THE SECOND CUP COFFEE COMPANY INC.

and

SECOND CUP TRADE-MARKS LIMITED PARTNERSHIP

and

THE SECOND CUP LTD.

SHARE PURCHASE AGREEMENT

April 30, 2009

SHARE PURCHASE AGREEMENT

Share Purchase Agreement dated April 30, 2009 between The Second Cup Coffee Company Inc. (the "**Vendor**"), Second Cup Trade-Marks Limited Partnership (the "**Purchaser**") and The Second Cup Ltd. (the "**Corporation**").

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"Affiliate" has the meaning given to it in *National Instrument 45-106 - Prospectus and Registration Exemptions* on the date of this Agreement.

"Ancillary Agreements" means the Non-Competition Agreement, the Services Agreement and the Assignment and Assumption Agreement.

"Assets" means all property and assets of the Corporation of every nature and kind and wheresoever situate.

"Assignment and Assumption Agreement" has the meaning specified in Section 5.6.

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

"Balance Sheet Date" means December 27, 2008.

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

"Business" means the business of being a franchisor and operator of specialty coffee cafés and retailer of specialty coffee throughout Canada.

"Closing Date" means June 27, 2009.

"Closing" means the completion of the transaction of purchase and sale contemplated in this Agreement.

"**Condition of the Business**" means the condition (financial or otherwise), business, affairs, operations, assets, liabilities (contingent or otherwise), capital or control of the Corporation.

"Contract" means any agreement, contract, licence, lease, undertaking, instrument, engagement or commitment of any nature, whether written or oral.

"Corporation" means The Second Cup Ltd.

"Employees" has the meaning specified in Section 5.4.

"Financial Statements" means the audited consolidated financial statements of the Corporation for the fiscal year ending December 27, 2008 consisting of a balance sheet and the accompanying statement of operations and comprehensive loss, statement of deficit and statement of cash flows of the Corporation for the year then ended and all notes to them, together with a report of the auditors, PricewaterhouseCoopers LLP, Chartered Accountants.

"Franchise Agreements" means the franchise agreements and all other Contracts entered into between the Corporation and each of its franchisees.

"GAAP" means accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis.

"Governmental Entity" means (i) any international, multinational, national, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"General Partner" means Second Cup GP Trust, a trust established under the Laws of Ontario pursuant to a declaration of trust, and the general partner of the Purchaser.

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

"Laws" means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity and (iii) to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity.

"Leased Properties" means the lands and premises being currently leased by the Corporation in connection with the Business.

"Lien" means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation.

"Non-Competition Agreement" means the non-competition and confidentiality agreement to be entered into between the Purchaser and the Vendor on the Closing Date, in a form satisfactory to the Purchaser and the Vendor, acting reasonably.

"Notice" has the meaning specified in Section 9.1.

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

"Parties" means the Vendor, the Purchaser and the Corporation and any other Person who may become a party to this Agreement.

"Person" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"Purchase Price" has the meaning specified in Section 2.2.

"Purchased Shares" has the meaning specified in Section 2.1.

"Purchaser" means Second Cup Trade-Marks Limited Partnership.

"Required Consents" has the meaning specified in Section 3.1(d).

"Services Agreement" means the services agreement relating to the continued provision by the Corporation to the Vendor of accounting, process reporting and certain other services, to be entered into on the Closing Date, in a form satisfactory to the Purchaser and the Vendor, acting reasonably.

"**Subleases**" means all sublease obligations of the Corporation's franchisees to the Corporation in respect of the Leased Properties whether forming part of the Franchise Agreements or otherwise.

"Tax Act" means the *Income Tax Act*, R.S.C. 1985 (5th Supp.) c.1, as amended.

"Vendor" means The Second Cup Coffee Company Inc.

Section 1.2 Gender and Number.

Any reference in this Agreement or any Ancillary Agreement to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

Section 1.3 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.4 Certain Phrases, etc.

In this Agreement and any Ancillary Agreement (i) the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. Unless otherwise specified, the words **"Article"** and **"Section"** followed by a number mean and refer to the specified Article or Section of this Agreement. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.5 References to Persons and Agreements.

