
Seventh Report of Duff & Phelps
Canada Restructuring Inc. as
Court-Appointed Receiver of
Prizm Income Fund, Prizm
Canadian Operating Trust,
Prizm Inc., KIT Finance Inc. and
Prizm LP

November 22, 2013

Contents

	Page
1.0 Introduction.....	1
1.2 Currency	3
1.3 Restrictions	3
2.0 Background	3
3.0 Reserve Agreement.....	4
4.0 Distribution	6
4.1 Cash Position.....	6
4.2 Security Opinion and Distributions To-Date.....	7
4.3 Proposed Distribution.....	7
4.4 Supplier Charge Holdback	8
4.5 Receiver’s Charge Holdback.....	8
4.6 HST Holdback.....	8
4.7 Holdback for Sysco D&O Claim.....	9
4.8 Holdback for Reserve with Respect to KEYreit.....	9
4.9 Holdback for Non-assigned Leases re: HFFI Transaction	9
4.10 Contingency	9
4.11 Conclusion	9
5.0 Books and Records	10
6.0 Overview of the Receiver’s Activities	11
7.0 Conclusion and Recommendation	13

Appendices

Receivership Order	A
Reserve Agreement	B
Claims Administration Agreement	C

Court File No.: CV-11-9375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, PRUCO LIFE INSURANCE
COMPANY AND PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY**

-and-

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

**SEVENTH REPORT OF DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER**

November 22, 2013

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (“Court”) made on March 31, 2011 (“Filing Date”), as amended and restated pursuant to an order of the Court made on April 29, 2011 (“CCAA Order”), Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Kit Finance Inc. and Prizm LP (collectively, “Company”) commenced proceedings (“CCAA Proceedings”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“CCAA”). FTI Consulting Canada Inc. was appointed as the monitor (“Monitor”) in the CCAA Proceedings.
2. Pursuant to an application of The Prudential Insurance Company of America, Pruco Life Insurance Company and Prudential Retirement Insurance and Annuity Company (collectively, “Prudential”), the Court made an order on September 14, 2011 (“Receivership Order”) which provided that following the closing of the FMI Transaction (as defined below), RSM Richter Inc. (“Richter”) was to be appointed as receiver (“Receiver”) of the assets, undertakings and properties of the Company.
3. The termination of the CCAA Proceedings and the commencement of the receivership proceedings became effective on September 21, 2011. A copy of the Receivership Order is attached as Appendix “A” to this Report.

-
4. Pursuant to a Court order made on December 12, 2011 (“Substitution Order”), Duff & Phelps Canada Restructuring Inc. (“D&P”), was substituted in place of Richter as Receiver as a result of D&P’s acquisition of the Toronto restructuring practice of Richter¹.

1.1 Purposes of this Report

1. The purposes of this report (“Report”) are to:
 - a) Provide background information about the Company and these proceedings;
 - b) Summarize agreements to be entered into among the Receiver, KEYreit, formerly the Company’s most significant landlord, and Prudential in respect of post-filing insurance claims arising at KEYreit locations (“Reserve Agreement”) and a claims administration agreement among the Receiver, KEYreit and Cunningham Lindsey Canada Claims Service Ltd. (“Adjuster”) (the “Claims Administration Agreement”);
 - c) Detail a proposed distribution to Prudential in the amount of \$3.5 million (the “Proposed Distribution”) and provide the rationale for the Proposed Distribution;
 - d) Request authorization to dispose of certain of the Company’s books and records not required for the administration of the receivership estate and which would not be required in the event that the Company becomes bankrupt; and
 - e) Recommend that this Honourable Court make an order:
 - Authorizing the execution by the Receiver of the Reserve Agreement and the Claims Administration Agreement and directing the Receiver to perform the obligations therein;
 - Discharging and releasing the KEYreit D&O Claim (as defined below);
 - Authorizing the Receiver to make the Proposed Distribution;

¹ On December 9, 2011, the assets used by Richter in its Toronto restructuring practice were acquired by D&P. Pursuant to the Substitution Order, D&P was substituted in place of Richter in certain ongoing mandates, including acting as Receiver in these proceedings. The licensed trustees/restructuring professionals overseeing this mandate prior to December 9, 2011 remain unchanged.

-
- Authorizing the Receiver to dispose of certain of the Company's books and records; and
 - Approving the Receiver's activities as set out in this Report.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon the Company's books and records, including information assembled by and analyses performed by Company employees. The Receiver has not performed an audit or other verification of such information.
2. Future oriented financial information relied upon in this Report is based on the Receiver's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Background

1. The Company was a franchisee of Yum! Restaurants International (Canada) LP ("Franchisor").
2. At the time the CCAA Order was made, the Company was the largest operator of KFC franchises in Canada.
3. In addition to operating KFC franchises, the Company operated a limited number of multi-branded restaurants that included a KFC restaurant and either a Taco Bell or Pizza Hut restaurant.
4. During the CCAA Proceedings, the Company completed the following transactions:
 - the sale of the majority of its locations in British Columbia and Ontario to Soul Foods Canada Inc. ("Soul") ("Soul Transaction"). Stores in British Columbia and Ontario that were excluded from the Soul Transaction have been closed; and
 - the majority of its locations in Nova Scotia and New Brunswick to FMI Atlantic Inc. ("FMI") ("FMI Transaction"). Stores in Nova Scotia and New Brunswick that were excluded from the FMI Transaction have been closed.

-
5. During the receivership proceedings, the Receiver completed transactions for:
 - the sale of the majority of the Company's locations in Alberta and Manitoba to Hi-Flyer Food (Canada) Inc. ("HFFI") ("HFFI Transaction"). Stores in these provinces that were excluded from the HFFI Transaction have been closed; and
 - the sale of the majority of the Company's locations in Quebec to Olympus Food (Canada) Inc. ("Olympus"). Stores in Quebec that were excluded from the Olympus Transaction have been closed.
 6. Additional information concerning the Company and these proceedings is provided in the application materials filed in the Receivership Proceedings and in the CCAA Proceedings, including:
 - the affidavit of Paul Procyk, a Vice-President of Prudential Investment Management, Inc. sworn September 9, 2011, filed in the context of the receivership application;
 - the Receiver's reports to Court, which are available on the Receiver's website at www.duffandphelps.com/restructuringcases; and
 - motion materials and reports filed by the Monitor in the CCAA Proceedings, which are available on the Monitor's website at <http://cfcanada.fticonsulting.com/priszm/>.

3.0 Reserve Agreement²

1. The Company was a major tenant of KEYreit (formerly Scott's Real Estate Investment Trust), Scott's Real Estate Limited Partnership, Scott's Trustee Corp. and Scott's GP Trust (each being a "KEYreit Entity", and collectively, the "KEYreit Entities") having operated restaurants at 188 locations across Canada (the "Locations").
2. On June 29, 2011, the Court issued an order ("D&O Claims Order") establishing a process to solicit claims against the Company's Directors and Officers (the "D&O Claims Solicitation Procedure") arising (i) on or before June 30, 2011 (the "Initial D&O Claims") and (ii) after June 30, 2011 and before a date to be determined (the "Subsequent D&O Claims" and together with the Initial D&O Claims, the "D&O Claims").

² Defined terms in this section have the meaning provided to them in the Reserve Agreement unless otherwise defined in this Report.

-
3. On September 13, 2011, the KEYreit Entities filed a D&O claim under the D&O Claims Solicitation Procedure against the directors and officers of the Company in the amount of \$10 million plus interest and costs relating to, *inter alia*, the alleged failure by the Company to maintain adequate insurance coverage at the Locations (the “KEYreit D&O Claim”).
 4. Pursuant to an order of the Court issued on July 31, 2012 (the “July 31 Order”), *inter alia*, the Receiver was authorized and directed to hold \$3 million as a reserve in connection with the KEYreit D&O Claim (the “KEYreit D&O Reserve”) and KEYreit abandoned the balance of the KEYreit D&O Claim.
 5. To address the remaining KEYreit D&O claim issues, the Receiver and KEYreit have negotiated the Reserve Agreement. A copy of the Reserve Agreement is attached as Appendix “B” to this Report.
 6. The Reserve Agreement establishes a mechanism to deal with insurance claims that may be asserted against the Company and/or the KEYreit entities in respect of the Company’s post-filing operations at the Locations (the “Claims”). It also provides that the Receiver will hold \$941,363 (the “Reserve”) to satisfy deductibles owing in respect of Claims that are covered by insurance and that relate to the post-filing operations of the Company at the Locations.
 7. Pursuant to the terms of the Reserve Agreement:
 - a. KEYreit will withdraw the KEYreit D&O Claim and release any and all other claims against the Company and the Receiver. Any claims which KEYreit may have against the Company’s officers and directors will be limited to the applicable D&O policy, and any costs and expenses in connection therewith shall be borne by KEYreit and shall not be payable out of the Reserve.
 - b. The Reserve will be retained by the Receiver and the balance of the KEYreit D&O Reserve, being approximately \$2.059 million, will be available for distribution to Prudential.
 - c. The Reserve shall be allocated to the Locations in each of the Provinces where the Company operated, as set out in Schedule B to the Reserve Agreement (“Provincial Reserves”). The Provincial Reserves were established based on a calculation prepared by the Adjuster based on the Company’s historical loss, plus the length of time that the Company operated from the respective REIT locations after the commencement of the CCAA filing.
 - d. The Reserve shall be used to pay Determined Claims (as defined therein) to the extent (i) the Company is liable for the deductible amounts under the Company’s Commercial General Liability insurance

policy in respect of post-filing operations at the Locations (the “Priszm Policy”), (ii) the Receiver incurs certain costs and/or expenses in connection with Claims asserted in respect of post-filing operations at the Locations, and (iii) the Debtors are liable under the lease to KEYreit for costs and/or expenses associated with any Claim asserted in respect of post-filing operations at such Location.

- e. Out of the Reserve amount, the Receiver will establish a Denied Claim Reserve (as defined therein) of \$70,000 to be used to pay Determined Claims where insurance coverage is denied by the Company’s insurer as a result of breach of the applicable insurance policy by the Priszm Entities or by the Receiver. The Receiver shall engage the Adjuster to administer and service the Claims. The fees and disbursements related to the Adjuster are to be paid from the Reserve. The terms of the Adjuster’s engagement by the Receiver are set out in the Claims Administration Agreement, which is attached as Appendix “C” to this Report.
 - f. Funds remaining in the Reserve will be available for distribution to Prudential forthwith at the earlier of the expiration of the applicable statutory limitation periods associated with a particular Provincial Reserve, or the two year anniversary date of the closing or sale of a Location. In the event that a Claim is commenced after the two year anniversary date of the closing or sale of Locations in the Province but prior to the Limitation Period Expiry Date of such Claim, Prudential is to remit to the Receiver an amount equal to the lesser of (a) the amount of the asserted Claim; (b) the deductible under the Priszm Policy; and (c) the Distributed Amount (as defined therein).
8. The Receiver believes that the Reserve Agreement is an appropriate mechanism to resolve the KEYreit D&O claim issue as it provides protection for KEYreit and provides additional funds to be available to distribute to Prudential. It resolves an issue which has been contested for a protracted period. The Receiver recommends that the Court approve the Reserve Agreement.

4.0 Distribution

4.1 Cash Position

- 1. As at November 3, 2013, the estate cash balance totalled approximately \$8.9 million, including monies invested in short-term GICs.

4.2 Security Opinion and Distributions To-Date

1. As detailed in the third report to Court (“Third Report”), the Monitor obtained Opinions (as defined in the Third Report) providing that, subject to the assumptions, qualifications, and limitations contained therein, the security granted by the Company to Computershare Trust Company of Canada, as agent for Prudential, is valid and that, except for the collateral charges in respect of certain leasehold interests described in the Third Report, the necessary registrations have been made in the relevant jurisdictions in order to perfect or evidence such security. As noted in the Third Report, the Receiver has obtained opinion reliance letters from each of the firms that provided the Opinions which confirm the Receiver may rely on the Opinions as of the date upon which the Opinions were issued.
2. Pursuant to the terms of two Distribution Orders previously made in these proceedings, approximately \$46.592 million has been distributed to Prudential.

4.3 Proposed Distribution

1. The Receiver recommends that it be directed to distribute a further \$3.5 million to Prudential and that it continue to holdback the balance of the funds in its possession, as detailed in the table below.

	\$000s
Funds in estate account and short term deposits ³	<u>8,902</u>
Supplier charge holdback	250
Receiver’s charge holdback	600
GST/HST/QST (estimated accrued obligations)	250
Holdback for Sysco D&O Claim	1,400
Holdback for Reserve with respect to KEYreit ⁴	941
Holdback for Costs re: D&O Claims	149
Holdback for non-assigned leases re: HFFI Transaction	1,012
Contingency	<u>800</u>
Total reserves	<u>5,402</u>
Proposed Distribution	<u>3,500</u>

A discussion of each of the holdbacks is provided in the following sections.

³ Balance as at November 3, 2013.

⁴ Formerly Scott’s Real Estate Investment Trust.

4.4 Supplier Charge Holdback

1. The Supplier Charge Holdback is for potential amounts due to suppliers for goods or services provided to the Company during the restructuring proceedings, as well as amounts to pay storage costs for the Company's books and records at Iron Mountain, which will continue for the remainder of the Receivership proceedings and then six years subsequent to that and will total several thousand dollars per month, even after the contemplated destruction of records, as discussed in Section 5 below. As the majority of the supplier claims have now been paid, the Receiver believes that it is appropriate to reduce this holdback to \$250,000, being a reduction of \$250,000 from the prior holdback amount.

4.5 Receiver's Charge Holdback

1. The Receiver's Charge Holdback has been reduced from \$750,000 to \$600,000. Several issues remain outstanding in these proceedings, including resolution of the Sysco Claim, administration of the Reserve Agreement, dealing with the monies which continue to be held in the estate account and other sundry matters. The Receiver's Charge covers the fees and expenses of the Receiver and its counsel.

4.6 HST Holdback

1. The Company is current in respect of its Goods and Services ("GST")/Harmonized Sales Tax ("HST"), and provincial sales tax (for Manitoba and Quebec) remittances and filings. The Company advised the Receiver that a Quebec Sales Tax ("QST") audit was completed for the year ended December 31, 2009 and that it believes an Ontario Retail Sales Tax audit was also completed through that date. The Company requested that fresh sales tax audits be performed by the respective government agencies. Manitoba Finance responded to the request with a letter dated October 1, 2012 stating that the Company's tax account had been closed. Revenu Quebec and Canada Revenue Agency ("CRA") did not respond to the request. On April 1, 2013 the Receiver left follow-up voicemail messages with Revenu Quebec and CRA. As of the date of this Report, the Receiver has not received a response from Revenu Quebec or CRA. Based on the foregoing, the Receiver proposes to reduce the tax holdback from \$500,000 to \$250,000. At the next distribution motion the Receiver intends to seek an order permitting it to distribute the balance of these monies.

4.7 Holdback for Sysco D&O Claim

1. The Sysco Claim (defined in the Second Distribution Report) detailed in the Second Distribution Report remains unresolved, although efforts are ongoing to find a resolution. The Receiver recommends that \$1.4 million continue to be reserved at this time in respect of this issue.
2. In addition to the \$1.4 million holdback, a reserve of \$175,000 was established to fund the costs of the parties covered by the D&O Charge. Since that reserve was established, \$25,619.21 has been paid to Minden Gross LLP, counsel to the Chief Restructuring Officers, and accordingly, the reserve has been reduced by this amount.

4.8 Holdback for Reserve with Respect to KEYreit

1. At the date of the First Distribution Report, KEYreit consented to a reduction of the D&O Charge to \$3 million as it related to its claim (“KEYreit D&O Charge”).
2. With the finalization of the Reserve Agreement, KEYreit has consented to release the KEYreit D&O Charge. The Reserve being held by the Receiver pursuant to the Reserve Agreement is intended to be a substitute for the KEYreit D&O Charge. Accordingly, the Receiver recommends that the KEYreit D&O Charge be released and discharged.

4.9 Holdback for Non-assigned Leases re: HFFI Transaction

1. As at the date of this Report, the Receiver has obtained lease assignments for all except three locations subject to the HFFI Transaction. In the event that the remaining locations are not assigned, the Receiver would be required to return the proceeds allocated to those locations to HFFI. Accordingly, the Receiver will continue to hold approximately \$1.012 million related to the HFFI Transaction proceeds for the unassigned locations.

4.10 Contingency

1. The contingency reserve has been reduced from \$1.75 million to \$800,000. This reserve is recommended to cover off any items not contemplated above, including insurance claims at non-KEYreit locations, unforeseen vendor obligations, tax claims and professional costs over and above those contemplated above.

4.11 Conclusion

1. The Receiver is seeking an order of the Court to make the Proposed Distribution to Prudential.

-
2. The Receiver is of the view that there are sufficient holdbacks to address potential claims that may yet need to be funded, and that an order should be issued directing it to pay \$3.5 million to Prudential forthwith. The Receiver was previously authorized to pay the HFFI Transaction holdback to Prudential when the assignments are obtained, and the Receiver intends to do so if and when that finally happens.

