

**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., 1693926
ALBERTA LTD DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

MOTION RECORD OF THE APPLICANTS

May 15, 2014

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| | Exhibit A - First Affidavit of William E. Aziz, sworn April 28, 2014 (without Exhibits) |
| | Exhibit B - Second Affidavit of William E. Aziz, sworn May 9, 2014 (without Exhibits) |
| | Exhibit C - Amended and Restated Term Sheet |
| | Exhibit D - Email from Rothschild to advisors to the Ad Hoc Committee and the Initial DIP Lenders, dated May 14, 2014 |
| | Exhibit E - Email from Rothschild to the CEO of DirectCash Payments Inc., dated May 14, 2014 |
| | Exhibit F - Correspondence from the Manitoba Regulator, dated May 12, 2014 |
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TAB 1

**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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

NOTICE OF MOTION

THE APPLICANTS, Cash Store Financial and its affiliated companies 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 "Cash Store" or the "Applicants") , will make a motion to the Court, on May 16, 2014, at 2:15 p.m. or as soon after that time as the motion can be heard, at 361 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order:
 - (a) Abridging the time for service of this notice of motion and dispensing with service on any person other than those served;

- (b) Approving and authorizing the amended and restated Debtor-in-Possession term sheet (the “Amended DIP Facility”) and granting certain related relief;
- (c) Extending the Stay Period until June 17, 2014;
- (d) Approving the Pre-Filing Report, First Report, Second Report, Third Report and Supplement to the Third Report of the Monitor and the Monitor’s activities described therein; and
- (e) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. Cash Store is facing immediate and multiple challenges to its continued operations, including regulatory issues that affect its core business strategy, multiple class actions requiring defence across Canada and in the U.S., and the resulting deterioration of its liquidity position;
2. The Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the “Initial Order”) declared that the Applicants are companies to which the CCAA applies;
3. The Initial Order approved and authorized a Debtor-in-Possession loan facility (the “Initial DIP Facility”) in the amount of \$8.5 million, to mature on the date of the comeback hearing;
4. Cash Store cannot sustain adequate liquidity to fulfill current business objectives and maintain going concern operations without a further Debtor-in-Possession loan facility (the “Amended DIP Facility”);

5. The Applicants entered into the Amended DIP Facility with certain lenders to provide cash flow in order to continue going concern operations and run a sale process in an effort to maximize enterprise value for stakeholders;

6. The lenders providing the Amended DIP Facility will only extend credit to Cash Store Financial if it is a borrower under the Amended DIP Facility and obtains an Order of this Honourable Court under the CCAA providing for a super-priority charge on all of the assets and property of Cash Store Financial (subject only to certain court-ordered charges and other matters set out in the Amended DIP Facility) as security for the Amended DIP Facility;

7. Without the Amended DIP Facility, Cash Store Financial will be unable to satisfy all of its ongoing obligations to its creditors, employees, landlords, and other stakeholders;

8. It is necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended so that the Applicants are afforded the “breathing space” provided by the CCAA as they attempt to restructure their affairs;

9. The Applicants have been proceeding with good faith and due diligence to complete a restructuring under the CCAA;

10. The provisions of the CCAA, including sections 11.2 and 11.02(2), and the inherent and equitable jurisdiction of this Honourable Court;

11. Rules 2.03, 3.02, and 16 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 106 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and

12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Third Affidavit of William E. Aziz sworn May 15, 2014 and attached exhibits;
2. The Fourth Report of the Monitor; and
3. Such further and other materials as counsel may advise and this Honourable Court may permit.

May 15, 2014

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TO: SERVICE LIST

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

Court File No: CV-14-10518-00CL

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., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

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TAB 2

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE
CASH STORE FINANCIAL SERVICES INC., THE CASH STORE INC., TCS CASH STORE
INC., INSTALOANS INC., 7252331 CANADA INC., 5515433 MANITOBA INC., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

AFFIDAVIT OF WILLIAM E. AZIZ

(Sworn May 15, 2014)

I, William E. Aziz, of the Town of Oakville, in the Province of Ontario, MAKE
OATH AND SAY:

Introduction

1. This Affidavit is made in support of a motion by The Cash Store Financial Services, Inc. ("Cash Store Financial") and its affiliated companies 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 "Cash Store" or the "Applicants") for an Order (i) approving an amended and restated debtor-in-possession term sheet entered into with Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners,

LLC (collectively, “Coliseum”), Alta Fundamental Advisers, LLC, (collectively with Coliseum, the “Initial DIP Lenders”) and certain members of the *ad hoc* committee of holders of Applicants’ 11 ½% senior secured notes (the “Ad Hoc Committee”) (such facility, the “Amended DIP Facility”); and (ii) extending the stay of proceedings until June 17, 2014.

2. I am the President of BlueTree Advisors Inc. (“BlueTree”), which has been retained by Cash Store Financial to provide my services as Chief Restructuring Officer (“CRO”) to Cash Store. I was retained pursuant to an Engagement Letter dated April 14, 2014.

3. BlueTree was appointed as CRO of the Applicants pursuant to paragraph 23 of the Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the “Initial Order”).

4. As Cash Store’s CRO, and in accordance with the Initial Order, I have the authority to direct the operations and management of Cash Store and its restructuring, and Cash Store’s officers (including its executive management team) report to me. As such, I have personal knowledge of the matters deposed to herein, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of Cash Store, as necessary, and where I have relied on information from such discussions, I believe such information to be true.

Cash Store Requires a Further DIP Facility

5. As detailed in my affidavits sworn on April 28, 2014 (the “First Aziz Affidavit”) and on May 9, 2014 (the “Second Aziz Affidavit”), upon my appointment as CRO, I consulted with FTI Consulting Canada, Inc. (the “Monitor”) and Rothschild Inc. (“Rothschild”) to become fully apprised of the current state of Cash Store’s affairs and to plan the immediate steps

necessary to stabilize Cash Store's liquidity position as part of these proceedings. I promptly engaged with Rothschild and the Monitor to develop a process to solicit bids for a new debtor-in-possession ("DIP") loan facility. A copy of the First Aziz Affidavit without Exhibits is attached as Exhibit "A". A copy of the Second Aziz Affidavit without Exhibits is attached as Exhibit "B".

(a) **Overview of the DIP Facility Negotiations**

6. On April 24, 2014, an agreement in principle was reached with the Ad Hoc Committee and the Initial DIP Lenders to provide jointly funded and governed DIP financing to the Applicants. Each of these parties had previously provided DIP financing proposals and are two of the Applicants' most significant stakeholder groups. The Amended DIP Facility agreement has since been negotiated and documented and will be substantially in the form of the amended and restated term sheet attached as Exhibit "C" (the "Amended and Restated Term Sheet").

7. On April 25, 2014, Cash Store received a tax refund of approximately \$2.6 million. On May 2, 2014, Cash Store received a further tax refund of approximately \$5.9 million. Pursuant to the mandatory repayment provisions of the initial DIP loan facility (the "Initial DIP Facility") entered into with the Initial DIP Lenders, both the \$5.9 million and the \$2.6 million tax refunds have been paid to the Initial DIP Lenders to satisfy fees, interest and principal of the Initial DIP Facility.

8. With respect to the cash needs of the Applicants, the Initial DIP Facility provided for borrowings of \$8.5 million. The cash flow projections attached to the affidavit of Steven Carlstrom, sworn April 14, 2014 (the "Carlstrom Affidavit"), forecast that Cash Store would need more liquidity than was available under the Initial DIP Facility by May 2, 2014. After the

agreement in principle between the Initial DIP Lenders and the Ad Hoc Committee was reached on April 24, 2014 and, in light of the receipt of tax refunds and the receipt of cash from pre-authorized debits previously being held back by DC Bank, the Applicants, in consultation with the Monitor, determined that they could manage their cash to allow additional time for the parties to document the Amended DIP Facility and seek court-approval of same on May 13, 2014. The term sheet for the Amended DIP Facility continued to be negotiated and documented.

9. In the afternoon of May 8, 2014, the President and CEO of DirectCash Payments Inc. (“DCPI”) sent a proposed DIP loan term sheet (the “DCPI DIP Facility”) to the Monitor and me. As stated in the Carlstrom Affidavit, DCPI is a third party service provider to Cash Store with respect to prepaid debit and credit cards.

10. On May 8, 2014, I informed the Initial DIP Lenders and the Ad Hoc Committee that Cash Store had received a competing financing proposal and that I was evaluating it in consultation with my legal and financial advisors and the Monitor.

11. Over the following days, my legal and financial advisors and I, in consultation with the Monitor, engaged in negotiations with both DCPI, the Initial DIP Lenders and the Ad Hoc Committee regarding their respective financing proposals.

12. As negotiations on these proposals were not complete prior to the court hearing in this matter held on May 13, 2014, the Applicants sought and were granted an extension of the stay of proceedings until May 16, 2014, and the Court set 2:15 p.m. on May 16, 2014 for a hearing to consider the Applicants’ request for additional DIP financing and a further extension of the stay of proceedings.

13. On the morning of May 14, 2014, the Applicants’ financial advisor sent email

correspondence to the CEO of DCPI and the financial advisors to the Ad Hoc Committee and the Initial DIP Lenders requesting final and best offers by the close of business on May 14, 2014. The emails outlined certain principles that the Monitor and I would use when assessing offers (in addition to the factors to be considered by the Court that are set out in the CCAA).

14. On May 14, 2014, the Monitor and I met with the CEO of DCPI to discuss the DCPI DIP Facility. In addition, on May 14, 2014, I spoke to a representative of Coliseum and counsel to the Initial DIP Lenders and the Ad Hoc Committee. A copy of the emails sent on May 14, 2014 are attached as Exhibits “D” and “E”.

15. In the early morning of May 15, 2014, the Initial DIP Lenders and the Ad Hoc Committee provided a further amended term sheet that formed the basis of the Amended DIP Facility. Also in the early morning of May 15, 2014, DCPI advised that it was rescinding its offer to provide the DCPI DIP Facility.

(b) Summary of the Amended DIP Facility

16. The Amended DIP Facility provides \$6.0 million of additional funding to Cash Store (which, together with the \$8.5 million already advanced, and subsequently repaid, under the Initial DIP Facility, aggregate \$14.5 million of DIP financing made available to the Applicants). It also provides for an additional \$2 million if the Extension Option (as defined in the Amended and Restated Term Sheet) is exercised by Cash Store and accepted by the Amended DIP Facility lenders willing to fund such extension for total potential funding of \$16.5 million. The Amended DIP Facility facilitates Cash Store’s maintenance of a \$3.0 million cash balance, in accordance with the Additional TPL Protection Order of Justice Morawetz dated April 30, 2014 (the “TPL Protection Order”). The Amended DIP Facility is guaranteed by the same entities that guaranteed the Initial DIP Facility.

17. Cash Store has agreed to pay the Amended DIP Facility lenders:
- (a) For the first \$8.5 million borrowed (which was prepaid prior to the date of the Amended DIP Facility), interest of 12.5% per year, payable monthly in arrears all of which is to be capitalised (not paid in cash) and added to the outstanding principal balance of the loan to become due and payable on the date of the first advance under the Amended DIP Facility;
 - (b) For amounts loaned in excess of \$8.5 million (including any capitalised interest), interest of 17.5% per year payable monthly in arrears all of which is to be capitalised (not paid in cash) and added to the outstanding principal balance of the loan to become due and payable on the maturity date;
 - (c) Default interest of 2% per year (compounded monthly and payable on demand) in addition to the applicable rate of interest if the DIP Obligations (as defined in the Amended and Restated Term Sheet) are not repaid when due;
 - (d) DIP financing fee of 5% of \$6.0 million (or of \$8.0 million if the Extension Option is exercised and funded) (this is in addition to the initial DIP financing fee of 3.5% of the initial \$8.5 million advanced that has already been fully paid under the Initial DIP Facility);
 - (e) Exit amount payable to the lenders under the Amended DIP Facility who are also Noteholders (as defined the Carlstrom Affidavit) equal to 15% of an amount (not to exceed \$40.0 million) that consists of the difference between (i) any money available for distribution to stakeholders and (ii) the sum of \$20.5 million and any amounts paid in respect of the first lien Credit Agreement (as defined in the

Carlstrom Affidavit), minus any tax refunds paid to the Initial DIP Lenders since April 11, 2014. There shall be no exit amount payable if the Senior Secured Notes are paid in full in cash; and

- (f) \$350,000 to Moelis & Company for services rendered as the financial advisors to the Initial DIP Lenders in connection with the Initial DIP Facility, payable from the first DIP advance under the Amended DIP Facility.

18. It is a condition precedent to the availability of the Amended DIP Facility that the order sought to approve the Amended DIP Facility be in form and substance satisfactory to the Amended DIP Facility lenders, including in respect of a confirmation that the DIP Priority Charge (as defined in the Initial Order) secures the advances under the Amended DIP Facility. The Amended DIP Facility is also provided on the condition that there be no Events of Default or Material Adverse Changes (as defined in the Amended and Restated Term Sheet). The maturity date of the Amended DIP Facility is the earlier of (i) 180 days from the granting of the Initial Order, (ii) the date an Approved Transaction is consummated, (iii) the date a demand for payment is made following an Event of Default, or (iv) 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.

19. The Amended DIP Facility is proposed to be secured by and have the same priority as the DIP Priority Charge granted pursuant to the Initial Order, which will secure all post-filing advances. Pursuant to the TPL Protection Order, the Property (as defined in the Initial Order) does not include any new TPL Brokered Loans (as defined in the Initial Order) and proceeds therefrom.

20. The DIP Priority Charge is to have priority over all other security interests,

charges and liens other than:

- (a) the Administration Charge (as defined in the Initial Order);
- (b) the Director's Charge (up to a maximum of \$1.25 million) (as defined in the Initial Order);
- (c) pre-filing purchase money security interests; and
- (d) amounts that are subject to a super priority claim under the *Bankruptcy and Insolvency Act (Canada)*.

