 On the Transfer Date, the New Lender shall become a party to the Term Sheet, the other DIP Credit Documentation and the DIP Security as a DIP Lender.

5 The address, fax number, email address and attention details for notices to be provided to the New Lender for the purposes of the section of the Term Sheet entitled "Notices" are set out in the Appendix hereto.

6 This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with the section of the Term Sheet entitled "Assignment", to the Collateral Agent, Borrower and Guarantors of the assignment of rights and assumption of obligations referred to in this Agreement.

7 The New Lender represents and warrants that: (i) it is a sophisticated investor with expertise and experience in financial and business matters and in evaluating companies and providing financing; (ii) it has conducted and relied upon its own due diligence investigation in connection with the Borrower and the Guarantors and its own in-depth analysis of the merits and risk of provided the financing contemplated in the Term Sheet and has not relied upon any: (A) information provided by the Agent or the Agent's financial advisors, or (B) investigation of the Borrower or the Guarantors made by the Agent

or its advisors; and (iii) the New Lender agrees that neither the Agent nor the Agent's financial advisors shall have liability to the New Lender in connection with the transaction contemplated in the Term Sheet.

8 This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of the Province of Ontario and the federal laws applicable therein.

10 This Agreement has been entered into on the date stated at the beginning of this Agreement.

APPENDIX

Commitment/rights and obligations to be transferred by assignment, release and accession

[Insert relevant details]

[Insert address, fax number and email address and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment and Assumption Agreement for the purposes of the Term Sheet by the Agent and the Transfer Date (as defined in this Agreement) is confirmed as *[insert date]*.

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment of rights and assumption of obligations referred to in this Agreement, which notice the Agent receives on behalf of each other Finance Party.

[Coliseum Capital Management, LLC as Agent]

By:

SCHEDULE "G"
THIRD PARTY LENDERS

- 1 Omni Ventures Ltd.
- 2 McCann Family Holding Corporation
- 3 L-Gen Management Inc.
- 4 1396309 Alberta Ltd.
- 5 Trimor Annuity Focus Limited Partnership #5

LIST OF THIRD PARTY LENDING AGREEMENTS

- 1 Broker Agreement between Omni Ventures Ltd. and The Cash Store Inc., dated January 31, 2012
- 2 Broker Agreement between McCann Family Holding Corporation and The Cash Store Inc., dated June 19, 2012
- 3 Broker Agreement between L-Gen Management Inc. and The Cash Store Inc., dated January 31, 2012
- 4 Broker Agreement between 1396309 Alberta Ltd. and The Cash Store Inc., dated January 31, 2012
- 5 Broker Agreement between Trimor Annuity Focus Limited Partnership #5 and The Cash Store Inc., dated June 5, 2012, as amended April 17, 2013