Any reference in this Agreement or any Ancillary Agreement to a Person includes its heirs, administrators, executors, legal personal representatives, successors and permitted assigns, as applicable. The term "**Agreement**" and any reference in this Agreement to this Agreement, any Ancillary Agreement or any other agreement or document includes, and is a reference to, this Agreement, such Ancillary Agreement or such other agreement or document as it may have been, or may from time to time be amended, restated, replaced, supplemented or novated and includes all schedules to it.

ARTICLE 2
PURCHASED SHARES AND PURCHASE PRICE

Section 2.1 Purchased Shares.

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from

the Vendor on the Closing Date all (but not less than all) of the issued and outstanding shares of the Corporation (collectively, the "**Purchased Shares**").

Section 2.2 Purchase Price.

The aggregate consideration payable by the Purchaser to the Vendor for the Purchased Shares shall be [Redacted] (the "**Purchase Price**") payable in cash on the Closing Date.

Section 2.3 Tax Elections.

The Parties agree to consult and co-operate with each other in connection with the filing of tax returns and the making of such tax elections and notices as may be reasonably required or desired.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE VENDOR

Section 3.1 Representations and Warranties of the Vendor.

The Vendor represents and warrants as follows to the Purchaser and acknowledges and agrees that the Purchaser is relying upon the representations and warranties in connection with its purchase of the Purchased Shares:

(a) **Incorporation and Qualification.** Each of the Corporation and the Vendor is a corporation incorporated and existing under the laws of its respective jurisdiction of incorporation and has the corporate power to own and operate its property, carry on its business and in the case of the Vendor, enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party. The Corporation is qualified, licensed or registered to carry on business in all of the jurisdictions in which it is required by Laws to be qualified, licensed or registered.

(b) **Corporate Authorization.** The execution and delivery of, and performance by the Vendor of, this Agreement and each of the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated by it has been duly authorized by all necessary corporate action on the part of the Vendor.

(c) **No Conflict.** The execution and delivery of and performance by the Vendor of this Agreement and each of the Ancillary Agreements to which it is a party:

(i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition)

constitute or result in a violation or breach of, or conflict with, or allow any Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws;

(ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or accelerate or give rise to any payment or penalties or allow any Person to exercise any rights under, any of the terms or provisions of any Contracts to which it is a party or pursuant to which any of its assets or property may be affected, except for those breaches, violations, conflicts, payments, penalties or rights which individually or in the aggregate would not have a material adverse effect on the Condition of the Business;

(iii) do not and will not result in a breach of, or cause the termination or revocation of, any Authorization held by the Vendor or the Corporation necessary to the ownership of the Purchased Shares or the operation of the Business, except for those breaches, terminations or revocations of Authorizations which individually or in the aggregate would not have a material adverse effect on the Condition of the Business; and

(iv) do not and will not result in the violation of any Law, except for those violations which individually or in the aggregate would not have a material adverse effect on the Condition of the Business.

(d) **Required Authorizations and Consents.** There is no requirement to (i) obtain any consent, approval or waiver of, or give notice to, a party under any Contract or (ii) make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity, as a condition to the lawful completion of the transactions contemplated by this Agreement or to enable the Purchaser to carry on the Business in the Ordinary Course after Closing except for (i) those listed in Schedule 3.1(d) (the "**Required Consents**"), or those which individually would not have a material adverse effect on the Condition of the Business if not obtained, filed or made.

(e) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which the Vendor is a party have been duly executed and delivered by the Vendor and constitute legal, valid and binding obligations of it enforceable against it in accordance with their

respective terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(f) **Authorized and Issued Capital.** The authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preferred shares, of which (i) at this date, 19,724,141 common shares (and no more) and no preferred shares have been duly issued and are outstanding as fully paid and non assessable, and (ii) at the Closing Date, 19,724,141 common shares (and no more) and no preferred shares shall have been duly issued and shall be outstanding as fully paid and non assessable.

(g) **No Other Agreements to Purchase.** Except for the Purchaser's right under this Agreement, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by Law, pre emptive or contractual) capable of becoming such for (i) the purchase or acquisition from the Vendor of any of the Purchased Shares, (ii) the purchase, subscription, allotment or issuance of any of the unissued shares or other securities of the Corporation, or (iii) the acquisition from the Corporation of any of the Assets other than (A) assets which are obsolete and which individually or in the aggregate do not exceed $25,000 in value, (B) inventory to be sold in the Ordinary Course or (C) the sale of a corporate owned café as described in Schedule 3.1(g).

