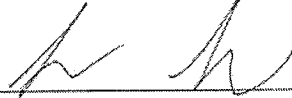


This is Exhibit "C"
to the affidavit of Jim Robertson,
sworn before me on the 8th day
of September, 2011



Commissioner for Taking Affidavits

Sean Edward Gibson, a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires April 12, 2013.

PRISZM LP
as the Vendor

and

PRISZM INC.
as the General Partner

and

FMI ATLANTIC INC.
as the Purchaser

ASSET PURCHASE AGREEMENT

July 29, 2011

STIKEMAN ELLIOTT LLP

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ADDENDA

SCHEDULE “A” DEFINED TERMS

SCHEDULE “B” PURCHASED ASSETS

SCHEDULE “C” EXCLUDED ASSETS

SCHEDULE “D” PURCHASE PRICE ALLOCATION PER OUTLET

SCHEDULE “E” VENDOR’S REPRESENTATIONS AND WARRANTIES

SCHEDULE “F” PURCHASER’S REPRESENTATIONS AND WARRANTIES

SCHEDULE “G” SALE APPROVAL ORDER

SCHEDULE “H” OCCUPATION AGREEMENT

SCHEDULE “I” OUTLETS

SCHEDULE “J” CONTRACTS

ASSET PURCHASE AGREEMENT

Asset Purchase Agreement dated July 29, 2011 between **PRISZM LP** (the "Vendor"), **PRISZM INC.** (the "General Partner"), **FMI ATLANTIC INC.** (the "Purchaser"), and **FMI ONTARIO INC.** (the "Guarantor").

RECITALS

- (a) The Vendor is the legal and beneficial owner of the Purchased Assets.
- (b) The Vendor and the General Partner and a number of affiliates have voluntarily commenced proceedings under the CCAA pursuant to the Initial Order.
- (c) The directors of the General Partner have resigned and a Chief Restructuring Officer has been appointed by the Court.
- (d) FTI Consulting Canada Inc. has been appointed as Monitor by the Court.
- (e) The transaction contemplated in this Agreement is subject to the approval of the Court and will be consummated pursuant to the Sale Approval Order.
- (f) The Vendor wishes to sell and the Purchaser wishes to purchase the Purchased Assets upon the terms and conditions contained in this Agreement.

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

Section 2 Defined Terms.

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

Section 3 Purchase and Sale.

- (1) Subject to the terms and conditions of this Agreement and Canadian Insolvency Laws, including the Sale Approval Order, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor the Purchased Assets on the Closing Date.
- (2) All other assets relating to the Outlets, other than the Purchased Assets described in Schedule "B", are hereby specifically excluded from the Purchased Assets, and for greater certainty, the Purchased Assets will not

include any of the assets (in each case, as of the Closing Date) described in Schedule "C" hereto (collectively, the "**Excluded Assets**").

Section 4 Contracts.

Nothing in this Agreement shall be construed as an attempt to assign to the Purchaser any contract or other agreement which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the other party or parties to such contract or other agreement, unless such consent has been given or the assignment has been ordered by the Court. During the Interim Period and for a period of up to three (3) months after the Closing Date, the Vendor shall use its commercially reasonable efforts to obtain all consents or orders necessary to assign the Contracts and Leases to the Purchaser (for greater certainty there is no obligation on the Vendor to pursue or respond to any appeal resulting from any application to the Court made under this Section). In the event that any consents or orders of the Court necessary to assign the Contracts or Leases are obtained after the Closing Date, then such Contracts and Leases shall be assigned to the Purchaser on such date, and thereafter all rights and obligations in connection with such Contracts and Leases as of and from the date of assignment will be that of the Purchaser and not of the Vendor.

Section 5 Landlord Consents.

- (1) The Vendor shall use its commercially reasonable efforts to obtain, prior to the Closing Date, all of the Landlord Consents. Notwithstanding the foregoing, in no event shall the Vendor be required to bear any expense or pay any fee or grant any concession in connection with obtaining any Landlord Consents other than to cure any monetary defaults to effect the assignment of a Lease as permitted by the CCAA and the provisions of any order of the Court. The Landlord Consents must be on terms which are acceptable to each of the Vendor and the Purchaser, acting reasonably.
- (2) As to any Lease for which a Landlord Consent is required and is not obtained prior to Closing (in each case an "**Outstanding Lease**"), the Vendor and the Purchaser shall each, for a period expiring three (3) months following the Closing, use commercially reasonable efforts to obtain such Landlord Consent, in each case in accordance with the provisions of Section 5(1) hereof, as applicable, or an order of the Court assigning the Outstanding Leases. The Purchaser hereby acknowledges that an application to the Court and its due prosecution (for greater certainty there is no obligation on the Vendor to pursue or respond to any appeal resulting from the application) for an order for the assignment of such leases shall constitute commercially reasonable efforts on the part of the Vendor and satisfy any obligations under this subsection. The Vendor will consent to the Purchaser having standing on any such motion, if it so desires.

- (3) The Purchaser acknowledges that: (a) subject to the conditions set out in Section 15(1), it is not entitled to request any amendments to the terms of any Lease in connection with obtaining any Landlord Consent or Court approval for the assignment of applicable Leases; (b) nothing herein shall prohibit the Vendor from seeking a reasonable release from the Landlords in respect of its obligations under the Leases following Closing; (c) it shall cooperate with and assist the Vendor in pursuing the Landlord Consents or Court approval, as applicable, for the assignment of applicable Leases (including providing any reasonable information requested by a Landlord or the Court (including reasonable financial information, financing structure and proposed management team for the business), providing certificates of insurance and executing and delivering any necessary acknowledgements and assumption agreements required by (i) any Landlord as a condition to the issuance of its Landlord Consent that are commercially reasonable or otherwise contemplated by the Leases or (ii) by the Court as a condition to the issuance of the order granting the assignment).
- (4) Nothing in this Agreement shall be construed as an attempt to assign to the Purchaser any Lease which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the Landlord, if required, unless such consent has been given or the assignment has been ordered by the Court. From and after Closing and until the earlier of: (a) the date that the Landlord Consent relating to an applicable Outstanding Lease has been obtained or the assignment has been ordered by the Court and such Outstanding Lease has been assigned to the Purchaser; (b) the expiration or earlier termination of such Outstanding Lease; or (c) if a Landlord Consent or assignment order referred to in Section 5(4)(a) has not been obtained within the three (3) months after the Closing Date, the day which is three (3) months after the Closing Date, the Purchaser hereby covenants to:
 - (a) pay the corresponding obligations for the periods from and after the Closing Date associated with the applicable Outstanding Lease to the Vendor or as it directs under the Occupation Agreement, and indemnify and hold the Vendor harmless of and from any claims that may be made pursuant to the applicable Outstanding Lease for any period from and after the Closing as a result of the Purchaser failing to comply with its obligations under this Agreement and the Occupation Agreement; provided that the indemnity provided in this Section shall: (i) apply with respect to such obligations arising during the term of the Occupation Agreement, but survive the expiry of the term of the Occupation Agreement; (ii) not apply to any claims by any Landlord for any pre-Closing liabilities of the Vendor; and (iii) not apply to any claims by any Landlord for any payment of proceeds from the transaction contemplated by this Agreement;

- (b) to the extent within its control, comply with the terms and provisions of the applicable Outstanding Lease; and
 - (c) cooperate in (i) the transfer of the applicable Outstanding Lease, (ii) the obtaining of such necessary approvals, consents, waivers, and orders, and (iii) such commercially reasonable actions taken by the Vendor, and provide such information and assurances as may be reasonably requested or required pursuant to the applicable Outstanding Lease.
- (5) From and after Closing and until the earlier of: (a) three (3) months after the Closing Date; (b) the date that the Landlord Consent relating to an applicable Outstanding Lease has been obtained or the assignment has been ordered by the Court and such Outstanding Lease has been assigned to the Purchaser; or (c) the expiration or earlier termination of such Outstanding Lease, the Vendor hereby covenants to:
- (i) hold the Outstanding Leases in trust for the Purchaser;
 - (ii) to the extent within its control, comply with the terms and provisions of the applicable Outstanding Lease; and
 - (iii) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of the rights under the Outstanding Leases to the Purchaser.
- (6) The parties hereby acknowledge that after Closing, and subject to the limited right to a refund set forth in Section 8(7), the obligation to purchase an Outlet with an Outstanding Lease is unconditional. For greater certainty after Closing, and subject to Section 8(7), the Purchaser shall not be entitled to a refund in whole or in part in the Purchase Price for an Outlet, including an Outlet with an Outstanding Lease, as a result of any damage incurred by or in relation to such Outlet after Closing.

Section 6 As is, Where is.

The Purchaser acknowledges that the Purchased Assets are being purchased on an "as is, where is" basis and that it has inspected the Purchased Assets and is relying entirely upon its own investigations and inspections heretofore and hereafter conducted in proceeding with the transaction contemplated hereunder. Without limiting the foregoing, the Purchaser acknowledges that there are no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, with respect to the Purchased Assets or in respect of any other matter or thing whatsoever except as otherwise expressly stated herein. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial

information and projections, compilations and studies) obtained by the Purchaser from the Vendor, its affiliates or the Monitor, or any such entity's directors, officers, employees, professional consultants or advisors with respect to the Purchased Assets or otherwise relating to the transaction contemplated in this Agreement has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete.

Section 7 Liabilities, Costs and Expenses.

- (1) The Purchaser covenants with the Vendor that it shall, as and from the Closing Date, assume, discharge, perform and fulfill all the obligations and liabilities on the part of the Vendor with respect to the Purchased Assets arising on or after the Closing Date and not related to any default existing prior to or as a consequence of the closing of the transaction contemplated by this Agreement (the "Assumed Liabilities"). The Purchaser shall not assume and shall have no obligation to discharge any liability or obligation under any contract or other agreement which is not assignable in whole or in part without the consent of the other party or parties to such contract or other agreement, unless such consent has been given or such assignment has been ordered by the Court. For clarification, the Vendor shall be solely responsible for all obligations and liabilities with respect to the Purchased Assets arising before the Closing Date.
- (2) From and after the Closing, all costs and expenses related to the Purchased Assets shall be borne by the Purchaser at its sole cost and expense.
- (3) All fees payable in respect of an assignment or transfer of the Outlet Software Licenses (not including any arrears and payments for such Outlet Software Licenses for the period prior to the Closing Date) and, from and after Closing, all costs and expenses related to the Outlet Software Licenses shall be borne by the Purchaser at its sole cost and expense, including, without limitation, escrow and recording or registration fees, transfer fees, ongoing license fees, and any other costs associated with the Outlet Software Licenses or the transfer thereof (including costs in connection with using the Outlet Software Licenses independently of the Vendor or costs to be paid in connection with the transfer of the Outlet Software Licenses to the Purchaser). The Purchaser hereby covenants to comply with all provisions or obligations and perform all such actions as are necessary or desirable in order to transfer the Outlet Software Licenses, provided that the Purchaser shall not be responsible for all fees relating to the Outlet Software Licenses for the period up to the Closing Date.

Section 8 Purchase Price and Deposit.

- (1) Subject to Section 8(7), the purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor for the Purchased Assets is: (a) CDN\$2,500,000.00, plus (b) the amount of CDN\$25,000, attributable to the Renewal Fees, plus (c) the amount equal to the UPGC Price, plus (d) the amount of CDN\$215,000, being the Bridgewater Property Price, plus (e) the amount equal to the Closing Date Current Assets Amount, subject to Section 10. The Purchase Price shall be paid by the Purchaser to the Vendor on the Closing Date by wire transfer (or such other method as mutually agreed to by the Vendor and Purchaser) of immediately available funds payable to or to the order of the Vendor, as it may otherwise direct in writing, or as the Court may order. In addition, the Purchaser shall be responsible to pay directly to the Franchisor any fees charged by the Franchisor to either the Vendor or the Purchaser for the Purchaser entering into a new franchise agreement with the Franchisor or the assignment of the Franchise Agreement to the Purchaser, provided that the Vendor shall be responsible to pay to the Franchisor or discharge any arrears relating to the Outlets owed by the Vendor under the Franchise Agreement for the period up to the Closing Date where such payment or discharge is a condition to the assignment of the Franchise Agreement or the Purchaser entering into a new franchise agreement.
- (2) The Deposit will be applied on Closing in satisfaction of an equivalent amount of the Purchase Price. If the Closing does not occur for any reason other than a breach by the Purchaser of its representations, warranties or covenants under this Agreement, the full amount of the Deposit together with all accrued interest received by the Vendor, if any, shall be immediately returned to the Purchaser. If the Closing does not occur because the Purchaser breached any of its representations, warranties or covenants under this Agreement, the full amount of the Deposit shall become the property of, and may be retained by, the Vendor as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities foregone as a result of the failure of the transaction to close. In such event, the Vendor may exercise any other rights or remedies that it may have against the Purchaser in respect of any default by the Purchaser.
- (3) Upon Closing the Vendor shall sign such stock transfers as may be required to transfer the shares in the capital of UPGC, Inc. owned by the Vendor and directly related to the Outlets to the Purchaser, and the Vendor shall use its commercially reasonable efforts to assist the Purchaser in having such transfer recorded on UPGC Inc.'s share register.
- (4) Any adjustment required to be made to the Purchase Price in accordance with Section 10 shall be satisfied by the payment of the appropriate amount by the

party owing such payment to the other party in the manner and at the time contemplated.

- (5) The Vendor and the Purchaser agree to allocate the Purchase Price in accordance with the provisions of Schedule "D" attached hereto.
- (6) Subject to Section 23, the Purchaser shall be liable for and shall pay all applicable federal and provincial sales taxes, property transfer taxes, transfer fees, and all other transfer taxes, duties, registration charges or other like charges payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.
- (7) In the event that at the end of the three (3) month period commencing on the Closing Date (the "Extension Period"), (a) Landlord Consents, (b) notices, with respect to Leases that only require notice for assignment per the terms of the applicable Lease, and (c) Lease assignments ordered by the Court, together representing one hundred (100%) percent of the Outlets specified on Schedule "D", (for greater certainty, excluding any Outlets, if any, removed from Schedule "D" pursuant to Section 45) have not been obtained or delivered, as applicable, then the Vendor shall within five (5) Business Days of the end of the Extension Period pay to the Purchaser that portion of the Purchase Price allocated in Schedule "D" for those Outlets less the portion of the Purchase Price allocated to equipment in Schedule "D" for such Outlets (i) for which a Landlord Consent, notice or final assignment order have not been obtained or delivered, or (ii) where the Lease is terminated or the Purchaser is evicted from the Premises prior to the earlier of the delivery of notice, the obtaining of the Landlord Consent, or the obtaining of a final assignment order, and the end of the Extension Period; provided that at the time the Lease was terminated or the Purchaser was evicted, the Purchaser was not acting in material breach of the Lease (this proviso being limited to breaches which were not existing as at Closing and not applying to breaches based upon the Vendor holding the Outstanding Lease in trust for the Purchaser as contemplated by this Agreement) and was not in material breach of the Occupation Agreement entered into between the parties of even date herewith. This payment by the Vendor shall be the sole remedy of the Purchaser for the failure to obtain the Landlord Consent, give the notice or obtain a final order assigning the Lease, in respect of such Outstanding Lease and for any Damages suffered by the Purchaser in connection therewith. For greater certainty, after the Extension Period, the Purchaser shall pay all obligations under Section 5(4)(a) directly to the Landlord.

Section 9 Preparation of Financial Statements.

- (1) After the Closing, the Vendor will prepare, at the Vendor's expense, a draft statement of the Current Assets (the "Current Assets Statement") as at

Closing, which shall be delivered to the Purchaser no later than thirty (30) days following the Closing Date. The Purchaser will: (a) provide access to the Vendor upon every reasonable request to its accounts and books and records relating to the Purchased Assets; and (b) cooperate with the Vendor for purposes of preparing the Current Assets Statement. The thirty (30) day period for the Vendor to prepare and deliver the Current Assets Statement will be extended for a reasonable period of time in the event that the preparation or delivery of the draft Current Assets Statement is delayed as a result of circumstances beyond the reasonable control of the Vendor.