21. The DIP Priority Charge will not secure any obligation that existed before the Initial Order was made and continues to be *pari passu* with the TPL Charge provided for in the Initial Order. The Amended DIP Facility also provide that the DIP Priority Charge will rank *pari passu* with the KERP Charge. Pursuant to the TPL Protection Order, the DIP Priority Charge will not apply to the Post-Filing McCann Receipts or the Post-Filing Trimor Receipts (as defined in the TPL Protection Order) without a further Order of the Court.

22. The Amended DIP Facility permits the payment of a certain amount for critical vendor payments, which have been incorporated into the current cash flows. The Amended DIP Facility requires that all tax refunds be held in trust for the Amended DIP Facility lenders and repaid as mandatory prepayments of the Amended DIP Facility.

(c) Need for further DIP Financing

23. Cash Store requires further DIP financing in order to run a sale process in an effort to maximize enterprise value for stakeholders. I am advised by Rothschild and I believe that the Amended DIP Facility will provide sufficient liquidity to continue (subject to Court

approval) a sales process that will allow for a determination of available alternatives to the Applicants, including whether funding will continue to be available to allow the process to continue to the completion of a sale transaction.

24. The Amended DIP Facility is critical, as it is projected (if the Extension Option is exercised and funded) to provide Cash Store with the minimum necessary liquidity to operate as a going concern during the projected stay extension period and to continue a sale process to seek a value maximizing going concern outcome. Absent an immediate injection of cash, Cash Store will be unable to meet immediate payroll and other expenses and will be forced to shut down its operations, with a significant loss of employment and disruption to those who rely on its services.

Stay Extension

25. The Initial Order granted, *inter alia*, a stay of proceedings until May 14, 2014 (the “Stay Period”), or such later date as this Honourable Court may order.

26. The Stay Period was extended to May 16, 2014 pursuant to the Order of Regional Senior Justice Morawetz dated May 13, 2014.

27. For the reasons set out the Second Aziz Affidavit and herein, the Applicants continue to act in good faith and with due diligence in these CCAA Proceedings. The Applicants propose an extension of the Stay Period until June 17, 2014.

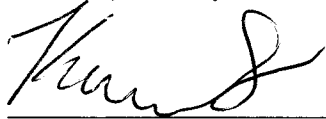
28. Should the Amended DIP Facility be approved by the Court, it is projected (if the Extension Option is exercised and funded) to provide the Applicants with sufficient liquidity to operate during the proposed extended Stay Period. Extending the Stay Period will allow the

Applicants to continue to work towards the sale of the business. An extension of the Stay Period will also allow the Applicants to continue to deal with other matters inherent in the proposed restructuring, all in consultation with the Monitor, with the objective of obtaining the best possible result for a restructuring for the benefit of all stakeholders. It is my understanding that the extension of the Stay Period to June 17, 2014 is supported by the Ad Hoc Committee, the Initial DIP Lenders, and the Monitor.

Other Matters

29. On May 12, 2014, I received a letter from the Director, Consumer Protection Office (the “Manitoba Regulator”) wherein the Manitoba Regulator expressed its opinion that Cash Store’s brokered line of credit product offered in Manitoba is in breach of the maximum interest rate allowed under *The Criminal Code*. The letter of the Manitoba Regulator dated May 12, 2014 was provided to counsel in attendance at the May 13, 2014 court hearing and is attached as Exhibit “F”.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 15th day of May, 2014.



COMMISSIONER FOR TAKING AFFIDAVITS

Karim Seckar



WILLIAM E. AZIZ

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

Court File No: CV-14-10518-00CL

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., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

THIRD AFFIDAVIT OF WILLIAM E. AZIZ

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Counsel for the Chief Restructuring Officer of the Applicants

**THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS 15th DAY OF MAY, 2014.**



A commissioner for taking Affidavits

Karim Sachar

**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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

AFFIDAVIT OF WILLIAM E. AZIZ

(Sworn April ²⁸~~27~~, 2014)

I, William E. Aziz, of the Town of Oakville, in the Province of Ontario, MAKE
OATH AND SAY:

Introduction

1. This Affidavit is made to inform the Court of certain of my activities since my appointment as Chief Restructuring Officer ("CRO") of The Cash Store Financial Services, Inc. ("Cash Store Financial") and its affiliated companies The Cash Store Inc., TCS - Cash Store Inc., Instalozans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc., and 1693926 Alberta Ltd. doing business as "The Title Store" (collectively "Cash Store" or the "Applicants"). It is also made in support of the proposed adjournment of the comeback hearing from April 28, 2014 to May 5, 2014.

2. I am the President of Blue Tree Advisors Inc. (“Blue Tree”), which has been retained by Cash Store Financial to provide my services as CRO to Cash Store. I was retained pursuant to an Engagement Letter dated April 14, 2014.

3. Blue Tree was appointed as CRO of the Applicants pursuant to paragraph 23 of the Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the “Initial Order”).

4. Subsequent to the date of the Initial Order, the special committee of the board of directors of Cash Store Financial (the “Special Committee”) disbanded, and the members of the Special Committee resigned from the board of directors. A copy of the press release announcing the resignation of the members of the Special Committee and my appointment as CRO is attached as Exhibit “A”.

5. As Cash Store’s CRO, and in accordance with the Initial Order, I have the authority to direct the operations and management of Cash Store and its restructuring, and Cash Store’s officers (including its executive management team) report to me. As such, I have personal knowledge of the matters deposed to herein, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of Cash Store, as necessary, and where I have relied on information from such discussions, I believe such information to be true.

Efforts to Negotiate Consensual DIP Financing

6. Upon my appointment as CRO, I consulted with FTI Consulting Canada, Inc. (the “Monitor”) and Rothschild Inc. (“Rothschild”), Cash Store’s financial advisor, to become

apprised of the current state of Cash Store's affairs and to begin planning the immediate steps necessary to stabilize Cash Store's liquidity position as part of these proceedings. I promptly engaged with Rothschild and the Monitor to develop a process to solicit further interim financing proposals and seek court approval for a new Debtor-in-Possession loan (the "New DIP Facility"). These actions were necessary as (i) the Initial Order established the date for the comeback hearing as April 28, 2014; (ii) Cash Store's cash flow projections demonstrated an additional cash need during the week ending May 2, 2014; and (iii) the DIP facility approved in the Initial Order (the "Initial DIP Facility") matured on the date of the comeback hearing.

7. Since my appointment as CRO, I have worked with the Monitor and engaged with counsel to both of the Initial DIP Facility lenders and to the *Ad Hoc* Committee of Noteholders (the "Noteholders") with a view to reaching a consensual and cooperative agreement with respect to additional and/or replacement DIP financing from the two stakeholder groups that had originally offered to provide DIP financing to the Applicants.

8. On April 22, 2014, the Monitor and I met with counsel for the Noteholders, and on April 23, 2014, the Monitor and I met with counsel for Coliseum Capital Management ("Coliseum" or the "Initial DIP Facility Lender") to discuss a potential resolution of Cash Store's financing needs whereby the parties would work together rather than at odds. I have had further conversations with both parties subsequent to these initial meetings.

9. On April 23, 2014, Rothschild sent emails to the Noteholders and Coliseum reminding them that, while the parties were seeking a consensual resolution, in the event that a consensual resolution was not achieved, Cash Store would need to receive the "best and final" proposals from interested parties by no later than noon on Thursday, April 24, 2014. Attached to

both emails was a copy of the Cash Store's cash flow projections. A copy of the April 23, 2014 emails to the Noteholders and Coliseum are attached as Exhibits "B" and "C".

10. On April 24, 2014, on my direction, my counsel sent a letter to the Service List explaining that the parties were in discussions regarding Cash Store's financing needs and that Cash Store anticipated seeking approval for a DIP financing proposal at the comeback hearing on Monday, April 28, 2014. The letter specified that Cash Store anticipated that it would be seeking a priming charge in respect of the New DIP Facility with priority equal to the current DIP Priority Charge (as defined in the Initial Order). A copy of the April 24, 2014 letter is attached as Exhibit "D".

11. Later in the day on April 24, 2014, an agreement in principle was reached with the Noteholders and Coliseum to provide jointly funded and governed debtor-in-possession financing to the Applicants.

12. The Noteholders, Coliseum, and Cash Store have determined that it would be best to seek approval of the consensual New DIP Facility on May 5, 2014 rather than on April 28, 2014 in order to provide the parties with sufficient time to document the agreement in principle. This determination was supported by the fact that the Applicants could manage their cash to allow for a week's delay in approving the New DIP Facility. The Initial DIP Facility Lender also agreed to extend the maturity date of the Initial DIP Facility to May 5, 2014.

13. The Monitor subsequently sent a letter on April 25, 2014 to the Service List stating that the motion for approval of the New DIP Facility would be heard on May 5, 2014 and that any other relief sought in relation to the Initial Order comeback hearing should be sought on May 5, 2014 as well. A copy of the Monitor's letter of April 25, 2014 is attached as Exhibit "E".

Third Party Lender Issues

14. Since my appointment as CRO, I have also taken steps to inform myself with respect to the business of Cash Store and its relationship with its Third Party Lenders (“TPLs”).

15. On April 15, 2014, I participated in discussions with counsel for Trimor Annuity Focus LP #5 (“Trimor”), one of the TPLs, which included negotiations regarding the TPL protections provided in the Initial Order.

16. On April 16, 2014 I met with Cash Store’s Chief Compliance and Regulatory Officer to begin familiarizing myself with the regulatory issues facing Cash Store.

17. Further, I attended the cross-examination of Steve Carlstrom by counsel for 0678786 B.C. Ltd. (formerly the McCann Family Holding Corporation) (“067”) held on April 22, 2014.

18. On April 24 and 25, 2014, I attended meetings with Cash Store’s senior management and Chief Executive Officer in Edmonton

19. In the afternoon on Friday, April 25, 2014, I received a copy a factum delivered by 067 and a draft report of PricewaterhouseCoopers Inc. entitled “Review of Funds owing to Trimor and 0678786” delivered by counsel for Trimor which was provided to be used as evidence at a hearing. I am advised by counsel that the factum provided for the first time the nature of the relief sought by 067. The relief being sought is wide-ranging and the factum contains serious allegations against Cash Store. Counsel for 067 also informed the Service List that 067 intended to seek the relief set out in its factum at the Monday comeback hearing and that it did not consent to an adjournment to May 5, 2014.

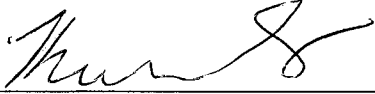
20. I am of the view that there was not sufficient time for me in my capacity as a Court Officer to properly consider the matters set out in the factum and to provide a proper response before the comeback hearing scheduled for the morning of April 28, 2014. I agree with the Monitor's view that any relief sought in relation to the Initial Order comeback hearing should be dealt with on May 5, 2014 (or such other date that the Court deems appropriate after that date), given the need to provide sufficient notice to the Court, and in order to allow Cash Store and its stakeholders the opportunity to consider and properly respond to matters. I instructed my counsel to send an email in response to the late served materials, outlining my position on these matters. A copy of the email sent to the Service List is attached as Exhibit "F".

21. It is my intention to sit down with the TPLs as soon as possible, and I am aware that the Monitor is attempting to arrange a meeting with certain TPLs, other stakeholders, and me for early this week to discuss issues relating to the TPLs. If we are unable to resolve the TPL issues, it is my intention to seek a reasonable court ordered timetable to resolve the issues in a timely manner.

Other Matters

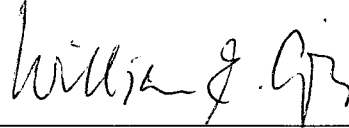
22. On April 24, 2014, Cash Store Financial announced that its common shares will be delisted from the Toronto Stock Exchange ("TSX") effective May 23, 2014 for failure by Cash Store Financial to meet the continued listing requirements of the TSX and, specifically, as a result of the company seeking and obtaining the Initial Order granting creditor protection under the *Companies' Creditors Arrangement Act*. A copy of the press release announcing the delisting is attached as Exhibit "G".

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario this
28th day of April, 2014.



COMMISSIONER FOR TAKING AFFIDAVITS

Kevin Secker



WILLIAM E. AZIZ

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

Court File No: CV-14-10518-00CL

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., Instalogs Inc., 7252331 Canada Inc., 5515433 Manitoba Inc., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF WILLIAM E. AZIZ
sworn April 28, 2014**

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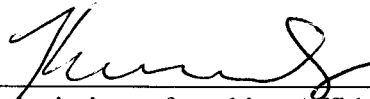
Jeremy Dacks LSUC# 41851R

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Counsel to the Chief Restructuring Officer of the Applicants

**THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS 15th DAY OF MAY, 2014.**



A commissioner for taking Affidavits

Karim Sachar

**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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

SECOND AFFIDAVIT OF WILLIAM E. AZIZ

(Sworn May 9, 2014)

I, William E. Aziz, of the Town of Oakville, in the Province of Ontario, MAKE
OATH AND SAY:

Introduction

1. This Affidavit is made in support of a motion by The Cash Store Financial Services, Inc. ("Cash Store Financial") and its affiliated companies 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 "Cash Store" or the "Applicants") for an Order (i) extending the stay of proceedings until June 17, 2014; (ii) authorizing the Applicants to implement a Key Employee Retention Plan (the "KERP") for certain critical staff

and granting a related charge; (iii) approving the cessation of Cash Store's brokered loan business in all jurisdictions in which it is currently carried on, and authorizing the CRO, in consultation with the Monitor, to take all steps to conduct an orderly cessation of such business; (iv) authorizing Cash Store to take all reasonable steps to effect the repayment of outstanding brokered loan receivables; and (v) directing that all amounts received with respect to outstanding brokered loans be held in a segregated account until further Order of this Court, after a determination of the rights of interested parties to such amounts.

2. I am the President of BlueTree Advisors Inc. ("BlueTree"), which has been retained by Cash Store Financial to provide my services as Chief Restructuring Officer ("CRO") to Cash Store. I was retained pursuant to an Engagement Letter dated April 14, 2014.

