

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CANADIAN WESTERN BANK

Applicant

and

2722959 ONTARIO LTD. and 2156775 ONTARIO LIMITED

Respondents

**SUPPLEMENTARY MOTION RECORD
(Motion returnable May 24, 2023)**

DATED: April 27, 2023

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Respondent

**SERVICE LIST
Last updated February 17, 2023**

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**THE REGIONAL MUNICIPALITY OF
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TAB 1

**ONTARIO
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BETWEEN:

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AFFIDAVIT OF FRANK D'ANGELO

I, FRANK D'ANGELO, of the Town of Kleinburg, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I was the President and Chief Executive Officer of 2156775 Ontario Limited carrying on business as D'Angelo Brands ("215").
2. I authorized proceedings to be commenced in three actions by 215.
3. From my personal knowledge, the actions were instituted on behalf of 215 arising out of all defendants' conduct in actions which directly resulted in 215 sustaining substantial monetary damages.
4. The defendants' conduct and actions are more particularly described in the three Statements of Claim marked as Exhibits "B", "C" and "D" in my affidavit sworn February 13, 2023.
5. From my personal knowledge, I was personally involved and have personal knowledge of

all activities by the defendants. The facts in the three Statements of Claim I verily believe to be true and accurate.

6. 215 amassed significant expenses and debt arising out of the conduct of all defendants.

These amounts will be quantified at trial.

7. 215 left many creditors unpaid.

8. If this court should award damages to 215, these funds will be used to pay the debts of 215 which are substantial, amounting to millions of dollars. My estimate is in excess of \$10 million dollars.

9. I do not expect the creditors of 215 to fund this litigation.

10. If the stay is not lifted, then these three actions will be permanently stayed and cannot proceed. The creditors will not be paid. I will also lose the equity in 215. It is for the benefit of the creditors and to recoup for myself, after the creditors are paid, that I bring these proceedings.

11. I reviewed the affidavit of Louise Cooke sworn April 11, 2023.

SECURITY FOR COSTS MOTION

12. 215 will dispute the motions brought by Peel and Mississauga.

13. In paragraph 17(a), Ms. Cooke states that rent and additional rent is owed to the landlord, Rovinelli as of June 2, 2022. My intention and commitment will be to pay the landlord all arrears that are owing by 215 and by 2722959 Ontario Ltd. ("272")

14. With respect to paragraph 17(b), my intent and commitment is that CRA will also be paid what is due and owing to them arising out of their assessment.

15. 272 carried on the D'Angelo Brands business commencing February 2022.
16. In May of 2022, 272 was forced to close down because of actions taken by Canadian Western Bank in not fulfilling and completing a bank loan which I will explain further in this affidavit.
17. I on behalf of 272 directed 272 and 272 agreed to reduce the amount owing to CRA by the input tax credit which 272 agreed it would not take but apply to the reduction of its debt. Commencing February 2022, CRA applied monthly HST credits of approximately \$15,000.00 to \$25,000.00 monthly to reduce the debt owing to CRA.
18. In paragraph 18 there is reference to an updated appraisal for 215's equipment on site. Annexed hereto and marked as **Exhibit "A"** to this my affidavit is the said Evaluation Report. I reviewed this report, it is not an appraisal. I have over 25 years of experience building the manufacturing lines and packaging the products manufactured by D'Angelo Brands.
19. Under the heading 'Valuation Analysis' on page 3, it is stated, "Machinery and Equipment has been valued on the basis of an Auction / Orderly Timed Liquidation. (*Note: worth more as an ongoing operation)".
20. The business carried on by 272 was shut down when the utility provider, Electra disconnected the hydro.
21. Shortly thereafter, exactly when I do not know, a third party leased the premises from Rovinelli, the landlord. As I understand it, the rental was greater than what 215 and 272 were paying. A new tenant entered into an agreement with the landlord that had distrained the goods to either purchase or lease the equipment and is presently running the same operation that

D'Angelo Brands was running, selling Arizona beverages to Arizona and manufacturing Langer beverages and selling to Langer. This is a very profitable business.

22. The landlord, Rovinelli, did not disclose that in his affidavit sworn September 2, 2022, nor did he make a further and current disclosure as to the tenant lease, rental revenue and the arrangement sale or lease of the equipment. These were two substantial manufacturing lines that operated 7/24 with lucrative contracts to substantial companies.

23. These financial arrangements and the present conduct of the business that I established through 215 is part of the evidence that will be utilized by 215 in the three proceedings that have been stayed and for which I seek a lifting of the stay.

24. I have commented on the Evaluation Report (this is not an update Appraisal).

25. Annexed hereto and marked as **Exhibit "B"** to this my affidavit is a Fixed Asset Appraisal Report prepared for D'Angelo Brands as of October 13, 2020. At page 5, Fair Market Value Installed is \$10,766,300.00.

THE CURRENT FINANCING BY CANADIAN WESTERN BANK

26. In April of 2022, 272 carrying on as D'Angelo Brands was operating a successful business. It sought financing from Canadian Western Bank. Annexed hereto and marked as **Exhibit "C"** to this my affidavit is a copy of a signed loan agreement for \$625,000.00 for loans advanced. The \$625,000.00 was utilized for parts and labour for the Can Filler line, for supplies, payment for staff and for the payment of expenses, including utilities.

27. 215 received a Final Collection / Disconnection Notice from Alectra Utilities with a threat of a disconnection on or after May 10, 2022. Annexed hereto and marked as **Exhibit "D"**

to this my affidavit is a copy of the Final Collection / Disconnection Notice.

28. In April of 2022, I was in the midst of negotiating a substantial financing and loan from Canadian Western Bank. The landlord was aware of this. Annexed hereto and marked as **Exhibit "E"** to this my affidavit are a series of emails between Mr. Eugene Rovinelli, the President of the landlord, Eastgate Group Inc. and John Butler, a Vice President and Market Lead with Canadian Western Bank.

29. Annexed hereto and marked as **Exhibit "F"** to this my affidavit is a further series of emails between Mr. Butler of Canadian Western Bank and Mr. Rovinelli advising that the bank anticipated completion of the funding. The commitment being negotiated was a demand loan of \$500,000.00, a demand non revolving loan for \$5,500,000.00 and a corporate credit card of \$50,000.00. In the email of May 6, 2022, Mr. Butler writes to Mr. Rovinelli, his lawyer Mr. Laan, Mr. Lo Greco, 272's lawyer and Mr. Bolta of the landlord, that "We are proceeding with the legal work and continue to anticipate completion of the funding next week." Included in that series of emails is a letter from Mr. Butler to the suppliers of D'Angelo Brands advising that the bank is continuing to work closely with D'Angelo Brands to complete funding of our second tranche of financing.

30. Annexed hereto and marked as **Exhibit "G"** to this my affidavit is a series of emails from May 10, 2022 and following including an email in which Mr. Butler writes, "Mr. D'Angelo has made the Bank well aware that the funding of your invoice(s) is his absolutely first priority."

31. Annexed hereto and marked as **Exhibit "H"** to this my affidavit is an email from Ms. Compas of Alectra Utilities advising of disconnection.

32. The hydro was disconnected on May 12, 2022. The following day, I received a Letter of

Commitment of Financing from Mr. Butler in which he apologized for the delay with the document. Annexed hereto and marked as **Exhibit "I"** to this my affidavit is a copy of Mr. Butler's email to me of May 13, 2022 together with the attached Letter of Commitment of Financing.

33. This commitment came as a surprise one day after the hydro had been shut down.

34. In Schedule "D" to the commitment, the bank wanted an appraisal update to confirm the current fair market value of the equipment and updated remaining economic useful life after contemplating the planned increased production for the terms of the borrower's sales arrangement with Arizona Beverages USA. The bank also required payment of the advance to Peel/Mississauga upon confirmation of the claim being resolved.

2. The Bank shall receive and be satisfied with an update to the existing FMV equipment appraisal prepared by Kohli group dated December 1, 2020. The appraisal update is to confirm the current FMV value of the equipment and is updated remaining economic useful life after contemplating the planned increased production per the terms of the Borrower's sales arrangement with Arizona Beverages USA. The appraisal is to be accompanied by a Letter of Transmittal addressed to the Bank.

4. Funds in the amount of \$2,200,000 for the purpose of assisting with the outstanding water claim with the Region of Peel/City of Mississauga are to be advanced upon confirmation of the claim being resolved. In the event that the claim is less than \$2,200,000 DNR #2 is to be reduced accordingly.

35. My lawyer, Mr. Lo Greco revised the commitment. Annexed hereto and marked as **Exhibit "J"** to this my affidavit is a copy of a letter undated but which was sent May 13, 2022 to Mr. Butler in which he states, "in Schedule "D", paragraph 2 we have added "This condition is not to prevent IMMEDIATE funding".

36. The updated appraisal which we agreed to produce would take time. We desperately needed the funds and we did not want to hold up funding to pay off Alectra so the hydro could be turned on and to make substantial payments to the landlord. We further amended Schedule "D", paragraph 4 by adding the words, "The Borrowers will be paying such funds under protest as they have an ongoing civil action against the City of Mississauga and the Region of Peel. The borrowers may at their own discretion advance towards the water claim a lower amount than what is owed."

37. Mr. Lo Greco sent an email on May 16, 2022 and received a response from Mr. Butler on May 17, 2022 at 9:40 a.m. that the bank was not prepared to advance additional funds to the borrower until all conditions precedent as outlined in the Commitment Letter of May 12, 2022 and all other matters have been addressed to the Bank's satisfaction. Annexed hereto and marked as **Exhibit "K"** to this my affidavit are the emails between Mr. Lo Greco and Mr. Butler.

38. Annexed hereto and marked as **Exhibit "L"** to this my affidavit is a copy of the Notice to Terminate dated May 19, 2022 regarding 4560 Eastgate and Notice to Terminate regarding 4544 Eastgate dated June 2, 2022 and a Landlord's Distress Warrant regarding 4500 Eastgate dated June 2, 2022.

39. In June of 2022 the lease was terminated and D'Angelo Brands was evicted from the three leased premises.

40. D'Angelo Brands ran a successful business. This is demonstrated by the willingness of Canadian Western Bank to loan in excess of \$6 million dollars.

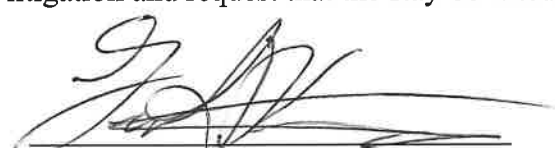
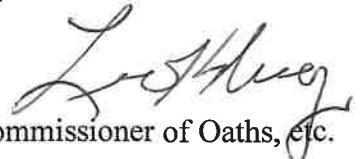
41. I provided the pleadings in the three actions in which I seek leave to lift the stay against Peel, Mississauga and the individuals, to Mr. Butler and his colleagues. I advised Mr. Butler and

his colleagues at the bank that I would be paying off the creditor debts of 215 and that would include the landlord and under protest, the Region of Peel and proceed at the same time with the litigation.

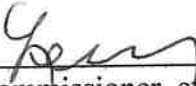
42. The claims against Peel, Mississauga and the individuals are substantive claims. In the action against Peel we have produced extensively and exchanged extensive Affidavits of Documents and experts reports and analysis from external and internal laboratories questioning the BOD readings from Peel employees and the excessive invoices. I have also questioned the exorbitant upfront bailiff's fees from Mr. Gerber's company as well as the interest charges.

43. I offered to pay the equipment up as security for any potential claim that Peel and Mississauga may have arising out of the excess charges. Peel and Mississauga refused. They were adamant through their lawyers that they were going to disconnect the supply of water, which was the main ingredient in the drinks we produced and have me thrown out and for that reason I am adamant about continuing on with the litigation and request that the stay be lifted.

SWORN before me at the Town of)
Markham, in the Regional)
Municipality of York, this 27th day)
of April, 2023)
)
)
)
)
)
A Commissioner of Oaths, etc.)


FRANK D'ANGELO

This is **Exhibit "A"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023



A Commissioner, etc.

Appraisal: (Evaluation Report)

**Pertaining to Assets Of:
D'Angelo Brands Ltd.**

**Location:
4500 Eastgate Parkway,
Mississauga, ON L4W 3W6**

Inspected: July 21, 2022

**NEW AND USED EQUIPMENT FOR
THE PROCESS AND PACKAGING INDUSTRIES**

781573 Ontario Inc. O/A

Buzz Equipment

2700 - 14th Avenue, Unit 6, Markham, Ontario L3R 0J1

Tel.: (905) 475-7644

Fax: (905) 475-7645

Prepared By Darrell Shulman

Inspected On July 25th, 2022

Instructed By Mr. Steven Wagman

Intended Use Sterling Bailiffs Inc.
& RCI Construction Inc.

To Help Determine appropriate asset values.

Valuation: Orderly Timed Liquidation Value

***Note:** Auction Value will be approx 20% Lower

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Tel.: (905) 475-7644

Fax: (905) 475-7645

Profile: We began in 1991,

Buying and selling high-quality, reasonably priced new, used and reconditioned Process and Packaging equipment for the **Pharmaceutical, Vitamin, Food and Confectionery industries.**

Helping our customers find the right equipment at the right price, has resulted in the growth & expansion of our offerings.

***Including:** Equipment Appraisals, Repairing/Parts, Upgrading, Testing, Training, Consignments, Partner Auctions Etc...

Today, our 35,000+ sq foot warehouse is filled with a broad range of equipment for almost any Processing and/or Packaging need. Examples include: Tablet Presses, Capsule Fillers, Stainless Steel Powder Mixers and Granulators, as well as Pressure Sensitive Labelers, Inline Quill Cappers, Heat Induction Sealers, Horizontal Flow Wrappers, Kettles/Tanks, and Conveyors. Complete Filling and Packaging Lines and Facilities for Liquids, Powder/Grains and other Various Products.

Our equipment can be tested, including electronics and mechanical by our skilled technician, as well as product demonstrations for customers prior to purchasing. In addition, some items offer a satisfaction guarantee, including a Right of Return as well as Limited Warranties.

Our Website is updated weekly, showcasing many of our current, in-house equipment. However, if you do not see the item(s) you require, please contact us to find the right equipment you're looking for at (905)475-7644. We may have that equipment in our warehouse and not yet posted on the site or we may be able to source the equipment for you based on your specific requirements.