(h) **Title to Purchased Shares.** The Purchased Shares are owned by the Vendor as the registered and beneficial owner with good title, free and clear of all Liens other than those restrictions on transfer of the Purchased Shares, if any, contained in the articles of the Corporation. Upon completion of the transaction contemplated by this Agreement, the Purchaser will have good and valid title to the Purchased Shares, free and clear of all Liens other than those restrictions on transfer of the Purchased Shares, if any, contained in the articles of the Corporation and other than Liens created by the Purchaser.

(i) **Residence of the Vendor.** The Vendor is not a non-resident of Canada within the meaning of the Tax Act.

(j) **Franchise Agreements and Subleases.** Except for those Franchise Agreements and Subleases listed in Schedule 3.1(j),

(i) the Corporation has performed in all material respects all of the obligations required to be performed by it and is entitled to all benefits under its Franchise Agreements and Subleases;

(ii) the Corporation has received no written notice alleging it to be in material default of any of its Franchise Agreements and Subleases;

(iii) each of the Franchise Agreements and Subleases is in good standing in full force and effect, unamended, and there exists no material default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a material default or event of default under any of the Franchise Agreements and Subleases;

(iv) all payments required to be made thereunder have been made and there are no arrears, penalties or other payments owing to the Corporation or, to the knowledge of the Vendor and the Corporation, any other person thereunder; and

(v) the Vendor has not received any written notice of any state of facts which could reasonably be expected to give rise to a change in circumstances from those described in (i) and (iv) above.

(k) **Financial Statements.** The Financial Statements have been prepared in accordance with GAAP applied on a basis consistent with those of previous fiscal years and each presents fairly in accordance with GAAP:

(i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of the Corporation as at the respective date; and

(ii) the sales and earnings of the Corporation during the period covered by the Financial Statements.

(l) **No Liabilities.** The Corporation has no material liabilities or obligations of any nature whatsoever, whether known, unknown, due, to become due, direct, indirect, absolute, contingent or otherwise, and

whether or not required to be accrued on the financial statements of the Corporation and no matter, fact, circumstance or event has occurred which will give rise to any liability or obligation after Closing of any nature whatsoever, except for, in either case, (i) liabilities and obligations reflected or reserved against in the Financial Statements, (ii) liabilities and obligations disclosed in this Agreement (including the Schedules) or (iii) current liabilities incurred after the Balance Sheet Date which liabilities are in the Ordinary Course.

There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, whether statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement and the Purchaser shall acquire the Purchased Shares "as is and where is" subject only to the benefit of the representations and warranties in this Agreement. The Vendor's representations and warranties in Subsection 3.1(c), (d), (i), (j), (k) and (l) of this Article 3 shall not survive Closing and shall terminate on the Closing Date. In the event that the Vendor breaches any representation or warranty in Subsection 3.1(c), (d), (i), (j), (k) and (l) of this Article 3, the Purchaser's sole remedy shall be to not complete the transaction contemplated by this Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Section 4.1 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Vendor and acknowledges and agrees that the Vendor is relying on such representations and warranties in connection with its sale of the Purchased Shares:

(a) **Incorporation and Corporate Power**. The Purchaser is a limited partnership formed and existing under the laws of Ontario. The General Partner has the power and authority to enter into and perform the Purchaser's obligations under this Agreement on behalf of the Purchaser.

(b) **Corporate Authorization**. The execution and delivery of and performance by the General Partner on behalf of the Purchaser of this Agreement and the consummation of the transactions contemplated by it have been duly authorized by all necessary action on the part of the Purchaser.

(c) **No Conflict**. The execution and delivery of and performance by the General Partner on behalf of the Purchaser of this Agreement:

(i) does not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating documents;

(ii) does not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any Contracts or instruments to which it is a party; and

(iii) does not and will not result in the violation of any Law.

(d) **Execution and Binding Obligation**. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of the Purchaser, enforceable against it in accordance with its terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

The Purchaser's representations and warranties in this Article 4 shall not survive Closing and shall terminate on the Closing Date. In the event that the Purchaser breaches any representation or warranty in this Article 4, the Vendor's sole remedy shall be to not complete the transaction contemplated by this Agreement.

ARTICLE 5
PRE-CLOSING COVENANTS OF THE PARTIES

Section 5.1 Conduct of Business Prior to Closing.