3. BlueTree was appointed as CRO of the Applicants pursuant to paragraph 23 of the Amended and Restated Initial Order of Justice Morawetz dated April 15, 2014 (the "Initial Order").

4. As Cash Store's CRO, and in accordance with the Initial Order, I have the authority to direct the operations and management of Cash Store and its restructuring, and Cash Store's officers (including its executive management team) report to me. As such, I have personal knowledge of the matters deposed to herein, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of Cash Store, as necessary, and where I have relied on information from such discussions, I believe such information to be true.

DIP Facility

5. As detailed in my affidavit sworn on April 28, 2014 (the "First Aziz Affidavit"),

upon my appointment as CRO, I consulted with FTI Consulting Canada, Inc. (the “Monitor”) and Rothschild Inc. (“Rothschild”) to become fully apprised of the current state of Cash Store’s affairs and to plan the immediate steps necessary to stabilize Cash Store’s liquidity position while it pursues a going concern sale transaction. I promptly engaged with Rothschild and the Monitor to develop a process to solicit bids for a new Debtor-in-Possession loan facility. A copy of the First Aziz Affidavit without Exhibits is attached as Exhibit “A”.

6. On April 24, 2014, an agreement in principle was reached with Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (collectively, “Coliseum”), Alta Fundamental Advisers, LLC, (collectively with Coliseum, the “Initial DIP Lenders”) and the *Ad Hoc* Committee of Noteholders (the “Ad Hoc Committee”) to provide jointly funded and governed debtor-in-possession financing (the “Amended DIP Facility”) to the Applicants. Each of these parties had previously provided DIP financing proposals and are two of the Applicants’ most significant stakeholders.

7. On April 25, 2014, Cash Store received a tax refund of approximately \$2.6 million. On May 2, 2014, Cash Store received a further tax refund of approximately \$5.9 million. Pursuant to the mandatory prepayment provisions of the initial Debtor-in-Possession loan facility (the “Initial DIP Facility”) entered into with the Initial DIP Lenders, the \$5.9 million tax refund has been paid to the Initial DIP Lenders as a partial repayment of the Initial DIP Facility. The \$2.6 million tax refund is currently being held in a segregated Cash Store account, subject to only my signature to withdraw funds. This amount will be transferred to the Initial DIP Lenders on May 9, 2014.

8. The Initial DIP Facility provided for borrowings of \$8.5 million. The cash flow projections attached to the affidavit of Steven Carlstrom, sworn April 14, 2014 (the “Carlstrom

Affidavit”), forecasted that Cash Store would need more liquidity than was available under the Initial DIP Facility by May 2, 2014. After the agreement in principle between the Initial DIP Lenders and the Ad Hoc Committee was reached on April 24, 2014 and, in light of the receipt of tax refunds and cash previously being held back by DC Bank, the Applicants, in consultation with the Monitor, determined that they could manage their cash to allow the parties to document the Amended DIP Facility and seek court-approval of same on May 13, 2014. The term sheet for the Amended DIP Facility continued to be negotiated and documented.

9. In the afternoon of May 8, 2014, the President and CEO of DirectCash Payments Inc. (“DCPI”) sent a proposed debtor-in-possession (the “New DIP Facility”) term sheet to me and the Monitor. As stated in the Carlstrom Affidavit, DCPI is a third party service provider to Cash Store with respect to prepaid debit and credit cards. I understand that DCPI is related to DC Bank, which offers bank accounts to Cash Store’s customers and receives and processes the repayment of loans from certain of Cash Store’s customers. In consultation with my legal and financial advisors and the Monitor, I am evaluating the New DIP Facility.

10. The Amended DIP Facility and the New DIP Facility both provide liquidity in an amount that should be sufficient to allow Cash Store to operate during the proposed extended Stay Period. Cash Store will require further DIP financing in order to run a sale process in an effort to maximize enterprise value for stakeholders. Based on current cash flow projections, Cash Store does not require additional DIP financing until at least May 16, 2014. Absent an injection of cash, Cash Store will be forced to shut down its operations, with a significant loss of employment and disruption to those who rely on its services. Cash Store intends to seek approval of additional DIP financing in the near term.

Key Employee Retention Plan

11. In an effort to preserve enterprise value and ensure the continued participation of certain of Cash Store's key employees in the business and the restructuring, Cash Store is developing a KERP in consultation with the Monitor. The purpose of the KERP is to provide the participants thereunder (the "KERP Participants") with payments as incentives to continue their employment with Cash Store during the CCAA proceeding.

12. The terms and details of the KERP are still being finalized; however, the intention is that Cash Store's key employees in Finance, Human Resources, Marketing, and other aspects of Cash Store's business which require unique skill sets will be KERP Participants. All of the KERP Participants which are being considered either possess specialized expertise with respect to Cash Store's business operations or are critical for a successful restructuring of Cash Store's business, including initiatives taken to date.

13. In light of the insolvency filing made by Cash Store, it is likely that the anticipated KERP Participants will consider other employment options if the proposed KERP is not granted and secured by the KERP Charge (discussed below). Doing so will undoubtedly distract from the restructuring process that is underway. It would be extremely difficult at this stage of the restructuring process to find adequate replacements for these employees.

14. KERP payments for all KERP Participants would be payable upon the completion of a Plan of Arrangement, 30 days after the sale of Cash Store's business, or in respect of an assignment in bankruptcy or the appointment of a receiver by Cash Store. The

maximum amount of the KERP would not exceed \$400,000. Cash Store is seeking a charge over Cash Store's Property (the "KERP Charge") to secure the amounts that will be payable under the KERP. Such charge would have priority over all other security interests, charges and liens other than the Administration Charge, up to a maximum of \$1.25 million of the Director's Charge, the DIP Priority Charge and the TPL Charge (as defined in the Initial Order).

15. It is my belief that the KERP will provide appropriate incentives for the KERP Participants to remain in their current positions and will also ensure that they are properly compensated for their assistance in the restructuring process.

Stay Extension

16. The Applicants were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to the Initial Order. The Initial Order granted, *inter alia*, a stay of proceedings (the "Stay Period") until May 14, 2014, or such later date as this Honourable Court may order.

17. The Applicants have been proceeding in good faith and with due diligence to effect a restructuring under the CCAA, and in particular a going concern sale transaction. In addition to the steps outlined in the First Aziz Affidavit, I have:

- (a) Participated in further negotiations with the Ad Hoc Committee and the Initial DIP Lenders regarding the Amended DIP Facility, including meeting with representatives of these groups to provide an overview of my initial review of the business;
- (b) Attended additional management meetings in Edmonton;

- (c) Participated in comprehensive discussions regarding Cash Store's business and its cash flows with members of senior management and its financial advisors;
- (d) Worked with Rothschild to develop a sales process for the business;
- (e) Met with the Manitoba regulator to discuss Cash Store's business in Manitoba;
- (f) Instructed the Chief Compliance and Regulatory Officer to contact regulators in Ontario, Nova Scotia, British Columbia, Saskatchewan and Alberta to arrange meetings as soon as possible to discuss the business of the Cash Store in each jurisdiction;
- (g) Participated in in-depth discussions regarding the legal and economic viability of Cash Store's brokered loan business in unregulated jurisdictions with the Chief Compliance and Regulatory Officer, the Monitor, its counsel and my counsel; and
- (h) Consulted with the Monitor to plan the future path of Cash Store's business.

18. On April 29, 2014, Rothschild sent a letter to interested parties requesting non-binding offers for the sale of Cash Store by May 23, 2014. Pursuant to paragraph 11(d) of the Initial Order, the Monitor consented to the extension of the date to receive initial offers from May 15, 2014 to May 23, 2014. The initial sales process letter is attached as Exhibit "B".

19. It is my belief that it is appropriate to extend the stay period to June 17, 2014 and that the Applicants have acted and continue to act in good faith and with due diligence in these CCAA Proceedings. Should one of the potential DIP Facilities be agreed to by the Applicants and ultimately approved by the Court, it is forecast that the Applicants will have sufficient liquidity to continue operations during the proposed stay extension period. To the extent that

one of the DIP Facilities has not been finalized prior to the return date of this motion, the Applicants anticipate seeking a shorter extension of the Stay Period at that time.

20. Extending the Stay Period will allow the Applicants to continue to work toward the sale of the business. An extension of the Stay Period will also allow the Applicants to continue to deal with other matters inherent in the proposed restructuring, all in consultation with the Monitor, with the objective of obtaining the best possible result for a restructuring for the benefit of all stakeholders. It is my understanding that the extension of the Stay Period to June 17, 2014 is supported by the Ad Hoc Committee, the Initial DIP Lenders, and the Monitor.

The Cessation of Cash Store's Brokered Loan Business

(a) Cash Store's Direct and Brokered Lending Business

21. As is explained in greater detail in the Carlstrom Affidavit, Cash Store currently operates under two major business models: the direct lending business and the brokered lending business.

22. Cash Store acts as a direct payday lender (as opposed to a broker) in Alberta, British Columbia, Nova Scotia, and Saskatchewan (the "Direct Lending Provinces"). These provinces have payday loan legislation which allows for licensed payday lenders to make loans to customers without being subject to criminal interest rate legislation.

23. In New Brunswick, Newfoundland, Northwest Territories, Prince Edward Island and the Yukon Territory (the "Unregulated Provinces"), where payday loan legislation has not yet been enacted, Cash Store acts as a broker or intermediary on behalf of its customers, with third party lenders ("TPLs") acting as lenders. If a customer's eligibility for a loan is established,

the customer completes the TPL loan documentation and Cash Store makes the advance. Cash Store earns fees on brokered loan transactions.

24. Cash Store previously operated under the brokered loan model in Ontario and currently operates under the brokered loan model in Manitoba. Both of these provinces have enacted payday loan legislation. TPLs provided funds to Cash Store to support the brokered line of credit products offered in these provinces, which are then arranged by Cash Store in exchange for fees. Cash Store has previously taken the position that the brokered line of credit product offered in these provinces was not subject to provincial payday loan regulations.

25. As set out in the Carlstrom Affidavit, on February 12, 2014, the Ontario Superior Court of Justice concluded that Cash Store's basic line of credit product is subject to the *Payday Loans Act (Ontario)* and ordered that Cash Store be prohibited from acting as a loan broker in respect of such products without a broker's licence. Cash Store subsequently appealed this decision. After consultation with Cash Store's Chief Regulatory and Compliance Officer and Cash Store's litigation counsel, I instructed counsel to abandon the appeal of the decision.

26. As of February 12, 2014, the brokered line of credit product was discontinued in Ontario and no lending activity is currently occurring in Ontario due to issues regarding compliance with regulatory requirements (as discussed in detail in the Carlstrom Affidavit). I am advised by the Chief Compliance and Regulatory Officer and believe that the Ontario regulator has taken the position that Cash Store may not actively take steps to request, require or suggest that customers pay amounts owing under the brokered line of credit products until the maturity date of the line of credit. I am advised by the Chief Compliance and Regulatory Officer and believe that the Ontario regulator's statements would apply equally to a TPL or third party collection agency seeking to collect amounts owing under the brokered line of credit

products. As such, Cash Store's locations in Ontario remain open to receive brokered loan receivables but its ability to collect on Ontario brokered loans has been curtailed.

27. Additionally, new legislation in Manitoba will take effect in late 2014 or early 2015 that will prevent Cash Store from operating its current form of brokered loan business in Manitoba.

28. The chart below sets out the approximate percentage of Cash Store's (i) total revenue in Canada in FY 2013 and (ii) current number of branches in Canada, for Ontario, Manitoba, the Unregulated Provinces, and the Direct Lending Provinces.

Province	Total Revenue as % of Total	Number of Braches as % of Total
Ontario	33%	35%
Manitoba	6%	5%
Unregulated Provinces	7%	6%
Direct Lending Provinces	54%	54%

(b) Decision to Discontinue Brokered Loan Business

29. I have determined, in consultation with the Monitor, that it is necessary and appropriate to implement an orderly cessation of the brokered loan business and cease brokering new loans. I consulted extensively with the Chief Regulatory and Compliance Officer, my legal and financial advisors, Cash Store's senior management, and the Monitor in coming to this conclusion.

30. The reasons for discontinuing the brokered loan business include the following:

- (a) Cash Store has stopped offering the brokered loan line of credit in Ontario and Cash Store cannot be compliant with the anticipated Manitoba legislation by year end based on its current operating model in brokered loans. The remaining brokered loan business in Unregulated Provinces will be small (approximately \$110,000 in profit per month before corporate overhead). It remains Cash Store's intention to take steps to attempt to obtain a payday lending license in Ontario and to transition the Manitoba operations from a brokered loan model to a payday lending model. We are discussing this with regulators.
- (b) Certain of Cash Store's secured creditors have indicated that they do not support Cash Store continuing to make voluntary retention payments to the TPLs.
- (c) I am advised by my counsel and believe that there is a material risk that the brokered loan model is not legally defensible under the criminal interest rate provisions of the Criminal Code.
- (d) Continuation of the brokered loan business requires funding. The provider of the substantial majority of the funds being deployed in the provinces where this business is still being conducted, Trimor, is seeking the return of funds invested by it and appears to be unwilling to support the brokered loan business.
- (e) Cash Store is expending, and will likely need to keep expending, a great deal of management and advisor time and incurring significant costs in dealing with its ability to use the TPL investment to make brokered loans. This time and cost is disproportionate to the future value of the brokered loan business.

31. On May 6, 2014, communications were made to the Ad Hoc Committee and the Initial DIP Lenders and their counsel that I, in consultation with the Monitor, had determined that Cash Store should immediately cease to make new brokered loans in all jurisdictions. The Ad Hoc Committee and the Initial DIP Lenders through their counsel subsequently advised that they do not oppose this decision.

32. On May 8, 2014, the Monitor and I discussed the cessation of the brokered loan business with Cash Store's CEO. I instructed the CEO to prepare plans for the immediate cessation of the brokered lending business of Cash Store in all jurisdictions where it is currently carried on by Cash Store.