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Fax: (905) 475-7645

APPROACH TO VALUE:

The generally accepted methods of determining market value are the cost (also known as the depreciated replacement cost), market and income approaches to value. Briefly stated, the cost approach considers the cost to reproduce or replace the items being appraised. From this amount, a deduction is made for depreciation or obsolescence present, whether arising from physical, functional or economic causes.

Market approach considers prices recently paid for similar items, with adjustments made to the indicated market prices, to reflect the condition and utility of the appraised items relative to the market comparable.

Income approach, an estimate is made of the prospective economic benefit of ownership. These amounts are capitalized at appropriate rates of return into an indication of value.

Approaches selected as the most suitable must be by the facts & circumstances surrounding the items. The applicability of any approach in a given appraisal depends on the purpose of the appraisal,

Traditionally, the approaches relied upon for establishing the fair market value continued use of machinery and equipment are the market and cost approaches to value. The income approach is not normally used due to the virtual impossibility of measuring the financial contribution that each machine or groups of machinery contribute towards the whole. Regardless of the approach to value used, underlying principle involved in the valuation of machinery & equipment is the Principle of Substitution. This principle is established on the basis that an informed purchaser will pay no more for items than what it would cost them to produce or acquire equally desirable substitute items of equal utility and function. Based upon the above and with due consideration to the nature and extent of the specified assets at the company, both the market and cost approaches to value were relied upon for the valuation of machinery, equipment and fixtures.

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Tel.: (905) 475-7644

Fax: (905) 475-7645

VALUATION ANALYSIS:

In addition to the physical inspection and inventory, we are guided by the following:

- Machinery and Equipment has been valued on the basis of an Auction / Orderly Timed Liquidation.
(*Note: worth more as an ongoing operation)
- The market value of most fixed assets is generally higher when installed on premises of a going concern. If the business is no longer a viable going concern and the fixed assets need to be disposed, different liquidation scenarios need to be addressed.
- The observed physical condition and quality of the machinery and equipment, as well as their utility and degree of functional or economic obsolescence.
- Equipment commonly traded on the used equipment market and in quantity depictive of the subject items was valued on the market comparable approach. This approach is based on the price to obtain a similar unit in similar condition, if available, from a reputable and reliable used equipment dealer.
(*Note: in this situation and given market and macro events many items would not qualify for higher values)
- Price is adjusted to appropriately reflect any difference between the subject items & it's comparable.
- Online and various market transactions of comparable used machinery and equipment.
- Specially designed machinery and equipment not commonly traded on the used equipment market in quantities depictive of the subject items, was valued on the basis of the cost approach. Via this approach, the cost to replace a machine or equipment installation on brand new basis is established, from which deductions are then made to reflect loss in value due to physical deterioration and functional obsolescence, where applicable and measurable

Item	Model	Serial	Condition	Quantity	Value
1	Filler - 100 Station	94-113	Crown Cork & Seal	1	\$10,000
2	Can Seamer Machine	Cemco	Angelus	1	\$10,000
3	Double Decker Cooling Tunnel	12 Head Station	Holsten and Kappert	1	\$40,000
4	Can Line Ancillary Equipment	Beta	N/A	1	\$10,000
5	Pressure Detector	N/A	Tap Tone	1	\$1,200
6	Tray Packer and Shrink Tunnel	SR3-627	Douglas	1	\$20,000
7	Palletizer	N/A	General Conveyor	1	\$8,000
8	Small Can Line	N/A	N/A	1	\$3,000
9	Filler	N/A	SECO Sys.	1	\$18,000
10	De Palletizer - Plastic Bottle/Jug Line	400-2D	SECO Sys.	1	\$30,000
11	Rinser	DD2254	Crown Cork & Seal	1	\$14,000
12	Filler - 3 Litre	N/A	Crown Cork & Seal	1	\$55,000
13	Bottle Filler	N/A	Simplimatic	1	\$5,000
14	Bottle Inverter and Line	N/A	I&H Eng. Sys	1	\$1,000
15	Cooling Tunnel	N/A	Custom	1	\$15,000
16	Shrink Sleeve Applicator	3100 DE	American Fuji	1	\$15,000
17	Orbital Shrink Wrapper	WCRT-200	Wulftec	1	\$7,500
18	Labelers	N/A	Krones - Solomatic	3 x	\$2,500
19	Tray Pack and Carton	SR7-1124	Douglas	1	\$25,000
20	Reverse Osmosis Water Filtration Sys.	M83T01BDCXSE	Siemens	1	\$45,000
21	Forklift	06018DD2690	Heli	1	\$5,000
22	Compactor	N/A	Compactor Plus	1	\$5,500
23	Compactor	LV9276	Wastequip Accurate	1	\$5,000
24	Pallet Wrapper	230508-2XC-7669	Cousins	1	\$3,500
25	Dock Plate	N/A	N/A	1	\$300
26	Forklift	06018DD2689	Heli	1	\$7,500
27	Vertical Storage Racking	N/A	N/A	1	\$2,000
28	Vegetable Oil Line	MC12	US Bottlers	1	\$30,000
29	Boiler	LX200	Mitura	2 x	\$40,000
30	Scissor Lift	613947	Skyjack	1	\$5,000
31	Drill Press	855916	King Ind.	1	\$350
32	8" Grinder	N/A	TOS	1	\$350
33	Engine Lathe	401581138	TOS	1	\$4,500
34	Turret Mill	49261	Videojet Tech.	1	\$3,500
35	Videojet Printer	N/A	Krones - Solomatic	3 x	\$7,500
36	Labeler	07H33	De Laval	1	\$8,000
37	Storage Tank - Horizontal	N/A	Arpac	2 x	\$50,000
38	Shrink Wrap Tunnel	10424	Wepackit Inc	1	\$30,000
39	Case Packer	MPV 300-1661	Production Automation	1	\$8,500
40	Palletizer	6300-22	Alvey	1	\$15,000
41	Case Palletizer	01-K794-119	Cimco Lewis	1	\$15,000
42	Ammonia System	81732 / 20925	Various Models	1	\$30,000
43	Pallet Trucks	N/A	Various Items	1	\$2,000
44	Batching Area	N/A	Various Items	1	\$15,000
45	Miscellaneous Equipment / Conveyors	N/A	N/A	1	\$5,000
46					\$673,200

CDN Dollar Total:

Service Canada

Service Canada

1092-9

2156775 ONTARIO INC.
C/O DEAN TETA
4544 EASTGATE PARKWAY
MIRAMICHAUX ON L4N 1W6

Notice details

Business number	52977 9354 RT0001
Period covered	Dec 1, 2021 - Dec 31, 2021
Date issued	Aug 4, 2022

Notice of assessment for goods and services tax/harmonized sales tax (GST/HST)

This notice explains the results of our assessment of your GST/HST return(s).
The amount you need to pay is \$7,642,938.31.

Thank you.

Bob Hamilton
Commissioner of Revenue

Account summary

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this notice.

Total balance: \$7,642,938.31

Sign up for MyBA

MyBA lets you:

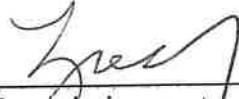
- Submit elections online
- View filed returns; and
- View account history.

Go to:
canada.ca/my-cra-business-account

RT200A E X

Canada

This is **Exhibit "B"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be "L. J. ...", written over a horizontal line.

A Commissioner, etc.

KOHLI GROUP

APPRAISERS • ADVISORS • CONSULTANTS

APPRAISALS

CONSULTANTS

- COMMERCIALS
- TECHNOLOGY
- INDUSTRIAL
- TRANSPORTATION
- INVENTORY

FIXED ASSET APPRAISAL REPORT

prepared for

CONFIDENTIAL
RESTRICTED CLIENT USE ONLY
KOHLI APPRAISERS

D'Angelo Brands Ltd.
4544 Eastgate Parkway
Mississauga, Ontario

KOHLI APPRAISERS

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Mississauga, Ontario L4W 5A6

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KOHLI APPRAISERS - PROFILE

The company principals at Kohli Appraisers were formerly partners in V. Marto & Co., a 25-year old company in the appraisal and inspection business. Kohli Appraisers specializes in the appraisals and inspections of commercial, computer, industrial and computer equipment, furniture and fixtures, and leaseholds for organizations such as: financial institutions, finance and accounting companies, commercial agents and lawyers, insurance companies, manufacturing industries and individual businesses.

SENIOR APPRAISER - SAM KOHLI

Sam Kohli has been an appraiser at Kohli Appraisers for several years. Sam regularly appraises commercial locations such as restaurants, retail locations, bars, gas stations, convenience stores, etc. He also conducts industrial valuations in a variety of fields such as: manufacturing, metal, warehousing, glass, etc. He also performs transportation equipment valuations in areas such as passenger, commercial, trucking and construction.

Sam's presence allows the company to appraise a variety of computer-based equipment. Beyond traditional desktops and notebooks, Sam also regularly appraises servers, storage, routers and other IT equipment. Due to his background, he is also able to verify software licenses and help substantiate development costs. Along with performing valuations, Sam regularly works with outside consultants to perform appraisals of specialized equipment.

Sam is a member of the Canadian Personal Property Appraisal Group (CPPA). He is also completing his accreditation to become a member of the American Society of Appraisers (ASA). He has completed an Honours Bachelor of Mathematics with a major in Computer Science at the University of Waterloo. Lastly, Sam has his MBA (finance option) from the Rotman School of Business (University of Toronto).

SENIOR APPRAISER - PETER MISTRY

Peter started his career at Kohli Appraisers several years ago. Peter has a Bachelor of Mathematics from the University of Waterloo and completed several courses in the valuation and appraising profession. He has an abundance of financial experience serving as an analyst within major Bay street firms. His experience includes creating and optimizing models for asset classes in the asset securitization industry. His experience in mass appraisal and valuation techniques along with a good breadth of financial acumen allow him to bring a unique perspective to asset appraisals and business valuations at Kohli Appraisers.

December 1, 2020

Private and Confidential

D'Angelo Brands Ltd.
4544 Eastgate Parkway
Mississauga, Ontario

Attention: Frank D'Angelo

In accordance with financial guidelines, we have carried out an investigation and prepared an appraisal of the specified assets, indicated to us as being that of:

D'Angelo Brands Ltd.

Located at: 4544 Eastgate Parkway, Mississauga, Ontario

Inspected: October 13, 2020

APPRAISAL DATE AND PURPOSE

We have been retained to express our opinion of the Fair Market Value Installed, as at October 13, 2020 (effective date), for the purposes of assisting in a financing loan. This report will not be used for any other purpose as to the one intended (and for the intended user and their firm named above).

NATURE OF THE BUSINESS ASSETS

D'Angelo Brands Ltd. is a manufacturing plant specializing in food and beverage products.

PROPERTY INCLUDED AND EXCLUDED

The appraisal includes specific equipment, chattels, vehicles and plant infrastructure upgrades as listed in the appendix. All other assets, whether tangible or intangible, have been excluded from this machinery and equipment appraisal. The appraisal also excludes supplies, inventory, goods, company records and personal items owned by employees and any other current assets associated with the enterprise.

This report does not value the 'enterprise' worth and does not investigate or warranty the 'business value'.

CONTENTS

This report, which identifies the items appraised, describes the scope and extent of the appraisal investigation and the valuation conclusion. Appended to this report are the following:

- Assumptions and Limiting Conditions
- Certificate of Machinery and Equipment Appraiser
- Inventory of Appraised Items

CONCLUSION

Based on the foregoing and subject to the Assumptions and Limiting Conditions as appended hereto, we have made the following valuation conclusions as of the effective date:

Value Definition	Value
Fair Market Value Installed	\$10,766,300.00

Values are expressed in Canadian Dollars.

Kind Regards,



SCOPE OF INVESTIGATION

Our investigation was based on a personal inspection of the site. Our inspection also included the gathering of pertinent data that assisted in our subsequent valuation analysis. This data included, but was not limited to, the following:

- A physical inventory and evaluation of the specified items. Equipment descriptions, which include: manufacturer; size; model number; serial number; capacities; and lengths were recorded, where available.
- Discussions were held with management representatives, to determine the physical condition and operating capacities of the specified items.
- A limited review of the fixed asset sub-ledger was undertaken, with the assistance of management. This was done to ascertain the age and historical cost of identifiable assets.
- Discussions were held with various new equipment manufacturers and used equipment dealers, suppliers and wholesalers in order to determine the current replacement cost new of the specified items, as well as the degree of functional obsolescence, if any.

Our investigation did not include a search of title nor does it assume any responsibility for title to or liabilities against the specified items being appraised. Our appraisal is based on the assumption that title to the specified items is good and marketable. It is the responsibility of the borrower/lender/client to perform the adequate due diligence in this regard.

Our investigation did not look at any financials, management history, trademarks or other intangibles, current or past sales and makes no warranty or claim on the business value. The appraisal makes no warranty or claim on the performance of the operating business (past or future).

If a transaction is occurring, it is recommended for the purchaser and/or borrower to conduct a thorough due diligence investigation as to the performance of the business, its viability, management expertise, trademarks and goodwill, and other key attributes to help them to make a well informed decision. This appraisal is not providing any advice and makes no claim in this regard and it's absolutely recommended that the purchaser/borrower seek adequate advice to help them make an informed decision.

No environmental impact, engineering and maintenance studies, as well as any other specialized studies were made in conjunction with this appraisal and should be considered outside the scope of this investigation.

This appraisal was conducted in accordance with the code of ethics and requirements of the uniform professional standard of professional appraisal practices set forth by the American Society of Appraisers (ASA) and the Uniform Standards of Professional Appraisal Practice (USPAP).

This appraisal was intended to assist and end user and (possibly) a financial institution (if named above). All other users are forbidden for using this appraisal. Also, the report is generally valid for 2 to 4 months as to the 'effective' date.

DEFINITION OF VALUE - FAIR MARKET VALUE INSTALLED

The valuation of the appraised item is based on the following definition of value: **Fair Market Value Installed** is defined as the highest price available in an unrestricted market between informed, prudent parties acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth and assuming the machinery is retained for continuation of the present use or similar use, installed in place.