5.0 Books and Records

1. The Company has in excess of 18,000 boxes of books and records (the "Records") at an Iron Mountain storage facility in Ontario.
2. Based on the Receiver's review of the Records, the contents of the majority of the boxes pre-date the CCAA proceedings – the books and records date from 1991 to 2012. The majority of these records are store-level sales receipts.
3. The Receiver believes it is appropriate to retain selected financial and other records required for the administration of the Receivership. The Receiver is satisfied that the balance of the Records is not required for the purpose of administering the Receivership, nor would they be required for the administration of a bankruptcy of the Company (the "Redundant Records").
4. Pursuant to Rule 68 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 ("BIA"), unless the Court orders otherwise, a trustee in bankruptcy must keep books and records relating to the administration of the estate and shall, only after being discharged and in accordance with the provisions of the BIA, dispose of such books and records.
5. As noted above, the Receiver believes that the Redundant Records would not be required for the administration of the Company's estate in bankruptcy. The costs of storing all the books and records (including the Redundant Records), approximately \$9,000 a month, is material, particularly in these circumstances where the Applicant will already be suffering a shortfall in the recovery of the indebtedness owing by the Company to the Applicant. Destruction of the Redundant Records would significantly reduce the storage costs, although the exact amount has yet to be quantified.
6. Upon approval of the proposed Order sought in this motion, the Receiver will be sending a letter to the Company's former directors and officers ("D&Os") providing notice that the Redundant Records will be destroyed and that the D&Os will have 30 days following the sending of such notice to obtain any such Redundant Records. In addition, the Receiver will also notify the CRA as to its intention to destroy the Redundant Records.

-
7. Following the 30 day notice period, should (i) the D&Os advise that they do not wish to retain the Redundant Records or fail to respond to such notice and (ii) no objection by the CRA is received by the Receiver, the Receiver wishes to destroy the Redundant Records. If an objection is received by the CRA, the Receiver will work with the CRA to resolve the issue, failing which the Receiver shall be seeking the advice and direction of the Court.
 8. The Receiver believes that it is appropriate that the Court issue an order directing the Receiver to destroy the Redundant Records in accordance with the terms hereof.

6.0 Overview of the Receiver's Activities

1. In addition to the activities detailed above and related thereto, since April 18, 2013, the date of the Receiver's sixth report to Court, the Receiver's activities have included:
 - Monitoring and reviewing all receipts and disbursements and signing all cheques and wire transfers;
 - Reviewing monthly bank statements;
 - Dealing with insurance matters raised by KEYreit in its capacity as the landlord of various store locations;
 - Reviewing numerous drafts of the Reserve Agreement and corresponding extensively with KEYreit and Osler regarding same;
 - Reviewing numerous drafts of the Claims Administration Agreement and corresponding extensively with KEYreit, the Adjuster and Osler regarding same;
 - Corresponding with the Company's insurance brokers and insurance adjusters regarding various insurance matters;
 - Reviewing and executing extensions to the occupation agreements between the Receiver and each of HFFI and Olympus and corresponding with counsel to HFFI and Olympus regarding same;
 - Reviewing and executing lease assignment documents related to the assignment of leases subject to the HFFI Transaction and the Olympus Transaction;

-
- Corresponding with Osler, HFFI, Olympus and Dickinson Wright counsel to Olympus and HFFI, regarding lease assignments;
 - Accessing information from the Company's IT equipment and systems required for the administration of the estate, including responding to employee information requests in the context of records of employment and T4 slips;
 - Corresponding with Osler and Sysco Canada regarding the claim filed by Sysco Canada in the Directors' and Officers' claims process;
 - Reviewing on a daily basis the Company's mail – the mail has been redirected to the Receiver's office;
 - Corresponding with former Company employees regarding matters related to the administration of the estate;
 - Responding to calls from former Company employees;
 - Responding to creditor inquiries regarding these proceedings;
 - Corresponding with the Canada Revenue Agency and Revenu Quebec regarding the Company's HST and QST returns;
 - Attending conference calls with Bell Canada regarding outstanding account reconciliations;
 - Preparing and reviewing HST and QST returns;
 - Dealing with various litigation claims;
 - Corresponding with the Receiver's counsel to deal with various matters in respect of this mandate;
 - Drafting this Report; and
 - Other matters pertaining to the administration of this mandate.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 1(f).

* * *

All of which is respectfully submitted,

Duff & Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST,
PRISZM INC., KIT FINANCE INC. AND PRISZM LP
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



Court File No. CV-11-9375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

THE HONOURABLE MR. JUSTICE MORAWETZ) **WEDNESDAY, THE 14TH DAY**
) **OF SEPTEMBER, 2011**
)

B E T W E E N:

**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, PRUCO LIFE
INSURANCE COMPANY AND PRUDENTIAL RETIREMENT INSURANCE AND
ANNUITY COMPANY**

Applicants

- and -

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

Respondents

APPLICATION pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3

APPOINTMENT ORDER

THIS APPLICATION made by the Applicants for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) appointing RSM Richter Inc. (“**RSM Richter**”) as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Respondents (together, the “**Priszm Entities**” or the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Paul Procyk sworn September 9, 2011 (the “**Procyk Affidavit**”) and the exhibits thereto, the Fourth Report of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor of the Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc. and Kit Finance Inc. dated September 9, 2011, the Supplement to the Fourth Report dated September 13, 2011 and the affidavit of Jim Roberston sworn September 8, 2011 and the exhibits thereto, and on hearing the submissions of counsel for the Applicants, the Respondents, the Receiver, Yum! Restaurants International (Canada) Company, Scott’s Real Estate Investment Trust, SR Operating Trust, Scott’s Real Estate Limited Partnership, Scott’s Trustee Corp. and Scott’s GP Trust, Metro Richelieu, the CRO, and 20 VIC Management Inc.; Ivanhoe Cambridge Inc.; Morguard Investments Limited; Retrocom Mid-Market REIT; Primaris Retail Real Estate Investment Trust; Oxford Properties Group Inc., and on reading the consent of RSM Richter to act,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA, RSM Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”).

3. **THIS COURT ORDERS** that this Order and the appointment of the Receiver set out herein shall become effective at 12:01 a.m. on the business day after the filing of a certificate by RSM Richter certifying that the certificates contemplated by and appended to the Approval and Vesting Orders granted by the Court on September 14, 2011 (the “**FMI Approval and Vesting Orders**”), in respect of the two asset purchase agreements with FMI Atlantic Inc., as purchaser (“**FMI Atlantic**”), and FMI Ontario Inc., as guarantor (“**FMI Ontario**”, and collectively with

FMI Atlantic, “FMI”), dated July 29, 2011 and August 23, 2011 (the “FMI Agreements”), respectively, have been filed with the Court.

RECEIVER’S POWERS

4. **THIS COURT ORDERS** that the Receiver shall not, without further order of the Court, be required to take possession of any of the Property.

5. **THIS COURT ORDERS** that, subject to paragraphs [42] to [47] of this Order, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings, and the authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each case: (i) notice under subsection 63(4) of the Ontario *Personal Property Security Act*, section 31 of the Ontario *Mortgages Act*, or any similar legislation in other provinces, shall not be required; and (ii) the *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, provided that this Order shall not be registered on title to real property premises leased by the Debtor without the consent of the owner or further order of the Court;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to negotiate and enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

6. **THIS COURT ORDERS** that the Receiver (whether in the name of the Receiver or in the name of and on behalf of the Debtor) and the Debtor shall take all steps that are necessary to complete, comply with or satisfy the obligations of the Debtor in connection with:

- (a) the amended and restated asset purchase agreement dated May 6, 2011 (the “**Soul Agreement**”) with Soul Restaurants Canada Inc. (“**Soul**”), as approved by the Court by Order dated May 30, 2011 (the “**Soul Approval and Vesting Order**”) in the proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) with a Court File No. CV-11-9159-00CL (the “**CCAA Proceeding**”), and all ancillary documents related thereto; and
- (b) the FMI Agreements, as approved by the FMI Approval and Vesting Orders, and all ancillary documents related thereto.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. **THIS COURT ORDERS** that, subject to the Termination and Discharge Order made on September 14, 2011 in the CCAA Proceeding (the “**Termination and Discharge Order**”), (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

8. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data

storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph [8] or in paragraph [9] of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

9. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or

with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (a) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (b) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that all Persons having statutory or regulatory mandates for the supply of goods and/or services or oral or written agreements with the Debtor including without limitation, the Soul Agreement and the FMI Agreements, as well as all ancillary documents relating to such agreements including all agreements to occupy premises entered into in conjunction with the Soul Agreement or the FMI Agreements, all computer software, communication and other data services, centralized banking services, the Cash Management System (as defined in the Amended and Restated Initial Order dated April 29, 2011 made in the CCAA Proceeding (the “**Amended and Restated Initial Order**”)), payroll services, insurance, transportation services, utility or other services to the Debtor shall comply with their obligations and make all payments to the Debtor or the Receiver as and when required, and are hereby restrained, until further order of this Court, from discontinuing, altering, interfering with or

terminating the supply of such goods or services as may be required by the Receiver or the Debtor, and that the Receiver or the Debtor shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses, domain names and Cash Management System, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver or the Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

15. **THIS COURT ORDERS** that the all suppliers of goods and services to the Debtor shall be paid for goods and services actually supplied to the Debtor for the period beginning on March 31, 2011 and ending on the date the appointment of the Receiver becomes effective as such amounts fall due, unless such amounts are otherwise assumed by a purchaser of any Property on terms acceptable to the Receiver.

RECEIVER TO HOLD FUNDS

16. **THIS COURT ORDERS** that, subject to paragraphs [14] and [31], all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

17. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Debtor or the Receiver on the Debtor's behalf may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

18. **THIS COURT ORDERS** that: (a) all wages, salaries, vacation pay and expenses (which shall not include termination and/or severance pay) that are properly due or accruing to any employee or former employee of the Debtor up to the date that the appointment of the Receiver becomes effective; and (b) any pension-related obligations required to be paid by the Debtor pursuant to s. 36(7) of the CCAA, shall be paid, unless such wages, salaries, vacation pay, expenses or pension-related obligations are otherwise assumed by a purchaser of any of the Property on terms satisfactory to the Receiver.

19. **THIS COURT ORDERS** that the Key Employee Retention Plan (the “**KERP**”) referred to in the Procyk Affidavit shall continue in full force and effect and that the Receiver is hereby authorized and directed to take all steps required to ensure the continuation of the KERP and the payment of amounts earned in accordance with the KERP where such amounts are due and payable to the KERP participants.

PIPEDA

20. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

21. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

22. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

23. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s

Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (“**Encumbrances**”), and shall have the priority set forth in paragraph [40].

24. **THIS COURT ORDERS** that, at the request of any party in interest or this Court, the Receiver and its legal counsel shall pass their accounts, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

CHIEF RESTRUCTURING OFFICER

25. **THIS COURT ORDERS** that from and after the effective date of the appointment of the Receiver: (a) 2289500 Ontario Inc. (“**228 Ontario**”) shall continue as the Chief Restructuring Officer (the “**CRO**”) of the Prizm Entities pursuant to the terms of the agreement entered into between the Prizm Entities and 228 Ontario dated as of September 14, 2011 (the “**CRO Agreement**”); (b) the CRO Agreement be and is hereby approved and the Receiver is authorized to execute the CRO Agreement on behalf of the Prizm Entities; and (c) the CRO shall, subject to this Order, have the powers and obligations set out in the CRO Agreement.

26. **THIS COURT ORDERS** that the CRO be subject to the supervision and direction of the Receiver and shall report to the Receiver regarding all material issues relating to the Debtor’s business and affairs, including its receipts and disbursements, and the CRO and the Debtor shall not authorize or make any payments for good or services without the prior consent of the Receiver.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the CRO as an officer of this Court, neither the CRO nor any employee of the CRO shall be deemed to be a director or trustee of any of the Prizm Entities.

28. **THIS COURT ORDERS** that neither the CRO nor any employee of the CRO shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its or their part; provided that any liability of the CRO hereunder shall in no event exceed the quantum of the fees paid to the CRO.

29. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against or in respect of the CRO or any employee of the CRO, except with the written consent of the CRO or with leave of this Court on notice to the CRO, the Receiver and the Prizm Entities.

30. **THIS COURT ORDERS** that the CRO shall be entitled to and is hereby granted a charge (the “**CRO’s Charge**”) on the Property to secure amounts owing to the CRO under the CRO Agreement, and that the CRO’s Charge shall have the priority set forth in paragraph [40].

TRANSFER OF FUNDS TO THE RECEIVER

31. **THIS COURT ORDERS** that all funds transferred by the Monitor to the Receiver pursuant to the Termination and Discharge Order shall be held by the Receiver as follows:

- (a) with respect to the proceeds from the sale of certain assets by the Prizm Entities to Soul pursuant to the Soul Agreement and approved by the Soul Approval and Vesting Order (the “**Soul Transaction Proceeds**”), (i) in accordance with the Soul Approval and Vesting Order, with the Receiver being substituted for the Monitor in such paragraphs in all respects without any change to the character of the funds being held or the purpose for which they are being held, and (ii) subject to the reserves in favour of certain landlords of the Prizm Entities, described in the Second Report of the Monitor dated May 26, 2011 and issued in the CCAA Proceeding;
- (b) with respect to the proceeds from the sale of certain assets by the Prizm Entities to FMI pursuant to the FMI Agreements and approved by the FMI Approval and Vesting Orders (the “**FMI Transaction Proceeds**”), in accordance with the FMI Approval and Vesting Orders, with the Receiver being substituted for the Monitor in such paragraphs in all respects without any change to the character of the funds being held or the purpose for which they are being held; and
- (c) with respect to any deposits relating to the sale of assets by the Prizm Entities, in accordance with the terms of the agreements that relate to such deposits.

32. **THIS COURT ORDERS** that the Receiver shall not pay, disburse, distribute or otherwise use any of the Soul Transaction Proceeds or the FMI Transaction Proceeds without further order of the Court.

CCAA CHARGES

33. **THIS COURT ORDERS** that the Charges (as defined in the Amended and Restated Initial Order), except for the Administration Charge (as defined in the Amended and Restated Initial Order) set out in the Amended and Restated Initial Order shall remain in full force and effect and shall continue to attach to the Property from and after the effective date of the appointment of the Receiver, and the Charges shall have the priority set forth in paragraph [40].

34. **THIS COURT ORDERS** that notwithstanding anything to the contrary in the Amended and Restated Initial Order, the Critical Supplier Charge (as defined in the Amended and Restated Initial Order) shall secure, until paid in full, an amount equal to the value of goods and services actually supplied to the Prizm Entities from March 31, 2011 to the effective date of the appointment of the Receiver by any supplier, and the beneficiaries of the Critical Supplier Charge shall include all such suppliers, to the extent that the supplier is not paid by the Prizm Entities or the Receiver for such goods and services after the effective date of the appointment of the Receiver.

SUPPLIER CHARGE

35. **THIS COURT ORDERS** that each supplier of goods or services to the Prizm Entities who supplies goods or services to the Prizm Entities from and after the effective date of the appointment of the Receiver shall be entitled to the benefit of and is hereby granted a charge (together, the “**Supplier Charge**”) on the Property in an amount equal to the value of the goods and services actually supplied by such supplier and received by the Prizm Entities from and after the effective date of the appointment of the Receiver less all amounts paid to such supplier by the Prizm Entities or the Receiver in respect of such goods and services, and the Supplier Charge shall have the priority set forth in paragraph [40].

FUNDING OF THE RECEIVERSHIP

36. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$3 million (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, and shall have the priority set out in paragraph [40].

37. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

38. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

39. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

PRIORITY OF CHARGES

40. **THIS COURT ORDERS** that the priorities of the Receiver’s Charge, the CRO’s Charge the Critical Supplier Charge, the Supplier Charge, the Franchisor Charge (as defined in the Amended and Restated Initial Order), the Receiver’s Borrowings Charge and the Directors’ Charge (as defined in the Amended and Restated Initial Order) (together, the “**Receivership Charges**”), as among them, shall be as follows:

First – Receiver’s Charge and CRO Charge, which charges shall rank *pari passu*;

Second – Critical Supplier Charge and Supplier Charge, which charges shall rank *pari passu*;

Third – Franchisor Charge;

Fourth – Receiver’s Borrowings Charge; and

Fifth – Directors’ Charge,

and all of the Receivership Charges shall rank in priority to any other Encumbrances in favour of any Person, but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

D&O CLAIMS PROCEDURE

41. **THIS COURT ORDERS** that the Receiver will take up and complete the D&O Claims Solicitation Procedure (as defined and set forth in the Order dated June 29, 2011 made in the CCAA Proceeding (the “**D&O Claims Order**”)) and will discharge and perform any remaining obligations of the Monitor in connection therewith, provided that, notwithstanding anything in the D&O Claims Order:

- (a) the Receiver shall establish the Subsequent D&O Claims Bar Date (as defined in the D&O Claims Order);
- (b) the Receiver shall publishing a notice to creditors of the Subsequent D&O Claims Bar Date in *The Globe and Mail* (National Edition) and *La Presse* substantially in the form attached as Schedule “B” to the this Order (the “**Subsequent Claims Notice**”); and
- (c) Subsequent D&O Claims (as defined in the D&O Claims Order) shall be filed with the Receiver in accordance with the Subsequent Claims Notice.