- (2) If the Purchaser does not give a notice of objection in accordance with this Section 9, the Purchaser shall be deemed to have accepted the draft Current Assets Statement prepared by the Vendor which shall be final and binding on the parties and such draft Current Assets Statement shall constitute the Current Assets Statement for purposes of this Agreement.
- (3) If the Purchaser objects to any matter in or missing from the draft Current Assets Statement prepared pursuant to Section 9(1), then the Purchaser shall give notice to the Vendor and to the Monitor no later than fifteen (15) days after delivery of the draft Current Assets Statement. Any notice given by the Purchaser shall set forth in detail the particulars of such objection. The parties shall then use reasonable efforts to resolve such objection for a period of thirty (30) days following the giving of such notice. If the matter is not resolved by the end of such thirty (30) day period, then the dispute with respect to such objection shall be submitted by the parties to a chartered accountant associated with an accounting firm of recognized national standing in Canada, which is independent of the parties, and, failing such agreement between the Purchaser and the Vendor within a further period of five (5) Business Days, such independent firm of chartered accountants as shall be nominated by the Monitor (the "**Independent Accountant**"). The Independent Accountant shall, as promptly as practicable (but in any event, within forty-five (45) days following its appointment), make a determination of the Current Assets Statement, based solely on written submissions of the parties given by them to the Independent Accountant. The submissions of each party shall be disclosed to the other party and each other party shall be afforded a reasonable opportunity to respond thereto. The Current Assets Statement as determined by the Independent Accountant shall be final and binding upon the parties and shall constitute the Current Assets Statement for purposes of this Agreement.
- (4) The Purchaser and the Vendor will each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the draft Current Assets Statement. In the case of a dispute and the retention of the Independent Accountant to determine

such dispute, the costs and expenses of such firm of chartered accountants shall be borne equally by the Purchaser and the Vendor. However, the Purchaser and the Vendor will each bear their own costs in presenting their respective cases to such firm of chartered accountants.

- (5) The parties agree that the procedure set forth in this Section 9 for resolving disputes with respect to the draft Current Assets Statement is the sole and exclusive method of resolving such disputes.

Section 10 Current Assets Purchase Price Adjustment.

- (1) The Purchase Price will be increased or decreased, as the case may be, dollar-for-dollar, to the extent that the Current Assets as determined from the final Current Assets Statement is more or less than CDN\$467,231 (the "Closing Date Current Assets Amount").
- (2) If the Current Assets, as determined from the Current Assets Statement, is more than the Closing Date Current Assets Amount, the Purchaser will pay to the Vendor the amount of such difference as an increase to the Purchase Price. If the Current Assets as determined from the Current Assets Statement is less than the Closing Date Current Assets Amount, the Vendor will pay to the Purchaser the amount of such difference as a decrease to the Purchase Price. Any amounts to be paid under this Section 10 (the "Current Assets Purchase Price Adjustment") will be paid by bank draft or wire transfer of immediately available funds within two (2) Business Days after the draft Current Assets Statement becomes the Current Assets Statement for purposes of this Agreement in accordance with Section 9(2) or Section 9(3).

Section 11 Vendor's Representations and Warranties.

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

Section 12 Purchaser's Representations and Warranties.

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

Section 13 Purchaser Covenants.

- (1) The Purchaser agrees to take commercially reasonable actions, on or before the Condition Date, to (a) enter into a new franchise arrangement with the Franchisor in respect of the Outlets, or (b) negotiate the form of the

assignment of the Franchise Agreement with the Franchisor, on terms substantially similar in the aggregate to those existing as of the date of this Agreement (other than terms relating to the timing of required capital expenditures), to become effective on the Closing Date.

- (2) The Purchaser agrees to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in Section 15.

Section 14 Vendor Covenants.

- (1) Subject to Canadian Insolvency Laws, during the Interim Period, the Vendor will conduct the business carried on with the Purchased Assets only in the Ordinary Course, except as expressly contemplated by this Agreement and applicable Canadian Laws.
- (2) The Vendor agrees, subject to Canadian Insolvency Laws, to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in Section 15.

Section 15 Conditions of Closing.

- (1) **Conditions for the Benefit of the Purchaser.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (a) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:
 - (a) on or before the Condition Date, the Purchaser shall have (i) entered into a new franchise arrangement with the Franchisor in respect of the Outlets, or (ii) negotiated the form of the assignment of the Franchise Agreement with the Franchisor, on terms substantially similar in the aggregate to those existing as of the date of this Agreement (other than terms relating to the timing of required capital expenditures), to become effective on the Closing Date, on terms and conditions satisfactory to the Purchaser in its sole discretion;
 - (b) on or before Closing, there shall have been sufficient Landlord Consents received and notices given, with respect to Leases that only require notice for assignment per the terms of the applicable Lease, so that at least 30% percent of the Outlets specified on Schedule "D" have been obtained or delivered;

- (c) the representations and warranties of the Vendor in Schedule "E" shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date. However, (i) if a representation and warranty is qualified by materiality or material adverse effect, it must be true and correct in all respects after giving effect to such qualification and (ii) if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;
 - (d) the Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at Closing all the documents contemplated or required to be so executed and delivered in this Agreement; and
 - (e) the Occupation Agreement shall have been approved by the Court and shall not have been terminated.
- (2) **Conditions for the Benefit of the Vendor.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (b) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:
- (a) the representations and warranties of the Purchaser in Schedule "F" shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date. However, (i) if a representation and warranty is qualified by materiality or material adverse effect, it must be true and correct in all respects after giving effect to such qualification and (ii) if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;
 - (b) either (i) the Vendor shall have received by the Condition Date (A) confirmation from the Purchaser that an assignment of the Franchise Agreement is not required for the transaction contemplated by this Agreement, or (B) a copy of the consent of the Franchisor to the assignment of the Franchise Agreement in form and substance satisfactory to the Vendor, or (ii) the Court shall have issued an order assigning the rights and obligations of the Franchise Agreement to the Purchaser by the Closing Date;

- (c) the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing and shall have executed and delivered or caused to have been executed and delivered to the Vendor at Closing all the documents contemplated required to be so executed and delivered in this Agreement; and
 - (d) the Occupation Agreement shall have been approved by the Court and shall not have been terminated.
- (3) The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (a) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement:
- (a) the Parties shall have received evidence, satisfactory to the Vendor and the Purchaser, acting reasonably, of the consent of Prudential to the transaction contemplated hereby; and
 - (b) the Sale Approval Order, materially in the form attached hereto as Schedule "G", which the Parties acknowledge is satisfactory, shall have been issued and entered by the Court and shall not be subject to a stay.

Section 16 Closing.

- (1) Subject to satisfaction or waiver by the relevant party or parties, as applicable, of the conditions of closing contained in Section 15, at Closing, the Purchaser will pay or satisfy the Purchase Price in accordance with Section 8. The transfer of the Purchased Assets, save and except for the Bridgewater Property, will take effect, pursuant to the Sale Approval Order, upon delivery of the Monitor's Certificate. The transfer of the Bridgewater Property will take effect upon delivery by the Vendor to the Purchaser of a deed or conveyance in a form which complies with the Land Registration Act (Nova Scotia) conveying to the Purchaser the Bridgewater Property. The Vendor shall deliver to the Purchaser an executed form of such deed or conveyance to be held in escrow to be released from escrow when the Monitor delivers the Monitor's Certificate. The Vendor shall also take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to deliver in escrow (a) an executed form of discharge of a mortgage registered on title to the Bridgewater Property in favour of Computershare Trust Company of Canada, and (b) an executed form of

discharge of a lease registered on title to the Bridgewater Property in favour of Yum! Brands Canada Management LP, to be released from escrow when the Monitor delivers the Monitor's Certificate.

- (2) The completion of the transaction of purchase and sale contemplated by this Agreement ("Closing") shall take place at 9:00 a.m. (Toronto time) at the offices of Stikeman Elliott LLP, Suite 5300, Commerce Court West, Toronto, Ontario on the first Monday which is not less than three (3) business days following the issuance of the Sale Approval Order, effective as of 12:01 am on the Sunday immediately preceding the Closing Date, or at such other place, on such other date and such other time as may be agreed upon in writing by the parties (the "Closing Date").

Section 17 Interim Period Access.

During the Interim Period the Vendor will (a) permit the Purchaser and its employees, counsel, agents, accountants or other representatives to have reasonable access during normal business hours and upon reasonable notice to (i) the Purchased Assets and, in particular to any information, including all Books and Records whether retained by the Vendor or otherwise, (ii) all Contracts and Leases, and (iii) the senior personnel of the Vendor, and (b) furnish to the Purchaser or its employees, counsel, agents, accountants or other representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser may from time to time request.

Section 18 Employees.

- (1) Subject to Section 18(2) and Section 18(3), not less than ten (10) business days prior to the anticipated Closing Date, the Purchaser shall offer, or cause any of its affiliates to offer, employment effective as of the Closing Date to the Designated Employees on terms substantially similar in the aggregate to those existing as of the Closing Date. In such offer, and subject to Section 18(4), the Purchaser will recognize, to the extent previously recognized by the Vendor, the prior service of the Designated Employees for all purposes. The Purchaser shall have no liability or obligation in respect of any Designated Employees who reject the Purchaser's offer of employment.
- (2) The Vendor may, in its sole discretion, remove particular employees from the definition of Designated Employees.
- (3) The Purchaser may, on or prior to the Condition Date, upon written notice to the Vendor, remove individuals employed as a Regional Director of Operations or Area Manager from the definition of Designated Employees. Notwithstanding the above, the Purchaser shall be obligated to include at least three individuals employed as a Regional Director of Operations or Area Manager in the definition of Designated Employees.

- (4) Intentionally Deleted.
- (5) The Purchaser shall not assume any of the Employee Plans or liability for accrued benefits or any other liability under or in respect of any of the Employee Plans. The Transferred Employees will, as of the Closing Date in respect of their employment by the Vendor, cease to accrue further benefits under the Employee Plans. The Purchaser agrees that it will permit the Transferred Employees to participate in benefit plans sponsored by the Purchaser (such plans to be called the "**Replacement Plans**") which shall be no less favourable for each Transferred Employee than the Employee Plan applicable to each Transferred Employee prior to the Closing Date. The Purchaser shall cause each Replacement Plan to recognize the prior service of the Transferred Employee rendered to the Vendor for purposes of eligibility to participate, vesting and entitlement to benefits under such Replacement Plans but not for the purpose of benefit accrual. The Purchaser shall waive all limitations as to pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Transferred Employees under any Replacement Plans except and only to the extent that any Transferred Employees were subject to such pre-existing conditions, exclusions and waiting periods under the Employee Plans, and will provide each Transferred Employee with credit for any co-payments and deductibles paid prior to the Closing Date (in the calendar year of such start date) in satisfying any applicable deductible or out of pocket requirements under any Replacement Plans.
- (6) The Purchaser shall be responsible for:
 - (a) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to the employment of all Transferred Employees on and after the Closing Date and all liabilities under or in respect of the Replacement Plans;
 - (b) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee;
 - (c) all liabilities for claims for injury, disability, death or workers' compensation arising from or related to employment of the Transferred Employees in the Purchased Assets on and after the Closing Date; and
 - (d) all employment-related claims, penalties and assessments in respect of the Purchased Assets arising out of matters which occur on or subsequent to the Closing Date.

- (7) The Vendor shall retain liability for:
- (a) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to the employment of all Transferred Employees for the period prior to the Closing Date and all liabilities under or in respect of the Employee Plans;
 - (b) all liabilities for claims for injury, disability, death or worker's compensation arising from or related to employment of the Transferred Employees in the Purchased Assets for the period prior to the Closing Date; and
 - (c) all employment-related claims, penalties and assessments in respect of the Purchased Assets arising out of matters which occurred before the Closing Date.

Section 19 Filings and Authorizations.

- (1) Each of the Vendor and the Purchaser, as promptly as practicable after the execution of this Agreement, will make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the purchase and sale of the Purchased Assets in accordance with the terms of this Agreement (other than the motion seeking approval of the transaction contemplated by this Agreement and the issuance of the Sale Approval Order). The Vendor and the Purchaser shall coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied to or filed with any Governmental Entity (except for notices and information which the Vendor or the Purchaser, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.
- (2) The Parties waive compliance with the Bulk Sales Act (Ontario) and any other similar bulk sales laws.

Section 20 Court Matters.

- (1) The Vendor shall consult and co-ordinate with the Purchaser and their respective legal advisors regarding the parties upon whom the motion seeking the Sale Approval Order will be served.
- (2) The Purchaser shall provide such information and take such actions as may be reasonably requested by the Vendor to assist the Vendor in obtaining the Sale Approval Order and any other order of the Court reasonably necessary

to consummate the transactions contemplated by this Agreement, including without limitation, any Court ordered assignment of the Contracts and the Leases.

Section 21 Vendor Disclosures.

The Vendor shall be entitled to disclose this Agreement and all information provided by the Purchaser in connection herewith to the Court, the Monitor and parties in interest to the CCAA proceedings. Other than statements made in the Court (or in pleadings filed therein), the Vendor and the Purchaser shall not issue (prior to, or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or transactions contemplated thereby without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, provided, however, that a Party may, without the prior consent of the other Party, issue such press release or make such public statement as may, upon the advice of counsel, be required by applicable Law or by any Governmental Entity with competent jurisdiction.

Section 22 Monitor.

The parties hereby acknowledge and agree that the Monitor shall be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Vendor and the Purchaser that all conditions of Closing have been satisfied or waived, and the Monitor shall have no liability to the Vendor or the Purchaser or any other person as a result of filing the Monitor's Certificate.

Section 23 Tax Matters.

- (1) The parties covenant to use their commercially reasonable efforts to minimize the taxes payable by each of the parties to this Agreement in connection with the completion of the transaction contemplated hereby, including the filing of such elections as would be necessary in order to do so, provided however that such structuring or elections do not adversely affect any party.
- (2) The parties will on or before Closing jointly execute an election, in the prescribed form and containing the prescribed information, to have subsection 167(1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Purchased Assets in Canada so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser will file such elections with the appropriate Governmental Entities within the time prescribed by the *Excise Tax Act* (Canada). Notwithstanding such election, in the event it is determined by Canada Revenue Agency that there is a liability of the Purchaser to pay, or of the Vendor to collect and remit, goods and services tax and/or harmonized sales tax on all or part of the Purchased Assets in Canada, such taxes shall be

forthwith paid by the Purchaser to Canada Revenue Agency, or to the Vendor for remittance to the appropriate Governmental Entity, as the case may be.

Section 24 Survival of Covenants, Representations and Warranties.

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

Section 25 Performance Guarantee.

- (1) The Guarantor irrevocably and unconditionally guarantees the timely and complete performance of, and compliance with, all of the terms, covenants, conditions and provisions that are to be performed and complied with by the Purchaser under this Agreement, including without limitation the indemnities, and guarantees the truth of all representations and warranties provided by the Purchaser under this Agreement.
- (2) If for any reason the Purchaser fails at any time to perform or comply with any term, covenant, condition or provision that is to be performed or complied with by the Purchaser under this Agreement, then the Guarantor shall perform or comply with such term, covenant, condition or provision in accordance with and subject to the provisions of this Agreement. Such performance or compliance by the Guarantor is deemed to be performance or compliance by the Purchaser under this Agreement.
- (3) The Guarantor is jointly and severally liable with the Purchaser for the performance of, and compliance with, the terms, covenants, conditions and provisions to be performed and complied with by the Purchaser under this Agreement, including without limitation the indemnities. The Vendor is not bound to proceed against the Purchaser or to pursue any rights or remedies against the Purchaser before being entitled to pursue its rights against the Guarantor.
- (4) The liability of the Guarantor is absolute and unconditional irrespective of: (i) any lack of validity or enforceability of any term, covenant, condition or provision of this Agreement against the Purchaser; (ii) any change in the time or times for, or place or manner of performance or any other indulgences which the Vendor may grant to the Purchaser; (iii) any amendment, restatement, replacement, supplement, modification or renewal of this Agreement; (iv) any assignment of all or any part of this Agreement; (v) any limitation of status or power, disability, incapacity or other circumstance relating to the Purchaser, including any bankruptcy, insolvency, winding-up, dissolution, liquidation, restructuring or other creditors' proceedings involving or affecting the Purchaser; or (vi) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of

the Purchaser or any reorganization, amalgamation or other change in the existence of the Purchaser.

- (5) As a separate and distinct obligation, the Guarantor will indemnify and save harmless the Vendor from and against and will pay for all losses, liabilities, damages and expenses as a result of, in respect of, connected with, or arising out of, under, or pursuant to (i) any failure of the Purchaser to perform or comply with any of the terms, covenants, conditions or provisions that are to be performed or complied with by the Purchaser under this Agreement, including without limitation the indemnities; (ii) any breach or inaccuracy of any representation or warranty given by the Purchaser contained in this Agreement; and (iii) any failure of the Guarantor to pay or perform any liability or obligation under this Section 25.
- (6) The liabilities and obligations of the Guarantor under this Section 25 are subject to the terms of this Agreement and will not exceed any liability or obligation of the Purchaser to the Vendor under this Agreement. The Guarantor is entitled to all rights, privileges and defences available to the Purchaser with respect to any obligation or liability, including without limitation all provisions of this Agreement relating to limitation of liability and the resolution of disputes.
- (7) The Guarantor will pay and perform its liabilities and obligations under this Section 25 immediately after demand for such payment and performance is made in writing to it.