The term fair market value installed is not intended to represent an amount that may be realized from assembled or piecemeal disposition of the appraised assets in the marketplace through liquidation or from some other use of the assets.

As part of this equipment, furniture and fixtures appraisal, we have not investigated any financial data pertaining to the present or prospective earning capacity of the operation. This opinion of market value assumes that the prospective earnings will provide a fair return on the appraised value of the assets included in the appraisal, as well as assets not a part of the appraisal, if any, and adequate net working capital.

APPROACH TO VALUE

The generally accepted methods of determining market value are the cost (also known as the depreciated replacement cost), market and income approaches to value. Briefly stated, the cost approach considers the cost to reproduce or replace the items being appraised. From this amount, a deduction is made for depreciation or obsolescence present, whether arising from physical, functional or economic causes.

The market approach considers prices recently paid for similar items, with adjustments made to the indicated market prices, to reflect the condition and utility of the appraised items relative to the market comparable.

In the income approach, an estimate is made of the prospective economic benefit of ownership. These amounts are capitalized at appropriate rates of return into an indication of value.

The approaches selected as the most suitable must be by the facts and circumstances surrounding the items. The applicability of any approach in a given appraisal depends on the purpose of the appraisal, the

type of items involved, the nature of the market and the availability of the required data. Traditionally, the approaches relied upon for establishing the fair market value continued use of machinery and equipment are the market and cost approaches to value. The income approach is not normally used due to the virtual impossibility of measuring the financial contribution that each machine or groups of machinery contribute towards the whole.

Regardless of the approach to value used, the underlying principle involved in the valuation of machinery and equipment is the Principle of Substitution. This principle is established on the basis that an informed purchaser will pay no more for items than what it would cost them to produce or acquire equally desirable substitute items of equal utility and function.

Based upon the above and with due consideration to the nature and extent of the specified assets at the company, both the market and cost approaches to value were relied upon for the valuation of machinery, equipment and fixtures.

VALUATION ANALYSIS

In addition to our physical inspection and inventory, we are guided by the following:

- Machinery and equipment has been valued on the basis of continued use as part of a going concern in their present location unless indicated otherwise.
- The reported history, character, location, size and utility of the appraised items.
- The observed physical condition and quality of the machinery and equipment, as well as their utility and degree of functional or economic obsolescence.
- Equipment commonly traded on the used equipment market and in quantity depictive of the subject items was valued on the market comparable approach. This approach is based on the price to obtain a similar unit in similar condition, if available, from a reputable and reliable used equipment dealer.
- The price is then adjusted to appropriately reflect any difference between the subject items and it's comparable.
- Documented market transactions of comparable used machinery and equipment.
- Specially designed machinery and equipment not commonly traded on the used equipment market in quantities depictive of the subject items, was valued on the basis of the cost approach. Via this approach, the cost to replace a machine or equipment installation on a brand new basis is established, from which deductions are then made to reflect loss in value due to physical deterioration and functional obsolescence, where applicable and measurable.

TYPE OF APPRAISAL VALUE

Based on discussions with the parties involved, it is understood that the type of value needed is a **Fair Market Value Installed**. The derived conclusions of this report cannot be applied to any other purpose but to the one intended.

The market value of most fixed assets is generally higher when installed on premises of a going concern. If the business is no longer a viable going concern and the fixed assets need to be disposed, different liquidation scenarios need to be addressed. Generally, any leasehold improvements, custom work, installation and transportation charges cannot be realized if the business is not sold as is with the assets intact. Moreover, liquidated values of assets such as equipment and furniture are contingent upon several factors, including current market conditions, the amount of time to market the assets, and the method of asset disposal. Lastly, book values rarely correlate with appraisal value and thus a poor measure of appraisal conclusions. *Many FMV reports from liquidators/auctioneers tend to be inaccurate as they use depressed values for comparables and do not include all the soft costs mentioned above which are part of the definition of FMV in Continued Use. If different liquidation scenarios such as Orderly Liquidation Value (OLV) or Forced Liquidation Value (FLV) is required, it can be asked of us to do it for an additional fee.*

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal investigation and the valuation conclusions expressed in this appraisal are subject to the following critical assumptions and limiting conditions including any others that are expressed or implied in this report.

This report is not intended for general circulation nor is it to be reproduced or used for any purpose other than as outlined herein without our prior written permission in each specific instance. We do not assume any responsibility or liability for losses occasioned to the company, its directors or shareholders or to other parties as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right (but will be under no obligation) to review all calculations included or referred to herein and, if we consider it necessary, to revise our report in light of any information existing at the valuation date which become known to us after the date of this report.

We have made no investigation of and assume no responsibility for title to or liabilities against the items appraised. This report is based on the premise that the item is good and marketable, and that the item is under reasonable ownership and competent management.

Our investigation did not look at any financials, management history, trademarks or other intangibles, current or past sales and makes no warranty or claim on the business value. The appraisal makes no warranty or claim on the performance of the operating business (past or future).

If a transaction is occurring, it is recommended for the purchaser and/or borrower to conduct a thorough due diligence investigation as to the performance of the business, its viability, management expertise, trademarks and goodwill, and other key attributes to help them to make a well informed decision. This appraisal is not providing any advice and makes no claim in this regard and it is recommended that the purchaser/borrower seek adequate advice to help them make an informed decision.

We assume no responsibility concerning enclosed support exhibits presented in this report. They are included for the sole purpose of illustration.

No legal survey, engineering study, soil analysis, geological study, chemical hazard inspection, environmental impact study or any other specialized studies were ordered or made in conjunction with this report. Accordingly, no responsibility is assumed concerning these matters, or other technical or engineering techniques, which would be required to discover any inherent or hidden condition in the subject items and full compliance with applicable regulations and laws is assumed unless stated otherwise.

In order to arrive at a supportable opinion of value, it was found necessary to utilize both documented and verbal evidence of market transactions. A concerned effort has been put forth to verify the accuracy of the information herein contained. Accordingly, the information was assumed to be accurate, reliable and correct.

This appraisal report does not give any consideration to the possible effect on the values reported herein, as a result of inflation, currency differences, interest rate differences, changing economy, changing technology etc., expected or projected. Values are as of the appraisal date.

The distribution of the total valuation conclusion reached and as stated herein, applies only to the existing appraisal, as set forth. The separate allocation of various assets must not be used in conjunction with any other appraisal, or for other than the stated purpose of this appraisal report, and is considered to be invalid if so used.

In most cases, year of manufacture, for major machine units and specialized installations, is indicated in the inventory section of this report. The basis of establishing the original year of manufacture was via published data, company and manufacture's records or discussions with company personnel. Although a conscientious effort has been made to ensure reasonability, we take no responsibility for its accuracy.

Cost of financing during a normal construction period has not been considered in this appraisal.

The terms of this engagement do not require us to give outside consultation, testimony or appear before any court of law. In the event that outside consultation, testimony or court appearance becomes necessary, the client will be billed at the rate of \$200/hour.

The fee for the appraisal report is not contingent upon the valuation conclusion.

Since the date of the physical inspection and the appraisal are not co-incident, we have relied upon you to indicate the existence and condition of the assets as of the appraisal date. While the valuation is based upon the information furnished to us, whether received in written or verbal form, we take no responsibility as to the existence, description and condition of the assets as of the appraisal date. We have however utilized acceptable valuation concepts and our general knowledge of the industry in arriving at our opinion on the subject items.

The appraisal does not affix or set the price of the items but offers only a supportable opinion as to the present worth of anticipated benefits subject to investment risk, measured mainly by the market data available at the valuation date.

We assume no liability for changes in market condition or the inability of the owner to locate a purchaser at the appraised value.

All files, work papers or other documents developed during the course of this assignment shall be our property. We will retain these documents for five years.

In case of any dispute as to our conclusions that may result in future litigation, the appraiser's liability will not exceed the fees (without taxes) paid to perform the service. Further, in the event that the appraiser successfully defends his/her conclusions, the plaintiff is responsible for all legal costs incurred by the appraiser/appraisal firm. *Furthermore, if any legal notices or claims are made, all time spent and cost incurred in preparing a response are billable to the client and the claimant is responsible to pay.*

CERTIFICATE OF MACHINERY AND EQUIPMENT APPRAISER

I hereby certify that:

To the best of my knowledge and belief the statements of facts, upon which the analysis, opinions and conclusions expressed in this report are based, are true and accurate.

- A personal inspection of the company's assets was made by an employee of the company.
- This report sets forth all the limiting conditions affecting the analysis, opinions and conclusions expressed herein.
- This report has been made in conformity with, and is subject to the Standards of Professional Conduct of the American Society of Appraisers and Canadian Personal Property Appraisers Group.
- I have no present or contemplated future interest in the appraised items nor any personal interest or bias with respect to the subject matter or to the principles and items appraised.
- No one other than the undersigned or employees of Kohli Appraisers prepared the analyses, opinions and conclusions concerning the machinery and equipment value set forth in the appraisal report.
- Neither the employment nor the compensation for making this report is in any way contingent upon the value reported therein.



SUMMARY OF ASSETS

D'Angelo Brands Ltd.

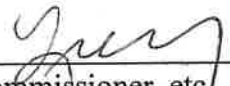
By CCA Class			FMV
Located at 4500 Eastgate Drive, Mississauga, Ontario			
Batching & Production Lab			\$551,600
Commercial Beverage Filling & Packaging Equipment			\$7,367,400
Facility Systems			\$1,560,450
Plant Infrastructure Upgrades (Electrical, HVAC, Mechanical)			\$450,000
Located at 4544 Eastgate Drive, Mississauga, Ontario			
Equipment			\$192,550
Located at 4560 Eastgate Drive, Mississauga, Ontario			
Equipment			\$24,275
Located at 5901 Tomken Road, Mississauga, Ontario			
Equipment			\$48,075
Located at 6365 Netherhart Road, Mississauga, Ontario			
Equipment			\$14,500
Total			\$10,208,850
Fleet Vehicles	VIN	Mileage (kms)	
2019 Volvo VNL300 Day Cab	4V4NC9EHXKN227349	26,993	\$104,900

2019 Volvo VNL300 Day Cab	4V4NC9EH6KN227350	35,777	\$104,300
2017 Volvo VNL300 Day Cab	4V4NC9EH3HN992864	64,373	\$77,200
2019 Freightliner M106 Regular Cab	3ALHCYFE9KDLCL9561	2,028	\$95,700
2012 Mercedes Sprinter 25 Cargo Van	WD3BE7CC3C5636003	458,141	\$19,500
2012 Mercedes Sprinter 25 Cargo Van	WD3BE7CCXC5635513	338,671	\$19,900
2015 Ford 150 Commercial Transit Van	1FTNE2CV9FKA26510	248,045	\$17,400
2010 Ford XL Connect Cargo Van	NM10LS7BN7AT028724	181,132	\$7,900
2014 Mercedes Smart Fortwo Coupe	WMEEI3BA7EK765813	29,246	\$9,000
2014 Mercedes Smart Fortwo Coupe	WMEEI3BA7EK765825	55,093	\$8,500
Total		Total	\$464,300
Trailers	VIN		
2014 Wabash DVCVHPC Trailer	IJJ532D6EL806477		\$36,600
2000 Wabash DVCVHPC Trailer	IJJV532W7YF715383		\$9,800
1999 Wabash DVCVHSA Trailer	IJJV532W7VF676195		\$4,800
2002 Manac 94253001 Trailer	2M592161X2083966		\$5,350
2014 Wabash DVCVHPC Trailer	IJJV532D6EL806477		\$36,600
Total		Total	\$93,150
Grand Total		Grand Total	\$10,766,300

LEGEND

FMV - Fair Market Value Installed

This is **Exhibit "C"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023



A Commissioner, etc



Canadian
Western Bank

April 4, 2022

2722959 Ontario Ltd.
477 Reeves Way Boulevard
Stouffville, Ontario L4A 0H2

Attention: Mr. Frank D'Angelo and Ms. Gemma Runaghan

Dear Sir and Madam:

On the basis of the financial statements and other information provided by 2722959 Ontario Ltd. (the "Borrower") and Frank D'Angelo and Gemma Runaghan (the "Guarantors") in connection with your request for financing, Canadian Western Bank (the "Bank") has authorized the following loans subject to the terms and conditions outlined in this Commitment Letter (the "Agreement").

1. **LOAN AMOUNT:**

- 1.1. Loan Segment (1): Demand Loan \$100,000.
- 1.2. Loan Segment (2): Demand Non Revolving Loan #1 (DNR #1) \$500,000.
- 1.3. Loan Segment (3): Corporate Credit Card \$25,000

Collectively referred to as "the Loans".

2. **PURPOSE OF LOAN:**

Amounts advanced by the Bank are to be used by the Borrower as follows:

- 2.1. Loan Segment (1): To finance the day-to-day operations of the Borrower's business.
- 2.2. Loan Segment (2): To assist with financing the purchase and installation of a new 100 head can filler carriage/carousel from Bevcorp LLC and associated installation costs.
- 2.3. Loan Segment (3): To assist with day-to-day expenses.

3. **INTEREST RATE:**

Loans shall bear interest while outstanding before and after maturity and default at the following rates:

- 3.1. Loan Segment (1): Interest to float at a rate of 1.50% per annum above the Bank's Prime Lending Rate ("Prime"): As of the date of this Agreement, Prime is 2.70% per annum.
- 3.2. Loan Segment (2): Interest to float at a rate of 1.35% per annum above Prime.
- 3.3. Loan Segment (3): Standard fees, as applicable. Outstanding balances to be paid in full monthly.

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

Plaza 1, 2000 Argentia Road, Suite 101, Mississauga, ON L5N 1P7
T: 289.598.2688 | F: 833.341.7556
cwbank.com

OBSESSED WITH YOUR SUCCESS™

4. **ADVANCES:**

- 4.1. Loan Segment (1) will revolve in multiples of \$5,000 and will be available following satisfaction of the Conditions Precedent as set forth in Schedule "D" herein attached.
- 4.2. Loan Segment (2) shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "D" herein attached.

5. **REPAYMENT:**

All amounts outstanding under all segments shall be repaid on demand. Unless demanded, the Bank will accept payment as follows:

- 5.1. Loan Segment (1): On demand.
- 5.2. Loan Segment (2): Interest only for first 3 months. Principal and interest commence on the 4th month. Thereafter, to reduce by monthly principal plus interest or in the case of a fixed rate loan in equal blended monthly payments. Payments are based on an amortization of 57 months.