LEASES

42. **THIS COURT ORDERS** that the Receiver shall, subject to and from the effective date of this Order and the appointment of the Receiver, have the right to vacate, abandon or quit or cause the Debtor to vacate, abandon or quit the whole but not any part of any leased premises and/or repudiate any lease and any ancillary agreements relating to any leased premises on not

less than ten (10) calendar days notice in writing to the relevant landlord or as may otherwise be agreed between the Receiver and the relevant landlord (the “**Landlord Notice**”).

43. **THIS COURT ORDERS** that until the Receiver has delivered to the relevant landlord a Landlord Notice, the required notice period has expired and the Receiver has ceased to occupy the leased premises, the Receiver or the Debtor shall pay all amounts constituting rent under the leases or as otherwise may be negotiated between the Receiver and the relevant landlord from time to time (“**Rent**”), twice monthly in equal payments on the first and the fifteenth day of each month, in advance, provided that if the Landlord Notice has been issued or the Receiver intends to issue a Landlord Notice and the relevant notice period ends prior to the end of the month or is expected to end prior to the end of the month, then Rent for the portion of the notice period (or expected notice period) that is less than a month may be calculated on a *per diem* basis and paid in advance. In the event that Rent has been paid for a period of time that exceeds the notice period stipulated in a Landlord Notice and the actual occupation of the leased premises by the Receiver or the Debtor, then the relevant landlord shall refund the excess payment to the Receiver or the Debtor within five (5) business days of the expiry of the notice period set forth in the Landlord Notice or the date the leased premises is vacated, whichever is later.

44. **THIS COURT ORDERS** that the Receiver or the Debtor shall provide each of the relevant landlords with notice of its intention to remove any fixtures from any leased premises at least three (3) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver’s or the Debtor’s entitlement to remove any such fixtures under the provisions of the applicable lease, such fixtures shall remain on the premises and shall be dealt with as agreed between such landlord and the Receiver or the Debtor, or by further order of this Court upon a motion by the Receiver on at least three (3) days notice to such landlord. If the Receiver has delivered a Landlord Notice and has ceased or caused the Debtor to have ceased to occupy the leased premises, the Receiver and the Debtor shall not be required to pay Rent after the expiry of the relevant notice period pending resolution of any such dispute.

45. **THIS COURT ORDERS** that at the expiry of the notice period in a Landlord Notice, the relevant landlord shall be entitled to take possession of any such leased premises without wavier

or prejudice to any claims such landlord may have in respect of such lease or leased premises (such claims not to be in any way limited regardless of whether the leased premises is vacated, abandoned or quit or the lease is repudiated), and such landlord shall be entitled to notify the Debtor and the Receiver of the basis upon which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligations, if any, to mitigate any damages claimed in connection therewith.

46. **THIS COURT ORDERS** that, subject to the terms of this Order and the rights of any trustee in bankruptcy that may be appointed in respect of the Debtor, to disclaim, retain or assign leases:

- (a) except as expressly permitted by the terms of the leases, none of the leases shall be amended or varied, or deemed to be amended or varied, in any way without obtaining the prior written consent of the applicable landlord and without further Order of this Court; and
- (b) any landlord who has received a Landlord Notice with respect to a leased premise may show such leased premise to prospective tenants during normal business hours, upon giving the Receiver twenty-four (24) hours prior written notice.

47. **THIS COURT ORDERS** that notwithstanding the terms of this Order, but subject to the rights of any trustee in bankruptcy that may be appointed in respect of the Debtor, to disclaim, retain or assign leases:

- (a) where leases are not, in accordance with their terms, transferrable or assignable to a third party without first obtaining the consent of the applicable landlord, none of the leases shall, absent further order of this Court, be transferred, conveyed, assigned or vested in a third party by operation of this Order, save and except to the extent that respective consents have been, or are in the future in these receivership proceedings, obtained from the respective landlords; and
- (b) in the event that Rent is not calculated and paid by the Debtor or the Receiver as required by paragraph [43], then upon five (5) business days prior written notice

to the Receiver, a landlord may immediately terminate the relevant leases without further Order of this Court, provided that (i) Rent remains unpaid at the end of such notice period; and (ii) the Receiver has not advised the relevant landlord, in writing, that it disputes the landlord's entitlement to Rent and will be seeking an Order from this Court preventing the relevant landlord from terminating the applicable leases (subject to the availability of the Court, the Receiver's motion shall be brought within fourteen (14) business days of the Receiver's notice to the landlord disputing the landlord's entitlement to terminate the lease). If a lease is terminated under this provision, the relevant landlord shall provide the Debtor and the Receiver with reasonable access to the leased premises to remove any Property that remains in such leased premises.

48. **THIS COURT ORDERS** that nothing in the above paragraphs [42] to [47] affects any action taken by the Debtor prior to the effective date of this Order and the appointment of the Receiver, save that any notice disclaiming a lease delivered by the Debtor prior to such effective date of the appointment of the Receiver shall be deemed to have been a Landlord Notice delivered in compliance with paragraph [42] and the relevant landlords may rely on the provisions of paragraph [45] of this Order.

GENERAL

49. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

50. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

51. **THIS COURT ORDERS** that any charges created by this Order over leases shall only be a charge in the Debtor's interest in such Leases

52. **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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully

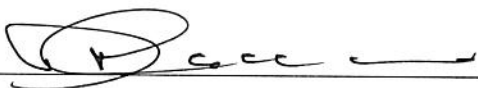
requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

54. **THIS COURT ORDERS** that the Applicants shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

55. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Patrick McKenzie
Registrar, Superior Court of Justice



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that RSM Richter Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Kit Finance Inc. and Prizm LP (collectively, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 14, 2011 (the "**Order**") made in an action having Court File Number **[Number]**, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of **[\$Amount]**, being part of the total principal sum of **[\$Amount]** which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily] [or] [monthly not in advance on the [Day] day of each month]** after the date hereof at a notional rate per annum equal to the rate of **[Rate]** per cent above the prime commercial lending rate of Bank of **[Bank]** from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2011.

RSM RICHTER INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"

NOTICE IN RESPECT OF CLAIMS AGAINST THE CURRENT AND FORMER DIRECTORS AND OFFICERS OF PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC., PRISZM LP AND KIT FINANCE INC. AND/OR DEBORAH PAPERICK AND/OR 2279549 ONTARIO INC. AND/OR JIM ROBERTSON AND 2289500 ONTARIO INC. (collectively, the "Directors and Officers")

TO: CREDITORS AND TO ANY OTHER PERSON OR PARTIES

PLEASE TAKE NOTICE that this notice is being published pursuant to Orders of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2011 and September 14, 2011.

Any person who believes that it has a claim against one of more Directors and Officers **which arose after June 30, 2011** (a "**Subsequent D&O Claim**") should contact RSM Richter Inc. (the "**Receiver**") to obtain a Claim Form (a "**D&O Claim Form**"), which must be filed with the Receiver. The Receiver can be contacted at:

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto ON M5H 3T4

Attention: Lana Bezner
Telephone: 416-932-6009
Fax: 416-932-6200
Email: lbezner@rsmrichter.com

A D&O Claim Form is required to be submitted to the Receiver at the above address by **no later than 5:00 p.m. (Eastern Standard Time) on [Date] 2011** (the "**Subsequent D&O Claims Bar Date**").

SUBSEQUENT D&O CLAIMS WHICH ARE NOT RECEIVED BY THE SUBSEQUENT D&O CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, et. al
– Applicants –

v. PRISZMINCOME FUND, et al.
– Respondents –

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY**

(PROCEEDING COMMENCED AT TORONTO)

ORDER

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

E. Patrick Shea
LSUC No.: 39655K

Telephone: (416) 369-7399
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANTS

Appendix “B”

EXECUTION COPY

THIS AGREEMENT is made August 12, 2013

BETWEEN:

DUFF & PHELPS CANADA RESTRUCTURING INC., in its capacity as court-appointed receiver of the assets, undertakings and properties of **PRISZM INCOME FUND, PRISZM CANADIAN OPERATING TRUST, PRISZM INC., KIT FINANCE INC. and PRISZM LP** and not in its personal capacity (the “**Receiver**”)

– and –

KEYREIT

– and –

SR OPERATING TRUST

– and –

SCOTT’S REAL ESTATE LIMITED PARTNERSHIP

– and –

SCOTT’S TRUSTEE CORP.

– and –

SCOTT’S GP TRUST

– and –

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA (“PICA”)

– and –

PRUCO LIFE INSURANCE COMPANY (“Pruco”)

– and –

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY (“PRIAC”)

RECITALS:

- A. Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc., Kit Finance Inc. and Prizm LP (each being a “**Prizm Entity**”, and collectively, the “**Prizm Entities**”) were

tenants of KEYreit (formerly Scott's Real Estate Investment Trust), Scott's Real Estate Limited Partnership, Scott's Trustee Corp. and Scott's GP Trust (each being a "**KEYreit Entity**"), and collectively, the "**KEYreit Entities**") having operated restaurants at 188 locations across Canada as set out in the Reserve Schedule (as defined below) (the "**Locations**") pursuant to lease agreements between the KEYreit Entities, as Landlord, and the Prizm Entities, as tenant set forth in **Schedule A** hereto (the "**Leases**").

- B. The Prizm Entities were granted protection under the *Companies' Creditors Arrangement Act* (the "**CCA**") pursuant to an order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made March 31, 2011 (the "**CCA Proceedings**").
- C. Prudential (as defined below) provided financing to the Prizm Entities and has security over all of the assets, property and undertaking of the Prizm Entities, including cash, to secure all of the obligations owing by the Prizm Entities. Prudential has not been involved, directly or indirectly in the Prizm Entities business or operations and is signatory to this Agreement solely on the basis that it is a secured creditor of the Prizm Entities with security over the Reserve (as defined below) and the Denied Claim Reserve (as defined below).
- D. On June 29, 2011, the Court issued an order establishing a process to solicit claims against the Prizm Entities' directors and officers (the "**D&O Claims Solicitation Procedure**") arising (i) on or before June 30, 2011 (the "**Initial D&O Claims**") and (ii) after June 30, 2011 and before a date to be determined (the "**Subsequent D&O Claims**", and together with the Initial D&O Claims, the "**D&O Claims**").
- E. On September 13, 2011, the KEYreit Entities filed a D&O claim under the D&O Claims Solicitation Procedure against the directors and officers of the Prizm Entities in the amount of \$10,000,000 plus interest and costs relating to, *inter alia*, the alleged failure by the Prizm Entities to maintain adequate insurance coverage at the Locations (the "**KEYreit D&O Claim**").
- F. Pursuant to orders of the Court made September 14, 2011, the CCA Proceedings were terminated and RSM Richter Inc. ("**Richter**") was appointed by the Court as receiver (the "**Receiver**") of the assets, properties and undertakings of the Prizm Entities (the "**Receivership Order**").
- G. On December 9, 2011, the assets used by Richter in its Toronto restructuring practice were acquired by Duff & Phelps Canada Restructuring Inc. ("**D&P**") and pursuant to an order of the Court made December 12, 2011, D&P was substituted in place of Richter in certain ongoing mandates, including acting as the Receiver of the Prizm Entities.
- H. The Receivership Order authorized the Receiver to continue the D&O Claims Solicitation Procedure and to discharge and perform any remaining obligations of the court-appointed CCA monitor of the Prizm Entities in connection therewith.

- I. Pursuant to an order of the Court issued on July 31, 2012 (the “**July 31 Order**”), *inter alia*, the Receiver was authorized and directed to hold \$3,000,000 as a reserve in connection with the KEYreit D&O Claim (the “**KEYreit D&O Reserve**”).
- J. During the CCAA Proceedings and the receivership, the Prizm Entities continued operations at the Locations as set out in the Reserve Schedule, but all of the Prizm Entities’ operations have since been closed or sold.
- K. Persons (as defined below) may assert Claims (as defined below) against the Prizm Entities and/or the KEYreit Entities in respect of the Prizm Entities’ post-Filing Date (as defined below) operations at the Locations.
- L. The KEYreit Entities have asserted that they have a claim against the Prizm Entities under the Leases for amounts which KEYreit may be required to pay or costs and expenses that the KEYreit may incur in connection with Claims related to post-Filing Date operations at the Locations.
- M. The Parties (as defined below), with the assistance of the Adjuster (as defined below), have calculated the amount of the Reserve (as defined below), which is designed to and will provide a reserve fund to pay out on Determined Claims (as defined below), to the extent (i) the Prizm Entities are liable for the deductible amounts under the Prizm Entities’ Commercial General Liability insurance policy (the “Prizm Policy”) in respect of post-Filing Date operations at the Locations, (ii) the Receiver incurs certain costs and/or expenses in connection with Claims asserted in respect of post-Filing Date operations at the Locations, and (iii) the Prizm Entities are liable under the Lease for a Location to the KEYreit Entities for costs and/or expenses associated with any Claim asserted in respect of post-Filing Date operations at such Location. The Parties have also agreed to establish a reserve of \$70,000 (the “**Denied Claim Reserve**”) to be used to pay out on Determined Claims where coverage is denied by the Prizm Entities’ insurer as a result of a breach by the Prizm Entities or the Receiver under the Prizm Policy.
- N. As more fully set forth in this Agreement, the Parties have reached agreement as to a mechanism whereby, among other things:
 - (a) The KEYreit Entities will withdraw the KEYreit D&O Claim and release any and all other claims against the Prizm Entities and the Receiver. Claims (if any) which KEYreit may have against the Prizm Entities’ officers and directors will be limited to the applicable D&O policy, and any costs and expenses in connection therewith shall be borne by the KEYreit Entities and shall not be payable out of the Reserve.
 - (b) The Reserve will be retained and all other amounts in the KEYreit D&O Reserve will be distributed to Prudential.
 - (c) The Receiver will respond to Claims as soon as practicable after notice thereof.
 - (d) All available insurance coverage held by the Prizm Entities will be accessed by the Receiver to pay Determined Claims. The Reserve shall be used to pay any

deductible charged by the insurer under the Prizm Policy when required by the insurer.

- (e) The lesser of the deductible and the amount of the Determined Claim will be (i) paid out of the applicable Provincial Reserve (as defined below) and (ii) if coverage of a Determined Claim is denied as a result of a breach by the Prizm Entities or the Receiver of the Prizm Policy, out of the Denied Claim Reserve (as defined below) as set forth and in the amounts in this Agreement.
- (f) The Receiver and Prudential shall not be liable to pay the KEYreit Entities, the Prizm Entities or the Receiver any amounts related to Claims, and shall not be liable to pay or contribute any amounts in excess of the amounts in the Reserve pursuant to this Agreement.
- (g) The Receiver shall be reimbursed for reasonable costs and expenses incurred in connection with the Claims. The KEYreit Entities shall be reimbursed for costs and expenses incurred in connection with a Claim asserted in respect of post-Filing Date operations at a Location, to the extent the Prizm Entities are liable to the KEYreit Entities for such costs and expenses under the Lease for such Location.
- (h) The Receiver shall instruct their insurer and/or the Adjuster to pursue recovery in respect of Claims through subrogation or otherwise, which recoveries shall be paid to cover expenses of the Receiver and the KEYreit Entities with regard to such subrogation and then into the applicable Provincial Reserve.
- (i) Any remaining funds in the Reserve will be distributed to Prudential forthwith after the applicable Limitation Period Expiry Date, subject to the Contingent Interim Distributions (as defined below).
- (j) The Denied Claim Reserve will be applied to pay Determined Claims where coverage of a Determined Claim is denied as a result of a breach by the Prizm Entities or the Receiver of the Prizm Policy, and any remaining funds in the Denied Claim Reserve will be distributed to Prudential as more fully set forth in this Agreement.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Whenever used in this Agreement, the following words and terms have the following meanings:

“**Agreement**” means this agreement, including all schedules and all amendments or restatements as permitted, and references to “**Section**” mean the specified Section of this Agreement.

“**Claims**” means all claims, demands, complaints, grievances, actions, applications, suits and causes of action that are asserted by any Person arising out of or relating to any of the

Priszm Entities' post-Filing Date operations at the Locations, including those claims, demand, complaints, grievances, actions, applications, suits and causes of action that are asserted by any Person after the relevant Priszm Entity is no longer in possession of the Locations, relating to bodily injury, death and damage to property owned by third parties asserted prior to the Limitation Period Expiry Date and excluding all other claims, demands, complaints, grievances, actions, applications, suits and causes of action relating to product liability or otherwise.

“**Claimant**” means a Person who holds a Determined Claim.