33. Under my direction, and in consultation with the Monitor, Cash Store will begin to implement an orderly cessation of the brokered loan business and cease offering new brokered loans.

(c) Funds Received from Brokered Loans will be Segregated

34. As a result of discussions that I or my advisors have had with the Ad Hoc Committee, the Initial DIP Lenders, Trimor, McCann (defined below) and others or their advisors, I understand that many parties may assert legal entitlements, including proprietary entitlements, to the outstanding brokered loans and any amounts received with respect to these brokered loans. I have read Trimor's Notice of Motion dated May 5, 2014 and understand that Trimor wishes to transfer the administration of its loan portfolio to another service provider. I have also read the notice of motion of 0678786 B.C. Ltd. (formerly the McCann Family Holding Corporation) ("McCann"), dated May 7, 2014, which also seeks this relief. However,

pursuant to section 6.4(b) of Trimor and McCann's Broker Agreements (Exhibits "G" and "H" to the Carlstrom Affidavit), Cash Store is only required to effect such a transfer upon the end of the Term of the Broker Agreement.

35. Furthermore, I am advised by Rothschild and believe that the Cash Store customer list is a valuable asset of Cash Store and that allowing a TPL to transfer the administration of its loan portfolio would erode the value of Cash Store's saleable assets. As CRO, it is my belief that allowing a TPL to transfer the administration of its loan portfolio to another service provider could materially impair the potential value of a going concern transaction to Cash Store and could cause material prejudice to Cash Store and its stakeholders.

36. Given the above considerations, it is intended that Cash Store will continue to receive payments from customers of the principal and interest as outstanding brokered loans come due in Manitoba and the Unregulated Provinces. In Ontario, Cash Store's operations will continue and the company will continue to receive any payments made by customers of the principal on outstanding brokered loans. However, Cash Store will not make any active efforts to collect brokered loans in Ontario until after they mature in order to comply with the Ontario Regulator's position on this issue. In Manitoba and the Unregulated Provinces, it is proposed that Cash Store will take reasonable steps to collect all brokered loans as they come due and past due brokered loans.

37. It is proposed that Cash Store will deposit all funds received from brokered loan receivables in a segregated Cash Store bank account. Cash Store will not use these funds for any purpose, but will maintain them in this separate account until various stakeholders' legal entitlement to these funds is determined upon further Order of the Court. This process would be undertaken under the continued supervision of myself and the Monitor.

38. As Cash Store is not a registered collections agency, it was previously Cash Store's practice to purchase brokered loans (in a non-cash transaction) that were past due from TPLs in order to be able to collect outstanding amounts in Ontario and Manitoba. It is proposed that Cash Store be authorized, under my supervision and the supervision of the Monitor, to take all reasonable steps to effect the receipt of outstanding brokered loan receivables in a manner that preserves, to the extent possible, the value of the receivables and the goodwill of the business. In addition, allowing Trimor or McCann to appoint an agent to collect its receivables would pre-determine the ultimate dispute between the company's stakeholders as to who is entitled to receive the receivables generated from the brokered loans. It is my view as CRO that Cash Store must be allowed to continue to receive the brokered loans and to then segregate them pending the ultimate determination of rights by the Court. As Cash Store is in the process of implementing an orderly cessation of its brokered loan business, none of the TPL Funds will be used to broker new loans or for any other purpose.

(d) **Cost of Collection**

39. Cash Store continues to incur costs to run branches in Ontario for the sole purpose of receiving amounts in respect of outstanding brokered loans. It will also incur similar costs in Manitoba (during the anticipated transition period to a payday lending business) and in the Unregulated Provinces without the benefit of obtaining revenue from additional brokered loans.

40. I am advised by Cash Store's financial advisor and I believe that the below chart sets out the total branch expenses for the brokered loan provinces (Ontario, Manitoba, and the Unregulated Provinces) for the months of March and April 2014.

	March 2014	April 2014
Salaries & Benefits	\$ 1,794,492	\$ 1,165,779
Selling, General & Administrative	\$ 784,914	\$ 784,914
Rent	\$ 634,123	\$ 634,123
Depreciation of Assets	\$ 252,437	\$ 252,437
Total Branch Expenses	\$ 3,465,965	\$ 2,837,252

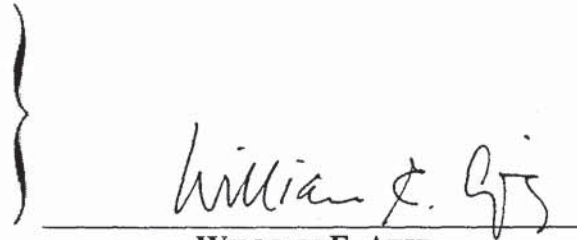
41. The decrease in branch expenses from March to April is due to the temporary layoff of approximately 250 Ontario employees. The above branch expenses do not include any indirect costs such as salary or overhead costs for regional managers. They also do not include regional selling, general, and administrative ("SG&A") costs as well as any corporate overhead costs.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 9th day of May, 2014.



COMMISSIONER FOR TAKING AFFIDAVITS

Karen Sachar



WILLIAM E. AZIZ

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

Court File No: CV-14-10518-00CL

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., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**SECOND AFFIDAVIT OF WILLIAM E. AZIZ
sworn May 9, 2014**

OSLER, HOSKIN & HARCOURT LLP

1 First Canadian Place
P.O. Box 50
Toronto, ON M5X 1B8

Marc Wasserman LSUC#44066M

Tel: (416) 862-4908

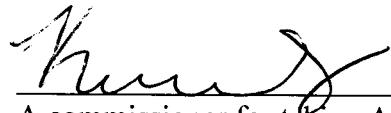
Jeremy Dacks LSUC# 41851R

Tel: (416) 862-4923

Fax: (416) 862-6666

Counsel to the Chief Restructuring Officer of the Applicants

**THIS IS EXHIBIT "C" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS 15th DAY OF MAY, 2014.**



A commissioner for taking Affidavits

Karim Sachar

AMENDED AND RESTATED DEBTOR-IN-POSSESSION TERM SHEET

CDN\$14,500,000 Facility with the option of an additional CDN\$2,000,000

Dated as of [May ●], 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 below) 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., 1693926 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: (a) Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (together **Coliseum**) and Alta Fundamental Advisers, LLC (**Alta**) (together with Coliseum, the **Initial DIP Lenders**);

(b) ● (the **AHC DIP Lenders**); and

(c) 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: An agent to be selected and appointed by the DIP Lenders (the **Agent**).

FINANCE PARTIES RIGHTS AND (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

OBLIGATIONS:

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).

DIP LENDERS' DECISION-MAKING:

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 51% of the total DIP Facility (or, if the DIP Facility has been reduced to zero, aggregate more than 51% 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 51% 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 except with respect to the following decisions, determinations or directions which shall require the unanimous written consent of all DIP Lenders:

- (a) increasing the Maximum Amount;
- (b) decreasing the interest rates or fees applicable to the DIP Obligations;
- (c) extending the date for payment of principal, interest, fees or any other amount relating to the DIP Facility;
- (d) amending the Maturity Date;
- (e) the subordination of the DIP Priority Charge or any other DIP Security (other than to (i) purchase money security interests created prior to the issuance of the Initial Order (**PMSIs**); or (ii) Priority Payables, including the

Administration Charge and the Director's Charge but, with respect to the Director's Charge, only up to a maximum amount equal to \$1,250,000) or permitting new or existing indebtedness or security (other than Priority Payables, the TPL Protections, the KERP and the KERP Charge) to rank ahead of or *pari passu* with the DIP Obligations, the DIP Priority Charge or any other DIP Security;

- (f) the release or material amendment of the DIP Priority Charge or any other DIP Security;
- (g) the approval of an Approved Transaction with respect to which the proceeds of sale or the consideration payable is not sufficient to satisfy the DIP Obligations in full;
- (h) any waiver or amendment of the mandatory prepayments contemplated in paragraph (b) of the Section entitled "*Mandatory Prepayments*";
- (i) the availability of the Extension Option;
- (j) any amendment to items (a) above through (k) below; and
- (k) the issuance of any waiver of, or consent to, any of the matters set out in items (a) through (j) above (including, without limitation with regard to any Event of Default arising or resulting in connection therewith).

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) To repay all accrued and unpaid interest, including default interest, owing under the Initial Term Sheet;
- (b) 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
- (c) 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\$14,500,000 and if the Extension Option is exercised, CDN\$16,500,000 (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 (as such amount was or shall be reduced by mandatory prepayments referred to, or contemplated under, this term sheet).

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**). For so long as there is at least CDN\$1 million available under the DIP Facility, each DIP Advance shall be for an amount of no less than CDN\$1 million, and in multiples of CDN\$50,000, and, should there be less than CDN\$1 million remaining available under the DIP Facility, a DIP Advance shall be available in such remaining amount (the **Minimum Draw**).

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.

Any increase in the Maximum Amount shall be approved by all DIP Lenders and will be as agreed to between the parties to this term sheet following a review of the progress of the Loan Parties' CCAA Proceedings and the funding needs at the time. This shall not constitute an agreement by the DIP Lenders or any of them to provide funding in excess of the Maximum Amount.

EXTENSION OPTION

No earlier than June 13, 2014, the Borrower may request, and the DIP Lenders may provide, in such amounts as are in proportion to their existing Commitments on the date the Extension Option is exercised, an additional aggregate commitment of CDN\$2,000,000 (the **Extension Amount**), which shall mature, together with the other Commitments provided under this term sheet, on the Maturity Date, and shall be on the terms and conditions as contemplated in this term sheet (the **Extension Option**).

No DIP Lender shall be obligated to participate in such Extension Option and to the extent a DIP Lender elects not to exercise the right to participate in the Extension Option (such DIP Lender being a **Non-Exercising DIP Lender**), its right to provide the Commitments under the Extension Option may be exercised by the other DIP Lenders; provided, however, that, if the Non-Exercising DIP Lender is (i) an AHC DIP Lender, then the other AHC DIP Lenders shall have the right to exercise in priority to the other DIP Lenders; (ii) Alta, or its successors or assigns, then Coliseum shall have the right to exercise in priority to the other DIP Lenders; and (iii) Coliseum or its successors or assigns, then Alta shall have the right to exercise in priority to the other DIP Lenders.

Each DIP Lender understands that its proportionate share of the Commitments, its percentage of the vote in respect of any decision-making, determination of consent and its percentage of any fees tied to Commitments, may increase or decrease, as a result of the exercise by certain DIP Lenders of the Extension Option.

AGENT AND DIP LENDERS' RECORDS

The Agent shall maintain a register evidencing the indebtedness and obligations of the Loan Parties to each DIP Lender under this term sheet in respect of each DIP Advance, accrued interest and fees in respect of each and the amounts paid by each Loan Party to each DIP Lender from time to time.

Each DIP Lender shall maintain, in accordance with its usual practice, an account or accounts evidencing the indebtedness of the Loan Parties to such DIP Lender. If there is an inconsistency between the records of the Agent and the DIP Lenders, the Agent's register shall prevail.

The Borrower acknowledges and agrees that the Agent's register and records shall constitute evidence of the matters referred to above and that the failure of any DIP Lender or the Agent to make any entry or recording in a register shall not limit or affect the obligations of the Loan Parties under this term sheet or the DIP Obligations owed to the DIP Lenders.

DIP LENDERS COMMITMENTS:

The respective commitments of the DIP Lender are as follows:

- (a) in relation to the Initial DIP Lenders, the amount set opposite its name under the heading "Initial DIP Lender Commitment" in **Schedule "H"**; and on the date of this term sheet the total Initial DIP Lender commitment fully disbursed under the Initial Term Sheet is CDN\$8,500,000 (the **Initial DIP Lender Commitment**) (which has been prepaid by the Borrower prior to the date of this term sheet);
- (b) in relation to each DIP Lender, the amount set opposite its name under the heading "Additional Commitments" in **Schedule "H"** and the amount of any other Additional Commitments transferred to it under this term sheet; and on the date of this term sheet, the aggregate of the total DIP Lenders commitments is CDN\$6,000,000 and if the Extension Option is exercised, shall be CDN\$8,000,000 (the **Additional Commitments**); and
- (c) in relation to any other DIP Lender, the amount of any of the Initial DIP Lender Commitment or Additional 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 Lenders shall have the right, but not the obligation to fund any shortfall of any DIP Advance requested from another DIP Lender, and such shortfall shall be funded by the DIP Lenders who choose to exercise such right (the **Exercising DIP Lenders**), *pro rata* based upon the aggregate commitments of all Exercising DIP

Lenders.

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 or the Confirming DIP Order (as defined below) 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 or the Confirming DIP 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 after the date hereof (other than the suspension of the Loan Parties' brokered business or the issuance of the Initial Order and the TPL Protection Order

as each relates to third party lender accounts receivable, or the issuance of any order authorizing, directing or ratifying the suspension of the Loan Parties' brokered business) 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 other than as a result of the suspension of the Loan Parties brokered business; (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 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) 180 days from the date of the Initial Order;
- (c) the date an Approved Transaction (as defined below) is consummated; and
- (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.

The DIP Obligations under this term sheet shall not be fully and finally discharged, and the DIP Priority Charge shall not be released, until all DIP Obligations, including the Exit Amounts, have been satisfied in full.

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 DIP Lenders, NRF and Goodmans prior to the execution of the Initial 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 (but not including) May 16, 2014 through the period ending October 10, 2014 (the **CCAA Cash Flow**).

The Borrower, with the assistance of the CRO and 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**).

If a Drawdown Certificate is delivered, it shall be delivered concurrently with the Cash Flow Projection for that week.

BUSINESS PLAN:

The Borrower, with the assistance of the CRO and the Monitor and in consultation with the DIP Lenders, shall provide to the DIP Lenders, NRF and Goodmans no later than May 30, 2014, a revised operational business plan for 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 to engage Houlihan Lokey Capital, Inc. (**Houlihan Lokey**) 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**).