In the case of a fixed rate loan, payments will be adjusted at time of term renewal based on the fixed rate of interest in effect and the remaining amortization period.

For any DNR loan advanced on a floating rate basis with blended monthly payments, the Bank will have the discretion to vary the amount of the required monthly instalments each calendar quarter to reflect changes in Prime.

6. **FEES:**

- 6.1. The Borrower shall pay to the Bank a commitment fee of \$375 which has been paid.
- 6.2. The Borrower shall pay a monthly administration fee of \$25 to cover the cost of administration in monitoring the Line of Credit/DNR and review of all reporting information as outlined in the attached Schedule "C". This fee is in addition to the account's standard service charges.
- 6.3. The Borrower shall pay an annual review fee of \$350 each year in conjunction with the annual review (based on the Borrower's fiscal year end financial statements) to renew outstanding loans.
- 6.4. The Borrower shall pay CWB direct service fees as applicable.

7. **SECURITY:**

The attached Schedule "A" forms part of this Agreement.

8. **KEY COVENANTS/ CONDITIONS:**

The attached Schedule "B" forms part of this Agreement.

9. **REPORTING REQUIREMENTS:**

The attached Schedule "C" forms part of this Agreement.

10. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "D" forms part of this Agreement.

11. **GENERAL CONDITIONS:**

The attached Schedule "E" forms part of this Agreement.

12. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.

13. **REVIEW:**

All loans are subject to review at any time by the Bank, and in any event will be reviewed annually, based on the year-end financial statements of the Borrower.

14. **PREPAYMENT OF DEMAND NON REVOLVING LOAN:**

14.1. Prepayment of individual loan drawdowns are permitted without charges with the exception of loans drawn under the fixed rate option.

14.2. Loans drawn under the fixed rate option are subject to prepayment charges equal to the greater of the following:

- (a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or
- (b) a prepayment charge equal to the Bank's Unwinding Costs.

15. **COSTS:**

All costs, including, but not limited to, legal counsel expense, appraisal fees, cost consultant fees and reasonable out-of-pocket expenses incurred by the Bank in connection with the preparation and registration of this Agreement and the Bank's security and the enforcement of the Bank's rights under this Agreement or the Bank's security are for the account of the Borrower and this Agreement will serve as the Bank's authority to charge this amount to the Borrower's deposit account under advice to the Borrower.

16. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

17. **BANK'S COUNSEL:**

N/A

18. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

19. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

20. ACCOUNTING CHANGES:

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

ACCEPTANCE:


To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantors.

If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter. This Agreement will expire if not accepted by April 18, 2022.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,

CANADIAN WESTERN BANK



Colin O'Regan
Senior Manager, Business Development



John Butler
AVP & Market Manager

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: 2722959 ONTARIO LTD.

Signed:



Name & Position: Gemma Runagha
President

Signed:



Name & Position:
"We have the authority to bind the corporation"


Accepted:

Date

GUARANTORS:

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

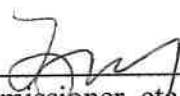
Signed: 
Frank D'Angelo

Signed: 
Gemma Dunaghan

Accepted: _____
Date

Accepted: 4/5/2022
Date

This is **Exhibit "D"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023



A Commissioner, etc.

alectra

2156775 ONTARIO INC.
4544 EASTGATE PKY
MISSISSAUGA ON L4W 3W6

FINAL COLLECTION / DISCONNECTION NOTICE

Attention: 2156775 ONTARIO INC.

Re: Account Number: 6279743082
Service Location: 4500 EASTGATE PKWY
MISSISSAUGA ON L4W 3W6

YOUR ACCOUNT REMAINS UNPAID; THIS IS OUR FINAL NOTICE. YOUR SERVICE WILL BE SCHEDULED FOR DISCONNECTION ON OR ANYTIME AFTER May 10, 2022 .

Full Payment of your past due electric charges of \$212,162.45 must be received by our offices before 4:30 p.m. on May 09, 2022 . Failure to pay the above amount will result in disconnection of your electricity service. See the reverse side of this notice for payment options. Due to processing delays, it's recommended to not mail your payment.

Contact us at 1-833-253-2872 if you are unable to make this payment by the above noted date or to confirm we have received your payment, if it has already been made.

Continue on reverse...

alectra

2156775 ONTARIO INC.
4544 EASTGATE PKY
MISSISSAUGA ON L4W 3W6

ACCOUNT NUMBER: 6279743082
SERVICE AT 4500 EASTGATE PKWY
MISSISSAUGA ON L4W 3W6

AMOUNT PAID

NOTICE DATE:
April 19, 2022
AMOUNT PAST DUE:
\$212,162.45
LAST DATE TO PAY:
May 09, 2022

Acceptable methods of payment are: online or telephone banking; in person at most chartered banks and financial institutions; credit card at www.alectrautilities.com or by calling 1-866-416-6049 (Credit card fees will apply).

Once disconnected, the account will be subject to a reconnection fee that is typically \$20.00 (business hours) and \$32.00 (after-business hours) however, depending on the situation could be up to \$415.00. Note that disconnection may take place whether or not the customer is at the premise, and where applicable, the disconnection may occur without our technician attending the Service Location.

Vital Service By-law may exist in your municipality, please contact your local municipality for further details.

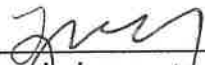
Alectra Utilities does not assume liability for any loss or damage resulting from the disconnection or reconnection of service to a premise in accordance with our Conditions of Service.

Thank you.

Customer Service Department



This is **Exhibit "E"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be 'J. M. ...', written over a horizontal line.

A Commissioner, etc.

Good morning John,

Thank you for your email and the attached letter dated April 13, 2022 regarding the funding arrangements that you have made between D'Angelo Brand and CWB. I have discussed the timing of the pay-out with my partner and we are both prepared to give you the extended time to finalize the funding by May 8th. I am expecting that the payment will be received by us on May 9th considering that May 8th is a Sunday.

I will have Shawn Bolta from my office prepare for you the pay-out statement as of May 8th as requested.

Sincerely,

Eugene Rovinelli
President

Eastgate Group Inc.

4540 Eastgate Parkway, Unit 8 | Mississauga, ON | L4W 3W6
Office: 905-624-4426 x.225 | Mobile: 416-230-1801
eugene@rovinelli.ca

From: John Butler <John.Butler@cwbank.com>
Sent: April 13, 2022 12:05 PM
To: eugene@rovinelli.ca
Cc: Frank D'Angelo <Frank@Dangelobrands.ca>
Subject: D'Angelo Brands and CWB

Good Afternoon Mr. Rovinelli:

Please find attached our letter regarding the subject.

Your anticipated cooperation in providing a Pay-Out Statement is greatly appreciated.

If you have questions, please do not hesitate to contact me at your convenience.

Best regards,

John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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cwbank.com

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April 13, 2022

To the Suppliers of D'Angelo Brands

Re: D'Angelo Brands and Canadian Western Bank ("CWB")

I am pleased to confirm that CWB has very recently on-boarded D'Angelo Brands as a commercial banking client. In this regard we have completed our initial tranche of Equipment financing on April 8, 2022.

This letter is to confirm to you that we are in the process of finalizing additional financing for D'Angelo Brands, which will support both their current and long-term growth plans. We fully intend to fund our additional credit facilities by May 8, 2022, which is regrettably later than originally anticipated by CWB. The additional financing will be sufficient to bring all declared supplier/payable accounts current.

We are excited to be working with D'Angelo brands and remain confident in their future successes.

If you should have any questions regarding this matter, please do not hesitate to contact the undersigned at your convenience.

Yours truly,
CANADIAN WESTERN BANK

A handwritten signature in black ink, appearing to read 'John Butler', written over a horizontal line.

John Butler
AVP & Market Lead
Cell: 416-388-6314
E-Mail: john.butler@cwbank.com

From: Paige Compas <Paige.Compas@electrautilities.com>

Date: 2022-04-20 9:17 a.m. (GMT-05:00)

To: Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>, Frank D'Angelo <Frank@DangeloBrands.ca>

Cc: Kulpreet Malhotra <Kulpreet.M@electrautilities.com>, Betsy Joe <BJoe@DangeloBrands.ca>, "Joseph F. New Lo Greco" <jlogreco@lslaw.ca>

Subject: RE: REVISED Attention

Good Morning,

We have reviewed the attached letter from the bank. To confirm, the bank will be providing funds to you by May 8th, which is a Sunday. We will be extending the date of payment for both 4500 Eastgate & 5901 Tomken until May 9th. Both payments need to be paid in full by May 9th with proof of payment sent in to us. Please see below amounts for both addresses:

- 4500 Eastgate Pky - \$212,162.45 paid by May 9th
- 5901 Tomken Rd unit A - \$123,092.80 paid by May 9th

If no payment is made by May 9th and no proof of payment received we will proceed with the disconnection anytime after that date. Please send proof of payment for both payments made to myself and Kulpreet.

I have attached the latest disconnection notices for both accounts to this email for your records. These notices will also be delivered to the property by hand in the next few days.

Thank you,

Paige C



Paige Compas
Collections Clerk

1-866-458-1236 | 1-866-731-0451

www.alectrautilities.com (formerly Horizon Utilities)



From: Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>

Sent: Sunday, April 17, 2022 12:16 AM

To: Frank D'Angelo <Frank@Dangelobrand.ca>

Cc: Paige Compas <Paige.Compas@alecrautilities.com>; Kulpreet Malhotra

<Kulpreet.M@alecrautilities.com>; Betsy Joe <BJoe@Dangelobrand.ca>; Joseph F. New Lo Greco <jlogreco@Islaw.ca>

Subject: REVISED Attention

Importance: High

NOT FROM ALECTRA Do not click links or open attachments unless you recognize the sender and know the content is safe.

Happy Easter. I clearly understand the payment plan I agreed to. Unfortunately the bank has delayed our funding. This is completely beyond our control, I have personally borrowed funds to pay the outstanding.

I have attached the confirmation of funding from the bank. Please confirm receipt of this.

Regards

Frank D'Angelo

www.dangelobrand.ca

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This is **Exhibit "F"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be 'J. J. J.', written over a horizontal line.

A Commissioner, etc.

Monday, October 10, 2022 at 12:19:35 Eastern Daylight Time

Subject: FW: D'Angelo Brands and CWB
Date: Friday, May 6, 2022 at 10:35:10 AM Eastern Daylight Saving Time
From: John Butler
To: Eugene Rovinelli, Ted Laan, Joseph F. Lo Greco, Shawn Bolta
CC: Frank D'Angelo
Attachments: RHL - DB050822 - D'Angelo Brands.pdf, EGI - DB050822 - D'Angelo Brands.pdf, image001.jpg

Good Morning:

Thank you for providing the payout statements.

I am writing to provide an update on the status of the financing for the subject.

We are proceeding with the legal work and continue to anticipate completion of the funding next week.

With the pay out of your statements as attached, we are requesting your confirmation that you have no objections to waiving any potential lien and/or security interest or rights over the client's production and all related equipment etc., maintained at the 4500/4544 Eastgate Parkway properties.

If you have any questions, please let me know.

Best regards,

John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: sbolta@rovinelli.ca <sbolta@rovinelli.ca>
Sent: April 27, 2022 10:16 AM
To: John Butler <John.Butler@cwbank.com>
Cc: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; 'Eugene Rovinelli' <eugene@rovinelli.ca>; 'Ted Laan' <tlaan@kmbllaw.com>; 'Joseph F. Lo Greco' <jlogreco@lslaw.ca>
Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Hello Mr. Butler,

Please find the attached statements. If you have any questions or concerns please feel free to reach out.

Have a great weekend.

Shawn Bolta

From: John Butler <John.Butler@cwbank.com>

Sent: April 22, 2022 10:06 AM

To: Eugene Rovinelli <eugene@rovinelli.ca>

Cc: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; Ted Laan <llaan@kmbllaw.com>; Joseph F. Lo Greco <jlogreco@lslaw.ca>; 'Marilyn Bolta' <marilyn.bolta@gmail.com>; Shawn Bolta <sbolta@rovinelli.ca>

Subject: RE: D'Angelo Brands and CWB

Good Morning Mr. Rovinelli:

This a follow-up note, to inquire on the status of your pay-out statement.

Hoping you can provide same at your earliest opportunity.

Many thanks,

John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: Eugene Rovinelli <eugene@rovinelli.ca>

Sent: April 14, 2022 10:07 AM

To: John Butler <John.Butler@cwbank.com>

Cc: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; Ted Laan <llaan@kmbllaw.com>; Joseph F. Lo Greco <jlogreco@lslaw.ca>; 'Marilyn Bolta' <marilyn.bolta@gmail.com>; Shawn Bolta <sbolta@rovinelli.ca>

Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.



May 6, 2022

To the Suppliers of D'Angelo Brands

Re: D'Angelo Brands and Canadian Western Bank ("CWB")

This letter is provided in connection with our original letter regarding the subject, dated April 13, 2022. The purpose of this letter is to provide an update on the status of our financing.

Please be advised that we are continuing to work closely with D'Angelo Brands to complete the funding our second tranche of financing. We have incurred delays in completing the financing within the time frame originally contemplated, and now believe that funding could be delayed by a few days

The continued understanding and patience of all parties is greatly appreciated.

If you should have any questions regarding this matter, please do not hesitate to contact the undersigned at your convenience.

Yours truly,
CANADIAN WESTERN BANK

A handwritten signature in black ink, appearing to read 'John Butler', written over a horizontal line.

John Butler
AVP & Market Lead
Cell: 416-388-6314
E-Mail: john.butler@cwbank.com

This is **Exhibit "G"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be "Z. J. [unclear]", written over a horizontal line.

A Commissioner, etc.