“**Determined Claim**” means a Claim that is finally determined either by a settlement agreed to by the Claimant, the Parties, and the insurer, as applicable, or by way of a final judgment that is no longer subject to appeal, and in respect of which any of the Priszm Entities are found liable and are required to pay a Claimant.

“**Filing Date**” means March 31, 2011.

“**Limitation Period Expiry Date**” means the date that the applicable statutory limitation period expires in respect of Claims in a particular Province of Canada, as set out in the Reserve Schedule.

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, governmental authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative, but shall not include Prudential.

“**Parties**” means, collectively, the Receiver and the KEYreit Entities and “**Party**” means any one of them.

“**Provincial Reserve**” means the funds constituting the Reserve allocated in respect of Locations in a particular Province of Canada as set out on the Reserve Schedule.

“**Prudential**” means, collectively, PICA, Pruco and PRIAC.

“**Reserve**” shall have the meaning set out in **Section 3**.

“**Reserve Schedule**” means the schedule appended as **Schedule B** hereto setting out the Locations, the Provincial Reserves and the Limitation Period Expiry Date in respect of such Provincial Reserve.

2. **Withdrawal of KEYreit D&O Claim.** Each of the KEYreit Entities hereby withdraws the KEYreit D&O Claim, subject to the terms and provisions of this Agreement. Each of the KEYreit Entities on its own behalf and on behalf of its subsidiary, affiliated, and associated corporations and entities and all of their respective successors and assigns (the “**Releasers**”) hereby remises, releases and forever discharges each of the Priszm Entities and Duff & Phelps Canada Restructuring Inc., both in its capacity as court-appointed receiver of the assets, properties and undertakings of the Priszm Entities and in its personal capacity, and each of their respective subsidiary, affiliated, and associated

corporations and entities and all of their respective officers, directors, servants, agents, employees, successors and assigns (collectively, the “**Releasees**”) of and from any and all actual or potential actions, causes of action, suits, debts, duties, accounts, bonds, dues, covenants, contracts, rights, costs and expenses, judgements, claims, proceedings, obligations and demands whatsoever, whether at equity or law, whether known or unknown, which the Releasers ever had, now have or may hereinafter have against the Releasees arising out of or relating to the KEYreit D&O Claim.

3. **Reduction of the KEYreit D&O Reserve.** The Receiver shall forthwith seek an order of the Court, in form and content satisfactory to KEYreit and Prudential, acting reasonably (the “**Distribution Order**”) releasing \$2,058,636.65 from the KEYreit D&O Reserve and authorizing and directing the Receiver to distribute such amount to Prudential as a permanent and non-refundable reduction of the indebtedness owing by the Prizm Entities to Prudential. The remaining funds in the KEYreit D&O Reserve in the amount of \$941,363.35 (the “**Reserve**”) shall continue to be held by the Receiver in accordance with this Agreement, the Distribution Order and any further applicable order of the Court and shall be allocated to each Province in accordance with the Reserve Schedule. The Distribution Order shall provide that neither the Receiver nor Prudential is liable to pay, contribute or hold in reserve in respect of any claim or entitlement that KEYreit may have as against the Prizm Entities or the Receiver any further or other amounts beyond or in excess of the Reserve and the Denied Claim Reserve.
4. **Appointment and Reimbursement of Adjuster.** The Receiver shall forthwith retain Cunningham Lindsey Canada Claims Service Ltd. as the adjuster (together with its successors and permitted assigns, the “**Adjuster**”) for Claims, on terms and conditions acceptable to each of the KEYreit Entities and the Receiver, acting reasonably and expeditiously. The Distribution Order shall authorize and direct the Receiver to pay the Adjuster’s reasonable fees and disbursements relating to a Claim out of the Provincial Reserve relating to such Claim, which amount shall be subject to the prior approval of the KEYreit Entities, acting reasonably, on thirty (30) days prior written notice by the Receiver to the KEYreit Entities. Any payments made to the Adjuster from a Provincial Reserve represents a permanent reduction to the relevant Provincial Reserve.
5. **Response to Claims.** The Receiver will be responsible for responding to all Claims as soon as practicable after notice thereof. The Receiver shall provide Prudential and KEYreit with notice of any Claims as soon as practicable.
6. **Establishment of the Provincial Reserves.** The Distribution Order shall provide for the Reserve to be divided into Provincial Reserves in accordance with **Schedule B** and the Denied Claim Reserve, which are to be dealt with in accordance with this Agreement, the Distribution Order and any other order of the Court.
7. **Payment of Determined Claims from the Provincial Reserves and the Denied Claims Reserve.**
 - (a) The Distribution Order shall provide, *inter alia*, that the Receiver shall be authorized and directed to pay funds from the applicable Provincial Reserve to: (i) any Claimant(s); and/or (ii) the relevant Prizm Entity’s insurer if it has paid a Determined Claim, provided, however, that any payment on account of a

settlement of a Determined Claim must be agreed to by the KEYreit Entities and the Receiver, each acting reasonably. Funds may only be paid under this **Section 7(a)**:

- (i) up to the lesser of the amount of: (i) the Determined Claim; (ii) the deductible under the Prizm Policy; and (iii) the amount remaining in the applicable Provincial Reserve attributable to the relevant Location; and
 - (ii) if, in executing full and final settlement of a Claim, the Receiver diligently attempts to obtain a comprehensive full and final release (a “**Release**”) from the Claimant in favour of and satisfactory in form and content to the KEYreit Entities and the Receiver, each acting reasonably.
- (b) The Distribution Order shall further provide, *inter alia*, that if a Determined Claim is denied by the insurer as a result of a breach by the Prizm Entities or the Receiver under the Prizm Policy, the Receiver shall be authorized and directed to pay funds from the Denied Claims Reserve to the applicable Claimant in addition to any amounts remitted to the Claimant pursuant to **Section 7(a)**, provided, however, that any payment on account of a settlement of a Determined Claim must be agreed to by the KEYreit Entities and the Receiver, each acting reasonably. Funds may only be paid under this **Section 7(b)**:
- (i) up to the lesser of the amount of: (i) the Determined Claim less any amount paid under **Section 7(a)**; (ii) the deductible which the insured would otherwise have been required to pay under the Prizm Policy less any amount paid under **Section 7(a)**; and (iii) the amount remaining in the Denied Claims Reserve; and
 - (ii) if, in executing full and final settlement of a Claim, the Receiver diligently attempts to obtain a Release from the Claimant in favour of and satisfactory in form and content to the KEYreit Entities and the Receiver, each acting reasonably.
- (c) Subject to the terms of any applicable insurance policy, and in consultation with Prudential, the Receiver shall itself, or shall instruct the relevant Prizm Entity’s insurer, to pursue, to the maximum extent permissible at law, whether through rights of subrogation or otherwise, any Person who is or may be liable for a Claim, in whole or in part, in order to recoup any losses charged or to be charged, including the deductible(s) amount(s) paid with respect to such Claim. If any of the Receiver or the relevant Prizm Entity’s insurer is successful in recovering any amount through subrogation or otherwise, then any such recovered amount shall be paid into the applicable Provincial Reserve and dealt with in accordance with this Agreement the Distribution Order and any other applicable Order of the Court; and
- (d) any payments made from the Provincial Reserve and the Denied Claims Reserve pursuant to this **Section 7** represent a permanent reduction to the Provincial Reserve or the Denied Claims Reserve, as applicable.

8. **Payment of Costs and Expenses from Provincial Reserves.** In the event that the Receiver incurs any necessary and reasonable costs and/or expenses in connection with a Claim, which are not paid by any applicable insurance policy, such necessary and reasonable costs and/or expenses shall be paid from the relevant Provincial Reserve, subject to Prudential's approval, which approval shall not be unreasonably withheld. In the event that the KEYreit Entities incur costs in connection with a Claim, which are not paid by any applicable insurance policy, such costs shall be paid from the relevant Provincial Reserve, subject to Prudential's approval, which approval shall not be unreasonably withheld, provided, however, that costs and expenses may only be paid to the KEYreit Entities under this **Section 8** to the extent the Prizm Entities are liable to the KEYreit Entities for such costs and expenses under the Lease for the Location to which the Claim relates.
9. **Release of Provincial Reserves.** Subject to **Section 11**, immediately after the applicable Limitation Period Expiry Date in respect of the relevant Provincial Reserve as set forth in **Schedule B**, any remaining Provincial Reserve amount shall be released and immediately distributed by the Receiver to Prudential and there shall be no obligation whatsoever on Prudential to refund or repay any distributions made to Prudential in accordance with this **Section 9**.
10. **Release of Denied Claim Reserve.** Subject to **Section 11**, the Denied Claim Reserve amount shall be held in the Reserve Balance until November 27, 2018. On such date, any remaining Denied Claims Reserve amount shall be released and immediately distributed by the Receiver to Prudential and there shall be no obligation whatsoever on Prudential to refund or repay any distributions made to Prudential in accordance with this **Section 10**.
11. **Claims that have not Become Determined Claims.** Notwithstanding **Section 7**:
 - (a) If any Claims in respect of a Provincial Reserve asserted prior to the Limitation Period Expiry Date have not yet become Determined Claims and have not been dealt with in accordance with **Section 7** as at the applicable Limitation Period Expiry Date ("**Asserted Claims**"), the Receiver shall continue to hold funds in the Provincial Reserve in an amount equal to the deductible relating to such Asserted Claims until such time as those Asserted Claims have become Determined Claims and are dealt with in accordance with **Section 7**. Any amounts in a Provincial Reserve in excess of the deductible relating to the Asserted Claims as at the applicable Limitation Period Expiry Date shall be released and paid to Prudential in accordance with **Section 9**. Any amount remaining in a Provincial Reserve being held by the Receiver in respect of Asserted Claims remaining after all Asserted Claims have become Determined Claims and are dealt with in accordance with **Section 7** shall be forthwith released and paid by the Receiver to Prudential.
 - (b) If any Claims to which the Denied Claim Reserve might be applicable that were asserted prior November 27, 2018 have not yet become Determined Claims and dealt with in accordance with **Section 7** as at November 27, 2018 ("**Denied Claims**"), the Receiver shall continue to hold funds in the Denied Claim Reserve until such time as the Denied Claims have become Determined Claims and are dealt with in accordance with **Section 7**. Any amount remaining in the Denied

Claim Reserve after all Denied Claims have become Determined Claims and are dealt with in accordance with **Section 7** shall be forthwith released and paid by the Receiver to Prudential.

12. **Release of Provincial Reserves After Second Anniversary of Sale or Closure: Written Undertaking.** Notwithstanding anything to the contrary set out in this Agreement, in the event that an applicable Limitation Period Expiry Date occurs on a date that is after the second anniversary date of the sale or closure of the relevant Locations as set forth in **Schedule B** and no Claims have been made in respect of a Provincial Reserve that have not become Determined Claims and dealt with in accordance with **Section 7**, the Receiver shall distribute to Prudential any amounts remaining in that Provincial Reserve (excluding any amounts which have not yet been paid on account of an already Determined Claim, which funds shall be reserved) (“**Contingent Interim Distributions**”) within 10 days of the second anniversary date of the sale or closure of the Locations, provided that Prudential has first provided a written undertaking to the KEYreit Entities and the Receiver substantially in the form set out in **Schedule C** hereto in respect of each Contingent Interim Distribution. In the event that any Claim is advanced in respect of a Location after the two year anniversary date of the closing or sale of a Location but prior to the applicable Limitation Period Expiry Date, the Receiver shall provide notice of such Claim to the KEYreit Entities and Prudential as soon as practicable.
13. **Release of Denied Claim Reserve on September 21, 2014: Written Undertaking.** Notwithstanding anything to the contrary set out in this Agreement, in the event that there are no Determined Claims to be paid out of the Denied Claim Reserve in accordance with **Section 7** as at September 21, 2014, the Receiver shall distribute to Prudential any amount remaining in that Denied Claim Reserve within 10 days of September 21, 2014 (excluding any amounts which have not yet been paid on account of an already Determined Claim, which funds shall be reserved), provided that Prudential has first provided a written undertaking to the KEYreit Entities and the Receiver substantially in the form set out in **Schedule C**. In the event that any Claim is advanced in respect of which the Denied Claim Reserve would have been applied subsequent to the Denied Claim Reserve being distributed to Prudential pursuant to this **Section 13** but prior to November 27, 2018, the Receiver shall provide notice of such Claim to the KEYreit Entities and Prudential as soon as practicable.
14. **Dispute Resolution.** In the event that the Parties or Prudential, acting reasonably and expeditiously, are unable to resolve any dispute arising out of or relating to matters set out in this Agreement within ten (10) days, the Receiver shall bring an application before the Court for the determination of such dispute on at least fourteen (14) days prior written notice to each of the Parties and Prudential. If the Receiver does not bring such an application, Prudential or the KEYreit Entities may do so.
15. **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 Receiver:

- (i) Duff & Phelps Canada Restructuring Inc.
333 Bay Street, 14th Floor
Toronto, Ontario
M5H 2R2

Attention: Bobby Kofman and Lana Bezner
Facsimile: (647) 497-9490
Email: bobby.kofman@duffandphelps.com /
lana.bezner@duffandphelps.com

- (ii) with a copy to its solicitors:

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario
M5X 1B8

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

- (b) To the KEYreit Entities:

- (i) KEYreit
Suite 2300, P.O. Box 222
TD Canada Trust Tower
Brookfield Place, 161 Bay Street
Toronto, Ontario
M5J 2S1

Attention: Sharon Ferrari
Facsimile: (416) 361-6018
Email: sharon.ferrari@keyreit.com

- (ii) with a copy to its solicitors:

Miller Thomson LLP
Scotia Plaza
40 King St. West, Suite 5800
Toronto, Ontario
M5H 3S1

Attention: Jeffrey Carhart
Facsimile: (416) 595-8695
Email: jcarhart@millerthomson.com

- (c) To Prudential

- (i) Prudential Investment Management Inc.
100 Mulberry Street

Newark, NJ 07102

Attention: Paul Procyk
Facsimile: (888) 889-3832
Email: paul.procyk@prudential.com

- (ii) with a copy to its solicitors:

Gowling Lafleur Henderson LLP
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario
M5X 1G5

Attention: Patrick Shea
Facsimile: (416) 862-7661
Email: patrick.shea@gowlings.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 any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario (“**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 15**. Any Party or Prudential 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 or Prudential at its changed address. Any element of a Party’s or Prudential’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 legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party or Prudential. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party or Prudential.

16. **Miscellaneous.**

- (a) Words importing the singular include the plural and vice-versa unless the context expressly otherwise requires.
- (b) Time is of the essence in the performance of the Parties’ respective obligations.
- (c) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable in Ontario.
- (d) This Agreement inures to the benefit of and is binding upon the Parties and Prudential and their successors and assigns.

- (e) No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party or Prudential, shall be binding unless executed in writing by the Party or Prudential to be bound.
- (f) The Parties acknowledge and agree that the facts as set out in the Recitals to this Agreement are true and accurate in all respects and that the Recitals are incorporated into and form part of this Agreement.
- (g) No Party or Prudential may assign this Agreement or any rights or obligations under this Agreement except to that Party's or Prudential's respective heirs, personal representatives and successors.
- (h) This Agreement may be executed by the Parties and Prudential in counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement.

[Remainder of Page Intentionally Left Blank]

EXECUTION COPY

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

**DUFF & PHELPS CANADA
RESTRUCTURING INC.**, in its capacity as
court-appointed receiver of the assets,
undertakings and properties of **Priszm Income
Fund, Priszm Canadian Operating Trust,
Priszm Inc., Kit Finance Inc. and Priszm LP**
and not in its personal capacity

By: _____
Name:
Title:

KEYREIT

By: _____
Name:
Title:

SR OPERATING TRUST

By: _____
Name:
Title:

**SCOTT'S REAL ESTATE LIMITED
PARTNERSHIP**

By: _____
Name:
Title:

SCOTT'S TRUSTEE CORP.