(a) During the Interim Period, the Vendor will cause the Corporation to conduct the Business in the Ordinary Course, including but not limited to, refraining from having:

(i) directly or indirectly, declared or paid any dividends or declared or made any other distribution of cash or assets on any of its shares of any class, or otherwise to shareholders and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares of any class or agreed to do so;

(ii) sold, transferred or otherwise disposed of any Assets except for (A) Assets which are obsolete, or (B) inventory sold in the Ordinary Course;

(iii) increased its indebtedness for borrowed money or made any loan or advance, or assumed, guaranteed or otherwise became liable with respect to the liabilities or obligation of any Person;

(iv) made any bonus or profit sharing distribution or similar payment of any kind;

(v) cancelled or waived any material claims or rights; or

(vi) authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing.

(b) Without limiting the generality of Section 5.1(a), the Vendor will and will cause the Corporation to:

(i) use its commercially reasonable efforts to preserve intact the current business organization of the Corporation, keep available the services of the present employees of the Corporation and maintain good relations with, and the goodwill of, franchisees, suppliers, customers, landlords, creditors, distributors and all other Persons having business relationships with the Corporation;

(ii) use its commercially reasonable efforts to retain possession and control of the Assets and preserve the confidentiality of any confidential or proprietary information of the Business or the Corporation;

(iii) use its commercially reasonable efforts to not cause or permit to exist a material breach of any representation and warranty of the Vendor contained in this Agreement and to conduct the Business in such a manner that on the Closing Date such representations and warranties shall be true and correct in all material respects as if they were made on and as of such date;

(iv) otherwise periodically report to the Purchaser concerning the state of the Business as the Purchaser may reasonably request;

(v) maintain the Assets in a good state of repair and condition, reasonable wear and tear excepted;

(vi) comply in all material respects with all Authorizations and contractual obligations under the Contracts; and

(vii) maintain all books and records in the usual, regular and ordinary manner.

Section 5.2 Actions to Satisfy Closing Conditions.

(a) The Vendor shall use its commercially reasonable efforts so as to ensure compliance with all of the conditions set forth in Section 6.1 including ensuring that during the Interim Period and at Closing, there is no material breach of any of its representations and warranties.

(b) The Purchaser shall use its commercially reasonable efforts so as to ensure compliance with all of the conditions set forth in Section 6.2 including ensuring that during the Interim Period and at Closing, there is no material breach of any of its representations and warranties.

Section 5.3 Transfer of the Purchased Shares.

The Vendor shall take all necessary steps and corporate proceedings to permit good title to the Purchased Shares to be duly and validly transferred and assigned to the Purchaser at Closing, free of all Liens other than the restrictions on transfer of the Purchased Shares, if any, contained in the articles of the Corporation.

Section 5.4 Employees.

(a) The Corporation shall offer employment in writing and in a form satisfactory to the Vendor, effective from the Closing Date, to the employees of the Vendor listed in Schedule 5.4(a) (the "**Employees**"), on terms and conditions of employment including salary, incentive compensation and benefits which are substantially similar to those currently available to the Employees, except as may otherwise be agreed to between the Vendor and the Purchaser, and the Corporation shall assume all unpaid vacation up to the Closing Date for each Employee.

(b) The Corporation shall be responsible for all costs relating to (i) notice of termination, termination pay, severance pay and other costs, liabilities and obligations including entitlement to benefit coverage,

stock options or incentive compensation whether due under contract, statute, common law or otherwise relating to the Employees who are not offered employment or who do not accept employment with the Corporation; and (ii) any and all obligations and liabilities in respect of Employees who accept the Purchaser's offer of employment.

Section 5.5 Request for Required Consents.

The Vendor and the Corporation will use their commercially reasonable efforts to obtain or cause to be obtained, prior to Closing, the Required Consents. Such Required Consents will be on such terms as are acceptable to the Purchaser, acting reasonably. The Purchaser will co-operate in obtaining such Required Consents.

Section 5.6 Assignment of Lease.

Effective as of Closing, the Corporation shall assume all of the Vendor's obligations under the lease for the facility located at 6303Airport Road, Mississauga, Ontario, pursuant to an assignment and assumption agreement to be entered into by the Parties, in a form reasonably satisfactory to each of them (the "**Assignment and Assumption Agreement**").