Monday, October 10, 2022 at 12:17:21 Eastern Daylight Time

Subject: RE: D'Angelo Brands and CWB
Date: Tuesday, May 10, 2022 at 5:48:25 PM Eastern Daylight Saving Time
From: John Butler
To: eugene
CC: 'Frank D'Angelo', 'Ted Laan', 'Joseph F. Lo Greco'
Attachments: image001.jpg

I will be speaking with the Bank's counsel tomorrow morning and will advise asap.
Best,
John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: eugene <eugene@rovinelli.ca>
Sent: May 10, 2022 3:46 PM
To: John Butler <John.Butler@cwbank.com>
Cc: 'Frank D'Angelo' <Frank@Dangelobrand.com>; 'Ted Laan' <tlaan@kmbllaw.com>; 'Joseph F. Lo Greco' <jlogreco@lslaw.ca>
Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Thank you for the update John. Please let me know the anticipated date for the advancement of funds.

Eugene Rovinelli

Sent from my Galaxy

----- Original message -----

From: John Butler <John.Butler@cwbank.com>
Date: 2022-05-10 3:11 p.m. (GMT-05:00)
To: Eugene Rovinelli <eugene@rovinelli.ca>
Cc: 'Frank D'Angelo' <Frank@Dangelobrandts.ca>, 'Ted Laan' <tlaan@kmbllaw.com>, "Joseph F. Lo Greco" <jlogreco@lslaw.ca>
Subject: RE: D'Angelo Brands and CWB

Mr Rovinelli:

I fully respect and understand your position. It is my position that locking out our client is not in the best interest of any party, including the employees of D'Angelo Brands. In fact, locking out our client at this time could jeopardize our ability to complete the funding. On this basis, I implore you to reconsider your position and allow us the time needed to complete the loan documentation and funding process.

I fully acknowledge that this has taken longer to complete than I originally stated – and remain grateful for the patience you have demonstrated. The financing we are arranging is significant and the loan documentation requires Solicitor involvement, which has contributed to delay in completing the funding. I have instructed our counsel to prepare/forward the Landlord Waiver to your counsel today, with a view of completing the funding ASAP.

Mr. D'Angelo has made the Bank well aware that the funding of your invoice(s) is his absolute first priority.

If you have any questions, please let me know.

Best,
John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: Eugene Rovinelli <eugene@rovinelli.ca>
Sent: May 10, 2022 1:12 PM
To: John Butler <John.Butler@cwbank.com>
Cc: 'Frank D'Angelo' <Frank@Dangelobrands.ca>; 'Ted Laan' <llaan@kmblaw.com>; 'Joseph F. Lo Greco' <jlogreco@lslaw.ca>
Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Hello John,

I was surprised to receive your request for a waiver document on the Friday, May 6th which is just 4 days before the set payout date of May 9th. Considering that a waiver document signed by a landlord regarding tenant's assets is a standard document used by many lenders, I am expecting that my lawyers will be receiving the draft sometime today for review. If the document is acceptable by my lawyers and I, you should have it back in hand within 24 hours. Is this the last document required prior to making the advance of funds? The letter that I received from you dated April 13th, 2022 stated a payout date of May 8th. We now need to draft up a new payout statement due to the delay in funding. I need an updated payout date confirmed by your superiors. If the date is acceptable to us, we will allow D'Angelo Brands to keep operating in the facilities. Otherwise, D'Angelo Brands will have to wait patiently for the funding without any access to the buildings.

I will be expecting a response from you regarding all of the above by the end of the day.

Regards,

Eugene Rovinelli
President

Eastgate Group Inc.

4540 Eastgate Parkway, Unit 8 | Mississauga, ON | L4W 3W6
Office: 905-624-4426 x.225 | Mobile: 416-230-1801
eugene@rovinelli.ca

From: John Butler <John.Butler@cwbank.com>
Sent: May 9, 2022 5:46 PM
To: Eugene Rovinelli <eugene@rovinelli.ca>
Cc: Frank D'Angelo <Frank@Dangelobrands.ca>; Ted Laan <llaan@kmblaw.com>; Joseph F. Lo Greco <jlogreco@lslaw.ca>
Subject: FW: D'Angelo Brands and CWB

Hello again Mr. Rovinelli:

I now have Shawn's e-mail with the Solicitor contact details – many thanks for providing same. Your comments on the timing are accurate and well made. Please accept my apologies, as the process has taken longer than I anticipated – this is strictly due to a larger volume of deals underway, and should not be taken as a reflection on the client, as we are all working diligently to complete the funding on a priority basis, and in recognition of the patience you have demonstrated – we're grateful.

I am working internally to have our loan support group prepare the necessary document, which must be reviewed by the Bank's counsel. In the interest of time, I will instruct the Bank's counsel to liaise directly with your counsel, as I believe that this will be most efficient use of time.

If you have any questions, please let me know.

Best,

John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: Eugene Rovinelli <eugene@rovinelli.ca>
Sent: May 09, 2022 4:13 PM
To: John Butler <John.Butler@cwbank.com>; 'Ted Lään' <llaan@kmbllaw.com>; 'Joseph F. Lo Greco' <jlogreco@lslaw.ca>; 'Shawn Bolta' <sbolta@rovinelli.ca>
Cc: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; 'Marilyn Bolta' <marilyn.bolta@gmail.com>
Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Hello John,

I have Shawn sending you another lawyer contact who will be reviewing the document that needs to be signed by us.

That's fine that you are making progress on the funding but I was anticipating receiving the payout for all outstanding arrears that D'Angelo Brands owes us by today. You requested an additional 3 weeks to get all of your paperwork in order and that time has now passed. What is the holdup?

Eugene Rovinelli

President

Eastgate Group Inc.

4540 Eastgate Parkway, Unit 8 | Mississauga, ON | L4W 3W6

Office: 905-624-4426 x.225 | Mobile: 416-230-1801

eugene@rovinelli.ca

From: John Butler <John.Butler@cwbank.com>

Sent: May 9, 2022 1:44 PM

To: Eugène Rovinelli <eugene@rovinelli.ca>; Ted Laan <llaan@kmblaw.com>; Joseph F. Lo Greco <jlogreco@jlaw.ca>; Shawn Bolta <sbolta@rovinelli.ca>

Cc: Frank D'Angelo <Frank@Dangelobrandts.ca>

Subject: FW: D'Angelo Brands and CWB

Good Afternoon Mr. Rovinelli:

Firstly, thank you for your e-mail, please accept my apologies for my delayed response.

Secondly, your response comes as great news with respect to providing your acknowledgement as Landlord. I am going to instruct our loan support group to prepare the document for signature – can you please provide me with the contact details of your Solicitor?

Lastly, I wanted to assure that we are continuing to make great progress on the funding of the transaction, your support is very helpful in this regard.

Best regards,
John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: Eugene Rovinelli <eugene@rovinelli.ca>
Sent: May 09, 2022 8:09 AM
To: John Butler <John.Butler@cwbank.com>; 'Ted Laan' <llaan@kmblaw.com>; 'Joseph F. Lo Greco' <jlogreco@lslaw.ca>; 'Shawn Bolta' <sbolta@rovinelli.ca>
Cc: 'Frank D'Angelo' <Frank@Dangelobrandis.ca>; michael@rovinelli.ca
Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Good morning John,
I left you a voicemail on Friday afternoon confirming that we are prepared to waive any security interests or rights over D'Angelo's production and all related equipment maintained at both 4500 and 4544 Eastgate Pkwy. Please feel free to send me any documentation that needs to be signed so that I can forward it to my lawyer for review.
Thank you.

Eugene Rovinelli
President

Eastgate Group Inc.

4540 Eastgate Parkway, Unit 8 | Mississauga, ON | L4W 3W6
Office: 905-624-4426 x.225 | Mobile: 416-230-1801
eugene@rovinelli.ca

From: John Butler <John.Butler@cwbank.com>
Sent: May 6, 2022 10:35 AM
To: Eugene Rovinelli <eugene@rovinelli.ca>; Ted Laan <llaan@kmblaw.com>; Joseph F. Lo Greco <jlogreco@lslaw.ca>; Shawn Bolta <sbolta@rovinelli.ca>
Cc: Frank D'Angelo <Frank@Dangelobrandis.ca>
Subject: FW: D'Angelo Brands and CWB

Good Morning:
Thank you for providing the payout statements.
I am writing to provide an update on the status of the financing for the subject.
We are proceeding with the legal work and continue to anticipate completion of the funding next week.
With the pay out of your statements as attached, we are requesting your confirmation that you have no objections to waiving any potential lien and/or security interest or rights over the client's production and all related equipment etc., maintained at the 4500/4544 Eastgate Parkway properties.
If you have any questions, please let me know.
Best regards,
John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: sbolta@rovinelli.ca <sbolta@rovinelli.ca>
Sent: April 27, 2022 10:16 AM
To: John Butler <John.Butler@cwbank.com>
Cc: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; 'Eugene Rovinelli' <eugene@rovinelli.ca>; 'Ted Laan' <tlaan@kmblaw.com>; 'Joseph F. Lo Greco' <jlogreco@lslaw.ca>
Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Hello Mr. Butler,

Please find the attached statements. If you have any questions or concerns please feel free to reach out.

Have a great weekend.

Shawn Bolta

From: John Butler <John.Butler@cwbank.com>
Sent: April 22, 2022 10:06 AM
To: Eugene Rovinelli <eugene@rovinelli.ca>
Cc: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; Ted Laan <tlaan@kmblaw.com>; Joseph F. Lo Greco <jlogreco@lslaw.ca>; 'Marilyn Bolta' <marilyn.bolta@gmail.com>; Shawn Bolta <sbolta@rovinelli.ca>
Subject: RE: D'Angelo Brands and CWB

Good Morning Mr. Rovinelli:

This a follow-up note, to inquire on the status of your pay-out statement.

Hoping you can provide same at your earliest opportunity.

Many thanks,

John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: Eugene Rovinelli <eugene@rovinelli.ca>

Sent: April 14, 2022 10:07 AM

To: John Butler <John.Butler@cwbank.com>

Cc: 'Frank D'Angelo' <Frank@Dangelobrand.com>; Ted Laan <taan@kmblaw.com>; Joseph F. Lo Greco <jlogreco@lslaw.ca>; 'Marilyn Bolta' <marilyn.bolta@gmail.com>; Shawn Bolta <sbolta@rovinelli.ca>

Subject: RE: D'Angelo Brands and CWB

CAUTION: This email originated from outside of CWB Financial Group.

Good morning John,

Thank you for your email and the attached letter dated April 13,2022 regarding the funding arrangements that you have made between D'Angelo Brand and CWB. I have discussed the timing of the pay-out with my partner and we are both prepared to give you the extended time to finalize the funding by May 8th. I am expecting that the payment will be received by us on May 9th considering that May 8th is a Sunday.

I will have Shawn Bolta from my office prepare for you the pay-out statement as of May 8th as requested.

Subject: RE: Following up

Date: Wednesday, May 11, 2022 at 3:40:13 PM Eastern Daylight Saving Time

From: John Butler

To: David Ball, 'Frank D'Angelo', 'Gemma Runaghan'

Hi David:

Unfortunately, no.

Although we have made significant progress towards funding, we have been delayed slightly as we work through loan documentation and the payouts. The loan proceeds are being advanced to the Bank's Counsel, who is in turn coordinating with the suppliers and their counsel, where applicable.

The delay has been due strictly to the Bank and our legal counsel – and is in no way related to D'Angelo Brands – please accept our apologies.

From a timing perspective, we are somewhat at the mercy of Counsel, who understanding the priority of completing the funding. I believe we will be able to release funds not later than next week.

In the interim, if you have any questions, please let me know.

Best,

John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

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From: David Ball <david.ball@dodsonlesmark.com>

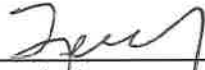
Sent: May 11, 2022 11:07 AM

To: 'Frank D'Angelo' <Frank@Dangelobrand.ca>; 'Gemma Runaghan' <Gemma.Runaghan@DangeloBrands.ca>; John Butler <John.Butler@cwbank.com>; 'Betsy Joe' <BJoe@Dangelobrand.ca>

Subject: RE: Following up

CAUTION: This email originated from outside of CWB Financial Group.

This is **Exhibit "H"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in cursive script, appearing to read "Frank D'Angelo", written over a horizontal line.

A Commissioner, etc.

From: Frank D'Angelo <Frank@Dangelobrand.ca>

Date: 2022-05-10 9:02 a.m. (GMT-05:00)

To: Paige Compas <Paige.Compas@alectrautilities.com>, Frank D'Angelo <Frank@Dangelobrand.ca>, Frank D'Angelo <Frank@Dangelobrand.ca>, Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>, 'John Butler' <John.Butler@cwbank.com>, Joe LoGreco <ealspector@csllp.ca>, Betsy Joe <BJoe@Dangelobrand.ca>, Henry Tan <Henry.Tan@DangeloBrands.ca>

Cc: Frank D'Angelo <Frank@Dangelobrand.ca>

Subject: RE: Supplier Letter

John, Alectra has been absolutely amazing to us. As you know we promised them payment for yesterday May 9th 2022. Please let us know asap which day this week we will be in funds? as they are concerned that we missed yesterday's promise. Regards Frank D'Angelo www.dangelobrand.ca

Sent from my Galaxy

----- Original message -----

From: Paige Compas <Paige.Compas@alectrautilities.com>

Date: 2022-05-10 8:34 a.m. (GMT-05:00)

To: Frank D'Angelo <Frank@Dangelobrand.ca>

Subject: RE: Supplier Letter

Good Morning Frank,

Please be aware if nothing is received by 4pm today we will be following through with the disconnection. Please also keep in mind, as mentioned below there is no guarantee the revised letter will be deemed sufficient and it will be subject to approval by my supervisors.

Regards,

Paige C



Paige Compas
Collections Clerk

t 1-833-ALECTRA c 905-798-3432

alectrautilities.com (formerly Horizon Utilities)



From: Frank D'Angelo <Frank@Dangelobrand.ca>
Sent: Tuesday, May 10, 2022 6:10 AM
To: Paige Compas <Paige.Compas@alectrautilities.com>; Frank D'Angelo <Frank@Dangelobrand.ca>
Cc: Frank D'Angelo <Frank@Dangelobrand.ca>
Subject: RE: Supplier Letter

NOT FROM ALECTRA! Do not click links or open attachments unless you recognize the sender and know the content is safe.