By: _____
Name:
Title:

SCOTT'S GP TRUST

By: _____
Name:
Title:

**THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA**

By: _____
Name:
Title: Vice President

PRUCO LIFE INSURANCE COMPANY

By: _____
Name:
Title: Assistant Vice President

**PRUDENTIAL RETIREMENT
INSURANCE AND ANNUITY COMPANY**

**BY: Prudential Investment Management,
Inc., as Investment Manager**

By: _____
Name:
Title: Vice President

SCHEDULE A

LEASES

LIST OF LOCATIONS OCCUPIED BY PRISZM AND OWNED BY SCOTT'S REAL ESTATE LIMITED PARTNERSHIP					
Ser. #	Store Number	Street Address	City	Prov.	Prior Landlord
1	1000	6310 QUINPOOL RD	HALIFAX	NS	YUM
2	1003	18 TITUS ST/MAIN AVENUE	HALIFAX	NS	YUM
3	1004	247 HERRING COVE	HALIFAX	NS	YUM
4	1006	960 COLE HARBOUR RD.	DARTMOUTH	NS	YUM
5	1016	96 WARWICK ST.	DIGBY	NS	YUM
6	1017	279 MAIN ST.	LIVERPOOL	NS	YUM
7	1018	679 SACKVILLE DR.	LOWER SACKVILLE	NS	YUM
8	1019	9034 COMMERCIAL ST.	NEW MINAS	NS	YUM
9	1021	KING ST & O'BRIEN ST.	WINDSOR	NS	YUM
10	1022	2897 HIGHWAY #1	COLDBROOK	NS	YUM
11	1023	0 REEVES ST & KENNEDY ST	PORT HAWKESBURY	NS	YUM
12	1024	731 CENTRAL AVE.	GREENWOOD	NS	YUM
13	1029	109 KING ST.	NORTH SYDNEY	NS	YUM
14	1036	210 BLISS ST.	OROMOCTO	NB	SRI #3
15	1037	283 MAIN ST.	NASHWAAKSIS	NB	SRI #3
16	1038	1165 PROSPECT STREET	FREDERICTON	NB	SRI #3
17	1040	138 WATER ST.	CAMPBELLTON	NB	SRI #3
18	1041	145 PLEASANT ST.	NEWCASTLE	NB	SRI #3
19	1042	435 ST. PETER AVE.	BATHURST	NB	SRI #3
20	1044	180 BLVD. HEBERT	EDMUNDSTON	NB	SRI #3
21	1049	221 WEST RIVER RD.	PICTOU	NS	YUM
22	1051	9 JAMES ST.	ANTIGONISH	NS	YUM
23	1054	413 CLOVERDALE RD.	RIVERVIEW	NB	SRI #3
24	1055	945 MOUNTAIN RD.	MONCTON	NB	SRI #3
25	1100	5601 BD LEGER	MONTREAL	QC	SRI #3
26	1101	351 AV. REGINA	VERDUN	QC	YUM
27	1102	8710 RUE SHERBROOKE E.	MONTREAL	QC	YUM
28	1103	1670 DE LA CONCORDE E.	DUVERNAY	QC	YUM
29	1104	3199 BOUL TASCHEREAU	GREENFIELD PARK	QC	YUM
30	1105	3000 BD ST-CHARLES	KIRKLAND	QC	YUM
31	1106	2997 CH.CHAMBLY	LONGUEUIL	QC	SRI #3
32	1108	1375 ST-JEAN BAPTISTE	POINTE TREMBLES	PQ	YUM
33	1109	990 RUE MONTARVILLE	BOUCHERVILLE	QC	YUM
34	1110	4310 RUE PAPINEAU	MONTREAL	QC	YUM
35	1111	140 BD STE-FOY	LONGUEUIL	QC	YUM
36	1112	6240 RUE BEAUBIEN EST	MONTREAL	QC	YUM
37	1114	1689 BD DES LAURENTIDES	VIMONT	QC	YUM
38	1115	1110 RUE PROVOST	LACHINE	QC	SRI #3
39	1116	9205 BD LACORDAIRE	ST-LEONARD	QC	SRI #3
40	1117	8575 BD PIE IX	MONTREAL	QC	YUM
41	1119	5272 RUE SHERBROOKE O.	MONTREAL	PQ	YUM
42	1121	4980 BD DES SOURCES	PIERREFONDS	PQ	YUM
43	1124	1595 COTE VERTU	ST. LAURENT	QC	SRI #3
44	1127	6625 AV. VICTORIA	MONTREAL	QC	YUM
45	1129	1551 BD SHEVCHENKO	LASALLE	QC	SRI #3

46	1130	6445 TASCHEREAU BLVD.	BROSSARD	QC	YUM
47	1150	9460 BOUL HENRI BOURASSA	CHARLESBOURG	QC	SRI #3
48	1152	3309 CHEMIN STE FOY	STE FOY	QC	YUM
49	1153	3101 BOUL PERE LELIEVRE	DUBERGER	QC	SRI #3
50	1154	11025 BOUL L'ORMIERE	NEUFCHATEL	QC	YUM
51	1156	615 4IEME AVE.	ST. ROMUALD	QC	SRI #3
52	1157	140 ROUTE PRES.KENNEDY	LEVIS	QC	YUM
53	1158	315 BOUL STE ANNE	BEAUPORT	QC	SRI #3
54	1171	104 BD ARTHUR-SAUVE	ST. EUSTACHE	QC	SRI #3
55	1174	680 BD DU SEMINAIRE	ST-JEAN	QC	YUM
56	1175	650 BD TASCHEREAU	LA PRAIRIE	PQ	YUM
57	1176	291 BD DES LAURENTIDES	ST-JEROME	QC	YUM
58	1177	60 BD CURE LABELLE	STE THERESE	PQ	YUM
59	1178	335 SIR WILFRID LAURIER	BELOEIL	QC	SRI #3
60	1179	590 RUE PRINCIPALE	STE AGATHE	PQ	YUM
61	1180	947 BD DES SEIGNEURS	TERREBONNE	QC	YUM
62	1181	91 BD HARWOOD	DORION	QC	YUM
63	1182	180 RUE Fiset	SOREL-TRACY	PQ	YUM
64	1184	1465 RUE KING OUEST	SHERBROOKE	QC	YUM
65	1185	703 RUE PRINCIPALE	GRANBY	QC	YUM
66	1186	50 RUE MERRY NORD	MAGOG	QC	YUM
67	1187	1533 RUE SUD	COWANSVILLE	QC	YUM
68	1188	379 RUE CHILD	COATICOOK	QC	YUM
69	1191	314 CH. LAROCQUE	VALLEYFIELD	PQ	YUM
70	1192	129 BD DANJOU	CHATEAUGUAY	QC	YUM
71	1193	2975 BD LAFRAMBOISE	ST-HYACINTHE	QC	YUM
72	1196	969 RUE DU PHARE O.	MATANE	QC	YUM
73	1198	602 AV. LAURE	SEPT-ILES	QC	YUM
74	1200	3814 BD HARVEY	JONQUIERE	PQ	YUM
75	1201	466 STE GENEVIEVE	CHICOUTIMI	QC	YUM
76	1202	50 RUE COLLARD O.	ALMA	PQ	YUM
77	1203	2020 BD MELLON	JONQUIERE	QC	YUM
78	1204	936 BD DUCHARME	LA TUQUE	QC	YUM
79	1205	230 8E AVENUE	DOLBEAU	QC	YUM
80	1206	991 BD MARCOTTE	ROBERVAL	PQ	YUM
81	1208	347 BD ST-JOSEPH	HULL	QC	SRI #3
82	1209	258 RUE NOTRE-DAME	GATINEAU MILLS	QC	SRI #3
83	1210	164 BD GREBER	POINTE GATINEAU	QC	YUM
84	1211	125 RUE BETHANY	LACHUTE	QC	YUM
85	1212	650 BD PAQUETTE	MONT LAURIER	QC	YUM
86	1213	620 RUE NOTRE-DAME O.	VICTORIAVILLE	PQ	YUM
87	1214	1605 BD ST-JOSEPH	DRUMMONDVILLE	QC	YUM
88	1215	1080 BD DES RECOLLETS	TROIS-RIVIERES	QC	YUM
89	1217	1483 RUE ST-MARC	SHAWINIGAN	PQ	YUM
90	1218	31 BOUL. FRONTENAU OUEST	THETFORD MINES	QC	YUM
91	1219	1550 1E AVENUE O.	ST. GEO. BEAUCE	QC	YUM
92	1303	965 DUNDAS STREET E.	MISSISSAUGA	ON	SRI Realty Inc.
93	1305	3351 LAWRENCE AVE. E.	SCARBOROUGH	ON	SRI Realty Inc.
94	1307	190 QUEEN STREET E.	BRAMPTON	ON	SRI Realty Inc.
95	1309	563 GERRARD STREET E.	TORONTO	ON	SRI Realty Inc.
96	1310	3495 SHEPPARD AVE. E.	SCARBOROUGH	ON	SRI #2
97	1311	2567 EGLINTON AVE. E.	SCARBOROUGH	ON	SRI Realty Inc.
98	1312	3719 LAKESHORE BLVD.	ETOBICOKE	ON	SRI #2
99	1315	829 ST. CLAIR AVE. W.	TORONTO	ON	Scotts Restaurant Inc.
100	1318	2032 KIPLING AVE. N.	ETOBICOKE	ON	SRI Realty Inc.
101	1323	3517 DUNDAS STREET W.	TORONTO	ON	SRI #2

102	1326	9025 TORBRAM RD	BRAMPTON	ON	Geoffrey Moore
103	1327	1221 DUNDAS STREET W.	TORONTO	ON	SRI Realty Inc.
104	1329	415 MT. PLEASANT RD	TORONTO	ON	Scotts Restaurant Inc.
105	1331	1338 KENNEDY ROAD	SCARBOROUGH	ON	SRI Realty Inc.
106	1333	466 QUEEN STREET W.	TORONTO	ON	SRI Realty Inc.
107	1334	636 BLOOR STREET W.	TORONTO	ON	SRI Realty Inc.
108	1336	2500 DANFORTH AVENUE	TORONTO	ON	SRI Realty Inc.
109	1338	2296 EGLINTON AVE. W.	TORONTO	ON	SRI Realty Inc.
110	1349	239 SCARLETT ROAD	TORONTO	ON	SRI #2
111	1351	1630 QUEEN ST. E.	TORONTO	ON	SRI #3
112	1355	5863 HIGHWAY #7	MARKHAM	ON	YUM
113	1372	973 SIMCOE STREET NORTH	OSHAWA	ON	SRI #2
114	1373	474 SIMCOE STREET SOUTH	OSHAWA	ON	SRI #2
115	1374	574 KING STREET EAST	OSHAWA	ON	SRI #2
116	1375	301 DUNDAS STREET WEST	WHITBY	ON	YUM
117	1400	2795 ST. JOSEPHS BLVD	ORLEANS	ON	SRI #2
118	1402	932 ST. LAURENT BLVD.	OTTAWA	ON	SRI #2
119	1403	1096 WELLINGTON STREET	OTTAWA	ON	SRI #2
120	1405	1677 BANK STREET	OTTAWA	ON	SRI #2
121	1406	HWY 31, 2919 BANK STREET	OTTAWA	ON	SRI #2
122	1411	41 DUFFERIN STREET	PERTH	ON	YUM
123	1412	415 PEMBROKE STREET EAST	PEMBROKE	ON	SRI #3
124	1414	145 MADAWASKA BLVD	ARNPRIOR	ON	YUM
125	1415	45 MUNRO STREET	CARLETON PLACE	ON	YUM
126	1418	1943 BASELINE ROAD	OTTAWA	ON	SRI #2
127	1419	917 RICHMOND ROAD	OTTAWA	ON	SRI #2
128	1425	307 CANNON STREET E.	HAMILTON	ON	YUM
129	1426	716 MAIN STREET E.	HAMILTON	ON	YUM
130	1427	45 PARKDALE AVE. N.	HAMILTON	ON	YUM
131	1428	1222 BARTON STREET E.	HAMILTON	ON	YUM
132	1429	631 KING STREET W.	HAMILTON	ON	YUM
133	1436	450 WHARNCLIFFE ROAD	LONDON	ON	SRI #2
134	1438	1683 DUNDAS STREET	LONDON	ON	SRI #3
135	1440	1291 COMMISSIONERS ROAD W.	LONDON	ON	SRI #2
136	1442	850 WELLINGTON ROAD SOUTH	LONDON	ON	Scotts Restaurant Inc.
137	1446	3006 DOUGALL ROAD	WINDSOR	ON	SRI #2
138	1447	1797 HURON CHURCH RD	WINDSOR	ON	YUM
139	1448	1916 WYANDOTTE ST. W.	WINDSOR	ON	YUM
140	1449	1485 ERIE STREET E.	WINDSOR	ON	YUM
141	1451	7435 TECUMSEH RD E.	WINDSOR	ON	SRI #2
142	1506	786 CHEMONG ROAD	PETERBOROUGH	ON	YUM
143	1509	507 DIVISION STREET	COBOURG	ON	SRI #2
144	1510	63 LINDSAY STREET	LINDSAY	ON	SRI #2
145	1513	274 NORTH FRONT STREET	BELLEVILLE	ON	SRI #2
146	1514	464 DUNDAS ST BELLEVILLE	BELLEVILLE	ON	SRI #2
147	1515	90 MAIN STREET	PICTON	ON	YUM
148	1516	499 DUNDAS STREET (GALT)	CAMBRIDGE	ON	SRI #2
149	1519	27 DALHOUSIE STREET	BRANTFORD	ON	SRI #2
150	1528	346 ST. CLAIR STREET	CHATHAM	ON	YUM
151	1529	1314 DUFFERIN ST.	WALLACEBURG	ON	SRI #3
152	1531	325 TALBOT STREET NORTH	ESSEX	ON	YUM
153	1532	1300 LASALLE BLVD	SUDBURY	ON	SRI #3
154	1533	1341 MARTINDALE ROAD	SUDBURY	ON	YUM
155	1534	582 KATHLEEN STREET WEST	SUDBURY	ON	SRI #3

156	1535	405 COTE AVENUE	CHELMSFORD	ON	YUM
157	1541	161 TRUNK ROAD	SAULT STE MARIE	ON	YUM
158	1548	60 HARTZELL ROAD	ST. CATHARINES	ON	YUM
159	1552	3567 PORTAGE ROAD	NIAGARA FALLS	ON	YUM
160	1553	311 MAIN STREET	DUNNVILLE	ON	YUM
161	1554	322 ARGYLE STREET SOUTH	CALEDONIA	ON	SRI #2
162	1557	827 MC GILL STREET	HAWKESBURY	ON	SRI #2
163	1559	28 DUMFRIES STREET	PARIS	ON	YUM
164	1600	679 HENDERSON HWY	WINNIPEG	MB	SRI #3
165	1604	1873 PORTAGE AVE.	WINNIPEG	MB	SRI #3
166	1606	1651 REGENT AVE.	WINNIPEG	MB	SRI #3
167	1607	750 SHERBROOK ST.	WINNIPEG	MB	SRI #3
168	1608	1100 ST. MARY'S RD.	WINNIPEG	MB	SRI #3
169	1621	458 PRINCESS AVE.	BRANDON	MB	SRI #3
170	1749	1240 17 AVENUE S.W.	CALGARY	AB	YUM
171	1750	1320 EDMONTON TR. N.E.	CALGARY	AB	YUM
172	1751	905 37 STREET S.W.	CALGARY	AB	YUM
173	1752	5003 CENTRE STREET N.	CALGARY	AB	YUM
174	1753	4315 17 AVENUE S.E.	CALGARY	AB	YUM
175	1755	5335 FALSBRIDGE DR. N.E.	CALGARY	AB	YUM
176	1756	15325 BANNISTER RD. S.E.	CALGARY	AB	YUM
177	1783	244 EDMONTON TRAIL	AIRDRIE	AB	YUM
178	1784	5106 46 STREET	OLDS	AB	YUM
179	1786	435 2 STREET	BROOKS	AB	YUM
180	1787	5716-50 AVENUE, BOX 6134	DRAYTON VALLEY	AB	YUM
181	1791	SOUTHRIDGE DRIVE	OKOTOKS	AB	JBM
182	1806	4605 E. HASTINGS ST.	BURNABY	BC	YUM
183	1814	2190 KINGSWAY	VANCOUVER	BC	YUM
184	1824	795 E. BROADWAY	VANCOUVER	BC	YUM
185	1861	3140 DOUGLAS ST.	VICTORIA	BC	YUM
186	1889	3620 GELLATLY RD.	WESTBANK	BC	YUM
187	1893	1584 HIGHWAY. 99	SQUAMISH	BC	YUM
188	4625	260 ROBLIN BLVD.	WINKLER	MB	YUM

**SCHEDULE B
RESERVE SCHEDULE**

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
1	Prizm enters CCAA	31-Mar-11								
2(a)	63 sites sold to Soul	31-May-11	62	BC	30	30-Nov-13	3	\$1,125.30	\$3,375.90	\$70,893.90
2(b)				Ont	30	30-Nov-13	57		\$64,142.10	
2(c)				Que	42	30-Nov-14	3		\$3,375.90	
3(a)	6 sites disclaimed	9-Jun-11	71	Ont	30	8-Dec-13	1	\$1,288.65	\$1,288.65	\$7,731.90
3(b)				MB	78	8-Dec-17	2		\$2,577.30	
3(c)				Alta	30	8-Dec-13	2		\$2,577.30	
3(d)				Que	42	8-Dec-14	1		\$1,288.65	
4(a)	16 sites disclaimed	21-Jul-11	113	Ont	30	20-Jan-14	13	\$2,050.95	\$26,662.35	\$32,815.20
4(b)				BC	30	20-Jan-14	3		\$6,152.85	
5(a)	16 sites sold to FMI, 4 disclaimed (Kipling, 2 NS, NB)	19-Sep-11	173	NS	78	18-Mar-18	11	\$3,139.95	\$34,539.45	\$62,799.00
5(b)				NB	30	18-Mar-14	8		\$25,119.60	
5(c)				Ont	30	18-Mar-14	1		\$3,139.95	