Section 26 Termination.

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

- (a) by mutual consent of the Vendor and the Purchaser;
- (b) by the Purchaser if any of the conditions precedent in Section 15(1) have not been satisfied on or before the time specified for the satisfaction of such condition and the Purchaser has not waived such condition;
- (c) by the Vendor if any of the conditions in Section 15(2) have not been satisfied on or before the time specified for the satisfaction of such condition and the Vendor has not waived such condition; or
- (d) by either party if:
 - (i) any of the conditions precedent in Section 15(3) have not been satisfied on or before the time specified for the satisfaction of

such condition and the Parties have not waived such condition;
or

- (ii) if the Closing has not occurred on or prior to September 30, 2011, or on or before such later date as the parties agree to in writing,

provided that a Party may not terminate this Agreement pursuant to this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

Section 27 Time of the Essence.

Time shall be of the essence of this Agreement.

Section 28 Enurement.

This Agreement shall become effective when executed by the Vendor and the Purchaser and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party. Notwithstanding the foregoing, on or before the Condition Date, the Purchaser shall be entitled to assign all of its rights and obligations under this Agreement to an affiliate (as defined in the *Canada Business Corporations Act*) of the Purchaser, provided that the Purchaser shall not be released from its obligations under this Agreement upon such an assignment.

Section 29 Entire Agreement.

This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 30 Waiver.

- (1) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.

- (2) No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

Section 31 Further Assurances.

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

Section 32 Severability.

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

Section 33 Governing Law.

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

Section 34 Counterparts.

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

Section 35 French Language.

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

Section 36 Statute References.

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

Section 37 Headings.

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

Section 38 References.

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

Section 39 Number and Gender.

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

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

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

Section 41 Business Days.

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

Section 42 Currency and Payment Obligations.

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

Section 43 Accounting Principles.

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

Section 44 Notice.

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

- (a) To the Vendor:
 - (i) Prizm LP
101 Exchange Avenue
Vaughan, Ontario

L4K 5R6

Canada

Attention: Jim Robertson
Facsimile: (416) 739-3621
Email: Jim.robertson@priszm.com

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

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

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

- (b) To Priszm Inc.:

- (i) Priszm Inc.
101 Exchange Avenue
Vaughan, Ontario

L4K 5R6

Canada

Attention: Jim Robertson
Facsimile: (416) 739-3621
Email: Jim.robertson@priszm.com

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

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

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

(c) To the Purchaser:

- (i) 417 Connell Street
Unit 7
Woodstock, NB
E7M 5G5

Attention: Dwight Fraser
Facsimile: (506) 328-9408
Email: dwightfraser@fmigroup.ca

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

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Attention: Geoffrey D. Brown
Facsimile: (416) 864-9223
Email: gbrown@mindengross.com

(d) To the Guarantor:

- (i) 417 Connell Street
Unit 7
Woodstock, NB
E7M 5G5

Attention: Dwight Fraser
Facsimile: (506) 328-9408
Email: dwightfraser@fmigroup.ca

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

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Attention: Geoffrey D. Brown
Facsimile: (416) 864-9223
Email: gbrown@mindengross.com

(e) To the Monitor:

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

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

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

Osler, Hoskin & Harcourt LLP
1 First Canadian Place
PO Box 50, Stn. 1st Can. Pl.
Toronto, ON M5X 1B8

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

A Notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this section. Any party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a party.

Section 45 Risk of Loss


The Purchased Assets shall be and remain until Closing at the risk of the Vendor. In the event of material damage by fire or other hazard to the Purchased Assets or any part thereof occurring before the Closing Date, the Purchaser shall

have the option of: (a) taking the proceeds of any insurance available or actually paid to the Vendor, to a maximum of the Purchase Price allocated in Schedule "D" for those Outlets, and applying same on account of the Purchase Price and completing the transaction otherwise in accordance with the terms hereof; or (b) removing the affected Outlet(s) from Schedule "D", in which case the Purchase Price shall be reduced by the portion of the Purchase Price allocated in Schedule "D" to such Outlet(s). In addition, in the event that the cost of the material damage, as contemplated above, exceeds fifty (50) percent of the aggregate Purchase Price, the Purchaser shall have the additional option of terminating the transaction, in which case the Deposit, together with any interest accrued thereon, shall be returned to the Purchaser without deduction.

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

PRISZM LP, by its general partner, PRISZM INC., by 2289500 ONTARIO INC., solely in its capacity as Chief Restructuring Officer, and without personal or corporate liability

By: 

Name:
Title:

PRISZM INC., by 2289500 ONTARIO INC., solely in its capacity as Chief Restructuring Officer, and without personal or corporate liability

By: 

Name:
Title:

FMI ATLANTIC INC.

By: _____

Name:
Title:

FMI ONTARIO INC.

By: _____

Name:
Title:

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

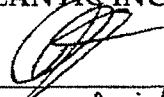
PRISZM LP, by its general partner, PRISZM INC., by 2289500 ONTARIO INC., solely in its capacity as Chief Restructuring Officer, and without personal or corporate liability

By: _____
Name:
Title:

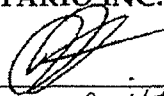
PRISZM INC., by 2289500 ONTARIO INC., solely in its capacity as Chief Restructuring Officer, and without personal or corporate liability

By: _____
Name:
Title:

FMI ATLANTIC INC.

By: 
Name: Dwight FRASER
Title: PRESIDENT

FMI ONTARIO INC.

By: 
Name: Dwight FRASER
Title: PRESIDENT

SCHEDULE "A"
DEFINED TERMS

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

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

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

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

"**BIA**" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

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

"**Bridgewater Property**" means the real property having an address of 27 High Street, Bridgewater, Nova Scotia, B4V 1V8.

"**Bridgewater Property Price**" means the purchase price for the Bridgewater Property in the amount of CDN\$215,000.

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

"**Canadian GAAP**" means generally accepted accounting principles in Canada, as in effect from time to time, consistently applied. Where more than one alternative treatment is permitted by GAAP as of any date, GAAP shall be deemed to refer, as of such date, to the treatment actually utilized by Vendor on a consistent basis prior to the Closing.

"**Canadian Insolvency Laws**" means the CCAA and the BIA and any order, decree, judgment, rule or regulation made thereunder or in accordance therewith.

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

"Closing" has the meaning specified in Section 16.

"Closing Date" has the meaning specified in Section 16.

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

"Condition Date" means August 12th, 2011 at 12:00 noon (Toronto time).

"Contracts" means those contracts specified in Schedule "J".

"Court" means the Ontario Superior Court of Justice (Commercial List).

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

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

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

"Deposit" means the deposit, equal to 10% of the portion of the Purchase Price described in Section 8(1)(a), being an amount of CDN\$250,000.00, paid by the Purchaser to the Monitor at the time of submitting its offer.

"Designated Employees" means: (a) all the non-unionized employees currently employed at the Outlets, including the local store managers employed by the General Partner with respect to the Outlets; and (b) subject to Section 18(3), those of the Regional Directors of Operations and Area Managers employed by the General Partner with respect to the geographic area in which the Outlets are situated.

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

"Excluded Assets" has the meaning specified in Section 3(2).

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

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

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

"Initial Order" means the Initial Order issued by the Court on March 31, 2011, as it may be amended and/or restated from time to time.

"Intellectual Property" means all right, title and interest of the Vendor in and to the "Priszm" name, mark, logo and domain name and the right, title and interest of the Vendor in all intellectual property related to the operation of the Vendor's call centre or online ordering system.

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

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

"Landlords" means the landlords under the Leases.

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

"Laws" means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards, and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

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

"Leases" means the leases relating to the Outlets.

"Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature

or any other arrangement or condition that in substance secures payment or performance of an obligation.

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

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

"Monitor's Certificate" means the certificate filed with the Court by the Monitor certifying receipt of confirmation from the Purchaser and the Vendor that all conditions of Closing in section 15 of this Agreement have been satisfied or waived.

"Occupation Agreement" means the Occupation Agreement between the Vendor and the Purchaser attached hereto as Schedule "H".

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

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

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

"Permitted Liens" " means (i) Liens for taxes not yet due and delinquent, and (ii) easements, encroachments, restrictions and other imperfections and matters of title which do not, individually or in the aggregate, materially impair the use of any real property.

"Prepaid Expenses" means all prepaid expenses including prepaid taxes and rent, relating exclusively or primarily to the Purchased Assets, and prepaid local store marketing.

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

"Purchased Assets" means all properties, assets, interests and rights of the Vendor which are related to the operation of the Outlets and are necessary to conduct the business as now conducted at the Outlets, which for greater certainty include the assets in Schedule B and do not include Excluded Assets.

"Renewal Fees" means the amount paid by the Vendor to the Franchisor in respect of renewal fees for each Outlet.

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

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

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

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

"UPGC Price" means the product of (a) CDN\$500 and (b) the number of Outlets.

SCHEDULE "B"
PURCHASED ASSETS

1. The Vendor's right, title and interest in and to the Leases and the Leased Premises;
2. Subject to Section 15(1)(a) of the Agreement, the Franchise Agreement for each Outlet;
3. All signs, machinery, equipment, tools, handling equipment, computer equipment, information systems, furniture, furnishings and all other accessories and supplies of all kinds owned by the Vendor and used in connection with the Outlets;
4. All inventories of the Purchased Assets (the "Inventories"), including all food, food ingredients, packaging materials, paper products and miscellaneous consumable and non-consumable inventories of the Purchased Assets;
5. All accounts receivable, notes receivable and other debts due or accruing due to the Vendor in connection with the Purchased Assets (the "Accounts Receivable") and the full benefit of all security for the Accounts Receivable;
6. All Prepaid Expenses;
7. Subject to Section 4 of the Agreement, the Contracts;
8. All Authorizations, owned, held or used by the Vendor in connection with the Purchased Assets to the extent that they are transferable;
9. The Restaurant Cash Float;
10. The shares in the capital of UPGC, Inc. owned by the Vendor and directly related to the Outlets;
11. The Vendor's right, title and interest in and to the Outlet Software Licenses; and
12. Any and all right, title and interest of the Vendor in and to the Trade Fixtures.
13. All of the Vendor's right, title and interest in and to the phone numbers exclusive to the Outlets.
14. The Bridgewater Property.

SCHEDULE "C"
EXCLUDED ASSETS

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

SCHEDULE "D"
PURCHASE PRICE ALLOCATION PER OUTLET

1. The Bridgewater Property is allocated \$215,000 of the Purchase Price.
2. Each Outlet is allocated the portion of the Purchase Price as set out below with \$23,000 allocated to equipment.

Value
in
'000s

Nova Scotia

1945	5201 Duke St. (MALL)	Halifax	\$25
1026	3650 Hammonds Plains Rd.	Upper Tantallon	\$25
1023	643 Reeves Street	Port Hawkesbury	\$25
1000	6310 Quinpool Road (KFC/TB)	Halifax	\$31
1016	96 Warwick St.	Digby	\$32
1955	1955	MicMac Mall	\$32
1029	109 King Street	North Sydney	\$36
1022	2897 #1 Highway	Coldbrook	\$38
1019	9024 Commercial Street (KFC/PH)	New Minas	\$39
1025	269 Highway 214, Unit 6	Elmsdale	\$42
1024	731 Central Ave.	Greenwood	\$48
1027	29 Keltic Drive, Cape Breton Shopping Plaza (KFC/TB)	Sydney	\$62
1030	3260 Plummer Avenue	New Waterford	\$63
1031	325 Prince St. Prince St Plaza	Sydney	\$63
1048	131 South Albion Street	Amherst	\$65
1003	18 Titus Street	Halifax	\$85
1052	674 East River Rd.	New Glasgow	\$86

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1001	75 Tacoma Drive	Dartmouth	\$92
1018	679 Sackville Dr. - #1 Highway (KFC/TB)	Lower Sackville	\$96
1015	536 Main St. (KFC/TB)	Yarmouth	\$126
1020	27 High Street	Bridgewater	\$100
			\$1,211

**New
Brunswick**

1946	519 Westmorland Road, McAllister Place (MALL)	Saint John	\$25
1035	225 King Street	St. Stephen	\$26
1042	435 St. Peter Ave	Bathurst	\$39
1036	201 Bliss Street	Oromocto	\$52
1056	Champlain Place 477 Paul St. (MALL)	Dieppe	\$54
1046	370 Connell St., Unit 7	Woodstock	\$60
1041	145 Pleasant Street	Miramichi	\$60
1034	87 Lansdowne Ave.	Saint John	\$64
1057	451 Paul St.- (KFC/TB)	Dieppe	\$70
1033	621 Fairvale Blvd., Lancaster Mall	Saint John	\$75
1038	1165 Prospect Street	Fredricton	\$89
1039	180 Madawaska Rd.- Unit 260	Grand Falls	\$92
1045	140 Main St. - unit 14	Sussex	\$100
1055	945 Mountain Road	Moncton	\$105
1037	283 Main Street	Nashwaaksis	\$106
1044	180 Blvd. Hebert	Edmunston	\$123
1032	545 Westmorland Place (KFC/TB)	Saint John	\$149
			\$1,289

SCHEDULE "E"
VENDOR'S REPRESENTATIONS AND WARRANTIES

1. Subject to the Sale Approval Order and authorization as is required by the Court, the execution, delivery and performance by the Vendor of this Agreement:
 - (a) has been duly authorized by all necessary corporate action on the part of the Vendor;
 - (b) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws; and
 - (c) will not result in the violation of any Law.
2. This Agreement has been duly executed and delivered by the Vendor and, subject to the Sale Approval Order and authorization as is required by the Court, constitutes a legal, valid and binding obligations of the Vendor, enforceable against it in accordance with its terms subject only to any limitation under applicable Laws relating to (a) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights, and (b) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
3. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
4. The Vendor is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada).
5. There are no Unionized Employees employed at any of the Outlets as of the date of this Agreement.
6. The Vendor represents and warrants that there are no Renewal Fees outstanding relating to the Outlets and that the following Renewal Fees were paid to the Franchisor with regards to the Outlets as indicated below:
 - Store #1000 - \$46,423,83 (November 2009)
 - Store #1001 - \$23,313.92 (November 2010)
 - Store #1042 - \$24,140.20 (November 2009)

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- Store #1946 - \$23,313.92 (November 2010)
- Store #1955 - \$70,448.40 (November 2005)

SCHEDULE "F"
PURCHASER'S REPRESENTATIONS AND WARRANTIES

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

SCHEDULE "G"
SALE APPROVAL ORDER

(attached)

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	DAY, THE
)	
JUSTICE MORAWETZ)	DAY OF AUGUST, 2011

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

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

(the "**Applicants**")

**APPROVAL AND VESTING ORDER
(Re Sale to FMI Atlantic Inc.)**

THIS MOTION, made by Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Prizm LP and Kit Finance Inc. (collectively, the "**Prizm Entities**") for an order approving the sale transaction (the "**FMI Transaction**") contemplated by the Asset Purchase Agreement (the "**FMI Agreement**") between Prizm LP (the "**Vendor**"), Prizm Inc. and FMI Atlantic Inc. (the "**Purchaser**"), and FMI Ontario Inc. (the "**Guarantor**") dated ●, 2011, appended to the Affidavit of Jim Robertson sworn ●, 2011 (the "**● Affidavit**") as Exhibit "A", approving certain related agreements, and vesting in the Purchaser the Vendor's right, title and interest in and to the Purchased

Assets (as defined in the FMI Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ● Affidavit, the ● Report (the “● Report”) of FTI Consulting Canada Inc., in its capacity as the Court-appointed Monitor of the Prizm Entities (the “Monitor”), and on hearing the submissions of counsel for the Prizm Entities; the Monitor; the Purchaser; Yum! Restaurants International (Canada) Company (the “Franchisor”); Prudential Investment Management, Inc.; [Scott's Real Estate Investment Trust, SR Operating Trust, Scott's Real Estate Limited Partnership, Scott's Trustee Corp. and Scott's GP Trust; The Cadillac Fairview Corporation Limited; 20 VIC Management Inc., Ivanhoe Cambridge Inc., Morguard Investments Limited, Retrocom Mid-Market REIT, Primaris Retail Real Estate Investment Trust and Oxford Properties Group Inc.; 2279549 Ontario Inc. and Deborah Papernick; Olymel; Sysco Canada and Metro-Richelieu Inc.], no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service, filed:

1. **THIS COURT ORDERS** that any defined term used but not defined herein shall have the meaning ascribed to such term in the FMI Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the FMI Transaction, the FMI Agreement, and the Occupation Agreement (as defined in and in the form attached to the ● Affidavit as Exhibit “●”) are hereby approved. The Prizm Entities and the Monitor are hereby authorized and directed to take such additional steps and execute

such additional documents as may be necessary or desirable for the completion of the FMI Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets shall vest, without further instrument of transfer or assignment, absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by the Amended and Restated Initial Order of the Honourable Madam Justice Mesbur dated April 29, 2011 (the "**Initial Order**"), or any subsequent charges that may be granted by the Court; (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Nova Scotia) and the *Personal Property Security Act* (New Brunswick) or any other personal property registry system; and, for greater certainty, this Court orders that all of the encumbrances or charges affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets; provided however that nothing herein (save and except the approval of the Occupation Agreement pursuant to

paragraph 2 herein, as and if applicable) shall affect the rights and remedies of the applicable landlord against the Purchaser that may exist or arise under or in respect of any real property lease that is assigned to the Purchaser in connection with the transaction, except as may otherwise be agreed to by the landlord and the Purchaser.

