

June 29 / 11

K Esaw + A.J. Taylor for Applicants

June 29, 2011

M. Wusserman for FTI

C. Cosgrave for Yum.

S. Graff for STHS

V. Djenni for Prohibited

K. N. Echeverra for Ugnel

D. Ullmann for CRO + New CRO

P. J. Osborne for Sysco

A. Sambasiva for Metro Relevance

Q. Enleyne for Capital Council for Prizsm.

G. Canelin for 20 Vic et al.

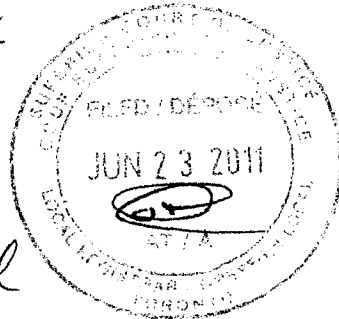
With the exception of certain issues relating to

① the CRO and the KERP

② the D+O Claim Bar

The motion proceeded without
opposition.

After argument the above
2 issues were resolved



ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

MOTION RECORD
(RETURNABLE JUNE 29, 2011)

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Lawyers for the Applicants

by the parties.

A comprehensive fact was filed by the Applicants
It contains a factual summary which was not
in dispute.

I am satisfied that it is appropriate to
extend the Stay Period to Sept 30, 2011. In
doing so I have been persuaded that
the Applicants require this time to complete
the Sub Process and continue to explore opportunities
to reorganize return to the creditors and
to preserve ongoing operations. The record
establishes, in my view, that the applicant
has acted and is acting in good faith and
with due diligence and that no reasons exist
that justify the extension. I also note
that the Cash Flow Forecast has been
filed which indicates that the
Prize Entities will have sufficient cash
resources through Sept 30, 2011.

Finally, it is noted that Prudential
and the Inter support the extension.
The extension is granted.

The Applicants also request approval of the DIP Extension Agreement. The basis for such approval, which I accept, is set out in detail in the Applicants' Facts at 24 - 31. The DIP Extension Agreement is approved.

The amendments to address the departure of Mr. Pomeroy and the appointment of Mr. Reuter were ~~not~~ revised during the hearing. The Amending Agreement is not yet required as it has been withdrawn. The CRO Agreement has been revised.

In summary, Mr. Pomeroy will assist the Applicants ~~during~~ with transition issues in July. She is to be compensated on a hourly basis - which the Trustar will supervise.

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

ONTARIO
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D&O CLAIMS SOLICITATION
PROCEDURE ORDER

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*Mr. Bennett's participants in the PRISM
will deal with the affected reports,
Mr. Robinson, as the new CEO will
be incorporated in accordance with
the New CEO Report - 11 August
which is Appendix D to the
Trust's Report on its position
concerned information, the disclosure
of which could be harmful
to PRISM. I am satisfied,
having explained the Service Club
fact that the document should
be sealed subject to further
order.*

The terms of the draft order effecting the
New CRA are acceptable to the Court.

Having reviewed the record I am
also satisfied that the ^{provisions} ~~provisions~~ of
the draft Order dealing with
disposition of redempt assets is
in a form acceptable to the Court.

In arriving at this conclusion I
have accepted the submissions
outlined at 35 - 44 of the facts.

The provisions relating to the
D+O Claim Settlement Procedure
have been revised to my satisfaction
and have been approved.

The two orders have been submitted
and have been signed. The
orders give effect to the foregoing.