The Borrower shall remain liable to pay the amount of US\$250,000 as a DIP financing fee and a US\$100,000 work fee (with respect to services provided up to the date of this term sheet) to Moelis & Company as financial advisor to the DIP Lenders under the Initial Term Sheet. Such fees shall be paid directly to Moelis & Company from the proceeds of the first DIP Advance

following the date hereof.

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.

Each DIP Advance shall be disbursed from an account of the applicable DIP Lender to the Borrower on the date specified by the Borrower in the Drawdown Certificate, which date must be not less than three (3) Business Days and not more than seven (7) Business Days after receipt by the DIP Lenders with copy to NRF and Goodmans 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 the CRO on behalf of the Borrower (and containing the confirmation by the Monitor set out in the form of such Drawdown Certificate in respect of paragraphs (a) and (b), provided however that in doing so, the Monitor shall not incur any personal liability), certifying, *inter alia*, that:

- (a) the drawdown 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 the amount of CDN\$3 million during the week in which the drawdown is made, based on, and in accordance with, the Cash Flow Projections and pursuant to paragraph 5 of the TPL Protection Order;
- (b) the drawdown is 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 by the greater of CDN\$1 million or 10% of DIP Advances already made, measured on a cumulative basis from (but not including) May 16, 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;
- (c) the drawdown is no less than the Minimum Draw amount;
- (d) the Borrower is in compliance with this term sheet and the other DIP Credit Documentation (as defined below); and
- (e) no Default or Event of Default has occurred and is continuing and none will occur, as a result of the DIP Advance.

VOLUNTARY

Subject to the other provisions of this term sheet, the Borrower and the Guarantors shall be entitled to voluntarily prepay any principal amount of the DIP Obligations together with accrued

PREPAYMENTS:

interest on the amount prepaid, in whole or in part in any circumstances without penalty or premium.

The DIP Obligations under this term sheet shall not be fully and finally discharged, and the DIP Priority Charge shall not be released, until all DIP Obligations, including the Exit Amounts, have been satisfied in full.

**MANDATORY
PREPAYMENTS**

Provided that the Borrower will have sufficient remaining cash and other assets (on a net realizable value basis) to satisfy all obligations of the Borrower for Priority Payables:

- (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) 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, that are not used by such Loan Party to replace or repair any such lost or damaged property, asset or undertaking;
 - (ii) from any extraordinary receipts of cash outside of the ordinary course of business, including, without limitation, (A) any proceeds of insurance paid on account of any loss or damage of any property, assets, or undertakings of any Loan Party; and (B) judgements, awards, proceeds of settlements or other consideration of any kind in connection with any cause of action;
- (b) The Borrower shall make a mandatory prepayment of the DIP Obligations, immediately upon receipt of any Tax Refund (as defined below), in an amount equal to 100% of each such Tax Refund; and
- (c) 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) in respect of the first CDN\$8,500,000, 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 date of the first DIP advance following the Confirming DIP Order; and
- (b) in respect of the Additional Commitment, shall be 17.50% *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, and

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 applicable 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.

DIP FINANCING FEE:

The Borrower shall pay a fee (the **DIP Financing Fee**), in respect of the establishment of this DIP Facility and the commitment to provide the DIP Funding:

- (a) to the Initial DIP Lenders, for their own account and *pro rata* to their respective Initial DIP Lender Commitments, in the amount of 3.5% of CDN\$8,500,000 earned and

payable upon Court approval of the Initial Term sheet (which such amount has been fully paid to the Initial DIP Lenders);

- (b) to the DIP Lenders *pro rata* to their respective Commitments (for greater certainty, excluding the Initial DIP Lender Commitments), in the amount of 5% of CDN\$6,000,000 which shall be fully earned and payable upon the Court approval of this term sheet and shall be paid from the proceeds of the first DIP Advance following the date hereof; and
- (c) if the Extension Option is exercised, to the DIP Lenders (excluding the Non-exercising DIP Lenders) in the amount of 5% of CDN\$2,000,000, *pro rata* based upon their respective share of the Extension Amount, which shall be fully earned and payable upon the later of Court approval of this term sheet and the date the Extension Option is exercised and shall be paid from the proceeds of the first DIP Advance immediately following the exercise date of the Extension Option.

EXIT AMOUNT:

The Borrower shall pay to Senior Secured Noteholders who are also DIP Lenders additional consideration (the **Exit Amount**) in respect of the principal amount of indebtedness owed under the Senior Secured Notes as distributed pursuant to the Plan or Sale Transaction, as the case may be (pro rata to their respective Commitments, for greater certainty excluding the Initial DIP Lender Commitments) in an amount equal to, in the case of the first CDN\$40 million of Excess, 15% of such Excess; which right to payment shall be fully vested on the date hereof and payable on the closing date or implementation date of an Approved Transaction, out of the closing proceeds of the Sale Transaction, or out of the consideration being offered pursuant to the Plan, which additional consideration shall have the same priority as the other DIP Obligations.

Notwithstanding any other provision of this Term Sheet, the DIP Lenders agree that no Exit Amount shall be payable in the event that all obligations under the Indenture and the Senior Secured Notes are paid in cash out of the closing proceeds of the Sale Transaction, or out of the consideration being offered pursuant to the Plan.

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

- (a) (i) in the case of a Sale Transaction(s), the purchase price (taking into account any assumption of debt and potential contingent consideration included therein) offered by the purchaser(s) or the proceeds from a liquidation; or (ii) the enterprise value used in determining the proposed distributions, pursuant to Plan transaction(s), in each case, involving any Loan Party; and (iii) any other sources of distributable value, including without limitation any cash or value received by any Loan Party or any of its affiliates

in or outside the ordinary course from: (A) proceeds of insurance, (B) judgements, proceeds of settlements or other consideration of any kind in connection with any cause of action, (C) indemnity payments to the extent not made to reimburse a payment made by a Loan Party; or (D) any other amounts or recoveries received by or forming part of the estate of any Loan Party and deemed by the DIP Lenders to be applicable to this calculation not including any Tax Refunds; and

- (b) the amount equal to the sum of CDN\$20.5 million plus the amounts actually paid under the Priority Lien Credit Agreement out of the closing proceeds of the Sale Transaction, or out of the consideration being offered pursuant to the Plan, minus the aggregate amount of all Tax Refunds received by the Loan Parties since April 11, 2014 (whether or not such amounts were applied in repayment of the DIP Obligations).

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 Priority Payables; (ii) the TPL Charge (which shall rank *pari passu*) (iv) the KERP Charge (which shall rank *pari passu*); (iii) PMSIs; 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 Director's Charge, an amount equal to CDN\$1,250,000 of the Director's Charge shall rank in priority to the DIP Priority Charge and the remaining CDN\$1,250,000 of the Director's 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 and the Confirming DIP Order shall be in full force and effect and 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;

- (b) An order (the **Confirming DIP Order**), in form and substance satisfactory to the DIP Lenders, shall have been issued by the Court including:
- (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 confirming that the DIP Lenders shall be entitled to rely on the “DIP Priority Charge” granted by the Initial Order for all DIP Obligations under this term sheet;
 - (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 Obligations under this term sheet and the documents delivered pursuant to it (including without limitation, the Additional DIP Security Documents (as defined below)) (collectively, the **DIP Security**) shall benefit from the same priority as the “DIP Priority Charge” granted by the Initial Order and shall have priority over all present and future charges, encumbrances and security, whether legal or equitable, other than (A) any Priority Payables; (B) PMSIs; (C) the TPL Charge (which shall rank *pari passu*); and (D) the KERP Charge (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;
 - (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; and

- (viii) provisions confirming that references in the Initial Order to “DIP Facility”, “Term Sheet”, “DIP Lenders”, “Agent” and “DIP Obligations” shall mean, and apply to, references to this term sheet and the DIP Facility, the DIP Lenders, the Agent and the DIP Obligations contemplated under this term sheet, and the Definitive Documents delivered in connection with this term sheet;
- (c) 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;
- (d) The DIP Lenders, Norton Rose Fulbright Canada LLP (**NRF**) and Goodmans LLP (**Goodmans**) 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;
- (e) 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 in respect of (i) those matters disclosed in the affidavit of Steven Carlstrom dated April 14, 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); and (ii) those other matters disclosed to the DIP Lenders in writing prior to the date hereof with respect to regulatory matters in Manitoba relating to the *Consumer Protection Act* (Manitoba), regulatory matters in Nova Scotia relating to section 18HD of the *Consumer Protection Act* (Nova Scotia)) and in respect of the suspension of the Borrower’s brokered business;
- (f) The DIP Lenders shall be satisfied that there are no Liens ranking ahead of, or *pari passu* with, the DIP Priority Charge and the DIP Security, except for (i) Priority Payables, including the Administration Charge and the Director’s Charge but, with respect to the Director’s Charge, only to the extent of an amount equal to CDN\$1,250,000, (ii) the TPL Charge (which shall rank *pari passu*), (iii) the KERP Charge (which shall rank *pari*

passu), (iv) PMSIs, and (v) in the case of the English Entities only, the English Registrations;

- (g) The DIP Lenders shall be satisfied that the Loan Parties continue to have valid and effective operating licences in all provinces and territories in which they currently operate with a licence;
- (h) 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 including Houlihan Lokey, shall have been paid in full from the proceeds of the applicable DIP Advance hereunder;
- (i) The Loan Parties shall be in compliance with all their covenants under this term sheet and any other DIP Credit Documentation;
- (j) 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);
- (k) The issuance of any DIP Advance shall not violate any applicable law, judgement or order of any court of competent jurisdiction;
- (l) The Loan Parties shall have disclosed in writing all employment agreements for any and all senior officers and senior managers of the Loan Parties earning CDN\$100,000 (or its equivalent in an alternative currency) or more *per annum*, including all bonuses and other cash compensation;
- (m) The Loan Parties shall have provided to the DIP Lenders (or NRF, Goodmans and Houlihan Lokey) a complete and accurate list of all Material Contracts and amendments thereto;
- (n) Blue Tree Advisors Inc. (the **CRO**), shall continue to be the CRO and the scope of authority of the CRO shall not be changed unless such change is acceptable to the DIP Lenders, acting reasonably;
- (o) 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;

- (p) There shall not exist in Canada in respect of any Loan Party any action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or governmental authority which is not stayed by the Initial Order other than (i) the CCAA Proceedings; (ii) those matters disclosed in the affidavit of Steven Carlstrom dated April 14, 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); (iii) those other matters disclosed to the DIP Lenders in writing prior to the date hereof with respect to regulatory matters in Manitoba relating to the *Consumer Protection Act* (Manitoba), regulatory matters in Nova Scotia relating to section 18HD of the *Consumer Protection Act* (Nova Scotia) and in respect of the suspension of the Borrower's brokered business; and (iv) such regulatory matters that cannot be disclosed pursuant to applicable law; and
- (q) Receipt by NRF, Goodmans and Houlihan Lokey of all written expressions of interest, letters of interest and other relevant documents from all parties, in each case in the possession of the Loan Parties, relating to a Plan, Sale Transaction, or any other recapitalization or restructuring transaction involving any Loan Party received during the Sale Process or otherwise since January 1, 2012.

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 executed and delivered by or on behalf of the Loan Parties;
 - (iii) upon the granting of the Initial Order and of the Confirming DIP Order, constitute legal, valid and

- binding obligations of the Loan Parties, enforceable in accordance with their terms;
- (iv) upon the granting of the Initial Order and of the Confirming DIP 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
 - (v) to the Borrower's knowledge, will not violate the charter documents or by-laws of the Loan Parties or any applicable law relating to such party;
- (b) To its 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 14, 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), and those other matters disclosed to the DIP Lenders with respect to regulatory matters in Manitoba relating to the *Consumer Protection Act* (Manitoba), regulatory matters in Nova Scotia relating to section 18HD of the *Consumer Protection Act* (Nova Scotia) and in respect of the suspension of the Borrower's brokered business;
- (c) To the Borrower's knowledge, 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 14, 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, and those other matters disclosed to the DIP Lenders in writing prior to the date hereof with respect to regulatory matters in Manitoba with respect to the *Consumer Protection Act* (Manitoba) and regulatory matters in Nova Scotia relating to section 18HD of the *Consumer Protection Act* (Nova Scotia);
- (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 Permitted Liens and potential claims of third party lenders including pursuant to

the TPL Protections;

- (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) The Borrower has no other subsidiary other than the Loan Parties and the Inactive Affiliates;
- (i) 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;
- (j) 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;
- (k) 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 of its statutory obligations to pay or remit any amount in respect of these obligations;
- (l) 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 (i) those matters disclosed in the affidavit of Steven Carlstrom dated April 14, 2014; and (ii) those other matters disclosed to the DIP Lenders in writing, with respect to regulatory matters in Manitoba relating to the *Consumer Protection Act* (Manitoba) and regulatory matters in Nova Scotia relating to section 18HD of the *Consumer Protection Act* (Nova Scotia);
- (m) The Loan Parties have not entered into any material transaction or other written contractual relationship with any Related Party 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;
- (n) 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"** to this term sheet;

- (o) Other than as stayed pursuant to the Initial Order, 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;
- (p) Except for the KERP, there have been no extensions, supplements or amendments to the employment agreements of any senior officers or senior managers of the Loan Parties earning CDN\$100,000 (or its equivalent in an alternative currency) or more *per annum*, including all bonuses and other cash compensation, and there are no other written employment agreements for any such senior officers or senior managers;
- (q) No trusts have been established by any Loan Party in respect of any of their respective directors or officers;
- (r) All payments to shareholders, directors, senior executives and their related parties, and any Related Party (as defined below), whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, in each case occurring between December 31, 2012 and the date of this term sheet (all such payments being **Related Party Payments**) have been disclosed in the December 31, 2013 financial statements of the Borrower or to the DIP Lenders in writing and, to the extent contemplated for future payment, have been included and specified in the Cash Flow Projections;
- (s) Other than as stayed pursuant to the Initial Order, there is not now pending or, to the knowledge of any of the senior officers or directors of any Loan Party, threatened against any Loan Party, nor has any Loan Party received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, a Material Adverse Change;
- (t) All Material Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms against any Loan Party, party to them, except: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganisation, moratorium or other similar laws relating to or affecting the rights of creditors; or (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in

equity);

- (u) All relevant information in the possession of any Loan Party, or the advisors to any of them, concerning Tax Refunds has been provided to NRF, Goodmans and Houlihan Lokey;
- (v) There are no agreements of any kind between any Loan Party, any Related Party, and any other holder of debt or equity securities of any Loan Party with respect to any restructuring, refinancing or recapitalisation matters; and
- (w) 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 (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, NRF and Goodmans 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 (s) below;
- (k) Notify the DIP Lenders, NRF and Goodmans immediately (on the day of receipt) of the receipt of any Tax Refund;
- (l) Receive and hold in trust, segregated from all other funds of the Loan Parties, for the benefit of the DIP Lenders, any and all tax refunds (as set out in, and as described as, "income taxes receivable" in the December 31 2013 financial statements of the Borrower) which are expected to be received from the Canada Revenue Agency, or any provincial tax authority, by the Borrower (or any Loan Party) (the **Tax Refunds**), and immediately upon receipt of any such Tax Refund, turn it over to the DIP Lenders to be applied as a mandatory prepayment in accordance with this term sheet.
- (m) Provide the DIP Lenders, NRF and Goodmans draft copies of all motions, applications, proposed orders (including without limitation, the draft Initial Order and Confirming DIP 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.