4. **THIS COURT ORDERS** that: (a) nothing in this Order shall amend or vary, or be deemed to amend or vary the terms of a real property lease; (b) where any real property leases are not, in accordance with their terms, transferable or assignable to the Purchaser without first obtaining the consent of the applicable landlord, none of the real property leases shall be transferred, conveyed, assigned or vested in the Purchaser by operation of this Order, save and except to the extent that respective consents have been, or are in the future, obtained from the respective landlords.

5. **THIS COURT ORDERS** that Prizm Inc. is authorized and directed to execute a deed or conveyance in a form which complies with the *Land Registration Act* (Nova Scotia) conveying to the Purchaser the real property identified in **Schedule "B"** hereto (the "**Real Property**") which deed or conveyance shall have the effect of conveying all the interest and equity of redemption of Prizm Inc. in the Real Property and of all persons claiming through Prizm Inc. in the Real Property including the claims listed in **Schedule "C"** hereto and without limiting the generality of any other provision of this order the claims of all such persons are forever barred and foreclosed upon the execution and registration of such deed or conveyance.

6. **THIS COURT ORDERS** that on Closing the Purchaser shall pay to the Monitor: the Purchase Price (less the Deposit). After receipt of the Purchase Price, the Monitor shall:

- (a) pay from the Purchase Price to the Franchisor \$●, in respect of pre-filing monetary obligations owed under the Franchise Agreement in connection with the assignment of the Outlets to the Purchaser;
- (b) pay from the Purchase Price to the Franchisor \$●, in respect of unpaid continuing fees and other monetary accruals (exclusive of interest) accrued with respect to the Outlets during the period from March 31, 2011 to and including ●, 2011;
- (c) pay from the Purchase Price to the Franchisor the amount, not to exceed \$●, of the unpaid continuing fees and other monetary accruals (exclusive of interest) accrued with respect to the Outlets during the period from●, 2011 to Closing within three business days of such amount being calculated by the Vendor and agreed upon with the Franchisor and the Monitor;
- (d) pay from the Purchase Price to the Purchaser when due any refunds and other amounts referred to in paragraph 8; and
- (e) hold the remainder of the Purchase Price subject to this Order and further Order of this Court.

7. **THIS COURT ORDERS** that the Purchaser shall pay to the Franchisor directly any fees charged by the Franchisor to either the Vendor or the Purchaser for the Purchaser entering into a new franchise agreement with the Franchisor or the assignment of the Franchise Agreement to the Purchaser, provided that the Vendor shall be responsible to pay to the Franchisor or discharge any arrears relating to the Outlets owed by the Vendor under the Franchise Agreement for the period up to the Closing Date where such payment or discharge is a condition to the assignment of the Franchise Agreement or the Purchaser entering into a new franchise agreement.

8. **THIS COURT ORDERS** that any refund of a portion of the Purchase Price to the Purchaser pursuant to Section 8(7) of the FMI Agreement, any Current Assets Purchase Price Adjustment in favour of the Purchaser, and any reimbursement of Occupation Costs pursuant to Section 2 of the Occupation Agreement, shall be paid by the Monitor to the Purchaser from the Purchase Price being held by the Monitor pursuant to Section 6 hereof in priority to any other payment from such funds or any Claim (including any Claim by a Chargee (as defined in the Amended and Restated Initial Order of the Honourable Madam Justice Mesbur dated Friday, April 29, 2011)).

9. **THIS COURT ORDERS** that notwithstanding the holding of the Purchase Price by the Monitor the Purchase Price is not being and shall not be deemed to be held in trust for any specific party or specific parties and for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets held by the Monitor, after payment in full of any refunds and other payments to the

Purchaser from the Purchase Price described in paragraph 6 hereof, shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims, charges and encumbrances shall attach to the net proceeds from the sale of the Purchased Assets, subject to paragraph 8 hereof, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding fulfillment of conditions to closing under the FMI Agreement and shall have no liability with respect to delivery of the Monitor's Certificate or with respect to any payments made by the Monitor pursuant to paragraph 6 hereof.

12. **THIS COURT ORDERS** that the Prizm Entities, Jim Robertson, and 2289500 Ontario Inc. in its capacity as the Chief Restructuring Officer of the Prizm Entities are hereby released and discharged from any and all actions, causes of action, liabilities, claims and demands whatsoever which the Franchisor and its affiliates ever had, now have or may hereafter have by reason of any cause, matter or thing whatsoever existing up to the date of Closing and arising out of, related to, or in connection with the Franchise Agreement for each Outlet and the Master Franchise Agreement as it relates

to the Outlets, any collateral franchise documentation relating to the Franchise Agreements for each Outlet and the Master Franchise Agreement as it relates to the Outlets, or the Business (as such term is defined in the Franchise Agreements for each Outlet) carried on at the Outlets, save and except for the obligation to pay any of the amounts referred to in paragraph 6 hereof.

13. **THIS COURT ORDERS** that the Franchisor and its affiliates are hereby released and discharged from any and all actions, causes of action, liabilities, claims and demands whatsoever which the Prizm Entities ever had, now have or may hereafter have by reason of any cause, matter or thing whatsoever existing up to the date of Closing and arising out of, related to, or in connection with the Franchise Agreement for each Outlet and the Master Franchise Agreement as it relates to the Outlets, any collateral franchise documentation relating to the Franchise Agreements for each Outlet and the Master Franchise Agreement as it relates to the Outlets, or the Business (as such term is defined in the Franchise Agreements for each Outlet) carried on at the Outlets.

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendor's records pertaining to the Vendor's past and current employees in Nova Scotia and New Brunswick. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal

information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendor.

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order and the obligations of the Vendor under the FMI Agreement, the Occupation Agreement (including the potential obligation to refund any portion of the Purchase Price to the Purchaser pursuant to Section 8(7) of the FMI Agreement, the potential obligation to make the Current Asset Purchase Price Adjustment pursuant to Section 10(2) of the FMI Agreement, and the potential obligation to reimburse excess Occupation Costs pursuant to Section 2 of the Occupation Agreement), shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall any of them constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall any of them

constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

Schedule "A"
Form of Monitor's Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

(the "Applicants")

MONITOR'S CERTIFICATE

RECITALS

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

B. Pursuant to an Order of the Court dated August ●, 2011, the Court approved the Asset Purchase Agreement (the "**FMI Agreement**") between the Vendor, Prizm Inc., FMI Atlantic Inc. (the "**Purchaser**"), and FMI Ontario Inc. (the "**Guarantor**") dated ●, 2011 and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate certifying (a) receipt of the Deposit and the balance of the Purchase Price by the

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

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

THE MONITOR CERTIFIES the following:

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

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

Per: _____

Name:

Title:

Schedule "B"**Description of Real Property**

Real property having a municipal address of 27 High Street, Bridgewater, Nova Scotia, B4V 1V8

Schedule "C"**Claims to be Expunged**

1. Mortgage in favour of Computershare Trust Company of Canada
2. Lease between Yum! Brands Canada Management LP and KIT Limited Partnership

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

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

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
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Re Sale Approval)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
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Toronto, Canada M5L 1B9

Ashley John Taylor LSUC#: 39932E
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Tel: (416) 869-5230
Fax: (416) 947-0866
Lawyers for the Applicants

SCHEDULE "H"
OCCUPATION AGREEMENT

(attached)

OCCUPATION AGREEMENT

THIS AGREEMENT is made as of July 29, 2011,

BETWEEN:

PRISZM LP, a limited partnership formed under the laws of Manitoba (the "Licensor")

- and -

PRISZM INC., a corporation established under the *Canada Business Corporations Act* (the "General Partner")

- and -

FMI ATLANTIC INC., a corporation incorporated under the laws of New Brunswick (the "Licensee")

RECITALS:

- A. Pursuant to the leases for those outlets for which a consent or assignment order is required but have not been obtained or delivered, as contemplated by the Asset Purchase Agreement of even date herewith (the "APA"), (individually, a "Lease" and, collectively, the "Leases"), the Licensor, as lessee, leased the premises to which such Leases relate (collectively or individually, as the context requires, the "Premises") for the term and in accordance with the provisions of the Leases.
- B. On March 31, 2011, Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc. and Kit Finance Inc. (collectively, the "Applicants") applied for and were granted protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") pursuant to the Initial Order (the "Initial Order") of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "Court"). The protections and authorizations of the Initial Order were extended to the Licensor (together with the Applicants, the "Prizm Entities"). FTI Consulting Canada Inc. (the "Monitor") was appointed as Monitor of the Prizm Entities in the CCAA proceedings.

- C. Pursuant to the APA the Licensee has agreed to purchase from the Licensor and the Licensor has agreed to sell to the Licensee (the "**Transaction**") all of the Licensor's right, title and interest, if any, in and to the Purchased Assets (as defined in the APA). The Transaction is conditional on obtaining an order of the Court approving the Transaction.
- D. It is a term of the APA that where the Licensee is not able to obtain the consents of such landlords to the assignment of the Leases or an order of the Court assigning such Leases (to the extent required) the Licensor shall hold the applicable Lease in trust for the Licensee, to the extent within its control, comply with the terms and provisions of the applicable lease, and cooperate with the Licensee in any reasonable and lawful arrangements designed to provide the benefits of the rights under the applicable Leases to the Licensee.

NOW THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto represent, warrant, covenant and agree as follows:

1. **Occupation**

In order to permit the Licensee to use the Purchased Assets and to carry on business at the Premises, the Licensor grants to the Licensee a license to occupy each of the Premises for a period (for each of the Premises, the applicable "**License Period**") commencing, in respect of each of the Premises, on the Closing Date (as defined in the APA) and ending, in respect of each of the Premises, on the earlier of: (a) the date that is three (3) months from the Closing Date; (b) the time the relevant Landlord's consent to the assignment of the applicable Lease is obtained or the assignment has been ordered by the Court and such Lease has been assigned to the Licensee; (c) the time the applicable Lease is lawfully terminated or expires; and (d) the time the license is terminated in respect of any given Lease in accordance with Section 10 hereof.

2. **Responsibilities of the Licensee**

The Licensee shall be required to pay any and all rent, expenses, occupation costs and other amounts relating to the Premises which the Licensor is obligated to pay pursuant to and in accordance with the Leases, including, without limitation, per diem basic and additional rent and all costs, expenses, utilities, realty taxes and common expenses, that accrue during or that relate to the License Period and that are otherwise payable by the Licensor in connection with the occupation of the Premises by the licensee (the "**Occupation Costs**") with the intent that this License shall be wholly net to the Licensor. Notwithstanding the foregoing, the Occupation Costs shall not include any transfer fees which the Licensor is required to pay to the landlords in connection with the assignment of the Leases to the Licensee, or costs of the Licensor to effect that transfer or assignment to the Licensee, or other payment which may be owed by

Licensor to the landlords pursuant to the Leases arising prior to the Closing Date or in connection with the transactions contemplated by the APA.

No later than five (5) days prior to the projected Closing Date, the Licensor shall issue to the Licensee a statement of the estimated Occupation Costs in respect of each Lease for the period from the projected Closing Date to the end of that calendar month (such period being the "Initial Stub Period"), other than amounts which are Current Assets (as defined in the APA). The Licensee shall pay to the Licensor by banker's draft payable to the Vendor (as defined in the APA) and delivered to the Vendor's office or by wire transfer directly to the Vendor's banking institution the amount set out in such statement on the Closing Date.

The Licensor shall issue to the Licensee a statement of the estimated Occupation Costs in respect of each Lease for the next calendar month at least seven (7) days before the first day of each calendar month. The Licensee shall pay to the Licensor by banker's draft payable to the Vendor and delivered to the Vendor's office or by wire transfer directly to the Vendor's banking institution the amount set out in such statement within three (3) days after receipt thereof such that the Licensor is in receipt of the amount of the Occupation Costs for each Lease prior to the first day of each calendar month. Estimated Occupation Costs shall be reconciled against the actual Occupation Costs within thirty (30) days after the end of the applicable License Period for each Lease. In the event that the actual Occupation Costs payable under the Leases are greater than the amount paid by the Licensee in accordance with this Agreement and the Leases, the Licensee shall pay the difference to the Licensor within five (5) business days of the reconciliation being completed by banker's draft payable to the Vendor and delivered to the Vendor's office or by wire transfer directly to the Vendor's banking institution. In the event that the actual Occupation Costs payable under the Leases are less than the amount paid by the Licensee in accordance with this Agreement and the Leases, the Licensor shall reimburse the difference to the Licensee within five (5) business days of the reconciliation being completed. For purposes of the reconciliation, the amount of property taxes and other additional rents that are or may be payable with respect to the Leases shall be based on the parties' actual knowledge at the time of performing the reconciliation. To the extent that additional amounts may be owing or refundable in the future, those amounts shall be the sole responsibility or benefit of and shall be paid or received by the Licensee without recourse to or any obligation to refund the Licensor. For greater certainty, the Licensee shall not be responsible for any transfer fees which the Licensor is required to pay to the landlords in connection with the assignment of the Leases to the Licensee.

The Licensee shall deliver to the Licensor forthwith upon receipt copies of any and all invoices, bills, accounts and other communications received at the Premises in respect of costs and expenses relating to carrying on business from the Premises (including, without limitation, relating to Occupation Costs).

For greater certainty, the Licensee will be wholly responsible for all of the costs and expenses relating to carrying on business from the Premises, in accordance with and subject to the terms of the Leases.

3. **Use of Premises**

During the License Period the Licensee shall maintain the Premises in the condition that they were at the commencement of the License Period, ordinary wear and tear excepted. The Licensee shall be responsible for all repair costs in respect of the Premises during the License Period, in accordance with and subject to the terms of the Leases.

During the License Period, the Licensee shall: (a) perform all of the Licensor's obligations with respect to the Premises during the License Period, including those arising under the Leases; (b) comply with each of the provisions of the Leases and the requirements of all laws, by-laws, regulations, ordinances and orders that affect the occupation, condition, maintenance or use of the Premises; (c) comply with the requirements applicable to any insurance covering the Premises; and (d) not assign, sublet or otherwise permit any other person to occupy or use the Premises.

4. **Indemnity**

The Licensee hereby indemnifies and saves harmless the Licensor together with its employees, agents, directors, officers, servants and invitees from and against any and all claims, actions, causes of action, losses, liabilities, debts, demands, costs (including reasonable legal costs on a full indemnity basis) and expenses suffered or incurred by the Licensor, its employees, agents, directors, officers, servants and invitees or any other occupant(s) of the Premises, in connection with, or arising from: (a) the Licensee's failure to comply with this Agreement, or any one or more of the Leases during the License Period; (b) the carrying on of business by the Licensee from the Premises during the License Period; (c) the Licensee's operation, occupation and/or use of the Premises during the License Period; (d) any removal of the Purchased Assets from the Premises during the License Period by or on behalf of the Licensee, including, without limitation, all of the acts and omissions relating to such removal of the Purchased Assets from the Premises during the License Period by the Licensee, its employees, servants, agents and invitees; and (e) all claims, demands, actions, suits, causes of action, expenses, costs, damages and losses of the Licensor relating to injury or property damage suffered by third parties and/or the Licensor arising from the use or occupation of the Premises by the Licensee and those for whom it is responsible at law. For greater certainty, this

indemnity shall not apply to (i) any claims by any landlord for any pre-Closing liabilities of the Licensors; and (ii) any claims by any landlord for any payment of proceeds from the transactions contemplated by the APA.

The Licensors hereby indemnifies and saves harmless the Licensee from and against any and all claims made against the Licensee for amounts which constitute Occupation Costs and the reasonable legal costs on a full indemnity basis suffered or incurred by the Licensee in connection with the defence of such claims, to the extent and only to the extent that such claimed amounts have been paid to the Licensors by the Licensee as part of the Occupation Costs in accordance with Section 2 of this Agreement.

