

SCHEDULE B

[LETTERHEAD OF THE PRINCIPAL REGULATOR]

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN,
MANITOBA, QUEBEC,
NOVA SCOTIA AND NEWFOUNDLAND,**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
PIZZA DELIGHT CORPORATION**

AND

**IN THE MATTER OF THE TAKE-OVER BID
RELATING TO ALL THE COMMON SHARES
OF MIKES RESTAURANTS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the **Decision Maker**) in each of the provinces of Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia and Newfoundland (the **Jurisdictions**) has received an application from Pizza Delight Corporation (**Pizza Delight**) for a decision pursuant to the applicable securities legislation in each of the Jurisdiction (the **Legislation**) with respect to the take-over bid (the **Take-Over Bid**) to be made by Pizza Delight for all of the common shares of Mikes Restaurants Inc. (**Mikes**) at a price of \$4.35 per share payable in cash, to the effect that:

Despite the provisions of the Legislation, Pizza Delight shall be exempted, in connection with the Take-Over Bid, from the requirement to prepare a formal valuation of the common shares of Mikes and to provide disclosure in the take-over bid circular to be provided to Mikes shareholders in connection with the Take-Over Bid of such valuation or a summary thereof (the “**Valuation Requirement**”).

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “**System**”), the Commission des valeurs mobilières du Québec is the Principal Regulator for this application;

AND WHEREAS Pizza Delight has represented to the Decision Makers that:

1. Mikes is governed by the *Canada Business Corporations Act* (“**CBCA**”), is a reporting issuer in Québec and Ontario and is not in default of the Legislation in those Jurisdictions. Its head office is located in Montréal, Québec.
2. The authorized capital of Mikes consists of an unlimited number of common shares without nominal or par value. As of November 7, 2000, there were approximately 3,065,172 issued and outstanding shares of Mikes. Mikes’ common shares are listed and posted for trading on the Toronto Stock Exchange.
3. Pizza Delight is a private company governed by the laws of New Brunswick. Its head office is located in Moncton, New Brunswick.
4. The only holders who own, directly and indirectly, more than 10% of the total issued and outstanding common shares of Mikes are Mr. Austin C. Beutel and Mr. William M. Reim. After giving effect to the proposed sale by Mr. Beutel of 100,000 common shares of Mikes to Mr. Neil Zeidel, pursuant to a pre-existing option granted by Mr. Beutel to Mr. Zeidel, Mr. Beutel will hold directly and indirectly 1,245,804 common shares of Mikes, representing approximately 40.64% of the total issued and outstanding common shares of Mikes, Mr. Reim will hold directly and indirectly 587,700 common shares of Mikes, representing approximately 19.17% of the total issued and outstanding common shares of Mikes, and Mr. Zeidel will hold directly and indirectly

163,000 common shares of Mikes, representing approximately 5.32% of the total issued and outstanding common shares of Mikes.

5. On October 18, 2000, Pizza Delight has entered into a support agreement with Mikes (the “**Support Agreement**”), providing for Mikes support of an offer to be made by Pizza Delight or a subsidiary thereof to purchase all the issued and outstanding shares (the “**Shares**”) in the share capital of Mikes (the “**Offer**”). The entering into of the Support Agreement followed the reception by Mikes from National Bank Financial of a fairness opinion as to the fairness, from a financial point of view, of the consideration to be paid to the holders of common shares of Mikes, other than the Selling Shareholders (as defined hereafter), pursuant to the terms of the Offer.
6. Pursuant to the provisions of the Support Agreement, Pizza Delight and Mikes agreed that the Offer would be made as promptly as practicable, but in any event, not later than November 10, 2000, the Offer remaining open for acceptance for at least 21 days following its mailing. The Offer price was agreed to be \$4.35 per share, payable in cash. The Offer is subject to certain conditions, including the tender to the offeror of at least ninety percent (90%) of the common shares of Mikes, on a fully-diluted basis. Should the Offer be accepted by holders of at least 90% of the common shares of Mikes, Pizza Delight reserves the right to acquire, pursuant to the provisions of Section 206 of the CBCA, the remainder of the common shares on the same terms on which Pizza Delight acquired shares pursuant to the Offer. Should that statutory right of compulsory acquisition not be available, Pizza Delight reserves the right to use all reasonable efforts to acquire the balance of the common shares, including through transactions that could be assimilated to going private transactions.
7. On same date, Pizza Delight also entered into a lock-up agreement (the “**Lock-up Agreement**”) with Mr. Beutel, Oakwest Corporation Limited (corporation related to Mr. Beutel), Mr. Reim, William Reim Management Inc. (corporation related to Mr. Reim), 88881 Canada Ltd. (corporation related to Mr. Reim), 129647 Canada Inc. (corporation related to Mr. Reim) and Mr. Zeidel (collectively the “**Selling Shareholders**”), under which the Selling Shareholders have agreed, among other things, to deposit all of their Shares, in accordance with the Offer.

8. On October 19, 2000, Mikes and Pizza Delight announced that Mikes had agreed to recommend to its shareholders the acceptance of the Offer, and announced that the Selling Shareholders had entered into the Lock-up Agreement.
9. Pizza Delight, which is not an insider to Mikes, may decide, in connection with the Offer, to transform Mikes into an entity that would be comparable to a closed company, but submits that the conditions of grant of the exemption in Section 22 (2) of *Québec Securities Commission Policy Statement Q27* are satisfied. In particular: (i) the price to be offered to security holders of Mikes was negotiated with the Selling Shareholders within twelve (12) months preceding the date of the announcement of the Offer; (ii) Pizza Delight and the Selling Shareholders are unrelated; (iii) the Selling Shareholders hold approximately 65.14% of the common shares of Mikes; and (iv) the Selling Shareholders have full knowledge of information required to assess the value of such shares.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “**Decision**”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the authority to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the granting of an exemption to Pizza Delight would not be detrimental to the protection of investors or the public interest and Pizza Delight’s bid may be done regardless of the Valuation Requirement.

DATED November 10, 2000.

Jacques Labelle
Directeur général et chef de
l'exploitation (Title)