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
6(a)	4 sites disclaimed (3 NS, 1 NB)	11-Oct-11	195	NS	78	10-Apr-18	3	\$3,539.25	\$10,617.75	\$14,157.00
6(b)				NB	30	10-Apr-14	1		\$3,539.25	
7	1 site disclaimed (Brandon)	11-Dec-11	256	MB	78	10-Jun-18	1	\$4,646.40	\$4,646.40	\$4,646.40
8	1 site disclaimed (Chateauguay)	19-Dec-11	264	QC	42	10-Jun-15	1	\$4,791.60	\$4,791.60	\$4,791.60
9	11 sites disclaimed (QC)	27-Jan-12	303	Que	42	27-Jul-15	11	\$5,499.45	\$60,493.95	\$60,493.95
10	1 site disclaimed (Herring Cove)	15-Apr-12	382	NS	78	15-Oct-18	1	\$6,933.30	\$6,933.30	\$6,933.30
11(a)	13 sites sold to Hi Flyer (9 AB & 4 MB)	28-May-12	425	AB	30	27-Nov-14	9	\$7,713.75	\$69,423.75	\$100,278.75
11(b)				MB	78	27-Nov-18	4		\$30,855.00	
12	1 site disclaimed (Brooks)	16-Jul-12	474	AB	30	16-Jan-15	1	\$8,603.10	\$8,603.10	\$8,603.10
13	49 sites sold to Hi Flyer (Remaining QC)	17-Sep-12	537	Que.	42	16-Mar-16	49	\$9,746.55	\$477,580.95	\$477,580.95

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
14	2 sites disclaimed (Remaining QC)	21-Sep-12	541	Que.	42	20-Mar-16	2	\$9,819.15	\$19,638.30	\$19,638.30
15	TOTALS						186		\$871,363.35	\$871,363.35
16							Amt. reserved assuming 1 claim denied		\$70,000.00	\$70,000.00
17							Total Amount of Reserve		\$941,363.35	\$941,363.35

**SCHEDULE C
FORM OF UNDERTAKING**

(Provincial Reserve)

- TO:** **KEYREIT, SR OPERATING TRUST, SCOTT'S REAL ESTATE LIMITED PARTNERSHIP, SCOTT'S TRUSTEE CORP. and SCOTT'S GP TRUST** (each being a "KEYreit Entity", and collectively, the "KEYreit Entities")
- AND TO:** **DUFF & PHELPS CANADA RESTRUCTURING INC.**, in its capacity as court-appointed receiver of the assets, undertakings and properties of **Priszm Income Fund, Priszm Canadian Operating Trust, Priszm Inc., Kit Finance Inc. and Priszm LP** and not in its personal capacity (the "Receiver")
- RE:** Agreement between the KEYreit Entities, the Receiver and the undersigned dated August 12, 2013 (the "**Reserve Agreement**")
-

RECITALS:

- A. Terms used but not defined herein shall have the meanings ascribed thereto in the Reserve Agreement.
- B. **Section 12** of the Reserve Agreement contemplates that the Receiver is required to remit funds from a Provincial Reserve after the two year anniversary date of the closing or sale of Locations in such Province but prior to the applicable Limitation Period Expiry Date provided that, *inter alia*, the undersigned execute an undertaking in favour of the KEYreit Entities and the Receiver on the terms and conditions set out herein.
- C. The Receiver will remit **[\$Amount]** (the "**Distributed Amount**") from the Reserve to Prudential in respect of the Provincial Reserves set out in **Schedule A** in respect of **[Province]** (the "**Province**").

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that in the event that a Claim is commenced after the two year anniversary date of the closing or sale of Locations in the Province but prior to the Limitation Period Expiry Date of such Claim, the undersigned shall, within twenty (20) days' written notice by the Receiver of the commencement of any such Claim and requesting repayment of the Distributed Amount, remit to the Receiver an amount equal to the lesser of (a) the amount of the asserted Claim; (b) the deductible under the Priszm Policy; and (c) the Distributed Amount, by way of certified cheque or wire transfer to the account designated by the Receiver, which funds, if any, shall be held and dealt with in accordance with **Section 7** and **Section 9** of the Reserve Agreement.

[Remainder of Page Intentionally Left Blank]

DATED the [Day]th day of [Month], [Year].

**THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA**

By: _____
Name:
Title: Vice President

PRUCO LIFE INSURANCE COMPANY

By: _____
Name:
Title: Assistant Vice President

**PRUDENTIAL RETIREMENT
INSURANCE AND ANNUITY COMPANY
BY PRUDENTIAL INVESTMENT
MANAGEMENT, INC., AS INVESTMENT
MANAGER**

By: _____
Name:
Title: Vice President

**FORM OF UNDERTAKING
(Denied Claim Reserve)**

TO: **KEYREIT, SR OPERATING TRUST, SCOTT'S REAL ESTATE LIMITED PARTNERSHIP, SCOTT'S TRUSTEE CORP. and SCOTT'S GP TRUST** (each being a "KEYreit Entity", and collectively, the "KEYreit Entities")

AND TO: **DUFF & PHELPS CANADA RESTRUCTURING INC.**, in its capacity as court-appointed receiver of the assets, undertakings and properties of **Priszm Income Fund, Priszm Canadian Operating Trust, Priszm Inc., Kit Finance Inc. and Priszm LP** and not in its personal capacity (the "Receiver")

RE: Agreement between the KEYreit Entities, the Receiver and the undersigned dated August 12, 2013 (the "**Reserve Agreement**")

RECITALS:

- A. Terms used but not defined herein shall have the meanings ascribed thereto in the Reserve Agreement.
- B. **Section 13** of the Reserve Agreement contemplates that the Receiver is required to remit funds from the Denied Claim Reserve on September 14, 2014, provided that, *inter alia*, the undersigned execute an undertaking in favour of the KEYreit Entities and the Receiver on the terms and conditions set out herein.
- C. The Receiver will remit \$[Amount] from the Denied Claim Reserve to Prudential (the "**Denied Claim Interim Distribution**").

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that in the event that a Claim is commenced prior to November 27, 2018 to which the Denied Claim Reserve would have been applied, the undersigned shall, within twenty (20) days' written notice by the Receiver of the commencement of the Claim and requesting repayment of the Denied Claim Interim Distribution, remit to the Receiver an amount equal to the lesser: (a) of Claim; and (b) the Denied Claim Interim Distribution by way of certified cheque or wire transfer to the account designated by the Receiver, which funds, if any, shall be held and dealt with in accordance with **Section 7** and **Section 10** of the Reserve Agreement.

[Remainder of Page Intentionally Left Blank]

DATED the [Day]th day of [Month], [Year].

**THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA**

By: _____
Name:
Title: Vice President

PRUCO LIFE INSURANCE COMPANY

By: _____
Name:
Title: Assistant Vice President

**PRUDENTIAL RETIREMENT
INSURANCE AND ANNUITY COMPANY
BY PRUDENTIAL INVESTMENT
MANAGEMENT, INC., AS INVESTMENT
MANAGER**

By: _____
Name:
Title: Vice President

SCHEDULE A
PROVINCIAL RESERVES

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
1	Prizm enters CCAA	31-Mar-11								
2(a)	63 sites sold to Soul	31-May-11	62	BC	30	30-Nov-13	3	\$1,125.30	\$3,375.90	\$70,893.90
2(b)				Ont	30	30-Nov-13	57		\$64,142.10	
2(c)				Que	42	30-Nov-14	3		\$3,375.90	
3(a)	6 sites disclaimed	9-Jun-11	71	Ont	30	8-Dec-13	1	\$1,288.65	\$1,288.65	\$7,731.90
3(b)				MB	78	8-Dec-17	2		\$2,577.30	
3(c)				Alta	30	8-Dec-13	2		\$2,577.30	
3(d)				Que	42	8-Dec-14	1		\$1,288.65	
4(a)	16 sites disclaimed	21-Jul-11	113	Ont	30	20-Jan-14	13	\$2,050.95	\$26,662.35	\$32,815.20
4(b)				BC	30	20-Jan-14	3		\$6,152.85	
5(a)	16 sites sold to FMI, 4 disclaimed (Kipling, 2 NS, NB)	19-Sep-11	173	NS	78	18-Mar-18	11	\$3,139.95	\$34,539.45	\$62,799.00
5(b)				NB	30	18-Mar-14	8		\$25,119.60	
5(c)				Ont	30	18-Mar-14	1		\$3,139.95	

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
6(a)	4 sites disclaimed (3 NS, 1 NB)	11-Oct-11	195	NS	78	10-Apr-18	3	\$3,539.25	\$10,617.75	\$14,157.00
6(b)				NB	30	10-Apr-14	1		\$3,539.25	
7	1 site disclaimed (Brandon)	11-Dec-11	256	MB	78	10-Jun-18	1	\$4,646.40	\$4,646.40	\$4,646.40
8	1 site disclaimed (Chateauguay)	19-Dec-11	264	QC	42	10-Jun-15	1	\$4,791.60	\$4,791.60	\$4,791.60
9	11 sites disclaimed (QC)	27-Jan-12	303	Que	42	27-Jul-15	11	\$5,499.45	\$60,493.95	\$60,493.95
10	1 site disclaimed (Herring Cove)	15-Apr-12	382	NS	78	15-Oct-18	1	\$6,933.30	\$6,933.30	\$6,933.30
11(a)	13 sites sold to Hi Flyer (9 AB & 4 MB)	28-May-12	425	AB	30	27-Nov-14	9	\$7,713.75	\$69,423.75	\$100,278.75
11(b)				MB	78	27-Nov-18	4		\$30,855.00	
12	1 site disclaimed (Brooks)	16-Jul-12	474	AB	30	16-Jan-15	1	\$8,603.10	\$8,603.10	\$8,603.10
13	49 sites sold to Hi Flyer (Remaining QC)	17-Sep-12	537	Que.	42	16-Mar-16	49	\$9,746.55	\$477,580.95	\$477,580.95

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
14	2 sites disclaimed (Remaining QC)	21-Sep-12	541	Que.	42	20-Mar-16	2	\$9,819.15	\$19,638.30	\$19,638.30
15	TOTALS						186		\$871,363.35	\$871,363.35
16							Amt. reserved assuming 1 claim denied		\$70,000.00	\$70,000.00
17							Total Amount of Reserve		\$941,363.35	\$941,363.35

Appendix “C”

CLAIMS ADMINISTRATION AGREEMENT

AGREEMENT made this _____ day of _____, and effective _____ (the "**Effective Date**") between Cunningham Lindsey Canada Claims Service Ltd. having its principal place of business at 50 Burnhamthorpe Road West, Suite 1102, Mississauga, ON, L5B 3C2 ("**Administrator**") and Duff & Phelps Canada Restructuring Inc., solely in its capacity as Court-appointed receiver of Prizm Income Fund, Prizm Canadian Operating Trust, Kit Finance Inc., Prizm Inc. and Prizm L.P. (collectively, the "**Prizm Entities**"), and not in its personal capacity, with its principal place of business at 333 Bay Street, 14th Floor, Toronto, ON, M5H 2R2 ("**Receiver**") and KEYreit, SR Operating Trust, Scott's Real Estate Limited Partnership, Scott's Trustee Corp., Scott's GP Trust (collectively, the "**REIT**")

WHEREAS:

- A.** The Administrator is a national claims adjusting company;
- B.** The Receiver, the REIT and certain other parties have entered into an Agreement dated August 12, 2013 (the "**Reserve Agreement**") pursuant to which, *inter alia*, the Receiver will maintain a fund that can respond to certain claims, and pay out on certain claims, to the extent (i) the Prizm Entities are liable for the deductible amounts under the Prizm Entities' Commercial General Liability insurance policies in respect of operations at any of the properties listed on the attached Schedule "A" (the "**Locations**") on or after March 31, 2011 (the "**Filing Date**"), (ii) the Receiver incurs certain costs and/or expenses in connection with such claims asserted in respect of post-Filing Date operations at the Locations, and (iii) the Prizm Entities are liable under any of the leases for a Location to the REIT for costs and/or expenses associated with any such claim asserted in respect of post-Filing Date operations at such Location;
- C.** The Reserve Agreement contemplates that the Receiver shall forthwith retain Cunningham Lindsey as the adjuster in respect of such claims, on terms and conditions acceptable to the REIT and the Receiver, each of them acting reasonably and expeditiously;
- D.** In connection therewith, the Receiver and the REIT wish to employ the Administrator to adjust, administer and service claims and/or losses at the Locations under the Policies (as defined herein) in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the terms, conditions and other agreements set forth herein, Administrator, Receiver and the REIT (each a "**Party**", and collectively, the "**Parties**") hereby agree as follows:

1. Definitions

- (a) "**Claims**" has the meaning set out in Paragraph 2 hereof;
- (b) "**Claims Period**" means the period commencing on March 31, 2011 to and including September 21, 2012;
- (c) "**Control Adjuster**" means the principal liaison (being Ms. Lynne Meikle, provided that as at the date of this Agreement, the Parties acknowledge and agree that the Control Adjuster may be changed at any time on 7 business days prior written notice from both the Receiver and the REIT), with the Receiver and the REIT whose duties include, but are not limited to, the following:
- i) monitoring the Claims administration process;

- ii) ensuring that the Receiver has paid Claims to third parties for losses that are determined to be the Prizm Entities' responsibility for the Claims Period, pursuant to and in accordance with the terms of any settlement entered into between the Receiver and the third party claimant; and
 - iii) ensuring that the Receiver and/or the REIT are paid monies to which the respective party(s) are entitled through recovery/subrogation;
- (d) "**Insurers**" has the meaning set out in Paragraph 3(a) hereof;
- (e) "**Limitation Period Expiry Date**" means the date that the applicable statutory limitation period expires in respect of Claims in a particular province, as set out on the Reserve Schedule;
- (f) "**Policies**" means, collectively, the Prizm Policies and the REIT Policies;
- (g) "**Prizm Policies**" means the Prizm Entities' commercial general liability insurance policies;
- (h) "**REIT Policies**" means the REIT's commercial general liability insurance policies;
- (i) "**Reserve**" means the \$941,363.35 reserve held by the Receiver in respect of potential Claims pursuant to and in accordance with the Reserve Agreement; and
- (j) "**Reserve Schedule**" means Schedule "B" hereto.

2. Application of Agreement

This Agreement applies to all claims, demands, complaints, grievances, actions, applications, suits and causes of action that are asserted by any person arising out of or relating to any of the Prizm Entities' post-Filing Date operations at the Locations, including those claims, demands, complaints, grievances, actions, applications, suits and causes of action that are asserted by any person after the relevant Prizm Entity is no longer in possession of the Locations, relating to bodily injury, death, and damage to property owned by third parties asserted prior to the Limitation Period Expiry Date and excluding all other claims, demands, complaints, grievances, actions, applications, suits and causes of action relating to product liability or otherwise (the "**Claims**").

3. Engagement of Duties

Receiver and the REIT hereby engage Administrator and Administrator hereby accepts engagement by Receiver and the REIT to (i) adjust, administer and service Claims, (ii) act for the Receiver with respect to the Claims reported to Receiver, the REIT and/or Administrator under the Prizm Policies, and (iii) act for the REIT with respect to the Claims reported to Receiver, the REIT and/or Administrator under the REIT Policies. Administrator agrees to use its best efforts in the performance of its duties hereunder. Such duties shall be as follows:

- (a) Receive notice of, create files on, review all Claims and loss reports, establish reasonable reserves, if required, and administer to final disposition, unless otherwise directed by the insurer(s) of the Parties (the "**Insurers**"), each Claim, and to maintain such files for Receiver and the REIT (provided, in the case of the REIT, that the Administrator does not incur any additional costs in maintaining such files for and on behalf of the REIT) and the Administrator agrees to provide the REIT with written notice of any such additional costs in order for the REIT to determine if they will incur such additional costs;

- (b) Conduct necessary investigation of all Claims in accordance with industry-wide standards to determine their validity and compensability, if any, in accordance with the Insurers and pursuant to the Policies;
- (c) Maintain in each Claim file reasonably sufficient evidence and documentation in chronological order, including copies of all paid drafts, to allow the Control Adjuster to reasonably evaluate the merits of the Claim; such file must be readily available to Receiver with respect to Claims under the Prizm Policies and the REIT with respect to Claims under the REIT Policies and shall be provided to Receiver and the REIT, as applicable, at its request;
- (d) Provide monthly computerized loss reports, the form of which shall be mutually determined and agreed to by the Receiver and the REIT, showing date of loss, details of the Claim, name of the claimant, reserves, expenses with description of the nature of the expenses, current status of Claim, payments, if any, made on the file, the status of a release for all Parties, each month's payments, total payments to date, and total experience for each Claim;
- (e) Respond to any reasonable enquiry, complaint or request from the Receiver with respect to Claims under the Prizm Policies, the REIT with respect to Claims under the REIT Policies, or agent named in this Agreement regarding such Claims;
- (f) Process each Claim in accordance with applicable federal and provincial rules, regulations, restrictions and laws, utilizing industry-wide practices and standard forms where applicable;
- (g) Where appropriate and allowable by law or regulation, and as agreed to by the Insurer if allowable under the Policies, attend and handle informal hearings and/or pre-hearing conferences;
- (h) Prepare and maintain files necessary for defense of Claims, litigation, other Claim actions (such as subrogation, contribution or indemnity) or other proceedings, and maintain control of activities and expenses and assist selected legal counsel in preparation of cases for trial, hearings or appeal as directed by the Insurers under the Policies;
- (i) Pursue all reasonable possibilities of subrogation, contribution or indemnity on behalf of Receiver, the Prizm Entities and the REIT;
- (j) Adjust, resist and/or settle Claims in accordance with authority levels granted by Receiver and the REIT, which are not to exceed \$5,000.00 without the prior written consent of the Receiver and the REIT;
- (k) Provide Receiver, and the REIT with respect to Claims under the REIT Policies, with such reports as they may reasonably require;
- (l) Provide information and assistance as may be reasonably required for preparation and filing of all reports required at law by any province; and
- (m) The forgoing shall be subject to the Receiver's oversight and direction with respect to Claims under the Prizm Policies and the REIT's oversight and direction with respect to Claims under the REIT Policies, and in providing the foregoing services, the Administrator shall consult with the Receiver and the REIT, as applicable.