5. Insurance

The Licensee shall arrange insurance to comply with the insurance provisions of the Leases and shall show the Licensors as additional insured in such policies during the License Period. Notwithstanding anything to the contrary contained in the Leases, the Licensee shall maintain all risks insurance and public liability insurance underwritten by a nationally recognized insurance company in respect of the Premises and the property of the Licensors and Licensee located at the Premises, in such amounts and with such deductibles as a prudent tenant of similar premises would maintain.

6. Access

The Licensee agrees that during normal business hours, and upon 24 hours notice, the Licensors and the Monitor and their respective employees, servants and agents shall have access to the Premises during the License Period, including for the purpose of allowing the Monitor to fulfill its statutory duties or Court-ordered duties as Monitor, provided that it does not interfere with the business of the Licensee.

7. Representation and Warranties of the Licensee

The Licensee represents and warrants to the Licensors as follows and acknowledges that the Licensors is relying on such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) This Agreement has been duly authorized, executed and delivered by the Licensee and is a valid and binding obligation of the Licensee enforceable against it in accordance with the terms hereof; and
- (b) The Licensee has the necessary expertise and financial wherewithal in order to fulfill its obligations under this Agreement.

8. **Representation and Warranties of the Licensor**

The Licensor represents and warrants to the Licensee that, subject to the approval of the Court, this Agreement has been duly authorized, executed and delivered by the Licensor and is a valid and binding obligation of the Licensor enforceable against it in accordance with the terms hereof, and acknowledges that the Licensee is relying on such representations and warranties in connection with the matters contemplated by this Agreement.

9. **Conditions Precedent**

- (a) This Agreement is subject to the condition that the Court shall have issued an order approving the APA, the Transaction and this Agreement, which condition is for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement;
- (b) This Agreement is subject to the condition that the Licensee shall have paid the estimated Occupation Costs for the Initial Stub Period of the License Period in respect of each of the Leases, other than amounts which are Current Assets (as defined in the APA), to the Licensor, which condition is for the exclusive benefit of the Licensor and may only be waived, in whole or in part, by the Licensor in its sole discretion.

10. **Termination**

The license to occupy and/or use any of the Premises under this Agreement may be terminated by the Licensor at any time without recourse by the Licensee in the event that the Licensee, in any material respect, defaults under, or fails to comply in any material respect with, this Agreement in respect of such Premises and such default or failure to comply remains unremedied for five (5) business days following notice of such default or failure by the Licensor to the Licensee. In the event of termination, the Licensee shall immediately vacate the applicable Premises. Such termination shall be without prejudice to and shall not affect: (a) any rights and remedies of the Licensor as against the Licensee arising from or relating to such default; and (b) any obligations of the Licensor relating to such default or in respect of the period prior to any such termination. Notwithstanding any temporal limits in the indemnity provided in Section 4 and the obligation to maintain insurance in Section 5, in the event of termination pursuant to this Section 10, the indemnity provided in Section 4 and the obligation to maintain insurance under Section 5 will extend from the date of such termination to the date the Licensee vacates the applicable Premises. For greater certainty, the Licensor and Licensee acknowledge and agree that the failure by the Licensee to pay Occupation Costs, or any part thereof, in accordance with Section 2 hereof shall be deemed to be a material default for the purposes of this Section 10.

11. **No Assignment**

This Agreement and the license provided for herein is personal to the Licensee and cannot be assigned.

12. **No Registration**

The Licensee agrees that this Agreement and any notice of it cannot be registered against title to the Premises.

13. **Entire Agreement**

No modification of this Agreement is binding unless it is in writing and signed by each of the Licensor and Licensee.

14. **Notices**

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (a) delivered personally; (b) sent by prepaid courier service; or (c) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below.

(a) To the Licensor:

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

Attention: Jim Robertson
Facsimile: (416) 739-3621
Email: Jim.robertson@prizm.com

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

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

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

- (iii) with a copy to the Monitor:

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

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

- (iv) with a copy to the Monitor's solicitors:

Osler, Hoskin & Harcourt LLP
1 First Canadian Place
PO Box 50, Stn. 1st Can. Pl.
Toronto, ON M5X 1B8

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

- (b) To the Licensee:

- (i) 417 Connell Street
Unit 7
Woodstock, NB
E7M 5G5

Attention: Dwight Fraser
Facsimile: (506) 328-9408
Email: dwightfraser@fmigroup.ca

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

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Attention: Geoffrey D. Brown
Facsimile: (416) 864-9223
Email: gbrown@mindengross.com

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery, if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day (as defined in the APA) and the communication is so delivered, faxed or sent prior to 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

15. **Counterparts**

This Agreement may be executed and delivered by the Licensor and Licensee in one or more counterparts, each of which will be an original and each of which may be delivered by facsimile or functionally equivalent electronic means, and those counterparts will together constitute one and the same instrument.

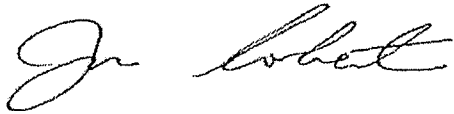
16. **Governing Law**

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein which apply to contracts made and to be performed entirely in Ontario.

[signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.


**PRISZM LP,
by its general partner, PRISZM INC., by
2289500 ONTARIO INC., solely in its
capacity as Chief Restructuring Officer,
and without personal or corporate liability**

By: 

Name:

Title:

**PRISZM INC.,
by 2289500 ONTARIO INC., solely in its
capacity as Chief Restructuring Officer,
and without personal or corporate liability**

By: 

Name:

Title:

FMI ATLANTIC INC.

By: _____

Name:

Title:

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

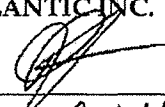
**PRISZM LP,
by its general partner, PRISZM INC., by
2289500 ONTARIO INC., solely in its
capacity as Chief Restructuring Officer,
and without personal or corporate liability**

By: _____
Name:
Title:

**PRISZM INC.,
by 2289500 ONTARIO INC., solely in its
capacity as Chief Restructuring Officer,
and without personal or corporate liability**

By: _____
Name:
Title:

FMI ATLANTIC INC.

By:  _____
Name: **Dwight Frazer**
Title: **PRESIDENT**

**SCHEDULE "I"
OUTLETS**

Nova Scotia

1023	643 Reeves Street	Port Hawkesbury
1945	5201 Duke St. (MALL)	Halifax
1016	96 Warwick St.	Digby
1026	3650 Hammonds Plains Rd.	Upper Tantallon
1003	18 Titus Street	Halifax
1029	109 King Street	North Sydney
1022	2897 #1 Highway	Coldbrook
1019	9024 Commercial Street (KFC/PH)	New Minas
1025	269 Highway 214, Unit 6	Elmsdale
1030	3260 Plummer Avenue	New Waterford
1048	131 South Albion Street	Amherst
1024	731 Central Ave.	Greenwood
1027	29 Keltic Drive, Cape Breton Shopping Plaza (KFC/TB)	Sydney
1031	325 Prince St. Prince St Plaza	Sydney
1052	674 East River Rd.	New Glasgow
1018	679 Sackville Dr. - #1 Highway (KFC/TB)	Lower Sackville
1015	536 Main St. (KFC/TB)	Yarmouth
1020	27 High Street	Bridgewater
1955	1955	MicMac Mall
1000	6310 Quinpool Road (KFC/TB)	Halifax
1001	75 Tacoma Drive	Dartmouth

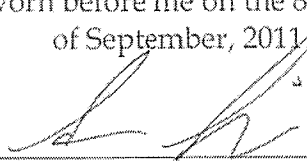
New Brunswick

1035	225 King Street	St.Stephen
1946	519 Westmorland Road, McAllister Place (MALL)	Saint John
1036	201 Bliss Street	Oromocto
1046	370 Connell St., Unit 7	Woodstock
1034	87 Lansdowne Ave.	Saint John
1041	145 Pleasant Street	Miramichi
1057	451 Paul St.- (KFC/TB)	Dieppe
1055	945 Mountain Road	Moncton
1033	621 Fairvale Blvd., Lancaster Mall	Saint John
1039	180 Madawaska Rd.- Unit 260	Grand Falls
1045	140 Main St. - unit 14	Sussex
1038	1165 Prospect Street	Fredricton
1037	283 Main Street	Nashwaaksis
1044	180 Blvd. Hebert	Edmunston
1032	545 Westmorland Place (KFC/TB)	Saint John
1056	Champlain Place 477 Paul St. (MALL)	Dieppe
1042	435 St. Peter Ave	Bathurst

**SCHEDULE "J"
CONTRACTS**

Nil.

This is Exhibit "D"
to the affidavit of Jim Robertson,
sworn before me on the 8th day
of September, 2011.



Commissioner for Taking Affidavits

Sean Edward Gibson, a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires April 12, 2013.

PRISZM LP
as the Vendor

and

PRISZM INC.
as the General Partner

and

FMI ATLANTIC INC.
as the Purchaser

and

FMI ONTARIO INC.
as the Guarantor

ASSET PURCHASE AGREEMENT

August 23, 2011

STIKEMAN ELLIOTT LLP

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SCHEDULE “B” PURCHASED ASSETS

SCHEDULE “C” EXCLUDED ASSETS

SCHEDULE “D” PURCHASE PRICE ALLOCATION PER OUTLET

SCHEDULE “E” VENDOR’S REPRESENTATIONS AND WARRANTIES

SCHEDULE “F” PURCHASER’S REPRESENTATIONS AND WARRANTIES

SCHEDULE “G” SALE APPROVAL ORDER

SCHEDULE “H” OUTLETS

SCHEDULE “I” FORM OF LEASE ASSIGNMENT AGREEMENT

ASSET PURCHASE AGREEMENT

Asset Purchase Agreement dated August 23, 2011 between **PRISZM LP** (the "Vendor"), **PRISZM INC.** (the "General Partner"), **FMI ATLANTIC INC.** (the "Purchaser"), and **FMI ONTARIO INC.** (the "Guarantor").

RECITALS

- (a) The Vendor is the legal and beneficial owner of the Purchased Assets.
- (b) The Vendor and the General Partner and a number of affiliates have voluntarily commenced proceedings under the CCAA pursuant to the Initial Order.
- (c) The directors of the General Partner have resigned and a Chief Restructuring Officer has been appointed by the Court.
- (d) FTI Consulting Canada Inc. has been appointed as Monitor by the Court.
- (e) The transaction contemplated in this Agreement is subject to the approval of the Court and will be consummated pursuant to the Sale Approval Order.
- (f) The Vendor and the Purchaser have entered into an asset purchase agreement dated July 29, 2011 (the "Primary APA") for the purchase and sale of certain other outlets;
- (g) The Vendor wishes to sell and the Purchaser wishes to purchase the Purchased Assets upon the terms and conditions contained in this Agreement.

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

Section 1 Defined Terms.

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

Section 2 Purchase and Sale.

- (1) Subject to the terms and conditions of this Agreement and Canadian Insolvency Laws, including the Sale Approval Order, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor the Purchased Assets on the Closing Date.

- (2) All other assets relating to the Purchased Outlets, other than the Purchased Assets described in Schedule "B", are hereby specifically excluded from the Purchased Assets, and for greater certainty, the Purchased Assets will not include any of the assets (in each case, as of the Closing Date) described in Schedule "C" hereto (collectively, the "Excluded Assets").

Section 3 Contracts.

Nothing in this Agreement shall be construed as an attempt to assign to the Purchaser any contract or other agreement which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the other party or parties to such contract or other agreement, unless such consent has been given or the assignment has been ordered by the Court.

Section 4 As is, Where is.

The Purchaser acknowledges that the Purchased Assets are being purchased on an "as is, where is" basis and that it has inspected the Purchased Assets and is relying entirely upon its own investigations and inspections heretofore and hereafter conducted in proceeding with the transaction contemplated hereunder. Without limiting the foregoing, the Purchaser acknowledges that there are no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, with respect to the Purchased Assets or in respect of any other matter or thing whatsoever except as otherwise expressly stated herein. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor, its affiliates or the Monitor, or any such entity's directors, officers, employees, professional consultants or advisors with respect to the Purchased Assets or otherwise relating to the transaction contemplated in this Agreement has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. For greater certainty, the Vendor is not obligated to continue operations at the Outlets and may terminate operations at any Outlet if circumstances develop which make the continued operations of such Outlet commercially unreasonable, provided that the Vendor shall use reasonable commercial efforts to maintain continued operations at the Outlets and shall provide the Purchaser with seven (7) Business Days written notice, to the extent possible, prior to the termination of operations at any Outlet.

Section 5 Liabilities, Costs and Expenses.

- (1) The Purchaser covenants with the Vendor that it shall, as and from the Closing Date, assume, discharge, perform and fulfill all the obligations and liabilities on the part of the Vendor with respect to the Purchased Assets arising on or after the Closing Date and not related to any default existing prior to or as a consequence of the closing of the transaction contemplated by

this Agreement (the “**Assumed Liabilities**”). The Purchaser shall not assume and shall have no obligation to discharge any liability or obligation under any contract or other agreement which is not assignable in whole or in part without the consent of the other party or parties to such contract or other agreement, unless such consent has been given or such assignment has been ordered by the Court. For clarification, the Vendor shall be solely responsible for all obligations and liabilities with respect to the Purchased Assets arising before the Closing Date.

- (2) From and after the Closing, all costs and expenses related to the Purchased Assets shall be borne by the Purchaser at its sole cost and expense.
- (3) All fees payable in respect of an assignment or transfer of the Outlet Software Licenses (not including any arrears and payments for such Outlet Software Licenses for the period prior to the Closing Date) and, from and after Closing, all costs and expenses related to the Outlet Software Licenses shall be borne by the Purchaser at its sole cost and expense, including, without limitation, escrow and recording or registration fees, transfer fees, ongoing license fees, and any other costs associated with the Outlet Software Licenses or the transfer thereof (including costs in connection with using the Outlet Software Licenses independently of the Vendor or costs to be paid in connection with the transfer of the Outlet Software Licenses to the Purchaser). The Purchaser hereby covenants to comply with all provisions or obligations and perform all such actions as are necessary or desirable in order to transfer the Outlet Software Licenses, provided that the Purchaser shall not be responsible for all fees relating to the Outlet Software Licenses for the period up to the Closing Date.

Section 6 Purchase Price and Deposit.

- (1) The purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor for the Purchased Assets is: (a) CDN\$25,000.00 per Outlet for (i) each Outlet (other than Outlet #1043) for which an amendment to the Lease or a replacement lease is obtained pursuant to Section 13(1)(b) and, (ii) Outlet #1043 if the Lease relating to Outlet #1043 is assigned pursuant to Section 13(1)(c) (the “**Purchased Outlets**”), plus (b) the amount equal to the UPGC Price, plus (c) the amount equal to the Closing Date Current Assets Amount, subject to Section 8. For greater certainty, the Purchaser will not be obligated to purchase any Outlet (other than Outlet #1043) for which an amendment to the Lease or a replacement lease is not obtained pursuant to Section 13(1)(b) or Outlet #1043 if an assignment for the Lease relating to Outlet #1043 is not obtained pursuant to Section 13(1)(c). The Purchase Price shall be paid by the Purchaser to the Vendor on the Closing Date by wire transfer (or such other method as mutually agreed to by the Vendor and Purchaser) of immediately available funds payable to or to the order of the

Vendor, as it may otherwise direct in writing, or as the Court may order. In addition, the Purchaser shall be responsible to pay directly to the Franchisor any fees charged by the Franchisor to either the Vendor or the Purchaser for the Purchaser entering into a new franchise agreement with the Franchisor or the assignment of the Franchise Agreement to the Purchaser, excluding any arrears relating to the Purchased Outlets owed by the Vendor under the Franchise Agreement for the period up to the Closing Date where such payment or discharge is a condition to the assignment of the Franchise Agreement or the Purchaser entering into a new franchise agreement.

- (2) The Deposit will be applied on Closing in satisfaction of an equivalent amount of the Purchase Price. If the Closing does not occur for any reason other than a breach by the Purchaser of its representations, warranties or covenants under this Agreement, the full amount of the Deposit together with all accrued interest received by the Vendor, if any, shall be immediately returned to the Purchaser. If the Closing does not occur because the Purchaser breached any of its representations, warranties or covenants under this Agreement, the full amount of the Deposit shall become the property of, and may be retained by, the Vendor as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities foregone as a result of the failure of the transaction to close. In such event, the Vendor may exercise any other rights or remedies that it may have against the Purchaser in respect of any default by the Purchaser.
- (3) Upon Closing the Vendor shall sign such stock transfers as may be required to transfer the shares in the capital of UPGC, Inc. owned by the Vendor and directly related to the Purchased Outlets to the Purchaser, and the Vendor shall use its commercially reasonable efforts to assist the Purchaser in having such transfer recorded on UPGC Inc.'s share register.
- (4) Any adjustment required to be made to the Purchase Price in accordance with Section 8 shall be satisfied by the payment of the appropriate amount by the party owing such payment to the other party in the manner and at the time contemplated.
- (5) The Vendor and the Purchaser agree to allocate the Purchase Price in accordance with the provisions of Schedule "D" attached hereto.
- (6) Subject to Section 21 the Purchaser shall be liable for and shall pay all applicable federal and provincial sales taxes, property transfer taxes, transfer fees, and all other transfer taxes, duties, registration charges or other like charges payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

Section 7 Preparation of Financial Statements.