ARTICLE 6
CONDITIONS OF CLOSING

Section 6.1 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Shares is subject to the following conditions being satisfied at or prior to Closing, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) **Truth of Representations and Warranties**. The representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Vendor shall have executed and delivered a certificate of a senior officer to that effect. Upon the delivery of such certificate, such representations and warranties shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(b) **Performance of Covenants**. The Vendor shall have fulfilled or complied in all material respects with all covenants contained in this Agreement to be fulfilled or complied with by it at or prior to Closing,

and the Vendor shall have executed and delivered a certificate of a senior officer to that effect.

(c) **Required Consents.** All Required Consents shall have been made, given or obtained on terms acceptable to the Purchaser, acting reasonably.

(d) **Deliveries**. The Vendor shall deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser acting reasonably:

(i) share certificates representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, together with evidence reasonably satisfactory to the Purchaser that the Purchaser or its nominee(s) have been entered upon the books of the Corporation as the holder of the Purchased Shares;

(ii) certified copies of (i) the charter documents and by-laws of the Corporation, and (ii) all resolutions of the shareholders and the board of directors of the Vendor approving the entering into and completion of the transaction contemplated by this Agreement and the Ancillary Agreements;

(iii) a certificate of status, compliance, good standing or like certificate with respect to the Vendor and the Corporation issued by appropriate government officials of their respective jurisdictions of incorporation; and

(iv) the certificates referred to Section 6.1(a) and Section 6.1(b).

(e) **Proceedings**. All proceedings to be taken in connection with the transactions contemplated by this Agreement and any Ancillary Agreement shall be reasonably satisfactory in form and substance to the Purchaser, acting reasonably, and the Purchaser shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all necessary proceedings in connection therewith.

(f) **Ancillary Agreements.** The Ancillary Agreements shall have been entered into.

(g) **Employees.** Prior to or contemporaneously with Closing, all of the Employees shall have been offered and have accepted employment with the Corporation, on terms and conditions of employment substantially similar in the aggregate to the terms and conditions of employment they enjoyed with the Vendor immediately prior to Closing, except with regard to such terms of employment as may otherwise be agreed between the Vendor and the Purchaser acting reasonably.

(h) **No Legal Action.** No action or proceeding shall be pending or threatened in writing by any Person (other than the Purchaser) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of the Corporation to conduct the Business after Closing on substantially the same basis as heretofore operated.

Section 6.2 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Shares is subject to the following conditions being satisfied at or prior to Closing, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion.

(a) **Truth of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect. Upon delivery of such certificate, the representations and warranties of the Purchaser shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(b) **Performance of Covenants**. The Purchaser shall have fulfilled or complied in all material respects with all covenants contained in this Agreement to be fulfilled or complied with by it at or prior to Closing and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect.

(c) **Required Consents.** All Required Consents shall have been made, given or obtained on terms acceptable to the Vendor, acting reasonably.

(d) **Deliveries.** The Purchaser shall deliver or cause to be delivered to the Vendor the certificates referred to in Section 6.2(a) and Section 6.2(b) in form and substance satisfactory to the Vendor acting reasonably.

(e) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement shall be reasonably satisfactory in form and substance to the Vendor, acting reasonably, and the Vendor shall have received copies of all the instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

(f) **No Legal Actions.** No action or proceeding shall be pending or threatened by any Person (other than the Vendor) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement.

(g) **Ancillary Agreements.** The Ancillary Agreements shall have been entered into.

(h) **Employees.** Prior to or contemporaneously with Closing, all of the Employees shall have been offered and have accepted employment with the Corporation, on terms and conditions of employment substantially similar in the aggregate to the terms and conditions of employment they enjoyed with the Vendor immediately prior to Closing, except with regard to such terms of employment as may otherwise be agreed between the Vendor and the Purchaser acting reasonably.

ARTICLE 7
CLOSING

Section 7.1 Date, Time and Place of Closing.

The completion of the transaction of purchase and sale contemplated by this Agreement shall take place at the offices of Stikeman Elliott LLP, Suite 5300, Commerce Court West, Toronto, Ontario, at 10:00 a.m. (Toronto time) on the Closing Date or at such other place, on such other date and at such other time as may be agreed upon in writing between the Vendor and the Purchaser.

Section 7.2 Closing Procedures.