I will have the details for you by 1pm today as our contacts at CWB were not available yesterday. Frank D'Angelo

Sent from my Galaxy

----- Original message -----

From: Paige Compas <Paige.Compas@alectrautilities.com>
Date: 2022-05-09 9:50 a.m. (GMT-05:00)
To: Frank D'Angelo <Frank@Dangelobrand.ca>
Subject: RE: Supplier Letter

Hi Frank,

Please call me at 905-798-3432.

Thank you,

Paige C



Paige Compas
Collections Clerk

t 1-833-ALECTRA c 905-798-3432

alectrautilities.com (formerly Horizon Utilities)



From: Frank D'Angelo <Frank@Dangelobrand.ca>
Sent: Monday, May 9, 2022 9:22 AM
To: Paige Compas <Paige.Compas@alectrautilities.com>
Subject: RE: Supplier Letter

NOT FROM ALECTRA! Do not click links or open attachments unless you recognize the sender and know the content is safe.

call me

Sent from my Galaxy

----- Original message -----

From: Paige Compas <Paige.Compas@alectrautilities.com>

Date: 2022-05-09 9:17 a.m. (GMT-05:00)

To: Frank D'Angelo <Frank@Dangelobrand.ca>, Betsy Joe <BJoe@Dangelobrand.ca>, Henry Tan <Henry.Tan@DangeloBrands.ca>, Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>, Gemma Runaghan <gemmarunaghan@hotmail.com>, "Joseph F. New Lo Greco" <jlogreco@lslaw.ca>

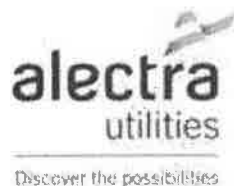
Subject: RE: Supplier Letter

Good Morning Frank,

Unfortunately, this letter is not acceptable from the bank as it doesn't specify when you will be receiving the funds and when payment will be made to us, Alectra. We need to know when we will be receiving the payment based on the date the bank will be providing the funds to you. If we do not get a revised letter by end of day tomorrow, May 10th, that specifies the date they will provide funding to you and when Alectra can expect a payment we will proceed with disconnection. Please be advised, there is no guarantee that the revised letter will be deemed sufficient to delay disconnection.

Regards,

Paige C



Paige Compas
Collections Clerk

t 1-833-ALECTRA c 905-798-3432

alectrautilities.com (formerly Horizon Utilities)



From: Frank D'Angelo <Frank@Dangelobrand.ca>

Sent: Saturday, May 7, 2022 12:27 AM

To: Betsy Joe <BJoe@Dangelobrand.ca>; Henry Tan <Henry.Tan@DangeloBrands.ca>; Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>; Gemma Runaghan <gemmarunaghan@hotmail.com>; Dave Ball dobson <david.ball@dodsonlesmark.com>; Pianosi Accounts <accounting@pianosi.com>; Joseph F. New Lo Greco <jlogreco@lslaw.ca>; Suren A <suren@accesspeopleconnect.com>; Angela Rose <Angela.Rose@enbridge.com>; Paige Compas <Paige.Compas@alectrautilities.com>; Wolfgang Laser <Wolfgang_Laser@praxair.com>

Cc: Frank D'Angelo <Frank@Dangelobrand.ca>

Subject: FW: Supplier Letter

Importance: High

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Sent from my Galaxy

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This is **Exhibit "I"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023



A Commissioner, etc.



Leo Klug <leoklug@kluglaw.ca>

Fwd: D'Angelo Brands and CWB - Commitment Letter of Financing

1 message

Frank D'Angelo <Frank@dangelobrand.ca>

Fri, May 13, 2022 at 3:04 PM

To: "jlogreco@lslaw.ca" <jlogreco@lslaw.ca>, Leo Klug <leoklug@kluglaw.ca>

FYI

Sent from my iPhone

Begin forwarded message:

From: John Butler <John.Butler@cwbank.com>

Date: May 13, 2022 at 11:59:43 AM EDT

To: Frank D'Angelo <Frank@dangelobrand.ca>

Cc: rick.arnone@ia3corp.com

Subject: D'Angelo Brands and CWB - Commitment Letter of Financing

Hello Frank:

Please find attached our Letter of Commitment of Financing, as previously discussed.

Apologies for the delay in providing you with this document.

I'm happy to discuss once you have chance to review.

Best,

John

John Butler

AVP & Market Lead

Markham, Ontario

Canadian Western Bank

C: 416-388-6314

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**Commitment Letter 2 - 2722959 Ontario Ltd.pdf**

1677K

May 12, 2022

2722959 Ontario Ltd.
477 Reeves Way Boulevard
Stouffville, Ontario L4A 0H2

Attention: Mr. Frank D'Angelo and Ms. Gemma Runaghan

Dear Sir and Madam:

On the basis of the financial statements and other information provided by 2722959 Ontario Ltd. (the "Borrower") and Frank D'Angelo and Gemma Runaghan (the "Guarantors") in connection with your request for financing, Canadian Western Bank (the "Bank") has authorized the following loans subject to the terms and conditions outlined in this Commitment Letter (the "Agreement"). This letter replaces and supersedes our letter of April 4, 2022 signed by you on April 5, 2022.

1. **LOAN AMOUNT:**

- 1.1. Loan Segment (1): Demand Loan \$500,000.
- 1.2. Loan Segment (2): Demand Non Revolving Loan #2 (DNR #2) \$5,500,000.
- 1.3. Loan Segment (3): Corporate Credit Card \$50,000.

Collectively referred to as "the Loans".

2. **PURPOSE OF LOAN:**

Amounts advanced by the Bank are to be used by the Borrower as follows:

- 2.1. Loan Segment (1): To finance the day-to-day operations of the Borrower's business.
- 2.2. Loan Segment (2): To assist with financing the following:
 - \$2,100,000 repayment of funds advanced by the landlord of 4500 Eastgate Parkway to complete previous leasehold improvements including HST, rent arrears and 4 months of prepaid rent;
 - \$2,200,000 payment to the City of Mississauga and Region of Peel by 2156775 Ontario Inc. to assist in resolving a water overcharge dispute; and,
 - \$1,200,000 to replenish the borrower's working capital used for capital expenditures (of which \$500,000 was advanced April 7 to purchase a needed part and associated costs).
- 2.3. Loan Segment (3): To assist with day-to-day expenses.

3. **INTEREST RATE:**

Loans shall bear interest while outstanding before and after maturity and default at the following rates:

- 3.1. Loan Segment (1): Interest to float at a rate of 1.50% per annum above the Bank's Prime Lending Rate ("Prime"). As of the date of this Agreement, Prime is 3.20% per annum.

Plaza 1, 2000 Argentia Road, Suite 101, Mississauga, ON L5N 1P7
t. 289.998.2688 | F. 833.341.7556
cwbank.com

- 3.2. Loan Segment (2): Interest to float at a rate of 1.75% per annum above Prime.
- 3.3. Loan Segment (3): Standard fees, as applicable. Outstanding balances to be paid in full monthly.

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

4. **ADVANCES:**

- 4.1. Loan Segment (1) will revolve in multiples of \$5,000 and will be available following satisfaction of the Conditions Precedent as set forth in Schedule "D" herein attached.
- 4.2. Loan Segment (2) shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "D" herein attached.

5. **REPAYMENT:**

All amounts outstanding under all segments shall be repaid on demand. Unless demanded, the Bank will accept payment as follows:

- 5.1. Loan Segment (1): On demand.
- 5.2. Loan Segment (2): Interest only for first 3 months. Principal and interest commence on the 4th month. Thereafter, to reduce by monthly principal plus interest or in the case of a fixed rate loan in equal blended monthly payments. The loan amortization period will be determined by the Bank based on an assessment of the remaining economic life of the Borrower's equipment, based on the Bank's review of a FMV appraisal update to be performed by Kholi Group. Payments will be based on an amortization of the lower of a) 5 years or b) 80% of the remaining economic life of the production equipment.

In the case of a fixed rate loan, payments will be adjusted at time of term renewal based on the fixed rate of interest in effect and the remaining amortization period.

For any DNR loan advanced on a floating rate basis with blended monthly payments, the Bank will have the discretion to vary the amount of the required monthly instalments each calendar quarter to reflect changes in Prime.

6. **FEES:**

- 6.1. The Borrower shall pay to the Bank an application/commitment fee of \$18,500, of which \$2,500 has been paid and the balance of \$16,000 shall be paid to the Bank at the time of acceptance of this Agreement and which fee shall be deemed to have been fully earned and non-refundable.
- 6.2. The Borrower shall pay a monthly administration fee of \$40 to cover the cost of administration in monitoring the Line of Credit/DNR and review of all reporting information as outlined in the attached Schedule "C". This fee is in addition to the account's standard service charges.
- 6.3. The Borrower shall pay an annual review fee of \$1,500 each year in conjunction with the annual review (based on the Borrower's fiscal year end financial statements) to renew outstanding loans.
- 6.4. The Borrower shall pay CWBdirect service fees as applicable.
- 6.5. The Borrower shall pay a late reporting fee of \$100.00 for each quarterly report after expiry of the 90 day period. In addition a fee of \$100.00 per month, or portion thereof, shall apply for late provision of annual Financial Statements/reporting after expiry of the 120 day period.

7. **SECURITY:**

The attached Schedule "A" forms part of this Agreement.

8. **KEY COVENANTS/ CONDITIONS:**

The attached Schedule "B" forms part of this Agreement.

9. **REPORTING REQUIREMENTS:**

The attached Schedule "C" forms part of this Agreement.

10. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "D" forms part of this Agreement.

11. **GENERAL CONDITIONS:**

The attached Schedule "E" forms part of this Agreement.

12. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.

13. **REVIEW:**

All loans are subject to review at any time by the Bank, and in any event will be reviewed annually, based on the year-end financial statements of the Borrower.

14. **PREPAYMENT OF DEMAND NON REVOLVING LOAN:**

14.1. Prepayment of individual loan drawdowns are permitted without charges with the exception of loans drawn under the fixed rate option.

14.2. Loans drawn under the fixed rate option are subject to prepayment charges equal to the greater of the following:

- (a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or
- (b) a prepayment charge equal to the Bank's Unwinding Costs.

15. **COSTS:**

All costs, including, but not limited to, legal counsel expense, appraisal fees, cost consultant fees and reasonable out-of-pocket expenses incurred by the Bank in connection with the preparation and registration of this Agreement and the Bank's security and the enforcement of the Bank's rights under this Agreement or the Bank's security are for the account of the Borrower and this Agreement will serve as the Bank's authority to charge this amount to the Borrower's deposit account under advice to the Borrower.

16. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

17. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel:

Matthew Himmel
Macdonald Sager LLP
150 York Street, Toronto, Ontario M5H 3S5
Telephone: 416 361 2503 email: mhimmel@macdonaldsager.com

18. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

19. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

20. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

ACCEPTANCE:

To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantors.

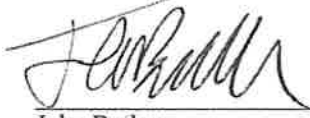
If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter together with your cheque for \$16,000.00 representing payment of the remaining portion of the commitment fee. This Agreement will expire if not accepted by May 20, 2022.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,

CANADIAN WESTERN BANK


Suzanne Kekely
AVP, Commercial Accounts


John Butler
AVP & Team Lead

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: 2722959 ONTARIO LTD.

Signed: _____

Signed: _____

Accepted: _____
Date

GUARANTORS:

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

Signed: _____
Frank D'Angelo

Signed: _____
Gemma Runaghan

Accepted: _____
Date

Accepted: _____
Date

SCHEDULE "A" - DEMAND

SECURITY

All security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds. The types of security, supporting resolutions and agreements to be provided by the Borrower to the Bank will be in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

1. Loan Agreement executed by the Borrower and Guarantors;
2. General Security Agreement providing a first ranking perfected security interest in all present and after acquired property to be registered in all appropriate jurisdictions;
3. Revolving Credit Agreement;
4. Promissory Note;
5. Application for Business Credit Card;
6. Full Liability Guarantee from Gemma Runaghan in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank;
7. Full Liability Guarantee under ILA (Independent Legal Advice) from Frank D'Angelo in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank;
8. Assignment and Postponement of Creditors Claim executed by Gemma Runaghan;
9. Assignment and Postponement of Creditors Claim executed by 2156775 Ontario Inc.;
10. Acknowledged Assignment of Insurance coverage for full insurable values of all assets of the Borrower taken as security by the Bank with first loss payable to the Bank;
11. Landlord Waiver and Fixturing Notice, registered as appropriate, for the Borrower's premises located at 4500 and 4544 Eastgate Parkway, Mississauga, Ontario. Landlord Waiver to include an acknowledgement from the landlord that any water bill charges from the Region of Peel/City of Mississauga added to the property taxes of 4500 Eastgate Parkway will not in any way create a default of lease;
12. Letter of Acknowledgement that upon settlement of the water claim with the Region of Peel, the amount disbursed by the Bank to the City of Mississauga will be returned to the Borrower and a portion in an amount to be determined will be used as a permanent reduction in DNR #2. To be signed by the Borrower and Guarantors; and
13. Such additional securities as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

The Borrower and Guarantors acknowledge and agree that the securities above described provided by the Borrower support all loans and secure all indebtedness of the Borrower to the Bank.

SCHEDULE "B" - DEMAND
KEY COVENANTS/CONDITIONS

KEY COVENANTS:

The Borrower agrees:

1. to pay all sums of money when due under this Agreement;
2. to give the Bank prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
3. to maintain a "*Debt to Tangible Net Worth Ratio*" of not greater than 2.00:1 after forgiveness of the AriZona trade payable, tested quarterly based on the in-house financial statements and annually based on the year-end Review Engagement financial statements of the Borrower. Covenant testing to commence with the Q3 (May 30) financial reporting;
4. to maintain a "*Cash Flow Coverage Ratio*" of not less than 1.25:1 at all times, to be tested quarterly based on the in-house financial statements of the Borrower and annually based on the year-end Review Engagement financials of the Borrower. The covenant shall be calculated as net EBITDA divided by all principal and interest payments paid or accrued on all debt during the last fiscal year. Covenant testing to commence 180 days after loan disbursement;
5. that no dividends shall be permitted without the Bank's prior written consent;
6. to give the Bank 30 days prior notice in writing of any intended change in the ownership of its shares or any of its subsidiaries;
7. not to sell, transfer, convey, lease or otherwise dispose of any part of its property or assets, without the prior written consent of the Bank, except in the ordinary course of business;
8. not to change its name or merge, amalgamate or consolidate with any other corporation;
9. to insure and to keep fully insured all properties customarily insured by companies carrying on a similar business to that of the Borrower;
10. not to invest in, lend to, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by any third party except as provided herein;
11. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
12. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environment related liabilities existent now or in the future with respect to the Borrower's property;
13. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrower from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith enquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrower;
14. not to grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest, including a Purchase Money Security Interest (PMSI), or other encumbrance affecting any of its properties, assets or other rights other than a Normal Course Lien.