- (1) After the Closing, the Vendor will prepare, at the Vendor's expense, a draft statement of the Current Assets for the Purchased Outlets (the "**Current Assets Statement**") as at Closing, which shall be delivered to the Purchaser no later than thirty (30) days following the Closing Date. The Purchaser will:
 - (a) provide access to the Vendor upon every reasonable request to its accounts and books and records relating to the Purchased Assets; and
 - (b) cooperate with the Vendor for purposes of preparing the Current Assets Statement. The thirty (30) day period for the Vendor to prepare and deliver the Current Assets Statement will be extended for a reasonable period of time in the event that the preparation or delivery of the draft Current Assets Statement is delayed as a result of circumstances beyond the reasonable control of the Vendor.

- (2) If the Purchaser does not give a notice of objection in accordance with this Section 7, the Purchaser shall be deemed to have accepted the draft Current Assets Statement prepared by the Vendor which shall be final and binding on the parties and such draft Current Assets Statement shall constitute the Current Assets Statement for purposes of this Agreement.

- (3) If the Purchaser objects to any matter in or missing from the draft Current Assets Statement prepared pursuant to Section 7(1), then the Purchaser shall give notice to the Vendor and to the Monitor no later than fifteen (15) days after delivery of the draft Current Assets Statement. Any notice given by the Purchaser shall set forth in detail the particulars of such objection. The parties shall then use reasonable efforts to resolve such objection for a period of thirty (30) days following the giving of such notice. If the matter is not resolved by the end of such thirty (30) day period, then the dispute with respect to such objection shall be submitted by the parties to a chartered accountant associated with an accounting firm of recognized national standing in Canada, which is independent of the parties, and, failing such agreement between the Purchaser and the Vendor within a further period of five (5) Business Days, such independent firm of chartered accountants as shall be nominated by the Monitor (the "**Independent Accountant**"). The Independent Accountant shall, as promptly as practicable (but in any event, within forty-five (45) days following its appointment), make a determination of the Current Assets Statement, based solely on written submissions of the parties given by them to the Independent Accountant. The submissions of each party shall be disclosed to the other party and each other party shall be afforded a reasonable opportunity to respond thereto. The Current Assets Statement as determined by the Independent Accountant shall be final and binding upon the parties and shall constitute the Current Assets Statement for purposes of this Agreement.

- (4) The Purchaser and the Vendor will each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the draft Current Assets Statement. In the case of a dispute and the retention of the Independent Accountant to determine such dispute, the costs and expenses of such firm of chartered accountants shall be borne equally by the Purchaser and the Vendor. However, the Purchaser and the Vendor will each bear their own costs in presenting their respective cases to such firm of chartered accountants.
- (5) The parties agree that the procedure set forth in this Section 7 for resolving disputes with respect to the draft Current Assets Statement is the sole and exclusive method of resolving such disputes.

Section 8 Current Assets Purchase Price Adjustment.

- (1) The Purchase Price will be increased or decreased, as the case may be, dollar-for-dollar, to the extent that the Current Assets as determined from the final Current Assets Statement, with Inventory valued at 90% of the book value as shown on the Vendor's books and records, is more or less than CDN\$56,581 (the "Closing Date Current Assets Amount").
- (2) If the Current Assets, as determined from the Current Assets Statement, is more than the Closing Date Current Assets Amount, the Purchaser will pay to the Vendor the amount of such difference as an increase to the Purchase Price. If the Current Assets as determined from the Current Assets Statement is less than the Closing Date Current Assets Amount, the Vendor will pay to the Purchaser the amount of such difference as a decrease to the Purchase Price. Any amounts to be paid under this Section 8 (the "Current Assets Purchase Price Adjustment") will be paid by bank draft or wire transfer of immediately available funds within two (2) Business Days after the draft Current Assets Statement becomes the Current Assets Statement for purposes of this Agreement in accordance with Section 7(2) or Section 7(3).

Section 9 Vendor's Representations and Warranties.

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

Section 10 Purchaser's Representations and Warranties.

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

Section 11 Purchaser Covenants.

- (1) The Purchaser agrees to take commercially reasonable actions, on or before the Condition Date, to (a) enter into a new franchise arrangement with the Franchisor in respect of the Purchased Outlets, or (b) negotiate the form of the assignment of the Franchise Agreement with the Franchisor, on terms as may be agreed upon between the Purchaser and the Franchisor, to become effective on the Closing Date.
- (2) The Purchaser agrees to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in Section 13.

Section 12 Vendor Covenants.

- (1) Subject to Canadian Insolvency Laws, during the Interim Period, the Vendor will conduct the business carried on with the Purchased Assets only in the Ordinary Course, except as expressly contemplated by this Agreement and applicable Canadian Laws.
- (2) The Vendor agrees, subject to Canadian Insolvency Laws, to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in Section 13.

Section 13 Conditions of Closing.

- (1) **Conditions for the Benefit of the Purchaser.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (a) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:
 - (a) on or before the Condition Date, the Purchaser shall have (i) entered into a new franchise arrangement with the Franchisor in respect of the Purchased Outlets, or (ii) negotiated the form of the assignment of the Franchise Agreement with the Franchisor, on terms as may be agreed upon between the Purchaser and the Franchisor, to become effective on the Closing Date, on terms and conditions satisfactory to the Purchaser in its sole discretion;
 - (b) on or before the Condition Date, the Purchaser shall have used commercially reasonable efforts to enter into an amendment to the

Lease or a replacement lease in form and substance satisfactory to the Purchaser, for each of the Outlets (other than Outlet #1043), such amendment or replacement lease to be effective as of the Closing Date;

- (c) the Vendor shall have issued a notice to assign pursuant to the terms of the Lease in respect of Outlet #1043 to the landlord and the Vendor and the Purchaser shall have entered into an assignment agreement, materially in the form attached hereto as Schedule "I" which the Parties acknowledge is satisfactory for the assignment of the Lease in respect of Outlet #1043 to be effective on Closing;
 - (d) the representations and warranties of the Vendor in Schedule "E" shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date. However, (i) if a representation and warranty is qualified by materiality or material adverse effect, it must be true and correct in all respects after giving effect to such qualification and (ii) if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date; and
 - (e) the Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at Closing all the documents contemplated or required to be so executed and delivered in this Agreement.
- (2) **Conditions for the Benefit of the Vendor.** The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (b) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:
- (a) the representations and warranties of the Purchaser in Schedule "F" shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date. However, (i) if a representation and warranty is qualified by materiality or material adverse effect, it must be true and correct in all respects after giving effect to such qualification and (ii) if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;

- (b) either (i) the Vendor shall have received by the Condition Date (A) confirmation from the Purchaser that an assignment of the Franchise Agreement is not required for the transaction contemplated by this Agreement, or (B) a copy of the consent of the Franchisor to the assignment of the Franchise Agreement in form and substance satisfactory to the Vendor, or (ii) the Court shall have issued an order assigning the rights and obligations of the Franchise Agreement to the Purchaser by the Closing Date; and
 - (c) the Vendor and the Purchaser shall have entered into an assignment agreement, materially in the form attached hereto as Schedule "I" which the Parties acknowledge is satisfactory for the assignment of the Lease in respect of Outlet #1043 to be effective on Closing;
 - (d) the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing and shall have executed and delivered or caused to have been executed and delivered to the Vendor at Closing all the documents contemplated or required to be so executed and delivered in this Agreement.
- (3) The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed, on or before the Closing Date (other than item (a) which shall be fulfilled or performed on or before the Condition Date), which conditions are for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement:
- (a) the Parties shall have received evidence, satisfactory to the Vendor and the Purchaser, acting reasonably, of the consent of Prudential to the transaction contemplated hereby; and
 - (b) the Sale Approval Order, materially in the form attached hereto as Schedule "G" which the Parties acknowledge is satisfactory, shall have been issued and entered by the Court and shall not be subject to a stay.

Section 14 Closing.

- (1) Subject to satisfaction or waiver by the relevant party or parties, as applicable, of the conditions of closing contained in Section 13, at Closing, the Purchaser will pay or satisfy the Purchase Price in accordance with Section 6. The transfer of the Purchased Assets, will take effect, pursuant to the Sale Approval Order, upon delivery of the Monitor's Certificate.

- (2) The completion of the transaction of purchase and sale contemplated by this Agreement (“Closing”) shall take place at 9:00 a.m. (Toronto time) at the offices of Stikeman Elliott LLP, Suite 5300, Commerce Court West, Toronto, Ontario on the first Monday which is not less than three (3) Business Days following the issuance of the Sale Approval Order, effective as of 12:01 a.m. on the Sunday immediately preceding the Closing Date, or at such other place, on such other date and such other time as may be agreed upon in writing by the parties (the “Closing Date”). For greater certainty, the Purchaser and the Vendor agree to delay the Closing Date to allow the transactions contemplated in this Agreement to close concurrently or subsequently to the closing of the transactions contemplated in the Primary APA.

Section 15 Interim Period Access.

During the Interim Period the Vendor will (a) permit the Purchaser and its employees, counsel, agents, accountants or other representatives to have reasonable access during normal business hours and upon reasonable notice to (i) the Purchased Assets and, in particular to any information, including all Books and Records whether retained by the Vendor or otherwise, (ii) all Leases, and (iii) the senior personnel of the Vendor, and (b) furnish to the Purchaser or its employees, counsel, agents, accountants or other representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser may from time to time request.

Section 16 Employees.

- (1) Subject to Section 16(2), not less than ten (10) business days prior to the anticipated Closing Date, the Purchaser shall offer, or cause any of its affiliates to offer, employment effective as of the Closing Date to the Designated Employees on terms substantially similar in the aggregate to those existing as of the Closing Date. In such offer, and subject to Section 16(3), the Purchaser will recognize, to the extent previously recognized by the Vendor, the prior service of the Designated Employees for all purposes. The Purchaser shall have no liability or obligation in respect of any Designated Employees who reject the Purchaser’s offer of employment.
- (2) The Vendor may, in its sole discretion, remove particular employees from the definition of Designated Employees.
- (3) The Purchaser shall not assume any of the Employee Plans or liability for accrued benefits or any other liability under or in respect of any of the Employee Plans. The Transferred Employees will, as of the Closing Date in respect of their employment by the Vendor, cease to accrue further benefits under the Employee Plans. The Purchaser agrees that it will permit the

Transferred Employees to participate in benefit plans sponsored by the Purchaser (such plans to be called the "Replacement Plans") which shall be no less favourable for each Transferred Employee than the Employee Plan applicable to each Transferred Employee prior to the Closing Date. The Purchaser shall cause each Replacement Plan to recognize the prior service of the Transferred Employee rendered to the Vendor for purposes of eligibility to participate, vesting and entitlement to benefits under such Replacement Plans but not for the purpose of benefit accrual. The Purchaser shall waive all limitations as to pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Transferred Employees under any Replacement Plans except and only to the extent that any Transferred Employees were subject to such pre-existing conditions, exclusions and waiting periods under the Employee Plans, and will provide each Transferred Employee with credit for any co-payments and deductibles paid prior to the Closing Date (in the calendar year of such start date) in satisfying any applicable deductible or out of pocket requirements under any Replacement Plans.

- (4) The Purchaser shall be responsible for:
- (a) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to the employment of all Transferred Employees on and after the Closing Date and all liabilities under or in respect of the Replacement Plans;
 - (b) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee;
 - (c) all liabilities for claims for injury, disability, death or workers' compensation arising from or related to employment of the Transferred Employees in the Purchased Assets on and after the Closing Date; and
 - (d) all employment-related claims, penalties and assessments in respect of the Purchased Assets arising out of matters which occur on or subsequent to the Closing Date.
- (5) The Vendor shall retain liability for:
- (a) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to the employment of all Transferred Employees for the period prior to the Closing Date and all liabilities under or in respect of the Employee Plans;

- (b) all liabilities for claims for injury, disability, death or worker's compensation arising from or related to employment of the Transferred Employees in the Purchased Assets for the period prior to the Closing Date; and
- (c) all employment-related claims, penalties and assessments in respect of the Purchased Assets arising out of matters which occurred before the Closing Date.

Section 17 Filings and Authorizations.

- (1) Each of the Vendor and the Purchaser, as promptly as practicable after the execution of this Agreement, will make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the purchase and sale of the Purchased Assets in accordance with the terms of this Agreement (other than the motion seeking approval of the transaction contemplated by this Agreement and the issuance of the Sale Approval Order). The Vendor and the Purchaser shall coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied to or filed with any Governmental Entity (except for notices and information which the Vendor or the Purchaser, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.
- (2) The Parties waive compliance with the Bulk Sales Act (Ontario) and any other similar bulk sales laws.

Section 18 Court Matters.

- (1) The Vendor shall consult and co-ordinate with the Purchaser and their respective legal advisors regarding the parties upon whom the motion seeking the Sale Approval Order will be served.
- (2) The Purchaser shall provide such information and take such actions as may be reasonably requested by the Vendor to assist the Vendor in obtaining the Sale Approval Order and any other order of the Court reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 19 Vendor Disclosures.

The Vendor shall be entitled to disclose this Agreement and all information provided by the Purchaser in connection herewith to the Court, the Monitor and parties in interest to the CCAA proceedings. Other than statements made in the

Court (or in pleadings filed therein), the Vendor and the Purchaser shall not issue (prior to, or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or transactions contemplated thereby without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, provided, however, that a Party may, without the prior consent of the other Party, issue such press release or make such public statement as may, upon the advice of counsel, be required by applicable Law or by any Governmental Entity with competent jurisdiction.

Section 20 Monitor.

The parties hereby acknowledge and agree that the Monitor shall be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Vendor and the Purchaser that all conditions of Closing have been satisfied or waived, and the Monitor shall have no liability to the Vendor or the Purchaser or any other person as a result of filing the Monitor's Certificate.

Section 21 Tax Matters.

- (1) The parties covenant to use their commercially reasonable efforts to minimize the taxes payable by each of the parties to this Agreement in connection with the completion of the transaction contemplated hereby, including the filing of such elections as would be necessary in order to do so, provided however that such structuring or elections do not adversely affect any party.
- (2) The parties will on or before Closing jointly execute an election, in the prescribed form and containing the prescribed information, to have subsection 167(1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Purchased Assets in Canada so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser will file such elections with the appropriate Governmental Entities within the time prescribed by the *Excise Tax Act* (Canada). Notwithstanding such election, in the event it is determined by Canada Revenue Agency that there is a liability of the Purchaser to pay, or of the Vendor to collect and remit, goods and services tax and/or harmonized sales tax on all or part of the Purchased Assets in Canada, such taxes shall be forthwith paid by the Purchaser to Canada Revenue Agency, or to the Vendor for remittance to the appropriate Governmental Entity, as the case may be.

Section 22 Survival of Covenants, Representations and Warranties.

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

Section 23 Performance Guarantee.

- (1) The Guarantor irrevocably and unconditionally guarantees the timely and complete performance of, and compliance with, all of the terms, covenants, conditions and provisions that are to be performed and complied with by the Purchaser under this Agreement, including without limitation the indemnities, and guarantees the truth of all representations and warranties provided by the Purchaser under this Agreement.
- (2) If for any reason the Purchaser fails at any time to perform or comply with any term, covenant, condition or provision that is to be performed or complied with by the Purchaser under this Agreement, then the Guarantor shall perform or comply with such term, covenant, condition or provision in accordance with and subject to the provisions of this Agreement. Such performance or compliance by the Guarantor is deemed to be performance or compliance by the Purchaser under this Agreement.
- (3) The Guarantor is jointly and severally liable with the Purchaser for the performance of, and compliance with, the terms, covenants, conditions and provisions to be performed and complied with by the Purchaser under this Agreement, including without limitation the indemnities. The Vendor is not bound to proceed against the Purchaser or to pursue any rights or remedies against the Purchaser before being entitled to pursue its rights against the Guarantor.
- (4) The liability of the Guarantor is absolute and unconditional irrespective of: (i) any lack of validity or enforceability of any term, covenant, condition or provision of this Agreement against the Purchaser; (ii) any change in the time or times for, or place or manner of performance or any other indulgences which the Vendor may grant to the Purchaser; (iii) any amendment, restatement, replacement, supplement, modification or renewal of this Agreement; (iv) any assignment of all or any part of this Agreement; (v) any limitation of status or power, disability, incapacity or other circumstance relating to the Purchaser, including any bankruptcy, insolvency, winding-up, dissolution, liquidation, restructuring or other creditors' proceedings involving or affecting the Purchaser; or (vi) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Purchaser or any reorganization, amalgamation or other change in the existence of the Purchaser.
- (5) As a separate and distinct obligation, the Guarantor will indemnify and save harmless the Vendor from and against and will pay for all losses, liabilities, damages and expenses as a result of, in respect of, connected with, or arising out of, under, or pursuant to (i) any failure of the Purchaser to perform or comply with any of the terms, covenants, conditions or provisions that are to

be performed or complied with by the Purchaser under this Agreement, including without limitation the indemnities; (ii) any breach or inaccuracy of any representation or warranty given by the Purchaser contained in this Agreement; and (iii) any failure of the Guarantor to pay or perform any liability or obligation under this Section 23.