The Administrator acknowledges and agrees that if any additional duties are required to be carried out by the Administrator, the Administrator shall obtain the prior written consent of the Parties before carrying out any such additional duties.

The Administrator acknowledges and agrees that it is the intent of this Agreement that the Administrator manage and dispose of all Claims in a professional, expeditious, diligent, reasonable and economically prudent manner, utilizing qualified personnel in accordance with industry standards, and employing industry standards as a guide with regard to the amount a Claim is settled for and/or disposed of by the Administrator.

4. Claims Reporting

Receiver and the REIT agree that all Claims occurring during the Term of this Agreement and known to either of them will be reported to the Administrator unless otherwise agreed by each of the Administrator, the Receiver and the REIT in writing to the contrary and allowable under the Policies. The Receiver and the REIT will provide all available information relevant to Claims to the Administrator in order for the Administrator to fulfill its duties and obligations as set out in this Agreement. The Administrator acknowledges and agrees that forthwith upon the Receiver and/or the REIT providing notice of a Claim to the Administrator, the Administrator shall forthwith report such Claim(s) to the appropriate Insurers and provide notice to each of the Receiver and the REIT of such report. Each of the Receiver and the REIT shall provide the Administrator with a list of the Policies forthwith upon execution of this Agreement to facilitate such Claims reporting.

5. Remuneration for Services

- (a) In consideration of the services and duties to be performed by Administrator hereunder, and of the other provisions hereof, the Parties agree that the Administrator shall be entitled to and will receive payment of the fees and expenses for services rendered under this Agreement, based on the following rates:
 - i) Opening a file - \$50.00 (for an incident only which never materializes into a Claim to be investigated);
 - ii) Telephone adjusting - \$75.00 per hour for a junior associate and \$95.00 for a senior associate to call and speak to, and try to settle a Claim and obtain a release from, the claimant;
 - iii) Field adjusting - \$115.00 per hour to attend on the site of a Claim and investigate to obtain evidence, witness statements and other particulars of such Claim in preparation for attempting to settle such Claim and/or prepare for trial; and
 - iv) Actual reasonable and appropriate out of pocket expenses will be charged without markup.
- (b) Administrator's accounts are due and payable within thirty (30) days from the date of Administrator's invoice.
- (c) Fees shall be charged by the Administrator in accordance with the hourly rates set out in Paragraph 5 of this Agreement. Expenses shall be charged without markup.

- (d) The payment of all fees and expenses of the Administrator under this Agreement shall be subject to the prior approval of the Receiver and the REIT, each acting reasonably.

6. Ownership & Audit of Files

Administrator shall keep accurate records and accounts of all transactions with Receiver and the REIT with respect to all Claims under the Policies. Such records and all Claim files shall be open and available for on-site audit and/or inspection by duly authorized representatives of Receiver with respect to Claims under the Prizm Policies and the REIT with respect to Claims under the REIT Policies.

It is understood and agreed by and between the Parties that Receiver shall at all times retain the ownership of all files with respect to Claims under the Prizm Policies and the REIT shall at all times retain ownership of all files with respect to Claims under the REIT Policies. In the event of termination of this Agreement, Administrator shall, upon thirty (30) days' prior written notice from Receiver or the REIT, as applicable, deliver to Receiver or the REIT, as applicable, or such other third party as Receiver or the REIT, as applicable, may designate, all Claims, accounting or other files of Receiver or the REIT, as applicable, that are in Administrator's possession or control.

7. Indemnification

The Administrator agrees to indemnify, defend and hold harmless the Receiver and the REIT, and those for whom they are in law responsible, from and against all errors and omissions of the Administrator and those for whom the Administrator is in law responsible, claims, demands, actions, damages, costs and expenses (including, without limitation, reasonable legal expenses) incurred by Receiver and/or the REIT, as applicable, as a result of any error and omission of the Administrator and those for whom the Administrator is in law responsible, claim, demand, action or other proceeding arising out of or in any way related to the Agreement or the services provided under the Agreement.

8. Insurance

The Administrator agrees to carry and maintain, throughout the Term of this Agreement, Errors and Omissions insurance for the services to be conducted by the Administrator as described in this Agreement, with a limit of not less than \$25,000,000.00 per occurrence and in the aggregate. The Administrator further agrees to carry and maintain through the Term and any extension thereof:

- (a) workers compensation insurance for all of its employees providing services under this Agreement;
- (b) commercial general liability insurance, naming the Parties as additional insureds on such commercial general liability insurance policy(s), with limits of not less than \$10,000,000.00 per occurrence and in the aggregate for coverage of its negligence and the negligence of those for whom the Administrator is in law and under this Agreement responsible while carrying out the services set out under this Agreement, with cross liability and severability of interests and a waiver of subrogation in favour of the Parties; and
- (c) crime insurance covering its employees for theft and embezzlement with a limit of not less than \$5,000,000.00 per occurrence and in the aggregate.

9. Defence Costs

In the event that (a) one or more Prizm Entities are named as defendants in respect of any Claim to which this Agreement applies, (b) the Administrator is also named as a co-defendant in respect of such Claim and (c) the Receiver instructs its counsel to defend such Claim, then the Receiver will likewise instruct its counsel to defend the Administrator in connection with such Claim provided that (w) the Claim does not arise out of or is a result of the gross negligence of any employee or agent of the Administrator, (x) the Administrator instructs the Receiver's counsel to represent it in connection with such defence, (y) the Receiver shall maintain control of the defence at all times and shall provide instructions to counsel in connection therewith and (z) the Administrator shall cooperate in providing such instructions and other assistance to the Receiver's counsel as may be required in connection with such defence, including without limitation in connection with the settlement of such Claim.

10. Privacy

Receiver and the REIT acknowledge that nonpublic personally identifiable information, including, but not limited to, personal, financial and medical information contained in Claims files relating to this Agreement may be disclosed to Receiver and the REIT and their respective agents, employees and individuals in privity with Receiver and the REIT during the course of, and as necessary for, the performance of this Agreement, including without limitation the REIT's and Prizm Entities' insurers. Receiver and the REIT agree that they will maintain the confidentiality and privacy of such information and comply with all applicable federal and provincial laws and regulations concerning the maintenance of the privacy of such information. Receiver and the REIT will limit access to such information to only those individuals that require access to such information for performance of this Agreement, and will not disclose such information to a third party unless otherwise permitted or required by law and only after requiring the third party to execute a similar confidentiality and privacy clause.

11. Advertising

Administrator shall not insert any advertisements respecting the REIT, the Receiver and/or the Prizm Entities in any publication or issue, any circular or paper referring to them without the prior written consent of the REIT or the Receiver, as applicable. If Receiver or the REIT shall be subjected to any loss or expenses arising out of any such unauthorized action or statement or the other, Administrator shall be liable to Receiver and/or the REIT, as applicable, for all such costs and damages arising therefrom.

12. Licenses

Administrator warrants that it holds the proper licenses for the work to be performed hereunder, and, as required by provincial law or regulation is a resident of or qualified to conduct business in the province(s) in which it renders the services required hereunder.

13. Term

- (a) This Agreement will be effective as of Effective Date and shall terminate on the date that the Receiver has distributed all of the funds held in the Reserve pursuant to and in accordance with the Reserve Agreement, subject to early termination upon the occurrence of any one of the following events (the "**Term**"):
 - i) Upon either Administrator, or the Receiver and the REIT acting jointly, giving at least fourteen (14) days prior written notice to the other. Notice of such termination will be by registered mail or courier, return receipt requested, to the last address shown herein of the Party to whom the notice is being given;

- ii) Immediately by either Administrator, or the Receiver and the REIT acting jointly, if the other violates, breaches or fails to perform in accordance with any of the material terms and provisions of this Agreement; such termination to be effective upon delivery of written notice to the last address shown herein of the Party to whom the notice is being given;
 - iii) Immediately by Receiver and the REIT acting jointly, if Receiver and/or the REIT discovers any significant deviations by Administrator from standard industry practice or its contractual obligations hereunder with respect to claims handling, reporting or data transfer; such termination to be effective upon written notice to the Administrator at its last address shown herein;
 - iv) Immediately, by written notice by Receiver and the REIT acting jointly to Administrator at its last address shown herein at Receiver's option, upon the insolvency or bankruptcy of Administrator; or
 - v) Automatically, if any public authority cancels or declines to renew such Administrator's licenses as are necessary for the orderly conduct of business to be performed hereunder.
- (b) In the event of termination of this Agreement pursuant to the provisions of this Paragraph 13(a), Administrator shall continue to provide the services required hereunder with respect to all Claims pending until such Claims are fully resolved and the files closed, unless Receiver, at its sole option at any time on or after such termination, elects to assume or transfer to a third party the administration of any or all such Claims. Receiver shall give Administrator thirty (30) days' prior written notice of its intent to effect such transfer. Administrator will be compensated in accordance with Paragraph 5 above for any such continued service.

14. Court

All matters in difference between the Parties in relation to this Agreement that cannot be resolved between the Parties shall be referred to the Ontario Superior Court of Justice (Commercial List) and shall be addressed in the Prizm Entities' receivership proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, Court File No. CV-11-9375-00CL.

15. Proprietary Rights

Receiver, the REIT and Administrator each recognize that the systems, techniques, and process used in the accomplishment of the services provided by Administrator under this Agreement are the unique and valuable intellectual property of Administrator. Administrator is the sole owner of all said intellectual property rights including all rights related to claim handling, reporting, or other systems provided by Administrator.

16. Relationships

Administrator is neither an agent nor an affiliate of Receiver, the Prizm Entities or the REIT. Administrator is an independent contractor and shall have the exclusive control of its time and the conduct of its business.

17. Notices

Subject to Paragraph 13, all notices or other communication required hereunder shall be in writing and sufficient if delivered personally or sent by registered, certified mail, postage prepaid, or by email, addressed as follows:

If to Administrator: Cunningham Lindsey Canada Claims Service Ltd
50 Burnhamthorpe Road West, Suite 1102
Mississauga, ON L5B 3C2

Attention: Lynne Meikle
Email: ●

If to Receiver: Duff & Phelps Canada Restructuring Inc.
333 Bay Street, 14th Floor
Toronto, ON M5H 2R2

Attention: Bobby Kofman and Lana Bezner
Email: bobby.kofman@duffandphelps.com
 lana.bezner@duffandphelps.com

If to the REIT: KEYreit
Suite 2300, P.O. Box 222
TD Canada Trust Tower
Brookfield Place, 161 Bay Street
Toronto, ON M5J 2S1

Attention: Sharon Ferrari
Email: sharon.ferrari@plaza.ca

18. Headings

Headings in this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

19. Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement which shall remain in full force in effect as if such provision had not been part of the Agreement.

20. No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

21. Assignment of Agreement

The Administrator may not assign or subcontract for any of the activities to be performed by the Administrator without the prior written consent of the Parties, which consent may be arbitrarily withheld provided, however, that if such written consent is obtained from the Parties, such assignment or subcontracting shall not relieve the Administrator of its obligations to the Receiver and the REIT under this Agreement. The REIT and the Receiver may assign this Agreement on written notice to the Administrator.

22. Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supercedes any and all previous agreements, written or oral, expressed or implied, between the Parties.

23. Capacity to Enter in Agreement

Each Party represents to the other that it is authorized to enter into this Agreement and that its entry into this Agreement does not and will not violate the terms of any judgement, decree or ruling or any contract with any third party.

24. Miscellaneous

- (a) The waiver by a Party of any breach of any provision of this Agreement by the another Party shall not be construed to be either a waiver of that Party's rights regarding any succeeding breach of any such provision or a waiver of the provision itself.
- (b) Time is of the essence in the performance of the Parties' respective obligations.
- (c) This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns.
- (d) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.
- (e) No amendment, supplement, modification, waiver or termination of this Agreement, and unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party(s) to be bound.
- (f) This Agreement may be executed by the Parties in counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the date first written above.

CUNNINGHAM LINDSEY CANADA CLAIMS SERVICES LTD.

By: _____
Name:
Title:

DUFF & PHELPS CANADA RESTRUCTURING INC. solely in its Capacity as Court-Appointed Receiver of **Priszm Income Fund, Priszm Canadian Operating Trust, Kit Finance Inc., Priszm Inc. and Priszm L.P.** and not in its personal capacity

By: _____
Name:
Title:

KEYREIT

By: _____
Name:
Title:

SR OPERATING TRUST

By: _____
Name:
Title:

SCOTT'S REAL ESTATE LIMITED PARTNERSHIP

By: _____
Name:
Title:

SCOTT'S TRUSTEE CORP.

By: _____
Name:
Title:

SCOTT'S GP TRUST

By: _____
Name:
Title:

SCHEDULE A

LEASES

LIST OF LOCATIONS OCCUPIED BY PRISZM AND OWNED BY SCOTT'S REAL ESTATE LIMITED PARTNERSHIP					
Ser. #	Store Number	Street Address	City	Prov.	Prior Landlord
1	1000	6310 QUINPOOL RD	HALIFAX	NS	YUM
2	1003	18 TITUS ST/MAIN AVENUE	HALIFAX	NS	YUM
3	1004	247 HERRING COVE	HALIFAX	NS	YUM
4	1006	960 COLE HARBOUR RD.	DARTMOUTH	NS	YUM
5	1016	96 WARWICK ST.	DIGBY	NS	YUM
6	1017	279 MAIN ST.	LIVERPOOL	NS	YUM
7	1018	679 SACKVILLE DR.	LOWER SACKVILLE	NS	YUM
8	1019	9034 COMMERCIAL ST.	NEW MINAS	NS	YUM
9	1021	KING ST & O'BRIEN ST.	WINDSOR	NS	YUM
10	1022	2897 HIGHWAY #1	COLDBROOK	NS	YUM
11	1023	0 REEVES ST & KENNEDY ST	PORT HAWKESBURY	NS	YUM
12	1024	731 CENTRAL AVE.	GREENWOOD	NS	YUM
13	1029	109 KING ST.	NORTH SYDNEY	NS	YUM
14	1036	210 BLISS ST.	OROMOCTO	NB	SRI #3
15	1037	283 MAIN ST.	NASHWAAKSIS	NB	SRI #3
16	1038	1165 PROSPECT STREET	FREDERICTON	NB	SRI #3
17	1040	138 WATER ST.	CAMPBELLTON	NB	SRI #3
18	1041	145 PLEASANT ST.	NEWCASTLE	NB	SRI #3
19	1042	435 ST. PETER AVE.	BATHURST	NB	SRI #3
20	1044	180 BLVD. HEBERT	EDMUNDSTON	NB	SRI #3
21	1049	221 WEST RIVER RD.	PICTOU	NS	YUM
22	1051	9 JAMES ST.	ANTIGONISH	NS	YUM
23	1054	413 CLOVERDALE RD.	RIVERVIEW	NB	SRI #3
24	1055	945 MOUNTAIN RD.	MONCTON	NB	SRI #3
25	1100	5601 BD LEGER	MONTREAL	QC	SRI #3
26	1101	351 AV. REGINA	VERDUN	QC	YUM
27	1102	8710 RUE SHERBROOKE E.	MONTREAL	QC	YUM
28	1103	1670 DE LA CONCORDE E.	DUVERNAY	QC	YUM
29	1104	3199 BOUL TASCHEREAU	GREENFIELD PARK	QC	YUM
30	1105	3000 BD ST-CHARLES	KIRKLAND	QC	YUM
31	1106	2997 CH.CHAMBLY	LONGUEUIL	QC	SRI #3
32	1108	1375 ST-JEAN BAPTISTE	POINTE TREMBLES	PQ	YUM
33	1109	990 RUE MONTARVILLE	BOUCHERVILLE	QC	YUM
34	1110	4310 RUE PAPINEAU	MONTREAL	QC	YUM
35	1111	140 BD STE-FOY	LONGUEUIL	QC	YUM
36	1112	6240 RUE BEAUBIEN EST	MONTREAL	QC	YUM
37	1114	1689 BD DES LAURENTIDES	VIMONT	QC	YUM
38	1115	1110 RUE PROVOST	LACHINE	QC	SRI #3
39	1116	9205 BD LACORDAIRE	ST-LEONARD	QC	SRI #3
40	1117	8575 BD PIE IX	MONTREAL	QC	YUM
41	1119	5272 RUE SHERBROOKE O.	MONTREAL	PQ	YUM
42	1121	4980 BD DES SOURCES	PIERREFONDS	PQ	YUM
43	1124	1595 COTE VERTU	ST. LAURENT	QC	SRI #3
44	1127	6625 AV. VICTORIA	MONTREAL	QC	YUM
45	1129	1551 BD SHEVCHENKO	LASALLE	QC	SRI #3