**SCHEDULE "C" - DEMAND
REPORTING REQUIREMENTS**

The Borrower agrees to provide the following to the Bank:

1. Quarterly in-house financial statements and/or such other information as the Bank considers necessary within 90 days of quarter end (November 30, February 28, May 31, August 31);
2. Quarterly update from the customer's solicitor as to the status of the water claim with the Region of Peel within 90 days of quarter end;
3. Review Engagement annual financial statements of the Borrower prepared by a firm of qualified professional accountants within 120 days of the Borrower's fiscal year-end;
4. Annual updated personal net worth statements of the Guarantors on the Canadian Western Bank forms duly completed and signed;
5. Annual fire insurance confirmation; and,
6. any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably.

SCHEDULE "D" - DEMAND

CONDITIONS PRECEDENT TO DRAWDOWN

The following conditions precedent must be fulfilled prior to the Bank having any obligation to advance:

1. The Bank shall be satisfied with the business, assets and financial condition of the Borrower and Guarantors and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered, as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to the same;
2. The Bank shall receive and be satisfied with an update to the existing FMV equipment appraisal prepared by Kohli Group dated December 1, 2020. The appraisal update is to confirm the current FMV value of the equipment and its updated remaining economic useful life after contemplating the planned increased production per the terms of the Borrower's sales arrangement with Arizona Beverages USA. The appraisal is to be accompanied by a Letter of Transmittal addressed to the Bank;
3. Receipt of letter from the customer's solicitor confirming the amount payable to the City of Mississauga and Region of Peel in order to remove the water bill obligation from the property tax bill of 4500 Eastgate Parkway. Funds to be paid by the Bank's solicitor directly to the City of Mississauga and Region of Peel on closing;
4. Funds in the amount of \$2,200,000 for the purpose of assisting with the outstanding water claim with the Region of Peel/City of Mississauga are to be advanced upon confirmation of the claim being resolved. In the event that the claim is less than \$2,200,000 DNR #2 is to be reduced accordingly;
5. Receipt of letter from the landlord confirming funds outstanding. Funds to be paid by the Bank's solicitor directly to the landlord on closing;
6. The Bank shall receive and be satisfied with the final signed sales contract between the Borrower and AriZona Beverages USA LLC, confirming no material changes to the Letter of Intent dated December 20, 2021; and,
7. Executed document(s) signed by Arizona Beverages USA and the Borrower confirming the date and amount of the ingredients trade payable that has been forgiven, with confirmation that Arizona has no claim on the assets of 2722959 Ontario Ltd. other than finished goods inventory;
8. The borrower's external CPA accountant is to provide a final version pro forma opening balance sheet at February 1, 2022;
9. The Borrower is to provide a written overview of equipment refurbishment to date and associated costs; and expected capital expenses for the remainder of the year. To be reviewed by the Bank;
10. Satisfactory review by the Bank's solicitor of the existing leases and amending agreements to be signed with the Borrower and landlords of 4500 Eastgate Parkway, 4544 Eastgate Parkway, 4560 Eastgate Parkway, and 5901A Tomken Road to transfer the existing leases to the Borrower;
11. The customer's solicitor will prepare a listing of the existing leased equipment and confirm which leases will be transferred to the Borrower on closing. Confirmation of transfer of the leases to be provided within 90 days of closing;
12. The Bank's solicitor will pay out the existing corporate credit card facility provided by TD Bank to 2156775 Ontario Inc. on funding, and follow for discharge of the TD PPSA registration within 30 days; and
13. The Bank's solicitor is to confirm that ownership of the assets has been legally transferred to the Borrower.

SCHEDULE "E" - DEMAND

GENERAL CONDITIONS

EVENTS OF DEFAULT

1. Notwithstanding anything expressed or implied to the contrary, all indebtedness and liability of the Borrower's to the Bank under this Agreement is deemed to be repayable **ON DEMAND** and such indebtedness and liability may be demanded by the Bank at any time in the Bank's sole and exclusive discretion. In addition to being of a demand nature, the full amount of the indebtedness and liability of the Borrower then outstanding, together with accrued interest and any other charges then owing by the Borrower to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "Events of Default"):
 - (a) the Borrower or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, or other amounts payable to the Bank;
 - (b) there is a breach by the Borrower of any other term or condition contained in this Agreement or in any other agreement to which the Borrower and the Bank are parties and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;
 - (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrower is a party and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;
 - (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrower and, if instituted against the Borrower are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;
 - (e) a Receiver is appointed over any property of the Borrower or any judgement or order or any process of any court becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower;
 - (f) any adverse change occurs in the financial condition of the Borrower or any Guarantor;
 - (g) any adverse change occurs in the environmental condition of:
 - (i) the Borrower(s), or either of them, or any Guarantor of the Borrower; or
 - (ii) any property, equipment, or business activities of the Borrower or any Guarantor of the Borrower.
 - (h) the Borrower acknowledges that failure by any Guarantor(s) of this Agreement to comply with the disclosure requirements set out in Section 45 of the Business Corporations Act (BCA) of Alberta shall constitute a default of the Borrower pursuant to this Agreement.

MISCELLANEOUS CONDITIONS

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or powers of the Bank.

2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.
3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrower to the Bank.
4. The Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank.
5. This Agreement and the security documentation to be provided by the Borrower pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Ontario.
6. Balances outstanding under Demand Loan 1.1 are to fluctuate to the Bank's ongoing satisfaction. In the event that the facility fails to revolve in a manner satisfactory to the Bank, it may in its sole discretion require any outstanding balance to be placed on a reducing basis at then prevailing rates of interest, and be repaid over an amortization deemed acceptable to the Bank.



SCHEDULE "F" – DEMAND

SCHEDULE – STANDARD LOAN TERMS

ARTICLE 1 – GENERAL

- 1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.
- 1.2. **Floating rate of interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate or the U.S. Base Rate, as the case may be, changes.
- 1.3. **Payment of interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or get judgment, against you.
- 1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.
- 1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes to the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more cash into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.
- 1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.
- 1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.
- 1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.
- 1.9. **Insurance.** You will keep all your business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgage Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.
- 1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.
- 1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.
- 1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).
- 1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign.
- 1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

- 1.15. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:
- (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
 - (b) all the required security has been received and registered to our satisfaction;
 - (c) any special provisions or conditions set forth in the Agreement have been complied with; and
 - (d) if applicable, you have given us the required number of days notice for a drawing under a Loan.
- 1.16. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.
- 1.17. **Use of the Operating Loan.** You will use your Operating Loan only for your business operating cash needs. You are responsible for all debits from the Operating Account that you have either initiated (such as cheques, loan payments, pre-authorized debits, etc.) or authorized us to make. Payments are made by making deposits to the Operating Account. You may not at any time exceed the lesser of the Loan Amount and the maximum available under the Margin Requirements. We may, without notice to you, return any debit from the Operating Account that, if paid, would result in the Loan Amount being exceeded, unless you have made prior arrangements with us. If we pay any of these debits, you must repay us immediately the amount by which the Loan Amount is exceeded.
- 1.18. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:
- (a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.
 - (b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:
 - (i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate or U.S. Base Rate (as the case may be). If the Prime Rate or U.S. Base Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate or U.S. Base Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate or U.S. Base Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we chose to do so.
 - (ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate or U.S. Base Rate (as the case may be).
 - (c) **Demand of Fixed Rate Demand Non-Revolving Loans.** If you have a Fixed Rate Demand Non-Revolving Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

ARTICLE 2 – DEFINITIONS

2.1. **Definitions.** In this Agreement, the following terms have the following meanings:

“*Agreement*” means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

“*Business Day*” means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

“*Cash Flow Coverage Ratio*” means for any fiscal year the ratio of X to Y where:

X =
Net profit after tax
+ amortization/depreciation
+ all interest expenses
+ all taxes
= EBITDA

Y =
All interest paid or accrued during the trailing fiscal year + the Borrower’s actual principal payment obligations for the trailing fiscal year under the CWB credit facility and any other document or agreement including without limitation:

- o in respect of any indebtedness for borrowed money as classified in the balance sheet of the Borrower and in accordance with generally accepted accounting principals; and
- o in respect of any capital lease in accordance with generally accepted accounting principles entered into by the Borrower.

“*Current Assets*” are cash, accounts receivable, inventory and other assets that are likely to be converted into cash, sold, exchanged or expended in the normal course of business within one year or less, excluding amounts due from related parties.

“*Current Liabilities*” means debts that are or will become payable within one year or one operating cycle, whichever is longer, excluding amounts due to related parties, and which will require Current Assets to pay. They usually include accounts payable, accrued expenses, deferred revenue and the current portion of long-term debt.

“*Current Ratio*” means the ratio of Current Assets to Current Liabilities.

“*Customer Automated Funds Transfer (CAFT)*” is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

“*CWB Branch/Centre*” means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

“*CWBdirect*” is a service available to allow customers the capability to access their bank accounts and general banking information using a personal computer with via the internet.

“*Debt to Tangible Net Worth Ratio*” means the ratio of Debt to Tangible Net Worth, where:

- (a) Debt is defined as: all liabilities listed on the balance sheet less loans from shareholders or affiliates where the bank has a registered postponement of claim. The after tax portion of management bonuses not yet re-invested as shareholders’ loans may be excluded from debt where written confirmation has been obtained from the borrower regarding the re-investment.
- (b) Tangible Net Worth is defined as: the aggregate of share capital, retained earnings, shareholder and affiliated company loans specifically postponed to the Bank, less intangible assets such as goodwill, investments in and advances to affiliated companies and any other asset determined by the Bank to be intangible. The after tax portion of management bonuses not yet re-invested as shareholders’ loans may be included in tangible net worth where written confirmation has been obtained

from the borrower regarding the re-investment and providing these loans are specifically postponed to the Bank.

“*Demand Non-Revolving Loan*” means an instalment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

“*Fixed Rate Loan*” means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

“*Intangibles*” means assets of the business that have no value in themselves but represent value. They include such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, and deferred development costs.

“*Letter of Credit*” or “*L/C*” means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

“*Lien*” includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

“*Loan*” means any loan segment referred to in the Agreement and if there are two or more segments, “*Loan*” includes reference to each segment.

“*Loan Amount*” of any Loan means the amount specified in the Agreement and if there are two or more segments, “*Loan Amount*” includes reference to each segment.

“*Mandatory Capital Expenditures*” means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

“*Monthly Statement of Borrowing Limit*” means the CWB form 1099 by that name, as it may from time to time be changed.

“*Normal Course Lien*” means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

“*Operating Account*” means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

“*Postponed Debt*” means any debt owed by you that has been formally postponed to the Bank.

“*Principal Sum*” means the loan balance outstanding.

“*Priority Claims*” means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

“*Prime Rate*” means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

“*Purchase Money Lien*” means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

“*Shareholders’ Equity*” means paid-in capital, retained earnings and attributed or contributed surplus.

“*Standard Overdraft Rate*” means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"*Unwinding Costs*" means the costs the Bank incurs when a fixed rate loan is paid out early. The unwinding costs are based on an interest rate differential between the loan rate and the bid side yield for Government of Canada securities with the same maturity as the loan, for the remaining term of the loan at the time of repayment.

"*U.S. Base Rate*" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

This is **Exhibit "J"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be "J. J. [unclear]", written over a horizontal line.

A Commissioner, etc.



LO GRECO STILMAN LLP

Barristers and Solicitors

Via email

CANADIAN WESTERN BANK
John Butler
AVP & MARKET LEAD
101-2000 Argentia Road
Mississauga, ON L5N 1P7

**RE: D'ANGELO BRANDS, 2722959 ONTARIO LTD, GEMMA
RUNAGHAN, FRANK D'ANGELO AND CANADIAN WESTERN
BANK**

Thank you for your commitment letter.

My client is extremely concerned with the addition of "Schedule D" paragraph No. 2. The request of an additional appraisal at this stage is highly prejudicial to our client's current finances. This request should have been made months ago and such report would have been available by this date.

It is imperative that funding is no longer delayed. My client cannot afford any further delays in funding, as he is in "Season" and must immediately fulfill his commitment in supplying Arizona with packaged products 24/7.

My client has spent from January 1st 2021 until the present over 1 million dollars on parts and labor for the upgrade and maintenance of the equipment.

My clients have advised that payments have been made on a regular basis for the upkeep and maintenance of all of the equipment so that it may properly operate without any issues. Once the carousel is implemented along with 1000 feet of new conveyors, the 100 valve filler "Large Can Filler" will be in excellent condition to produce 25,000 24pk per day.

My clients agree to the update on the Equipment Appraisal. However, they must be funded immediately for the entire amount of the loan so not to jeopardize the production commitments with Arizona and Langers.

My clients also commit to reimburse the dollar value amount of any depreciation to the value of any equipment within 90 days. In other words, if the updated

13170 Yonge Street
PO Box 2015 STN B
Richmond Hill, ON
L4E 1A3
T: 416.488.4110
F: 416.488.0216
LSLAW.CA

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Barristers and Solicitors

appraisal report discloses any negative values or concerns respecting the the equipment our clients will provide reimburse CWB within 90 days the appropriate amount for such depreciated value disclosed in the updated report.

Please find attached the Commitment letter and please note that in Schedule "D", paragraph 2 we have added "*This condition is not to prevent IMMEDIATE funding*"

Also, please see revisions made in paragraph 4 of "Schedule D" where in the last paragraph we have inserted, "*The Borrowers will be paying such funds under protest as they have an ongoing civil action against the City of Mississauga and Region of Peel. The Borrowers may at their own discretion advance towards the water claim a lower amount than what is owed.*"

We have also attached an executed copy of page 5 of the commitment.