- (6) The liabilities and obligations of the Guarantor under this Section 23 are subject to the terms of this Agreement and will not exceed any liability or obligation of the Purchaser to the Vendor under this Agreement. The Guarantor is entitled to all rights, privileges and defences available to the Purchaser with respect to any obligation or liability, including without limitation all provisions of this Agreement relating to limitation of liability and the resolution of disputes.
- (7) The Guarantor will pay and perform its liabilities and obligations under this Section 23 immediately after demand for such payment and performance is made in writing to it.

Section 24 Termination.

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

- (a) by mutual consent of the Vendor and the Purchaser;
- (b) by the Purchaser if any of the conditions precedent in Section 13(1) have not been satisfied on or before the time specified for the satisfaction of such condition and the Purchaser has not waived such condition;
- (c) by the Vendor if any of the conditions in Section 13(2) have not been satisfied on or before the time specified for the satisfaction of such condition and the Vendor has not waived such condition; or
- (d) by either party if:
 - (i) any of the conditions precedent in Section 13(3) have not been satisfied on or before the time specified for the satisfaction of such condition and the Parties have not waived such condition;
 - (ii) if the Closing has not occurred on or prior to September 30, 2011, or on or before such later date as the parties agree to in writing;
 - (iii) the Primary APA is terminated in accordance to the terms and conditions of contained therein; or

- (iv) none of the Outlets are included in the definition of Purchased Outlets as of the Closing Date,

provided that a Party may not terminate this Agreement pursuant to this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

Section 25 Time of the Essence.

Time shall be of the essence of this Agreement.

Section 26 Enurement.

This Agreement shall become effective when executed by the Vendor and the Purchaser and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party. Notwithstanding the foregoing, on or before the Condition Date, the Purchaser shall be entitled to assign all of its rights and obligations under this Agreement to an affiliate (as defined in the *Canada Business Corporations Act*) of the Purchaser, provided that the Purchaser shall not be released from its obligations under this Agreement upon such an assignment.

Section 27 Entire Agreement.

This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 28 Waiver.

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

preclude any other or further exercise of such right or the exercise of any other right.

Section 29 Further Assurances.

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

Section 30 Severability.

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

Section 31 Governing Law.

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

Section 32 Counterparts.

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

Section 33 French Language.

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

Section 34 Statute References.

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

Section 35 Headings.

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

Section 36 References.

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

Section 37 Number and Gender.

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

Section 38 Use of the word "including" and "or" etc.

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

Section 39 Business Days.

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

Section 40 Currency and Payment Obligations.

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

Section 41 Accounting Principles.

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

Section 42 Notice.

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

- (a) To the Vendor:
 - (i) Prizm LP
101 Exchange Avenue
Vaughan, Ontario

L4K 5R6

Canada

Attention: Jim Robertson
Facsimile: (416) 650-6393
Email: Jim.robertson@priszm.com

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

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

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

(b) To Priszm Inc.:

(i) Priszm Inc.
101 Exchange Avenue
Vaughan, Ontario

L4K 5R6

Canada

Attention: Jim Robertson
Facsimile: (416) 739-3621
Email: Jim.robertson@priszm.com

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

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

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

(c) To the Purchaser:

(i) 417 Connell Street
Unit 7
Woodstock, NB
E7M 5G5

Attention: Dwight Fraser
Facsimile: (506) 328-9408
Email: dwightfraser@fmigroup.ca

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

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Attention: Geoffrey D. Brown
Facsimile: (416) 864-9223
Email: gbrown@mindengross.com

(d) To the Guarantor:

(i) 417 Connell Street
Unit 7
Woodstock, NB
E7M 5G5

Attention: Dwight Fraser
Facsimile: (506) 328-9408
Email: dwightfraser@fmigroup.ca

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

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, ON M5H 4G2

Attention: Geoffrey D. Brown
Facsimile: (416) 864-9223
Email: gbrown@mindengross.com

- (e) To the Monitor:
- (i) FTI Consulting Canada Inc.
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P. O. Box 104
 Toronto, ON M5K 1G8
- Attention: Nigel Meakin
 Facsimile: 416-649-8101
 Email: nigel.meakin@fticonsulting.com
- (ii) with a copy to the Monitor's solicitors:
- Osler, Hoskin & Harcourt LLP
 1 First Canadian Place
 PO Box 50, Stn. 1st Can. Pl.
 Toronto, ON M5X 1B8
- Attention: Marc Wasserman
 Facsimile: (416) 862-6666
 Email: mwasserman@osler.com

A Notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this section. Any party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a party.

Section 43 Risk of Loss

The Purchased Assets shall be and remain until Closing at the risk of the Vendor. In the event of material damage by fire or other hazard to the Purchased Assets or any part thereof occurring before the Closing Date, the Purchaser shall

have the option of: (a) taking the proceeds of any insurance available or actually paid to the Vendor, to a maximum of the Purchase Price allocated in Schedule "D" for those Purchased Outlets, and applying same on account of the Purchase Price and completing the transaction otherwise in accordance with the terms hereof; or (b) removing the affected Outlet(s) from the definition of Purchased Outlets, in which case the Purchase Price shall be reduced by the portion of the Purchase Price allocated in Schedule "D" to such Purchased Outlet(s). In addition, in the event that the cost of the material damage, as contemplated above, exceeds fifty (50) percent of the aggregate Purchase Price for the Purchased Outlets, the Purchaser shall have the additional option of terminating the transaction, in which case the Deposit, together with any interest accrued thereon, shall be returned to the Purchaser without deduction.

[Remainder of Page Intentionally Left Blank]

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

PRISZM LP, by its general partner, PRISZM INC., by 2289500 ONTARIO INC., solely in its capacity as Chief Restructuring Officer, and without personal or corporate liability

By: [Signature]
Name:
Title:

PRISZM INC., by 2289500 ONTARIO INC., solely in its capacity as Chief Restructuring Officer, and without personal or corporate liability

By: [Signature]
Name:
Title:

FMI ATLANTIC INC.

By: [Signature]
Name: Robert Jensen
Title: President

FMI ONTARIO INC.

By: [Signature]
Name: Robert Jensen
Title: President

SCHEDULE "A"
DEFINED TERMS

"Assumed Liabilities" has the meaning specified in Section 5.

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

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

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

"BIA" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

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

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

"Canadian GAAP" means generally accepted accounting principles in Canada, as in effect from time to time, consistently applied. Where more than one alternative treatment is permitted by GAAP as of any date, GAAP shall be deemed to refer, as of such date, to the treatment actually utilized by Vendor on a consistent basis prior to the Closing.

"Canadian Insolvency Laws" means the CCAA and the BIA and any order, decree, judgment, rule or regulation made thereunder or in accordance therewith.

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

"Closing" has the meaning specified in Section 14.

"Closing Date" has the meaning specified in Section 14.

"Closing Date Current Assets Amount" has the meaning specified in Section 8.

"Condition Date" means September 2nd, 2011 at 12:00 noon (Toronto time).

"Court" means the Ontario Superior Court of Justice (Commercial List).

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

"Current Assets Purchase Price Adjustment" has the meaning specified in Section 8.

"Current Assets Statement" has the meaning specified in Section 8.

"Deposit" means the deposit, being an amount of CDN\$25,000, paid by the Purchaser to the Monitor at the time of executing this Agreement.

"Designated Employees" means all the non-unionized employees currently employed at the Purchased Outlets, including the local store managers employed by the General Partner with respect to the Purchased Outlets.

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

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

"Franchise Agreement" means the separate and individual franchise agreements for each of the Purchased Outlets in the form of the International Franchise Agreement attached to the Master Franchise Agreement.

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

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

"Initial Order" means the Initial Order issued by the Court on March 31, 2011, as it may be amended and/or restated from time to time.

"Intellectual Property" means all right, title and interest of the Vendor in and to the "Priszm" name, mark, logo and domain name and the right, title and interest of the Vendor in all intellectual property related to the operation of the Vendor's call centre or online ordering system.

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

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

"Laws" means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards, and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

"Leases" means the leases relating to the Outlets.

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

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

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

"Monitor's Certificate" means the certificate filed with the Court by the Monitor certifying receipt of confirmation from the Purchaser and the Vendor that all conditions of Closing in Section 13 of this Agreement have been satisfied or waived.

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

"Outlets" means the outlets of the Vendor listed in Schedule "H"

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

"Permitted Liens" " means (i) Liens for taxes not yet due and delinquent, and (ii) easements, encroachments, restrictions and other imperfections and matters of title which do not, individually or in the aggregate, materially impair the use of any real property.

"Prepaid Expenses" means all prepaid expenses including prepaid taxes and rent, relating exclusively or primarily to the Purchased Assets, and prepaid local store marketing.

"Purchase Price" has the meaning specified in Section 6(1).

"Purchased Assets" means all properties, assets, interests and rights of the Vendor which are related to the operation of the Purchased Outlets and are necessary to conduct the business as now conducted at the Purchased Outlets, which for greater certainty include the assets in Schedule "B" and do not include Excluded Assets.

"Purchased Outlets" has the meaning specified in Section 6(1).

"Renewal Fees" means the amount paid by the Vendor to the Franchisor in respect of renewal fees for each Outlet.

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

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

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

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

"UPGC Price" means the product of (a) CDN\$500 and (b) the number of Purchased Outlets.

SCHEDULE "B"
PURCHASED ASSETS

To the extent applicable to each Purchased Outlet:

1. Subject to Section 13(1)(a) of the Agreement, the Franchise Agreement for each Purchased Outlet;
2. All signs, machinery, equipment, tools, handling equipment, computer equipment, information systems, furniture, furnishings and all other accessories and supplies of all kinds owned by the Vendor and used in connection with the Purchased Outlets;
3. All inventories of the Purchased Assets (the "Inventories"), including all food, food ingredients, packaging materials, paper products and miscellaneous consumable and non-consumable inventories of the Purchased Assets;
4. All accounts receivable, notes receivable and other debts due or accruing due to the Vendor in connection with the Purchased Assets (the "Accounts Receivable") and the full benefit of all security for the Accounts Receivable;
5. All Prepaid Expenses;
6. All Authorizations, owned, held or used by the Vendor in connection with the Purchased Assets to the extent that they are transferable;
7. The Restaurant Cash Float;
8. The shares in the capital of UPGC, Inc. owned by the Vendor and directly related to the Purchased Outlets;
9. The Vendor's right, title and interest in and to the Outlet Software Licenses;
10. Any and all right, title and interest of the Vendor in and to the Trade Fixtures;
and
11. All of the Vendor's right, title and interest in and to the phone numbers exclusive to the Purchased Outlets.

SCHEDULE "C"
EXCLUDED ASSETS

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

SCHEDULE "D"
PURCHASE PRICE ALLOCATION PER OUTLET

Each Purchased Outlet is allocated \$25,000 of the Purchase Price with \$23,000 per Purchased Outlet allocated to equipment.

SCHEDULE "E"
VENDOR'S REPRESENTATIONS AND WARRANTIES

1. Subject to the Sale Approval Order and authorization as is required by the Court, the execution, delivery and performance by the Vendor of this Agreement:
 - (a) has been duly authorized by all necessary corporate action on the part of the Vendor;
 - (b) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws; and
 - (c) will not result in the violation of any Law.
2. This Agreement has been duly executed and delivered by the Vendor and, subject to the Sale Approval Order and authorization as is required by the Court, constitutes a legal, valid and binding obligations of the Vendor, enforceable against it in accordance with its terms subject only to any limitation under applicable Laws relating to (a) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights, and (b) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
3. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
4. The Vendor is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada).
5. There are no Unionized Employees employed at any of the Outlets as of the date of this Agreement.
6. The Vendor represents and warrants that there are no Renewal Fees outstanding relating to the Outlets.

SCHEDULE "F"
PURCHASER'S REPRESENTATIONS AND WARRANTIES

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

SCHEDULE "G"
SALE APPROVAL ORDER

(attached)

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	DAY, THE
)	
JUSTICE MORAWETZ)	DAY OF AUGUST, 2011

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

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

(the "Applicants")

**APPROVAL AND VESTING ORDER
(Re Sale to FMI Atlantic Inc. #2)**

THIS MOTION, made by Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Prizm LP and Kit Finance Inc. (collectively, the "Prizm Entities") for an order approving the sale transaction (the "FMI Transaction") contemplated by the Asset Purchase Agreement (the "FMI Agreement") between Prizm LP (the "Vendor"), Prizm Inc. and FMI Atlantic Inc. (the "Purchaser"), and FMI Ontario Inc. (the "Guarantor") dated ●, 2011, appended to the Affidavit of Jim Robertson sworn ●, 2011 (the "● Affidavit") as Exhibit "●", approving certain related agreements, and vesting in the Purchaser the Vendor's right, title and interest in and to the Purchased

Assets (as defined in the FMI Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ● Affidavit, the ● Report (the “● Report”) of FTI Consulting Canada Inc., in its capacity as the Court-appointed Monitor of the Prizm Entities (the “Monitor”), and on hearing the submissions of counsel for the Prizm Entities; the Monitor; the Purchaser; Yum! Restaurants International (Canada) Company (the “Franchisor”); Prudential Investment Management, Inc.; [Scott's Real Estate Investment Trust, SR Operating Trust, Scott's Real Estate Limited Partnership, Scott's Trustee Corp. and Scott's GP Trust; The Cadillac Fairview Corporation Limited; 20 VIC Management Inc., Ivanhoe Cambridge Inc., Morguard Investments Limited, Retrocom Mid-Market REIT, Primaris Retail Real Estate Investment Trust and Oxford Properties Group Inc.; 2289500 Ontario Inc. and Jim Robertson; Olymel; Sysco Canada and Metro-Richelieu Inc.], no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service, filed:

1. **THIS COURT ORDERS** that any defined term used but not defined herein shall have the meaning ascribed to such term in the FMI Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the FMI Transaction and the FMI Agreement are hereby approved. The Prizm Entities and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the FMI Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets shall vest, without further instrument of transfer or assignment, absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by the Amended and Restated Initial Order of the Honourable Madam Justice Mesbur dated April 29, 2011 (the "**Initial Order**"), or any subsequent charges that may be granted by the Court; (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Nova Scotia) and the *Personal Property Security Act* (New Brunswick) or any other personal property registry system; and, for greater certainty, this Court orders that all of the encumbrances or charges affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets; provided however that nothing herein shall affect the rights and remedies of the applicable landlord against the Purchaser that may exist or arise under or in respect of any real property lease that is assigned to the Purchaser in connection with the transaction, except as may otherwise be agreed to by the landlord and the Purchaser.

4. **THIS COURT ORDERS** that: (a) nothing in this Order shall amend or vary, or be deemed to amend or vary the terms of a real property lease; (b) where any real property leases are not, in accordance with their terms, transferable or assignable to the Purchaser without first obtaining the consent of the applicable landlord, none of the real property leases shall be transferred, conveyed, assigned or vested in the Purchaser by operation of this Order, save and except to the extent that respective consents have been, or are in the future, obtained from the respective landlords.

5. **THIS COURT ORDERS** that on Closing the Purchaser shall pay to the Monitor: the Purchase Price (less the Deposit). After receipt of the Purchase Price, the Monitor shall:

- (a) pay from the Purchase Price to the Franchisor \$●, in respect of pre-filing monetary obligations owed under the Franchise Agreement in connection with the assignment of the Outlets to the Purchaser;
- (b) pay from the Purchase Price to the Franchisor \$●, in respect of unpaid continuing fees and other monetary accruals (exclusive of interest) accrued with respect to the Outlets during the period from March 31, 2011 to and including ●, 2011;
- (c) pay from the Purchase Price to the Franchisor the amount, not to exceed \$●, of the unpaid continuing fees and other monetary accruals (exclusive of interest) accrued with respect to the Outlets during the period from●, 2011 to Closing within three business days of such amount being

calculated by the Vendor and agreed upon with the Franchisor and the Monitor;

- (d) pay from the Purchase Price to the Purchaser when due any refunds and other amounts referred to in paragraph 6; and
- (e) hold the remainder of the Purchase Price subject to this Order and further Order of this Court.