- (n) 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;
- (o) 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;
- (p) The Loan Parties shall promptly provide notice to the DIP Lenders, NRF and Goodmans and keep them otherwise apprised of any material developments in respect of any licence or permit required for the operation of the Loan Parties' business, including with respect to any meetings or discussions with the Ontario regulator regarding obtaining a licence (on a provisional or full basis) to operate as a payday lender in Ontario under the Payday Loans Act, 2008, 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; it being hereby acknowledged by the DIP Lenders that the Borrower has provided them with copies of correspondence dated April 25, 2014 from Service Nova Scotia and dated April 16, 2014 from the Manitoba Consumer Protection Office;
- (q) Provide the DIP Lenders, NRF and Goodmans 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;
- (r) Provide the DIP Lenders, NRF and Goodmans 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;
- (s) Subject to paragraph (j) above, on or before 52 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 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;

- (t) To the extent that the Sale Process does not generate any Sale Transaction or Plan: (i) the Loan Parties shall present the DIP Lenders with an Approved Transaction on or prior to 100 days from the date of the Initial Order (or such other date as the Borrower and the DIP Lenders may agree); (ii) with the consent of the DIP Lenders, the Loan Parties shall obtain creditor, court and regulatory approval of such Approved Transaction on or prior to 130 days of the Initial Order (or such other date as the Borrower and the DIP Lenders may agree); and (iii) upon each request for a DIP Advance hereunder, there shall be no adverse change in the status or progress of any Approved Transaction since the immediately preceding DIP Advance;
- (u) 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, including any additional documents that the DIP Lenders may require to ensure that the Tax Refunds are being held in trust for the benefit of the DIP Lenders, 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**);
- (v) 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) Priority Payables, (D) Liens for leased equipment and not prohibited by this term sheet; (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, including the Administration Charge, the Director's Charge, the KERP Charge, and the TPL Charge; and (G) PMSIs (collectively, the **Permitted Liens**);

- (w) 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;
- (x) 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);
- (y) Cause each DIP Lender to be listed as the loss payee on the insurance policies of the Loan Parties on or before May 23, 2014;
- (z) Require all invoices, in respect of professional fees to be paid by any Loan Party, other than in respect of NRF and Houlihan Lokey, which shall be paid in accordance with, and at the times specified in, this term sheet, to be submitted: (i) in respect of financial advisors, no less frequently than monthly; and (ii) in respect of legal advisors, no less frequently than every two weeks, and all such invoices shall be subject to review and approval by the CRO and the Monitor prior to being settled, in each case in accordance with the Cash Flow Projections and this term sheet;
- (aa) Upon request, consult in good faith with the DIP Lenders, the CRO and the Monitor regarding whether and to what extent any of its Material Contracts should be amended and restated or otherwise addressed pursuant to the CCAA;
- (bb) Promptly upon becoming aware, provide details of,
 - (i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Loan Party, by or before any court, tribunal, governmental entity or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, a Material Adverse Change; and
 - (ii) any existing (or threatened in writing) default or dispute with respect to any of the Material

Contracts;

- (cc) Promptly upon request of the DIP Lenders (or NRF, Goodmans and Houlihan Lokey) provide to the DIP Lenders (or NRF, Goodmans and Houlihan Lokey) copies of all Material Contracts and amendments thereto;
- (dd) At the request of the DIP Lenders, cause any subsidiary which is not (i) an Inactive Affiliate or (ii) a Loan Party on the date of this term sheet to become a "Guarantor" under this term sheet; and
- (ee) Upon the issuance of the Confirming DIP Order, the Borrower shall use the proceeds of the first DIP Advance under the Additional Commitments to repay any remaining accrued and unpaid interest, including default interest, owing under the Initial DIP Lender Commitments.

**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.

In addition, the Borrower shall disclose to the DIP Lenders, provide copies of, and include in the Cash Flow Projections, all retainers for professionals and advisors engaged by Loan Party, and all transaction, success, performance or change of control payments payable under or in connection with them, and all policies of directors' and officers' insurance maintained by any Loan Party.

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 CRO and 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 TPL Protections; (F) the Director's Charge; (G) the Administration Charge; (H) Priority Payables; and (I) if applicable, any obligations relating to the KERF;
- (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 (o) 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) Other than in respect of the KERP 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 account in respect thereof;
- (h) Except with the written consent of the DIP Lenders, 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) Other than for such arrangements as existed on the date of the Initial Order in respect of the Supplemental Compliance Order and in respect of the account to be established in respect of Tax Refunds (if any), establish or create any trust accounts;
- (j) Create or permit to exist any new Liens on any of its properties or assets other than the Priority Payables, Liens in favour of the DIP Lenders and Permitted Liens;
- (k) Make any capital expenditures other than as reflected in the CCAA Cash Flow;
- (l) 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;
- (m) 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;
- (n) 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;
- (o) 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;

- (p) Participate in any scheduled 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, NRF and Goodmans 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 be permitted to engage in unscheduled discussions with a regulatory authority, and shall following any such discussion, whether scheduled or unscheduled, advise the DIP Lenders, NRF and Goodmans of the content of those discussions aside from external counsel only matters;
- (q) 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, NRF and Goodmans, and an opportunity for a representative of NRF, Goodmans or Houlihan Lokey to participate in such discussions;
- (r) 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;
- (s) Other than the suspension of the Borrower's brokered business, cease (or threaten to 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;
- (t) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy without the prior consent of the DIP Lenders;
- (u) After the date hereof, purchase any additional insurance in respect of any director or officer of any Loan Party, including any "tail" insurance, without the prior written consent of the DIP Lenders;
- (v) Allow any proceeds of any directors' or officers' insurance policies to be paid to any third party, including any fees paid to counsel in respect of pre-filing actions, suits, investigations, litigation or proceedings, without the prior

written consent of the DIP Lenders other than with respect to fees paid to counsel with respect to such regulatory matters that cannot be disclosed pursuant to applicable law; and

- (w) 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 Priority Payables, including the Administration Charge and the Director's Charge (but, with respect to the Director's Charge, only to the extent of an amount equal to CDN\$1,250,000), the KERP Charge (which shall rank *pari passu*), the TPL Charge (which shall rank *pari passu*) and PMSIs; or (iii) staying, reversing, vacating or otherwise modifying this term sheet or the DIP Credit Documentation, any Court Order (including the Initial Order, the Confirming DIP 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) Other than the suspension of the Borrower's brokered business, any Loan Party ceases (or threatens to cease) 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, unless remedied to the satisfaction of the DIP Lenders within two (2) Business Days 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\$1.5 million or 15% during the first two weeks following the date of the Court order approving this term sheet, measured on a cumulative basis from (but not including) May 16, 2014; and thereafter, by the greater of CDN\$1 million or 15%, measured on a cumulative basis from (but not including) May 16, 2014; and (ii) 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 (but not including) May 16, 2014;
- (i) If at any time, the Updated Peak Funding Requirement exceeds by more than 10% 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 for such amounts which are the subject of the TPL Protections, 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, the TPL Protection 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) 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) The suspension, termination or revocation of any licence in any province or territory in which the Loan Parties operate;
- (r) 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;
- (s) 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;

- (t) Any change to the composition (including addition, removal or replacement of directors or officers) of the board of directors or officers of any Loan Party that is not acceptable to the DIP Lenders;
- (u) The occurrence of a Material Adverse Change; or
- (v) The Borrower and the Loan Parties shall require funding on or before July 31, 2014 in excess of CDN\$8,000,000, based upon all Cash Flow Projections delivered.

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 (with a copy to each of NRF and Goodmans) 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:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under this term sheet or any DIP Credit Documentation; or
- (c) 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 this term sheet or 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 DIP Lenders in accordance with the percentages provided in the section entitled "*DIP Lenders' Decision-Making*" (or, if so instructed in accordance with that section, 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 DIP Lenders in accordance with the percentages provided in the section entitled "*DIP Lenders' Decision-Making*".
- (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 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) 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, (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) 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 (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), 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 free 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; or (iii) the application of proposed subsection 212(3.2) of the Tax Act.

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 the Monitor is set out in **Schedule "E"**;
- (c) 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
- (d) in the case of the Agent, as set out in **Schedule "E"** (Initial administrative details of the Parties) or as notified to the DIP Lenders and the Borrower in writing on its appointment,

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 authorized officer of the DIP Lenders acting on the instructions of the Majority Lenders.

Subject to the Section entitled "*DIP Lenders' Decision-making*" or unless otherwise stated in this term sheet, 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) and the rights of the DIP Lenders in respect of a Related Party Transfer (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).

- (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 Existing Lender executes an otherwise duly completed assignment and assumption agreement substantially in the form attached as **Schedule “F”** (the **Assignment and Assumption Agreement**, and which Assignment and Assumption Agreement shall be delivered to the Agent 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.
- (c) Any New Lender hereunder that is a Senior Secured Noteholder shall be required (as a condition to the assignment) to deliver, and shall receive, a release in the form delivered between Coliseum and the AHC DIP Lenders concurrently with the delivery of this term sheet.
- (d) 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.
- (e) The Borrower irrevocably authorises the Agent to execute any Assignment and Assumption Agreement on its behalf, without any consultation.
- (f) 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.
- (g) 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).
- (h) 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.

Related Party Transfer

No DIP Lender may transfer any of its rights and obligations (in whole or in part) under this term sheet to any third party lender indicated in **Schedule "G"** to this term sheet or any other third party lender from time to time or Related Party (a **Related Party Transfer**) without the prior written consent of each DIP Lender. The consent of each DIP Lender to a transfer must not be unreasonably withheld or delayed and shall be deemed to have been given five (5) Business Days after the Existing Lender has requested it unless the consent is expressly refused by the DIP Lender within that time.

Right of First Refusal

The DIP Lenders shall have a right of first refusal to participate in any transfer of the rights and obligations of any DIP Lender unless the transfer is to an affiliate of a DIP Lender (it being understood that for the purpose of this section a fund or account under common management with the transferring DIP Lender shall be considered an affiliate of such transferring DIP Lender). The DIP Lenders 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**) and all DIP Lenders who choose to participate shall do so *pro rata* based upon the aggregate commitments of all such participating DIP Lenders, provided that if the transferring DIP Lender is: (i) an AHC DIP Lender, the other AHC DIP Lenders shall have the right to participate in priority to the other DIP Lenders; further that; (ii) Alta, or its successors or assigns, is the transferring DIP Lender, Coliseum shall have the right to participate in priority to the other DIP Lenders; and if Coliseum or its successors or assigns is the transferring DIP Lender, Alta shall have the right to participate in priority to the other DIP Lenders.

ASSIGNMENT BY THE

Neither this term sheet nor any right and obligation under it may

LOAN PARTIES:	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: (i) irrevocably submits to the exclusive jurisdiction of the Court to hear and determine any claims or disputes between the Borrower, any Guarantor and any Finance Party or any other matter arising out of, or relating to, this term sheet; and (ii) waives any objections on the ground of venue or forum <i>non conveniens</i> or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.
AMENDMENT AND RESTATEMENT AND NO NOVATION:	As of the date hereof, this term sheet amends, restates, and replaces in its entirety the Initial Term Sheet and the Initial Term Sheet shall be read and construed as so amended, restated and replaced with the parties hereby agreeing that there is no novation of the Initial Term Sheet. On the date of this term sheet, the rights and obligations of the parties under the Initial Term Sheet shall be subsumed within and be governed by this term sheet.
EXECUTION OF TERM SHEET BY CRO	In executing this term sheet and making any representation, warranty or certification hereunder, including any certification in a drawdown certificate, the CRO has inquired of the Borrower's senior management and has informed himself through and relied upon the results of such inquiry. The CRO has not examined any other person, reviewed any other document, or otherwise attempted to verify the accuracy or completeness of the information that has been provided to the CRO through the inquiries made of senior management. All representations, warranties and certifications made in respect of this term sheet, including in any drawdown certificate, are expressly qualified by the actual knowledge of the CRO based on the inquiries made to date by the CRO, and it is acknowledged by the DIP Lenders that the CRO shall have no personal liability whatsoever for the execution of this term sheet, any matter contained in this term sheet or any of the representations, warranties or certifications made herein or in any drawdown certificate; provided however

that the CRO shall exercise the powers granted to the CRO under the Initial Order to cause the Loan Parties to perform their obligations and comply with their covenants hereunder.

Nothing contained in the foregoing shall prevent the DIP Lenders from enforcing their rights against a Loan Party for any breach of a representation, warranty or covenant contained in this term sheet in accordance with the terms of this term sheet.