Subject to satisfaction or waiver by the relevant Party of the conditions of closing, at Closing, the Vendor shall deliver actual possession of the Purchased Shares to the Purchaser.

ARTICLE 8
POST-CLOSING COVENANTS

Section 8.1 Access to Books and Records.

For a period of six years from the Closing Date, the Purchaser shall retain all original books and records relating to the Corporation that are part of the books and records existing on the Closing Date, but the Purchaser shall not be responsible or liable to the Vendor for or as a result of any accidental loss or destruction of or damage to any such books and records. So long as any such books and records are retained by the Purchaser pursuant to this Agreement, the Vendor shall have the reasonable right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Corporation. The Purchaser shall have the right to have its representatives present during any such inspection.

Section 8.2 Vendor Confidentiality.

After Closing, the Vendor will keep confidential all information in its possession or under its control relating to the Corporation and the Business, unless such information is or becomes generally available to the public other than as a result of a disclosure by the Vendor in violation of this Agreement.

Section 8.3 Further Assurances.

From time to time after the Closing Date, each Party shall, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to effectively transfer the Purchased Shares to the Purchaser and carry out the intent of this Agreement and any Ancillary Agreement.

ARTICLE 9
MISCELLANEOUS

Section 9.1 Notices.

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed:

(a) to the Vendor at:

6303 Airport Road, 2nd Floor
Mississauga, ON L4V 1R8

Attention: James Anas

Telephone: [Redacted]
Facsimile: [Redacted]

(b) to the Purchaser at:

6303 Airport Road, 2nd Floor
Mississauga, ON L4V 1R8

Attention: Raymond Guyatt
Telephone: [Redacted]
Facsimile: [Redacted]

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

Section 9.2 Time of the Essence.

Time is of the essence in this Agreement.

Section 9.3 Expenses.

Each Party will pay for its own costs and expenses incurred in connection with this Agreement and the transactions contemplated by it and, for purposes of this Section, any fees and expenses of counsel to the Corporation in connection with this Agreement and the transactions contemplated by it shall be for the account of the Vendor. The fees and expenses referred to in this Section are those which are incurred in connection with the negotiation, preparation, execution and performance of this Agreement, and the transactions contemplated by this Agreement, including the fees and expenses of legal counsel, investment advisers and accountants.

Section 9.4 Waiver.

No waiver of any of the provisions of this Agreement or any Ancillary Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 9.5 Entire Agreement.

This Agreement, together with the Ancillary Agreements, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement or any Ancillary Agreement.

Section 9.6 Successors and Assigns.

(a) This Agreement becomes effective only when executed by the Vendor and the General Partner, on behalf of the Purchaser. After that time, it will be binding upon and enure to the benefit of the Vendor, the Purchaser and their respective successors and permitted assigns.

(b) This Agreement and any of the rights or obligations under this Agreement are not assignable or transferable by either Party without the prior written consent of the other Party.

Section 9.7 Governing Law.

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

Section 9.8 Counterparts.

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

Section 9.9 Public Notices

The Parties shall jointly plan and co-ordinate any public notices, press releases, and any other publicity concerning the transactions contemplated by this Agreement and no Party shall act in this regard without the prior approval of the other, such approval not to be unreasonably withheld, except:

(a) Where required to meet timely disclosure obligations of any Party under Laws or stock exchange rules in circumstances where prior consultation with the other party is not practicable; and

(b) In the case of the Vendor's communication made to the Vendor's employees affected by such transaction.

IN WITNESS WHEREOF the Parties have executed this Share Purchase Agreement.

THE SECOND CUP COFFEE COMPANY INC.

By: *"James Anas"*
Authorized Signing Officer

SECOND CUP TRADE-MARKS LIMITED PARTNERSHIP by its General Partner SECOND CUP GP TRUST

By: *"Raymond Guyatt"*
Authorized Signing Officer

THE SECOND CUP LTD.

By: *"James Anas"*
Authorized Signing Officer

SCHEDULE 3.1(d)
REQUIRED CONSENTS

[Redacted]

SCHEDULE 3.1(g)
CORPORATE OWNED CAFES

[Redacted]

SCHEDULE 3.1(j)
FRANCHISE AGREEMENTS AND SUBLEASES IN DEFAULT

Franchise Agreements in Default

[Redacted]

Leases in Default

[Redacted]

SCHEDULE 5.4(a)
EMPLOYEES

[Redacted]