6. **THIS COURT ORDERS** that any Current Assets Purchase Price Adjustment in favour of the Purchaser shall be paid by the Monitor to the Purchaser from the Purchase Price being held by the Monitor pursuant to Section 5 hereof in priority to any other payment from such funds or any Claim (including any Claim by a Chargee (as defined in the Amended and Restated Initial Order of the Honourable Madam Justice Mesbur dated Friday, April 29, 2011)).

7. **THIS COURT ORDERS** that notwithstanding the holding of the Purchase Price by the Monitor the Purchase Price is not being and shall not be deemed to be held in trust for any specific party or specific parties and for purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets held by the Monitor, after payment in full of any refunds and other payments to the Purchaser from the Purchase Price described in paragraph 6 hereof, shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims, charges and encumbrances shall attach to the net proceeds from the sale of the Purchased Assets, subject to paragraph 6 hereof, with the

same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

9. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding fulfillment of conditions to closing under the FMI Agreement and shall have no liability with respect to delivery of the Monitor's Certificate or with respect to any payments made by the Monitor pursuant to paragraph 6 hereof.

10. **THIS COURT ORDERS** that the Prizm Entities, Jim Robertson, and 2289500 Ontario Inc. in its capacity as the Chief Restructuring Officer of the Prizm Entities are hereby released and discharged from any and all actions, causes of action, liabilities, claims and demands whatsoever which the Franchisor and its affiliates ever had, now have or may hereafter have by reason of any cause, matter or thing whatsoever existing up to the date of Closing and arising out of, related to, or in connection with the Franchise Agreement for each Outlet and the Master Franchise Agreement as it relates to the Outlets, any collateral franchise documentation relating to the Franchise Agreements for each Outlet and the Master Franchise Agreement as it relates to the Outlets, or the Business (as such term is defined in the Franchise Agreements for each

Outlet) carried on at the Outlets, save and except for the obligation to pay any of the amounts referred to in paragraph 6 hereof.

11. **THIS COURT ORDERS** that the Franchisor and its affiliates are hereby released and discharged from any and all actions, causes of action, liabilities, claims and demands whatsoever which the Prizm Entities ever had, now have or may hereafter have by reason of any cause, matter or thing whatsoever existing up to the date of Closing and arising out of, related to, or in connection with the Franchise Agreement for each Outlet and the Master Franchise Agreement as it relates to the Outlets, any collateral franchise documentation relating to the Franchise Agreements for each Outlet and the Master Franchise Agreement as it relates to the Outlets, or the Business (as such term is defined in the Franchise Agreements for each Outlet) carried on at the Outlets.

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

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order and the obligations of the Vendor under the FMI Agreement (including the potential obligation to make the Current Asset Purchase Price Adjustment pursuant to Section 8(2) of the FMI Agreement) shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall any of them constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall any of them constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

Schedule "A"
Form of Monitor's Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

(the "Applicants")

MONITOR'S CERTIFICATE
(Re Sale to FMI Atlantic Inc. #2)

RECITALS

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

B. Pursuant to an Order of the Court dated August ●, 2011, the Court approved the Asset Purchase Agreement (the "**FMI Agreement**") between the Vendor, PriszM Inc., FMI Atlantic Inc. (the "**Purchaser**"), and FMI Ontario Inc. (the "**Guarantor**") dated ●, 2011 and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate certifying (a) receipt of the Deposit and the balance of the Purchase Price by the

Monitor; and (b) receipt of confirmation from the Vendor and the Purchaser that the conditions to Closing as set out in section 13 of the FMI Agreement have been satisfied or waived by the Vendor and the Purchaser, as applicable.

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

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Deposit and the balance of the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the FMI Agreement;
2. The Monitor has received confirmation from the Vendor and the Purchaser that the conditions to Closing as set out in section 13 of the FMI Agreement have been satisfied or waived by the Vendor and the Purchaser, as applicable; and
3. This Certificate was delivered by the Monitor to the Purchaser at _____ [TIME] on _____ [DATE].

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

Per: _____

Name:

Title:

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

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

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
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER
(Re Sale Approval)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley John Taylor LSUC#: 39932E
Tel: (416) 869-5236

Maria Konyukhova LSUC#: 52880V
Tel: (416) 869-5230

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-5230
Fax: (416) 947-0866
Lawyers for the Applicants

**SCHEDULE "H"
OUTLETS**

Store Number	Address	Location
1002	179 Wyse Road/Jamieson	Dartmouth, Nova Scotia
1006	960 Cole Harbour Road	Dartmouth, Nova Scotia
1043	184 Old Hampton Hwy	Quispamsis, New Brunswick
1051	9 James Street	Antigonish, New Brunswick
1054	413 Cloverdale Road	Riverview, New Brunswick

SCHEDULE "I"
FORM OF LEASE ASSIGNMENT AGREEMENT

LEASE ASSIGNMENT & ASSUMPTION AGREEMENT

THIS AGREEMENT made as of and effective from the [•] day of [•], 2011.

AMONG:

PRISZM LP
(the "Assignor")

OF THE FIRST PART

- and -

FMI ATLANTIC INC.
(the "Assignee")

OF THE SECOND PART

(A) The Assignor is the tenant under a lease agreement between 501261 NB Ltd. (the "Landlord") and KFCC/Pepsico Holdings Ltd. ("KFC") dated as of November 1, 1992, as amended by a letter agreement between the Landlord and the Assignor dated December 2, 2008 and as same may have been assigned and/or transferred from time to time, (hereinafter the "**Lease**"), which Lease pertains to the demise and lease of premises (the "Leased Premises") of approximately 2,480 square feet located at 184 Old Hampton Highway, Quispamsis, New Brunswick for a term now expiring on October 31, 2013.

(B) **[If possible, insert information as to how Prizm LP became the current tenant under the Lease]**

(C) Section 13.01 of the Lease permits the Assignor to sublet or assign the Lease to area, region or national purchasers of the Assignor's operations, without the Landlord's consent but otherwise in accordance with the terms of such section.

(D) The Assignor has provided notice of this assignment to the Landlord.

(E) The Assignor filed for and received protection under the *Companies' Creditors Arrangement Act* (Canada) pursuant to an initial order of the Ontario Superior Court of Justice (the "**Court**"), dated March 31, 2011, as amended and restated from time to time.

(F) Pursuant to an asset purchase agreement dated [•], 2011 (the "**Purchase Agreement**"), the Assignor agreed to, among other things, sell and assign its right, title and interest in the Leased Premises to the Assignee. The Purchase Agreement was approved by an order of the Court dated [•], 2011.

(G) The within assignment is to take effect as of the [•] day of [•], 2011 (the "**Effective Date**"), subject to and upon the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements between the parties to this Agreement and the sum of One Dollar (\$1.00) that has been paid by each of the parties to each of the others, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The parties hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and fact.
2. The parties hereby acknowledge and agree that all capitalized terms and expressions when used in this Agreement have the same meaning given to such terms in the Lease unless otherwise expressly set out herein.
3. The Assignor hereby transfers, sets over and assigns unto the Assignee all of its obligations, rights, title and interest in and to the Lease arising on or after the Effective Date together with the unexpired residue of the Term pertaining to the Leased Premises, and all benefits and advantages to be derived therefrom (the "**Assigned Interest**").
4. The Assignee hereby accepts the assignment of the Assigned Interest and assumes all of the Assignor's obligations, rights, title and interest in and to the Assigned Interest from and after the Effective Date as hereby assigned to it.
5. The Assignor hereby covenants with the Assignee that, save and except for any defaults arising in connection with the Assignor's insolvency and/or insolvency proceedings under the *Companies' Creditors Arrangement Act* (Canada), the Lease is a good, valid and subsisting Lease and that the Minimum Rent and additional rent have been duly paid up to the Effective Date (save and except for any year-end reconciliations not yet calculated by the landlord for additional rent for previous years). For clarification and except as otherwise agreed to between the parties, the Assignor shall be solely responsible for all obligations and liabilities with respect to the Lease arising before the Effective Date.
6. The Assignee hereby covenants and agrees that from and after the Effective Date it will at all times during the balance of the Term of the Lease, and during any renewals or extensions of the Term of the Lease, pay the Minimum Rent reserved by the Lease and all other payments covenanted to be paid by the tenant therein from and after the Effective Date and at the times and in the manner provided for in the Lease, in each case as same relate to the Leased Premises, and will observe and perform all of the terms, covenants and conditions contained in the Lease as same relate to the Leased Premises on the part of the tenant therein to be observed and performed as and when the same are required to be observed and performed as provided by the Lease, including, without limitation, the provisions of the Lease relating to the permitted use of the Leased Premises.
7. The Assignee hereby acknowledges and agrees that from and after the Effective Date, the Assignor shall in no event be responsible or liable for the payment, observance or performance of the terms, covenants and conditions contained in the Lease to be observed and performed from and after the Effective Date, and the Assignee hereby covenants to indemnify and save harmless the Assignor from all actions, suits, costs, losses, charges, demands and expenses for and in

respect of any non-payment, non-observance or non-performance by the Assignee of any of the terms, covenants and conditions contained in the Lease as same relate to the Leased Premises on the part of the tenant therein to be observed and performed from and after the Effective Date.

8. The Assignee acknowledges that it has received a copy of the Lease and is familiar with the terms, covenants and conditions contained therein.

9. The Assignor and Assignee acknowledge and agree that notwithstanding any provision set out herein to the contrary, the Landlord shall be entitled to retain the Minimum Rent that it has received from the Assignor applicable to the month in which this assignment occurs, and thereafter the Assignee shall be obligated to pay to the Landlord all further Minimum Rent and all additional rent attributable to the period from and after the Effective Date relating to the Leased Premises commencing as of the first day of the first month following the Effective Date. The Assignor and Assignee acknowledge and agree that notwithstanding any provision set out herein to the contrary the Landlord shall be entitled to: (i) retain any amount it has received from the Assignor prior to the Effective Date in connection with any additional rent payable under the Lease relating to the Leased Premises; and (ii) request and collect payment from the Assignee for any unpaid additional rent which is payable under the Lease in connection with the period from and after the Effective Date relating to the Leased Premises. As a result of the foregoing provisions set out in this paragraph 9 hereof, the Assignor and Assignee hereby acknowledge and agree that they shall allocate as between themselves any pro rata sharing of the Minimum Rent and any additional rent that may have been paid or pre-paid by the Assignor pursuant to the Lease and/or for any additional rent which may become payable by the Assignee after issuance by the Landlord of the 2011 calendar year end reconciliation statement regarding the additional rent for the period from and after the Effective Date relating to the Leased Premises.

10. The Assignor and Assignee hereby acknowledge and agree that there are no rent free periods pursuant to the Lease and that the Landlord has no obligation or liability to the Assignor or Assignee to pay any form of tenant inducement, tenant allowance or lease take-overpayment.

11. The Assignee hereby acknowledges and agrees that as of the Effective Date (i) it is accepting possession of the Leased Premises in an "as is" "where is" condition, (ii) the Assignor and Landlord have no responsibility or liability for making any renovations, alterations or improvements in or to the Leased Premises, and (iii) all further renovations, alterations or improvements in or to the Leased Premises are the sole responsibility of the Assignee and shall be undertaken and completed at the Assignee's expense and strictly in accordance with the provisions of the Lease.

12. The parties do in all other respects hereby confirm that the Lease is in full force and effect, unchanged and unmodified except in accordance with this Agreement.

13. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and each of their heirs, executors, administrators and permitted successors and permitted assigns, respectively.

14. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Province of New Brunswick and the federal laws of Canada as applicable therein.

15. This Agreement may be executed and delivered in counterparts (including delivery by facsimile or email as a PDF document), and all such counterparts taken together shall be deemed to constitute one and the same document.

[Remainder left intentionally blank]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first written above.

**PRISZM LP, by its general partner,
PRISZM INC., by 2289500 ONTARIO INC.,
solely in its capacity as Chief Restructuring
Officer, and without personal or corporate
liability**

Per: _____
[Name]
[Title]
I have authority to bind the Corporation

FMI ATLANTIC INC.

Per: _____
[Name]
[Title]
I have authority to bind the Corporation

#1785190 v2 | 4077459

SCHEDULE A
The Leased Premises

1. 184 Old Hampton Highway, Quispamsis, New Brunswick, known as Store Number 1043;

This is Exhibit "E"
to the affidavit of Jim Robertson,
sworn before me on the 8th day
of September, 2011



Commissioner for Taking Affidavits

Sean Edward Gibson, a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires April 12, 2013.



Search Provincial Map Bulletin Board Help

Land Registration View

* Indicates Interests inherited on subdivision or re-configuration of parcel

PID	60027745	Parcel Type	STANDARD PARCEL	Status	ACTIVE
Area	10388 0 SQUARE FEET	Parcel Access	PUBLIC	Manag. Unit	MU9933
Lot		Updated	Feb 16, 2011 11:53:30AM	Created	Sep 13, 1994 12:00:00AM
PDCA Status	APPROVED	Municipal Unit	TOWN OF BRIDGEWATER	Manner of Tenure	NOT APPLICABLE
LR Status	LAND REGISTRATION	LR Date	Jun 03, 2005 11:24:27AM		

Location	County	Primary Location	Source
27 HIGH STREET BRIDGEWATER	LUNENBURG COUNTY	Yes	Not Assigned by Municipality

Comments
MAP:0144365064520

Assessment Account	Value	Tax District	Tax Ward	Tax Sub
01377752	\$171 900 (2011 COMMERCIAL TAXABLE)	000	000	

Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
KIT INC	FEE SIMPLE	101 EXCHANGE AVE CONCORD ON CA L4K 5R6	OEDD	2005	82453185 View Doc		Jul 13, 2005	Yes

Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
No Records Found		

Benefits to the Registered Interests

Benefit Details	Interest Holder Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
No Records Found						

Burdens on the Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
No Records Found							

Textual Qualifications on Title

Qualifications Text

Tenants in Common not registered pursuant to the Land Registration Act

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
No Records Found							

Recorded Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
KIT LIMITED PARTNERSHIP	LESSEE	BRIDGEWATER NS CA	LEASE	2003	7296 View Doc	Book 922 Page 839	Nov 19, 2003
CDMPUTERSHARE TRUST COMPANY OF CANADA	MORTGAGEE	SOUTH TOWER 100 UNIVERSITY AVE FLDOR 12TH TORONTO ON CA M5J 2S1	MORTGAGE	2006	84273581 View Doc		Feb 06, 2006

Parcel Description

ALL and singular that certain parcel or tract of land and premises situate, lying and being in the Town of Bridgewater County of Lunenburg Province of Nova Scotia Canada, more particularly described as follows:
 BEGINNING at a point marked by an iron bolt with an aluminum identification cap driven into the ground on the western sideline (25 feet from the centre of the paved surface) of High Street which said point marks the Northeastern corner of property of Flying Dutchman Motel Limited and the Southeastern corner of the lot hereby under description by reference to a Plan of Survey more particularly referred to below;
 THENCE from said point so located south 44 degrees 18 minutes West (Magnetic Meridian 1971) along said property of Flying Dutchman Motel Limited 100 0 feet more or less, to a point marked by an iron bolt with an aluminum identification cap driven into the ground;
 THENCE north 16 degrees 43 minutes 50 seconds west along property of Bridgewater Golf and Country Club 131.0 feet more or less, to a point marked by an iron bolt with an aluminum identification cap driven into the ground;
 THENCE north 63 degrees 35 minutes east along said property of Bridgewater Golf and Country Club 100 0 feet more or less to a point marked by an iron bolt with an aluminum identification cap driven into the ground on the Western sideline of High Street aforesaid;
 THENCE southwardly along the curved western sideline of High Street to the point marking the place of beginning; a straight line between these last two mentioned points from North to South being described as south 10 degrees 21 minutes 48 seconds east 100 0 feet

The herein described lot of land contains an approximate area of 10,388 square feet and is shown as Lot B1 on a Plan of survey showing property of Bridgewater Golf and County Club in the Town of Bridgewater, N.S. under conveyance to Murray Ernest Edwards dated at Bridgewater, N.S. the 7th day of January, A.D. 1971 by Errol B. Hebb Nova Scotia Land Surveyor No. 7;

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration district of Lunenburg as plan or document number 501335990

Non-Enabling Documents

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
<i>No Non Enabling Documents Found</i>						

Non-Enabling Plans

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
<i>No Non Enabling Plans Found</i>						

AFR Bundles

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
Non-Registered	142430	2005	AFR BUNDLE	HC483-13-313276681	Jun 09 2005

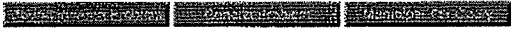
Parcel Relationships

Related PID	Type of Relationship
<i>No Related PIDs Found</i>	



This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)]

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)]



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