DEFINITIONS:

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

Administration Charge has the meaning ascribed to it in the Initial Order;

Ad Hoc Committee means the ad hoc committee of holders of the Loan Parties' 11 ½ senior secured notes;

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;

Collateral Trust Agreement means a collateral trust and intercreditor agreement dated 31 January 2012, between, among others, the Borrower as borrower and issuer, certain guarantors and noteholders, and Computershare Trust Company of Canada as collateral trustee;

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 Initial 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, DIP Financing Fees, Exit Amounts, any other fees, expenses, indemnities and any other amounts);

Director's Charge has the meaning ascribed to it in the Initial Order;

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

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 Order means the amended and restated initial order granted by the Court on April 15, 2014 in respect of the Borrower and the Guarantors, as the same may be amended by the Court with the consent of the DIP Lenders acting reasonably;

Initial Term Sheet means a term sheet dated April 15, 2014 with respect to a CDN\$8,500,000 facility between the Borrower, Guarantors, Coliseum and the Agent thereunder (and any amendments or supplements to it);

KERP means the key employee retention plan to be agreed among the DIP Lenders and the Borrower but which in any case will not exceed CDN\$400,000, and which will rank *pari passu* in right of payment with the DIP Obligations;

KERP Charge means any security interest granted over the assets of any of the Loan Parties pursuant to an Order of the Court to secure any obligations owing by the Loan Parties under the KERP.

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

Material Contract means any contract, licence or agreement: (i) to which any Loan Party is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any Loan Party; and (iii) which a Loan Party cannot promptly replace by an alternative and comparable contract with comparable commercial terms;

Monitor means FTI Consulting Canada Inc. in its capacity as Court-appointed monitor of certain of the Loan Parties and not in its personal capacity;

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;

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;

Priority Lien Credit Agreement means the priority lien credit agreement dated as of November 29, 2013 between the Loan Parties, Coliseum and the other lenders party thereto;

Priority Payables means, with respect to any Loan Party, any amount payable by such Loan Party for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of GST in put credits), income tax, workers compensation, and Canada Pension Plan obligations solely to the extent that such amounts are granted a priority at law over the DIP Obligations or any other amounts to the extent secured by a Lien which ranks prior to or *pari passu* with the DIP Security, including amounts which are secured by the Administration Charge, the Director's Charge (but only to a maximum of CDN\$1,250,000) ;

Related Party of an entity means a person, other than a person that is solely a bona fide lender, that, at the relevant time and after reasonable inquiry, is known by the entity or a director or senior officer of the entity to be

- (a) a control person (as such term is defined in the *Securities Act* (Ontario)) of the entity,
- (b) a person of which a person referred to in paragraph (a) is a control person,
- (c) a person of which the entity is a control person,
- (d) a director or senior officer (including the chair or a vice-chair of the board of directors, a president, a vice-president, the secretary, the treasurer or the general manager of a Loan Party or any other individual who performs functions for a Loan Party similar to those normally performed by an individual occupying any such office, and for a Loan Party that is a limited partnership, includes a senior officer of the general partner of a Loan Party) of
 - (i) the entity, or
 - (ii) a person described in any other paragraph of this definition,
- (e) a person that manages or directs, to any substantial degree, the affairs or operations of the entity under an agreement, arrangement or understanding between the

person and the entity, including the general partner of an entity that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law,

- (f) an affiliate of any person described in any other paragraph of this definition;

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

Senior Secured Note means the 11 1/2% notes due 2017 issued by the Borrower as issuer of Parity Lien Debt (as such term is defined in the Indenture) to the Senior Secured Noteholders under the Indenture;

Senior Secured Noteholders means the holders of the Senior Secured Notes (including Coliseum, Alta and the Ad Hoc Committee);

Supplemental Compliance Order means the supplemental compliance order dated November 30, 2012 issued by Consumer Protection BC under the Business Practice and Consumer Protection Act, S.B.C. 2004, c.2 against the Borrower;

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 Charge has the meaning ascribed to it in the Initial Order;

TPL Protections means each of the following which are without prejudice to the rights or remedies of any party, including the Finance Parties: (i) the TPL Charge; (ii) TPL Net Receipt Minimum Balance (as defined in the Initial Order); and (iii) the protections provided in the TPL Protection Order, subject and without prejudice to the rights of the DIP Lenders contained in paragraph 6 of the TPL Protection Order;

TPL Protection Order means the order of the Court issued on April 30, 2014; 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 PARTNERS, LP, AS
INITIAL DIP LENDER AND DIP LENDER**

by: Coliseum Capital, LLC, General Partner

Per: _____

Name:

Title: Manager

Authorised signatory.

**COLISEUM CAPITAL PARTNERS II, LP
AS INITIAL DIP LENDER AND DIP LENDER**

by: Coliseum Capital, LLC, General Partner

Per: _____

Name:

Title: Manager

Authorised signatory.

**BLACKWELL PARTNERS, LLC
AS INITIAL DIP LENDER AND DIP LENDER**

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

Per: _____

Name:

Title: Manager

Authorised signatory.

**ALTA FUNDAMENTAL ADVISORS, LLC
AS INITIAL DIP LENDER AND DIP LENDER**

Per: _____

Name:

Title:

Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:
Authorised signatory.

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:

●, AS AHC DIP LENDER AND AS DIP LENDER

Per: _____
Name:
Title:

Authorised signatory.

Authorised signatory.

SCHEDULE "A"
CCAA CASH FLOW

SCHEDULE "B"

FORM OF DRAWDOWN CERTIFICATE

TO: The DIP Lenders
with copy to: Norton Rose Fulbright Canada LLP and Goodmans LLP

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

DATE: ●, 2014

- 1 This certificate is delivered to you, as DIP Lenders pursuant to, and in connection with, a request for DIP Advances under the term sheet made as of May __, 2014 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:
 - (a) Date of DIP Advance: _____ (which date must be not less than three (3) Business Days and not more than seven (7) Business Days after the date of this Drawdown Certificate)
 - (b) 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) 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;

- (b) the drawdown is no greater than the amount of DIP Advances shown to be required in Cash Flow Projections for that week; provided, however, that a DIP Advance may exceed the amount shown in the Cash Flow Projections for that week by the greater of CDN\$1 million or 10% of DIP Advances already made, measured on a cumulative basis from (but not including) May 16, 2014 to the date of such DIP Advance (in each case, as reflected in the Cash Flow Projections for that week and without giving effect, in such calculation, to any fees which may be payable to the CRO, if any);
- (c) no less than the Minimum Draw amount;
- (d) is in compliance with the Term Sheet and the other DIP Credit Documentation; and
- (e) no Default or Event of Default has occurred and is continuing and none will occur, as a result of the DIP Advance

THE CASH STORE FINANCIAL SERVICES INC.

Per: _____

Name: William E. Aziz

Title: Chief Restructuring Officer

I have authority to bind the corporation.

The Monitor has reviewed the amount of the DIP Advance requested by the Borrower, the most recent Cash Flow Projections approved by the DIP Lenders and the information provided by the Borrower regarding its receipts and disbursements subsequent to the date of the last actual cash position reported by the Borrower to the DIP Lenders in such Cash Flow Projections and related reporting. The Monitor confirms, without personal liability, that it appears that the amount of such requested DIP Advance will satisfy the requirements of paragraphs 6(a) and (b) above (in the case of paragraph 6(a), during the period ending [insert relevant date]) based on such Cash Flow Projections and such information regarding receipts and disbursements.

**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 PROJECTIONS

**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

- (1) 1677547 Alberta Ltd; and
- (2) 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: baziz@bluetreeadvisors.com
Attention: Chief Restructuring 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 Monitor

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2100, P.O. Box 104
Toronto, ON M4K 1G8, Canada
Fax No: 416-649-8101
Email: greg.watson@fticonsulting.com
Attention: Greg Watson

With copy to:
McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, ON M5K 1E6, Canada
Fax No.: +1 416.868.0673
Email: jgage@mccarthy.ca
Attention: James Gage

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

Alta Fundamental Advisers, LLC

777 Third Avenue — Suite 19A, New York, NY
10017
Tel: (212) 319- 1778
Fax: (212) 319 - 1105
Email: research@altafundamental.com
Attention: Jeremy Carton and Gilbert Li

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: walied.soliman@nortonrosefulbright.com and
virginie.gauthier@nortonrosefulbright.com
Attention: Walied Soliman and Virginie Gauthier
With copy to:
Goodmans LLP
333 Bay Street, 34th Floor
Toronto, Ontario, Canada M5H 2S7
Attention: Robert Chadwick / Brendan O'Neill
Fax No: 416-979-1234
Email:rchadwick@goodmans.ca/boneill@goodmans.ca

The Agent

Refer to the notice details set out in the Agent's appointment letter

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 May [], 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 DIP 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 DIP 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 by DIP Lenders", 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, the DIP Lender or their financial advisors, or (B) investigation of the Borrower or the Guarantors made by the Agent, the DIP Lenders or their advisors; and (iii) the New Lender agrees that neither the Agent or the

DIP Lenders nor their 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.

[[insert name of Agent] 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

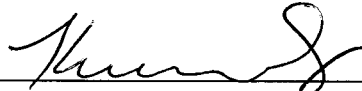
- 1 Broker Agreement between Omni Ventures Ltd. and The Cash Store Inc., dated January 31, 2012
- 2 Broker Agreement between McCann Family Holding Corporation and The Cash Store Inc., dated June 19, 2012
- 3 Broker Agreement between L-Gen Management Inc. and The Cash Store Inc., dated January 31, 2012
- 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
- 6 Broker Agreement between Trimor Annuity Focus Limited Partnership #5 and the 1693926 Alberta Ltd., dated June 5, 2012

**SCHEDULE "H"
COMMITMENTS**

Initial DIP Lender Commitments	
Initial DIP Lenders	CDN\$
Coliseum Capital Partners, LP	
Coliseum Capital Partners II, LP	
Blackwell Partners, LLC	
Alta Fundamental Advisors, LLC	

Additional Commitments	
DIP Lenders	CDN\$
Coliseum Capital Partners, LP	
Coliseum Capital Partners II, LP	
Blackwell Partners, LLC	
Alta Fundamental Advisors, LLC	
[AHC DIP Lenders]	

**THIS IS EXHIBIT "D" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS 15th DAY OF MAY, 2014.**



A commissioner for taking Affidavits

Karin Saehar

-----Original Message-----

From: Douton, Bernard

Sent: Wednesday, May 14, 2014 08:13 AM Eastern Standard Time

To: 'cdimauro@HL.com'; 'NCourt@HL.com'

Cc: 'baziz@bluetreadvisors.com'; 'greg.watson@fticonsulting.com'; 'mwasserman@osler.com'; NYC Project Oilers

Subject:

Chris/Nate -

Thank you for your continued interest in supporting Cash Store. As you know, we are in receipt of two DIP financing proposals to provide further funding to support Cash Store during its restructuring process.

Given the very near term need of the Company for additional financing, as well as the Court's direction earlier today setting Friday, May 16th as the hearing date for approval of further DIP financing, the Company needs to bring to a conclusion the period of entertaining DIP financing proposals. So that the CRO and the Monitor can be in a position to evaluate offers and finalize a Term Sheet with associated court materials for the purpose of seeking Court approval on Friday, we are asking you to provide your final and best offer by the close of business on Wednesday of this week.

To assist you in preparing your final offer, below is a list of some of the principles that the CRO and the Monitor will use when assessing offers, in addition to being mindful of the factors to be considered by the Court that are set out in the CCAA. This list of principles is not exhaustive, but is being provided to you so that you have some greater clarity regarding aspects considered relevant by the CRO and the Monitor given the Company's current circumstances (without foreclosing consideration of other relevant factors):


- The extent to which the offer is complete and, subject to Court approval, is capable of closing without delay and with funding readily available immediately ;
- The amount of funds on offer, relative to current milestones in the restructuring process, and the pricing and other economic conditions applicable in respect of such funding;
- The impact of the proposed financing and its terms on Cash Store's stake holders;
- The extent to which the terms are consistent with and recognize the authority granted to the CRO under the Initial Order to oversee, in consultation with the Monitor, all aspects of the restructuring of Cash Store;
- The extent to which the terms are consistent with and do not potentially impede the existing sales process being run by Rothschild;
- The extent to which the proposed financing may facilitate an alternate plan process if pursued by the Company; and
- The extent to which the covenants include sufficiently flexible variance testing and cash flow monitoring to permit Cash Store to operate during the restructuring period. In this regard, the CRO and the Monitor are of the view that Cash Store can operate within

the variance tests contained in the initial \$20.5 million DIP Term Sheet that was included in the initial application record, but that subsequent variance tests that have been proposed are too restrictive.

As mentioned, the above is a non-exhaustive list of factors that may be considered by the CRO and the Monitor in reviewing the DIP offers. The CRO and the Monitor reserve the right to consider any other factors in assessing the offers submitted. We look forward to receiving your revised offers.

This message is for the named person's use only. It may contain confidential, proprietary or legally privileged information. No right to confidential or privileged treatment of this message is waived or lost by an error in transmission. If you have received this message in error, please immediately notify the sender by e-mail, delete the message and all copies from your system and destroy any hard copies. You must not, directly or indirectly, use, disclose, distribute, print or copy any part of this message if you are not the intended recipient.

**THIS IS EXHIBIT "E" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS 15th DAY OF MAY, 2014.**



A commissioner for taking Affidavits

Harin Sachar

-----Original Message-----

From: Douton, Bernard

Sent: Wednesday, May 14, 2014 08:18 AM Eastern Standard Time

To: 'Jeff@directcash.net'

Cc: 'baziz@bluetreadvisors.com'; 'greg.watson@fticonsulting.com'; 'mwasserman@osler.com'; NYC Project Oilers

Subject:

Jeff -

Thank you for your continued interest in supporting Cash Store. As you know, we are in receipt of two DIP financing proposals to provide further funding to support Cash Store during its restructuring process.