46	1130	6445 TASCHEREAU BLVD.	BROSSARD	QC	YUM
47	1150	9460 BOUL HENRI BOURASSA	CHARLESBOURG	QC	SRI #3
48	1152	3309 CHEMIN STE FOY	STE FOY	QC	YUM
49	1153	3101 BOUL PERE LELIEVRE	DUBERGER	QC	SRI #3
50	1154	11025 BOUL L'ORMIERE	NEUFCHATEL	QC	YUM
51	1156	615 4IEME AVE.	ST. ROMUALD	QC	SRI #3
52	1157	140 ROUTE PRES.KENNEDY	LEVIS	QC	YUM
53	1158	315 BOUL STE ANNE	BEAUPORT	QC	SRI #3
54	1171	104 BD ARTHUR-SAUVE	ST. EUSTACHE	QC	SRI #3
55	1174	680 BD DU SEMINAIRE	ST-JEAN	QC	YUM
56	1175	650 BD TASCHEREAU	LA PRAIRIE	PQ	YUM
57	1176	291 BD DES LAURENTIDES	ST-JEROME	QC	YUM
58	1177	60 BD CURE LABELLE	STE THERESE	PQ	YUM
59	1178	335 SIR WILFRID LAURIER	BELOEIL	QC	SRI #3
60	1179	590 RUE PRINCIPALE	STE AGATHE	PQ	YUM
61	1180	947 BD DES SEIGNEURS	TERREBONNE	QC	YUM
62	1181	91 BD HARWOOD	DORION	QC	YUM
63	1182	180 RUE Fiset	SOREL-TRACY	PQ	YUM
64	1184	1465 RUE KING OUEST	SHERBROOKE	QC	YUM
65	1185	703 RUE PRINCIPALE	GRANBY	QC	YUM
66	1186	50 RUE MERRY NORD	MAGOG	QC	YUM
67	1187	1533 RUE SUD	COWANSVILLE	QC	YUM
68	1188	379 RUE CHILD	COATICOOK	QC	YUM
69	1191	314 CH. LAROCQUE	VALLEYFIELD	PQ	YUM
70	1192	129 BD DANJOU	CHATEAUGUAY	QC	YUM
71	1193	2975 BD LAFRAMBOISE	ST-HYACINTHE	QC	YUM
72	1196	969 RUE DU PHARE O.	MATANE	QC	YUM
73	1198	602 AV. LAURE	SEPT-ILES	QC	YUM
74	1200	3814 BD HARVEY	JONQUIERE	PQ	YUM
75	1201	466 STE GENEVIEVE	CHICOUTIMI	QC	YUM
76	1202	50 RUE COLLARD O.	ALMA	PQ	YUM
77	1203	2020 BD MELLON	JONQUIERE	QC	YUM
78	1204	936 BD DUCHARME	LA TUQUE	QC	YUM
79	1205	230 8E AVENUE	DOLBEAU	QC	YUM
80	1206	991 BD MARCOTTE	ROBERVAL	PQ	YUM
81	1208	347 BD ST-JOSEPH	HULL	QC	SRI #3
82	1209	258 RUE NOTRE-DAME	GATINEAU MILLS	QC	SRI #3
83	1210	164 BD GREBER	POINTE GATINEAU	QC	YUM
84	1211	125 RUE BETHANY	LACHUTE	QC	YUM
85	1212	650 BD PAQUETTE	MONT LAURIER	QC	YUM
86	1213	620 RUE NOTRE-DAME O.	VICTORIAVILLE	PQ	YUM
87	1214	1605 BD ST-JOSEPH	DRUMMONDVILLE	QC	YUM
88	1215	1080 BD DES RECOLLETS	TROIS-RIVIERES	QC	YUM
89	1217	1483 RUE ST-MARC	SHAWINIGAN	PQ	YUM
90	1218	31 BOUL. FRONTENAU OUEST	THETFORD MINES	QC	YUM
91	1219	1550 1E AVENUE O.	ST. GEO. BEAUCE	QC	YUM
92	1303	965 DUNDAS STREET E.	MISSISSAUGA	ON	SRI Realty Inc.
93	1305	3351 LAWRENCE AVE. E.	SCARBOROUGH	ON	SRI Realty Inc.
94	1307	190 QUEEN STREET E.	BRAMPTON	ON	SRI Realty Inc.
95	1309	563 GERRARD STREET E.	TORONTO	ON	SRI Realty Inc.
96	1310	3495 SHEPPARD AVE. E.	SCARBOROUGH	ON	SRI #2
97	1311	2567 EGLINTON AVE. E.	SCARBOROUGH	ON	SRI Realty Inc.
98	1312	3719 LAKESHORE BLVD.	ETOBICOKE	ON	SRI #2
99	1315	829 ST. CLAIR AVE. W.	TORONTO	ON	Scotts Restaurant Inc.
100	1318	2032 KIPLING AVE. N.	ETOBICOKE	ON	SRI Realty Inc.
101	1323	3517 DUNDAS STREET W.	TORONTO	ON	SRI #2

102	1326	9025 TORBRAM RD	BRAMPTON	ON	Geoffrey Moore
103	1327	1221 DUNDAS STREET W.	TORONTO	ON	SRI Realty Inc.
104	1329	415 MT. PLEASANT RD	TORONTO	ON	Scotts Restaurant Inc.
105	1331	1338 KENNEDY ROAD	SCARBOROUGH	ON	SRI Realty Inc.
106	1333	466 QUEEN STREET W.	TORONTO	ON	SRI Realty Inc.
107	1334	636 BLOOR STREET W.	TORONTO	ON	SRI Realty Inc.
108	1336	2500 DANFORTH AVENUE	TORONTO	ON	SRI Realty Inc.
109	1338	2296 EGLINTON AVE. W.	TORONTO	ON	SRI Realty Inc.
110	1349	239 SCARLETT ROAD	TORONTO	ON	SRI #2
111	1351	1630 QUEEN ST. E.	TORONTO	ON	SRI #3
112	1355	5863 HIGHWAY #7	MARKHAM	ON	YUM
113	1372	973 SIMCOE STREET NORTH	OSHAWA	ON	SRI #2
114	1373	474 SIMCOE STREET SOUTH	OSHAWA	ON	SRI #2
115	1374	574 KING STREET EAST	OSHAWA	ON	SRI #2
116	1375	301 DUNDAS STREET WEST	WHITBY	ON	YUM
117	1400	2795 ST. JOSEPHS BLVD	ORLEANS	ON	SRI #2
118	1402	932 ST. LAURENT BLVD.	OTTAWA	ON	SRI #2
119	1403	1096 WELLINGTON STREET	OTTAWA	ON	SRI #2
120	1405	1677 BANK STREET	OTTAWA	ON	SRI #2
121	1406	HWY 31, 2919 BANK STREET	OTTAWA	ON	SRI #2
122	1411	41 DUFFERIN STREET	PERTH	ON	YUM
123	1412	415 PEMBROKE STREET EAST	PEMBROKE	ON	SRI #3
124	1414	145 MADAWASKA BLVD	ARNPRIOR	ON	YUM
125	1415	45 MUNRO STREET	CARLETON PLACE	ON	YUM
126	1418	1943 BASELINE ROAD	OTTAWA	ON	SRI #2
127	1419	917 RICHMOND ROAD	OTTAWA	ON	SRI #2
128	1425	307 CANNON STREET E.	HAMILTON	ON	YUM
129	1426	716 MAIN STREET E.	HAMILTON	ON	YUM
130	1427	45 PARKDALE AVE. N.	HAMILTON	ON	YUM
131	1428	1222 BARTON STREET E.	HAMILTON	ON	YUM
132	1429	631 KING STREET W.	HAMILTON	ON	YUM
133	1436	450 WHARNCLIFFE ROAD	LONDON	ON	SRI #2
134	1438	1683 DUNDAS STREET	LONDON	ON	SRI #3
135	1440	1291 COMMISSIONERS ROAD W.	LONDON	ON	SRI #2
136	1442	850 WELLINGTON ROAD SOUTH	LONDON	ON	Scotts Restaurant Inc.
137	1446	3006 DOUGALL ROAD	WINDSOR	ON	SRI #2
138	1447	1797 HURON CHURCH RD	WINDSOR	ON	YUM
139	1448	1916 WYANDOTTE ST. W.	WINDSOR	ON	YUM
140	1449	1485 ERIE STREET E.	WINDSOR	ON	YUM
141	1451	7435 TECUMSEH RD E.	WINDSOR	ON	SRI #2
142	1506	786 CHEMONG ROAD	PETERBOROUGH	ON	YUM
143	1509	507 DIVISION STREET	COBOURG	ON	SRI #2
144	1510	63 LINDSAY STREET	LINDSAY	ON	SRI #2
145	1513	274 NORTH FRONT STREET	BELLEVILLE	ON	SRI #2
146	1514	464 DUNDAS ST BELLEVILLE	BELLEVILLE	ON	SRI #2
147	1515	90 MAIN STREET	PICTON	ON	YUM
148	1516	499 DUNDAS STREET (GALT)	CAMBRIDGE	ON	SRI #2
149	1519	27 DALHOUSIE STREET	BRANTFORD	ON	SRI #2
150	1528	346 ST. CLAIR STREET	CHATHAM	ON	YUM
151	1529	1314 DUFFERIN ST.	WALLACEBURG	ON	SRI #3
152	1531	325 TALBOT STREET NORTH	ESSEX	ON	YUM
153	1532	1300 LASALLE BLVD	SUDBURY	ON	SRI #3
154	1533	1341 MARTINDALE ROAD	SUDBURY	ON	YUM
155	1534	582 KATHLEEN STREET WEST	SUDBURY	ON	SRI #3

156	1535	405 COTE AVENUE	CHELMSFORD	ON	YUM
157	1541	161 TRUNK ROAD	SAULT STE MARIE	ON	YUM
158	1548	60 HARTZELL ROAD	ST. CATHARINES	ON	YUM
159	1552	3567 PORTAGE ROAD	NIAGARA FALLS	ON	YUM
160	1553	311 MAIN STREET	DUNNVILLE	ON	YUM
161	1554	322 ARGYLE STREET SOUTH	CALEDONIA	ON	SRI #2
162	1557	827 MC GILL STREET	HAWKESBURY	ON	SRI #2
163	1559	28 DUMFRIES STREET	PARIS	ON	YUM
164	1600	679 HENDERSON HWY	WINNIPEG	MB	SRI #3
165	1604	1873 PORTAGE AVE.	WINNIPEG	MB	SRI #3
166	1606	1651 REGENT AVE.	WINNIPEG	MB	SRI #3
167	1607	750 SHERBROOK ST.	WINNIPEG	MB	SRI #3
168	1608	1100 ST. MARY'S RD.	WINNIPEG	MB	SRI #3
169	1621	458 PRINCESS AVE.	BRANDON	MB	SRI #3
170	1749	1240 17 AVENUE S.W.	CALGARY	AB	YUM
171	1750	1320 EDMONTON TR. N.E.	CALGARY	AB	YUM
172	1751	905 37 STREET S.W.	CALGARY	AB	YUM
173	1752	5003 CENTRE STREET N.	CALGARY	AB	YUM
174	1753	4315 17 AVENUE S.E.	CALGARY	AB	YUM
175	1755	5335 FALSBRIDGE DR. N.E.	CALGARY	AB	YUM
176	1756	15325 BANNISTER RD. S.E.	CALGARY	AB	YUM
177	1783	244 EDMONTON TRAIL	AIRDRIE	AB	YUM
178	1784	5106 46 STREET	OLDS	AB	YUM
179	1786	435 2 STREET	BROOKS	AB	YUM
180	1787	5716-50 AVENUE, BOX 6134	DRAYTON VALLEY	AB	YUM
181	1791	SOUTHRIDGE DRIVE	OKOTOKS	AB	JBM
182	1806	4605 E. HASTINGS ST.	BURNABY	BC	YUM
183	1814	2190 KINGSWAY	VANCOUVER	BC	YUM
184	1824	795 E. BROADWAY	VANCOUVER	BC	YUM
185	1861	3140 DOUGLAS ST.	VICTORIA	BC	YUM
186	1889	3620 GELLATLY RD.	WESTBANK	BC	YUM
187	1893	1584 HIGHWAY. 99	SQUAMISH	BC	YUM
188	4625	260 ROBLIN BLVD.	WINKLER	MB	YUM

**SCHEDULE B
RESERVE SCHEDULE**

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
1	Prizm enters CCAA	31-Mar-11								
2(a)	63 sites sold to Soul	31-May-11	62	BC	30	30-Nov-13	3	\$1,125.30	\$3,375.90	\$70,893.90
2(b)				Ont	30	30-Nov-13	57		\$64,142.10	
2(c)				Que	42	30-Nov-14	3		\$3,375.90	
3(a)	6 sites disclaimed	9-Jun-11	71	Ont	30	8-Dec-13	1	\$1,288.65	\$1,288.65	\$7,731.90
3(b)				MB	78	8-Dec-17	2		\$2,577.30	
3(c)				Alta	30	8-Dec-13	2		\$2,577.30	
3(d)				Que	42	8-Dec-14	1		\$1,288.65	
4(a)	16 sites disclaimed	21-Jul-11	113	Ont	30	20-Jan-14	13	\$2,050.95	\$26,662.35	\$32,815.20
4(b)				BC	30	20-Jan-14	3		\$6,152.85	
5(a)	16 sites sold to FMI, 4 disclaimed (Kipling, 2 NS, NB)	19-Sep-11	173	NS	78	18-Mar-18	11	\$3,139.95	\$34,539.45	\$62,799.00
5(b)				NB	30	18-Mar-14	8		\$25,119.60	
5(c)				Ont	30	18-Mar-14	1		\$3,139.95	

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
6(a)	4 sites disclaimed (3 NS, 1 NB)	11-Oct-11	195	NS	78	10-Apr-18	3	\$3,539.25	\$10,617.75	\$14,157.00
6(b)				NB	30	10-Apr-14	1		\$3,539.25	
7	1 site disclaimed (Brandon)	11-Dec-11	256	MB	78	10-Jun-18	1	\$4,646.40	\$4,646.40	\$4,646.40
8	1 site disclaimed (Chateauguay)	19-Dec-11	264	QC	42	10-Jun-15	1	\$4,791.60	\$4,791.60	\$4,791.60
9	11 sites disclaimed (QC)	27-Jan-12	303	Que	42	27-Jul-15	11	\$5,499.45	\$60,493.95	\$60,493.95
10	1 site disclaimed (Herring Cove)	15-Apr-12	382	NS	78	15-Oct-18	1	\$6,933.30	\$6,933.30	\$6,933.30
11(a)	13 sites sold to Hi Flyer (9 AB & 4 MB)	28-May-12	425	AB	30	27-Nov-14	9	\$7,713.75	\$69,423.75	\$100,278.75
11(b)				MB	78	27-Nov-18	4		\$30,855.00	
12	1 site disclaimed (Brooks)	16-Jul-12	474	AB	30	16-Jan-15	1	\$8,603.10	\$8,603.10	\$8,603.10
13	49 sites sold to HI Flyer (Remaining QC)	17-Sep-12	537	Que.	42	16-Mar-16	49	\$9,746.55	\$477,580.95	\$477,580.95

No.	Description of Event	Date of Sale/Site Disclaimed	Number of Days from March 31, 2011	Province of Event (re Release Date)	No. of mos of Applicable Release Date	Release Date of Reserve Amt. being held	No. of Sites	Amount of Reserve per Site	Amount of Reserve to be Released on Applicable Limitation Date (Release Date)	Total Amount of Reserve per Event
14	2 sites disclaimed (Remaining QC)	21-Sep-12	541	Que.	42	20-Mar-16	2	\$9,819.15	\$19,638.30	\$19,638.30
15	TOTALS						186		\$871,363.35	\$871,363.35
16							Amt. reserved assuming 1 claim denied		\$70,000.00	\$70,000.00
17							Total Amount of Reserve		\$941,363.35	\$941,363.35