Given the very near term need of the Company for additional financing, as well as the Court's direction earlier today setting Friday, May 16th as the hearing date for approval of further DIP financing, the Company needs to bring to a conclusion the period of entertaining DIP financing proposals. So that the CRO and the Monitor can be in a position to evaluate offers and finalize a Term Sheet with associated court materials for the purpose of seeking Court approval on Friday, we are asking you to provide your final and best offer by the close of business on Wednesday of this week.

To assist you in preparing your final offer, below is a list of some of the principles that the CRO and the Monitor will use when assessing offers, in addition to being mindful of the factors to be considered by the Court that are set out in the CCAA. This list of principles is not exhaustive, but is being provided to you so that you have some greater clarity regarding aspects considered relevant by the CRO and the Monitor given the Company's current circumstances (without foreclosing consideration of other relevant factors):

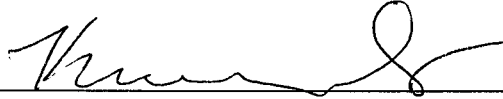
- The extent to which the offer is complete and, subject to Court approval, is capable of closing without delay and with funding readily available immediately thereafter;
- The amount of funds on offer, relative to current milestones in the restructuring process, and the pricing and other economic conditions applicable in respect of such funding;
- The impact of the proposed financing and its terms on Cash Store's stake holders;
- The extent to which the terms are consistent with and recognize the authority granted to the CRO under the Initial Order to oversee, in consultation with the Monitor, all aspects of the restructuring of Cash Store;
- The extent to which the terms are consistent with and do not potentially impede the existing sales process being run by Rothschild;
- The extent to which the proposed financing may facilitate an alternate plan process if pursued by the Company; and
- The extent to which the covenants include sufficiently flexible variance testing and cash flow monitoring to permit Cash Store to operate during the restructuring period. In this regard, the CRO and the Monitor are of the view that Cash Store can operate within

the variance tests contained in the initial \$20.5 million DIP Term Sheet that was included in the initial application record, but that subsequent variance tests that have been proposed are too restrictive.

As mentioned, the above is a non-exhaustive list of factors that may be considered by the CRO and the Monitor in reviewing the DIP offers. The CRO and the Monitor reserve the right to consider any other factors in assessing the offers submitted. We look forward to receiving your revised offers.

This message is for the named person's use only. It may contain confidential, proprietary or legally privileged information. No right to confidential or privileged treatment of this message is waived or lost by an error in transmission. If you have received this message in error, please immediately notify the sender by e-mail, delete the message and all copies from your system and destroy any hard copies. You must not, directly or indirectly, use, disclose, distribute, print or copy any part of this message if you are not the intended recipient.

**THIS IS EXHIBIT "F" TO THE AFFIDAVIT
OF WILLIAM E. AZIZ SWORN BEFORE ME
ON THIS 15th DAY OF MAY, 2014.**



A commissioner for taking Affidavits

Karu Sachar



Tourism, Culture, Sport and Consumer Protection

Consumer Protection Office

Room 302-258 Portage Avenue,

Winnipeg, Manitoba, Canada R3C 0B6

T 204 945-3800 1-800-782-0067 Toll Free in Manitoba

F 204 945-0728

Email consumers@gov.mb.ca

www.manitoba.ca

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May 12, 2014

Bill Aziz
Blue Tree Advisors
32 Shorewood Place
Oakville ON
L6K 3Y4

Dear Mr. Aziz,

We appreciated the opportunity to meet with yourself, Greg Watson and Michele McCarthy on May 7, 2014. This letter is in follow-up to our discussions regarding Cash Store Financial Inc.'s operations in Manitoba, the *Companies' Creditors Arrangement Act* (CCAA) process, and the regulatory framework under which payday lenders are required to operate in Manitoba.

Current Situation in Manitoba

The Cash Store Financial Services Inc. (CSF) was a licensed payday lender in Manitoba until October 2012, at which time CSF surrendered its payday lender licenses.

CSF currently offers a suite of Line of Credit products under its Cash Store and Instalozans banners. These products were introduced to the Manitoba market in October 2012. Since their introduction, the Consumer Protection Office (CPO) has devoted significant time and effort in dealing with and trying to remedy ongoing compliance problems and violations of Manitoba law by this company.

CPO repeatedly brought compliance problems and violations of Manitoba law to the attention of CSF and its senior management. Some of the compliance issues CPO has identified include:

- Improper disclosure of broker fees and other fees charged by CSF in relation to brokered lines of credit
- Failure to provide broker disclosure statements when lines of credit are re-advanced to consumers
- Improper disclosure statements that fail to disclose the required information in a manner that brings the required information to the borrowers attention
- Failure to provide borrowers with credit grantors statements that meet disclosure requirements

Despite CPO bringing these issues to CSF's attention, the company has continued to operate in a manner that breaches *The Consumer Protection Act*. After countless letters, meetings and discussion, the documents CSF is providing to borrowers continue to fail to disclose all of the information required by Manitoba law. The legislation provides that borrowers who are not provided the proper disclosure are entitled to have any brokerage fees refunded on demand. The CPO is concerned that although CSF continues to provide non-compliant disclosure documents, due to the current CCAA process, borrowers have no protection and cannot be offered the remedies to which they may be entitled to under *The Consumer Protection Act*. Borrowers today and potential future borrowers are 'at risk'.

Another area of grave concern in regards to CSF's current business practices relates to the fees and charges the business imposes on borrowers for the Line of Credit Product. It is the opinion of the CPO that CSF's product line is in breach of the maximum interest rate allowed under *The Criminal Code*.

As you are aware, all lenders must follow rules around the maximum interest charges set out in the *Criminal Code*. Section 347 of the *Criminal Code*, "Criminal Interest Rate" addresses the maximum amount of interest that can be legally charged on any credit advanced under an agreement or arrangement. Section 347(1) states that it is an offence to "[enter] into an agreement or arrangement to receive interest at a criminal rate, or receives a payment or partial payment of interest at a criminal rate". The criminal rate is interest in excess of 60% annually, with interest defined as including a range of fees and charges in exchange for the loan as further described in that section.

Given the above information, the CPO looks forward to receiving assurance as soon as possible that this situation will be addressed.

Licensed Payday Lenders are the only lenders who have an exception to *The Criminal Code* rate

CSF has been made aware that Bill 35 *The Consumer Protection Amendment Act (High-Cost Credit Products)*, would require businesses offering specified high-cost credit products to be licensed and that a licence may be refused, canceled or suspended if any high-cost credit agreement for a high-cost credit product offered, arranged or provided by the high-cost credit grantor contravenes subsection 347(1) of the *Criminal Code* (Canada) or any other law about interest.

Because Manitoba put payday loan rules in place, there is an exception to the maximum interest rate under the *Criminal Code*. This exception applies exclusively to businesses licensed under *The Consumer Protection Act* as a payday lender.

Cash Store Financial's History as a Payday Lender

Manitoba's payday loan rules came into effect in October 2010. From that time, and until CSF surrendered its payday lender license, CPO identified numerous compliance issues relating to CSF and Instalozans' payday lending activities. Despite numerous letters and meetings with senior management, CSF charged fees in excess of the maximum allowed by law, assisted consumers in accessing payday loans from an unlicensed payday lender who charged a higher rate (23 per cent rather than 17 per cent), hindered or obstructed the CPO's inspection process, and failed to provide consumers with the information required under Manitoba's payday loan legislation.

In response to these compliance issues, the CPO issued compliance orders, placed terms and conditions on CSF's licences and demanded refunds for borrowers in order to bring about compliance.

On July 15, 2013, the CPO issued a demand that CSF reimburse 61 borrowers as a result of CSF charging fees and interest in excess of the maximum amount permitted under Manitoba's payday loans legislation. CSF complied with the demand and issued refunds to the identified borrowers. It should be noted, however, that there may be additional borrowers who received payday loans from CSF and Instalozans, and who may be entitled to reimbursement under *The Consumer Protection Act*. Again, it is of significant concern to the CPO that the CCAA proceedings may prevent these consumers from pursuing their legal remedies.

Licensing Requirements for Payday Lenders in Manitoba

All payday lenders who may offer, arrange, or provide payday loans to residents of Manitoba from a location may only do so under the authority of a licence issued to the person or the person's employer for that location. The payday loan rules also apply to a lender who offers, arranges or provides payday loans through the internet, fax, or telephone. There are additional specific requirements relating to loans provided via internet, telephone and facsimile.

The application for licensing (attached) can be found at:

http://www.gov.mb.ca/cca/cpo/forms/payday_loan_b/application_package.pdf.

Potential payday lenders will be required to comply with all payday loan legislation, but should take special note of the following:

- The maximum rate that can be charged for payday loans is \$17 per \$100 borrowed.
- All fees are to be included in the total cost of credit, whether or not they are optional in order to increase the transparency of fees associated with payday loans.
- The maximum amount of loan is 30% of a borrowers net pay as determined by the formula found in *The Consumer Protection Act*.
- The maximum fee allowed for a replacement loan is 5%. The province does not ban replacement loans. Rather, it caps the maximum rate that can be charged for payday loans issued within 7 days of the previous loan being paid out.

The payday lender licence package and answers to frequently asked questions can be found at our website: http://www.gov.mb.ca/cca/cpo/faq_payday_b.html.

In closing, once again we appreciated the opportunity to meet with you and trust that the matters we discussed related to the ongoing concerns our office has raised repeatedly with the company's senior management about its business operations in Manitoba will be addressed.

Sincerely,



Gail Anderson
Director

Enclosures: CPO refund demand letters to CSF for which the refunds to borrowers remain outstanding.

cc Beatrice Dyce, Manager of Compliance and Enforcement
Devin Johnston, Legal Counsel

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

THE HONOURABLE REGIONAL) FRIDAY, THE 16TH
)
SENIOR JUSTICE MORAWETZ) DAY OF MAY, 2014

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., 1693926
ALBERTA LTD. DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of William E. Aziz sworn May 15, 2014 and the Exhibits thereto (the "**Third Aziz Affidavit**") and the Fourth Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "Monitor"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Chief Restructuring Officer, the DIP Lenders (as defined in the Term Sheet (as defined below)), the Monitor, the Ad Hoc Committee, Trimor Annuity Focus LP #5, McCann Family Holding Corporation, and such other counsel present, no other person appearing although duly served as appears from the affidavit of service of Karin Sachar sworn May 15, 2014,

Draft

SERVICE

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

DEFINITIONS

2. THIS COURT ORDERS that all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order dated April 15, 2014 (the “**Amended and Restated Initial Order**”), as amended.

EXTENDING STAY

3. THIS COURT ORDERS that the Stay Period provided in the Amended and Restated Initial Order be and is hereby extended until and including June 17, 2014, or such later date as this Court may order.

DIP FINANCING

4. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to enter into, and directed to execute and deliver, the amended and restated term sheet substantially in the form attached as Exhibit “C” to the Third Aziz Affidavit (the “**Amended and Restated Term Sheet**”), which amends, restates and replaces the Term Sheet (as such term is defined in the Amended and Restated Initial Order).

5. THIS COURT ORDERS that the Amended and Restated Term Sheet be and is hereby approved.

6. THIS COURT ORDERS that from and after the date of this Order, all references in the Amended and Restated Initial Order to the “Term Sheet” shall refer to the Amended and Restated Term Sheet, and the terms “DIP Facility”, “DIP Lenders”, “Agent” and “DIP Obligations” shall refer to such terms as defined in or relating to the Amended and Restated Term Sheet.

Draft

7. THIS COURT ORDERS that the Applicants are authorized and empowered to borrow under the DIP Facility provided for under, and subject to the terms of, the Amended and Restated Term Sheet, and that the DIP Obligations thereunder and under the Definitive Documents, shall continue to have the benefit and the priority of the DIP Priority Charge (as such term is defined in the Amended and Restated Initial Order).

8. THIS COURT ORDERS that the DIP Lenders shall be entitled to rely on this Order and the Amended and Restated Initial Order, each as issued, for all advances made under the Term Sheet and the Amended and Restated Term Sheet, the DIP Priority Charge and the Definitive Documents up to and including the date this Order and the Amended and Restated Initial Order (as amended hereby) may be varied or amended.

AMENDMENTS TO AMENDED AND RESTATED INITIAL ORDER

9. THIS COURT ORDERS that paragraph 53 of the Amended and Restated Initial Order, as amended by the Order dated May 13, 2014, shall be deleted in its entirety and replaced by the following:

THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge, the DIP Priority Charge, the KERP Charge, and the TPL Charge as among them, shall be as follows:

First – Administration Charge;

Second – Directors' Charge (up to a maximum of \$1,250,000);

Third – DIP Priority Charge, the TPL Charge and the KERP Charge on a *pari passu* basis;

Fourth – the liens securing obligations under the Credit Agreement;

Fifth – Directors' Charge (for the remaining amount of \$1,250,000) (the "Directors' Subordinated Charge").

Draft

10. THIS COURT ORDERS that paragraph 55 of the Amended and Restated Initial Order shall be deleted in its entirety and replaced by the following:

THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge, the KERP Charge, the DIP Priority Charge, and the TPL Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, except for any valid purchase money security interest created prior to the date of the Amended and Restated Initial Order in favour of any Person that is a Secured Creditor (as defined in the CCAA) or in respect of any amounts that are subject to a super priority claim under the *Bankruptcy and Insolvency Act* (Canada) , and except that the Directors' Subordinated Charge shall rank behind the liens securing obligations under the Credit Agreement.

GENERAL

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom, or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

12. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Draft

13. THIS COURT ORDERS that the Pre-Filing Report of the proposed Monitor dated April 14, 2014, the First Report of the Monitor dated April 15, 2014, the Second Report of the Monitor dated April 27, 2014, the Third Report of the Monitor dated May 9, 2014 and the Supplement to the Third Report of the Monitor dated May 13, 2014 and the Monitor's activities described in each such report are hereby approved.

Draft

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

Court File No: CV-14-10518-00CL

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., 1693926 Alberta Ltd. doing business as "The Title Store"

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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Counsel for the Chief Restructuring Officer of the Applicants

Draft

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

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Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD OF THE APPLICANTS

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