Yours truly,

LO GRECO STILMAN LLP

Joseph F. Lo Greco
(Electronic Signature)

Joseph F. Lo Greco
JFL/ra
jlogreco@lslaw.ca

13170 Yonge Street
PO Box 2015 5TH B
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F: 416.488.0216

LSLAW.CA

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: 2722959 ONTARIO LTD.

Signed:  _____

Signed:  _____

5/13/2022

Accepted: _____
Date

GUARANTORS:

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

Signed:  _____
Frank D'Angelo

Accepted: May 13, 2022
Date

Signed:  _____
Gemma Rinaghan

Accepted: 5/13/2022
Date



Leo Klug <leoklug@kluglaw.ca>

Fwd: Revised commitment attached

1 message

Frank D'Angelo <Frank@dangelobrand.com>
To: Leo Klug <leoklug@kluglaw.ca>

Sat, May 14, 2022 at 6:33 AM

Sent from my iPhone

Begin forwarded message:

From: "Joseph F. Lo Greco" <jlogreco@lslaw.ca>
Date: May 13, 2022 at 5:47:49 PM EDT
To: John Butler <John.Butler@cwbank.com>
Cc: Frank D'Angelo <Frank@dangelobrand.com>, Gemma Runaghan <Gemma.Runaghan@dangelobrand.com>
Subject: Revised commitment attached

John,

Please ignore the earlier commitment, the revised one is attached as it reflects the changes applied.

Regards,

Joseph F. Lo Greco

13170 Yonge Street

Richmond Hill, Ontario L4E 1A3

T. 416-488-4110

F. 416-488-0216

Mobile 416-545-9605

2 attachments

LS | LO GRECO STILMAN LLP **image001.png**
Barristers and Solicitors 13K

 **COMMITMENT GEMMA DANGELO.pdf**
1761K

May 12, 2022

2722959 Ontario Ltd.
477 Reeves Way Boulevard
Stouffville, Ontario L4A 0H2

Attention: Mr. Frank D'Angelo and Ms. Gemma Runaghan

Dear Sir and Madam:

On the basis of the financial statements and other information provided by 2722959 Ontario Ltd. (the "Borrower") and Frank D'Angelo and Gemma Runaghan (the "Guarantors") in connection with your request for financing, Canadian Western Bank (the "Bank") has authorized the following loans subject to the terms and conditions outlined in this Commitment Letter (the "Agreement"). This letter replaces and supersedes our letter of April 4, 2022 signed by you on April 5, 2022.

1. **LOAN AMOUNT:**

- 1.1. Loan Segment (1): Demand Loan \$500,000.
- 1.2. Loan Segment (2): Demand Non Revolving Loan #2 (DNR #2) \$5,500,000.
- 1.3. Loan Segment (3): Corporate Credit Card \$50,000.

Collectively referred to as "the Loans".

2. **PURPOSE OF LOAN:**

Amounts advanced by the Bank are to be used by the Borrower as follows:

- 2.1. Loan Segment (1): To finance the day-to-day operations of the Borrower's business.
- 2.2. Loan Segment (2): To assist with financing the following:
 - \$2,100,000 repayment of funds advanced by the landlord of 4500 Eastgate Parkway to complete previous leasehold improvements including HST, rent arrears and 4 months of prepaid rent;
 - \$2,200,000 payment to the City of Mississauga and Region of Peel by 2156775 Ontario Inc. to assist in resolving a water overcharge dispute; and,
 - \$1,200,000 to replenish the borrower's working capital used for capital expenditures (of which \$500,000 was advanced April 7 to purchase a needed part and associated costs).
- 2.3. Loan Segment (3): To assist with day-to-day expenses.

3. **INTEREST RATE:**

Loans shall bear interest while outstanding before and after maturity and default at the following rates:

- 3.1. Loan Segment (1): Interest to float at a rate of 1.50% per annum above the Bank's Prime Lending Rate ("Prime"). As of the date of this Agreement, Prime is 3.20% per annum.

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t. 289.998.2688 | F. 833.341.7556
cwbank.com

- 3.2. Loan Segment (2): Interest to float at a rate of 1.75% per annum above Prime.
- 3.3. Loan Segment (3): Standard fees, as applicable. Outstanding balances to be paid in full monthly.

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

4. **ADVANCES:**

- 4.1. Loan Segment (1) will revolve in multiples of \$5,000 and will be available following satisfaction of the Conditions Precedent as set forth in Schedule "D" herein attached.
- 4.2. Loan Segment (2) shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "D" herein attached.

5. **REPAYMENT:**

All amounts outstanding under all segments shall be repaid on demand. Unless demanded, the Bank will accept payment as follows:

- 5.1. Loan Segment (1): On demand.
- 5.2. Loan Segment (2): Interest only for first 3 months. Principal and interest commence on the 4th month. Thereafter, to reduce by monthly principal plus interest or in the case of a fixed rate loan in equal blended monthly payments. The loan amortization period will be determined by the Bank based on an assessment of the remaining economic life of the Borrower's equipment, based on the Bank's review of a FMV appraisal update to be performed by Kholi Group. Payments will be based on an amortization of the lower of a) 5 years or b) 80% of the remaining economic life of the production equipment.

In the case of a fixed rate loan, payments will be adjusted at time of term renewal based on the fixed rate of interest in effect and the remaining amortization period.

For any DNR loan advanced on a floating rate basis with blended monthly payments, the Bank will have the discretion to vary the amount of the required monthly instalments each calendar quarter to reflect changes in Prime.

6. **FEES:**

- 6.1. The Borrower shall pay to the Bank an application/commitment fee of \$18,500, of which \$2,500 has been paid and the balance of \$16,000 shall be paid to the Bank at the time of acceptance of this Agreement and which fee shall be deemed to have been fully earned and non-refundable.
- 6.2. The Borrower shall pay a monthly administration fee of \$40 to cover the cost of administration in monitoring the Line of Credit/DNR and review of all reporting information as outlined in the attached Schedule "C". This fee is in addition to the account's standard service charges.
- 6.3. The Borrower shall pay an annual review fee of \$1,500 each year in conjunction with the annual review (based on the Borrower's fiscal year end financial statements) to renew outstanding loans.
- 6.4. The Borrower shall pay CWBdirect service fees as applicable.
- 6.5. The Borrower shall pay a late reporting fee of \$100.00 for each quarterly report after expiry of the 90 day period. In addition a fee of \$100.00 per month, or portion thereof, shall apply for late provision of annual Financial Statements/reporting after expiry of the 120 day period.

7. **SECURITY:**

The attached Schedule "A" forms part of this Agreement.

8. **KEY COVENANTS/ CONDITIONS:**

The attached Schedule "B" forms part of this Agreement.

9. **REPORTING REQUIREMENTS:**

The attached Schedule "C" forms part of this Agreement.

10. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "D" forms part of this Agreement.

11. **GENERAL CONDITIONS:**

The attached Schedule "E" forms part of this Agreement.

12. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.

13. **REVIEW:**

All loans are subject to review at any time by the Bank, and in any event will be reviewed annually, based on the year-end financial statements of the Borrower.

14. **PREPAYMENT OF DEMAND NON REVOLVING LOAN:**

14.1. Prepayment of individual loan drawdowns are permitted without charges with the exception of loans drawn under the fixed rate option.

14.2. Loans drawn under the fixed rate option are subject to prepayment charges equal to the greater of the following:

- (a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or
- (b) a prepayment charge equal to the Bank's Unwinding Costs.

15. **COSTS:**

All costs, including, but not limited to, legal counsel expense, appraisal fees, cost consultant fees and reasonable out-of-pocket expenses incurred by the Bank in connection with the preparation and registration of this Agreement and the Bank's security and the enforcement of the Bank's rights under this Agreement or the Bank's security are for the account of the Borrower and this Agreement will serve as the Bank's authority to charge this amount to the Borrower's deposit account under advice to the Borrower.

16. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

17. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel:

Matthew Himmel
Macdonald Sager LLP
150 York Street, Toronto, Ontario M5H 3S5
Telephone: 416 361 2503 email: mhimmel@macdonaldsager.com

18. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

19. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

20. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

ACCEPTANCE:

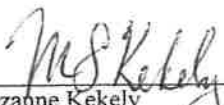
To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantors.


If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter together with your cheque for \$16,000.00 representing payment of the remaining portion of the commitment fee. This Agreement will expire if not accepted by May 20, 2022.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,

CANADIAN WESTERN BANK


Suzanne Kekely
AVP, Commercial Accounts


John Butler
AVP & Team Lead

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: 2722959 ONTARIO LTD.

Signed: _____

Signed: _____

Accepted: _____
Date

GUARANTORS:

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

Signed: _____
Frank D'Angelo

Signed: _____
Gemma Runaghan

Accepted: _____
Date

Accepted: _____
Date

SCHEDULE "A" - DEMAND

SECURITY

All security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds. The types of security, supporting resolutions and agreements to be provided by the Borrower to the Bank will be in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

1. Loan Agreement executed by the Borrower and Guarantors;
2. General Security Agreement providing a first ranking perfected security interest in all present and after acquired property to be registered in all appropriate jurisdictions;
3. Revolving Credit Agreement;
4. Promissory Note;
5. Application for Business Credit Card;
6. Full Liability Guarantee from Gemma Runaghan in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank;
7. Full Liability Guarantee under ILA (Independent Legal Advice) from Frank D'Angelo in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank;
8. Assignment and Postponement of Creditors Claim executed by Gemma Runaghan;
9. Assignment and Postponement of Creditors Claim executed by 2156775 Ontario Inc.;
10. Acknowledged Assignment of Insurance coverage for full insurable values of all assets of the Borrower taken as security by the Bank with first loss payable to the Bank;
11. Landlord Waiver and Fixturing Notice, registered as appropriate, for the Borrower's premises located at 4500 and 4544 Eastgate Parkway, Mississauga, Ontario. Landlord Waiver to include an acknowledgement from the landlord that any water bill charges from the Region of Peel/City of Mississauga added to the property taxes of 4500 Eastgate Parkway will not in any way create a default of lease;
12. Letter of Acknowledgement that upon settlement of the water claim with the Region of Peel, the amount disbursed by the Bank to the City of Mississauga will be returned to the Borrower and a portion in an amount to be determined will be used as a permanent reduction in DNR #2. To be signed by the Borrower and Guarantors; and
13. Such additional securities as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

The Borrower and Guarantors acknowledge and agree that the securities above described provided by the Borrower support all loans and secure all indebtedness of the Borrower to the Bank.

SCHEDULE "B" - DEMAND
KEY COVENANTS/CONDITIONS

KEY COVENANTS:

The Borrower agrees:

1. to pay all sums of money when due under this Agreement;
2. to give the Bank prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
3. to maintain a "*Debt to Tangible Net Worth Ratio*" of not greater than 2.00:1 after forgiveness of the AriZona trade payable, tested quarterly based on the in-house financial statements and annually based on the year-end Review Engagement financial statements of the Borrower. Covenant testing to commence with the Q3 (May 30) financial reporting;
4. to maintain a "*Cash Flow Coverage Ratio*" of not less than 1.25:1 at all times, to be tested quarterly based on the in-house financial statements of the Borrower and annually based on the year-end Review Engagement financials of the Borrower. The covenant shall be calculated as net EBITDA divided by all principal and interest payments paid or accrued on all debt during the last fiscal year. Covenant testing to commence 180 days after loan disbursement;
5. that no dividends shall be permitted without the Bank's prior written consent;
6. to give the Bank 30 days prior notice in writing of any intended change in the ownership of its shares or any of its subsidiaries;
7. not to sell, transfer, convey, lease or otherwise dispose of any part of its property or assets, without the prior written consent of the Bank, except in the ordinary course of business;
8. not to change its name or merge, amalgamate or consolidate with any other corporation;
9. to insure and to keep fully insured all properties customarily insured by companies carrying on a similar business to that of the Borrower;
10. not to invest in, lend to, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by any third party except as provided herein;
11. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
12. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environment related liabilities existent now or in the future with respect to the Borrower's property;
13. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrower from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith enquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrower;
14. not to grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest, including a Purchase Money Security Interest (PMSI), or other encumbrance affecting any of its properties, assets or other rights other than a Normal Course Lien.

**SCHEDULE "C" - DEMAND
REPORTING REQUIREMENTS**

The Borrower agrees to provide the following to the Bank:

1. Quarterly in-house financial statements and/or such other information as the Bank considers necessary within 90 days of quarter end (November 30, February 28, May 31, August 31);
2. Quarterly update from the customer's solicitor as to the status of the water claim with the Region of Peel within 90 days of quarter end;
3. Review Engagement annual financial statements of the Borrower prepared by a firm of qualified professional accountants within 120 days of the Borrower's fiscal year-end;
4. Annual updated personal net worth statements of the Guarantors on the Canadian Western Bank forms duly completed and signed;
5. Annual fire insurance confirmation; and,
6. any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably.

SCHEDULE "D" - DEMAND

CONDITIONS PRECEDENT TO DRAWDOWN

The following conditions precedent must be fulfilled prior to the Bank having any obligation to advance:

1. The Bank shall be satisfied with the business, assets and financial condition of the Borrower and Guarantors and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered, as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to the same;
2. The Bank shall receive and be satisfied with an update to the existing FMV equipment appraisal prepared by Kohli Group dated December 1, 2020. The appraisal update is to confirm the current FMV value of the equipment and its updated remaining economic useful life after contemplating the planned increased production per the terms of the Borrower's sales arrangement with Arizona Beverages USA. The appraisal is to be accompanied by a Letter of Transmittal addressed to the Bank; This condition is not to prevent IMMEDIATE funding.
3. Receipt of letter from the customer's solicitor confirming the amount payable to the City of Mississauga and Region of Peel in order to remove the water bill obligation from the property tax bill of 4500 Eastgate Parkway. Funds to be paid by the Bank's solicitor directly to the City of Mississauga and Region of Peel on closing;
4. Funds in the amount of \$2,200,000 for the purpose of assisting with the outstanding water claim with the Region of Peel/City of Mississauga are to be advanced upon confirmation of the claim being resolved. In the event that the claim is less than \$2,200,000 DNR #2 is to be reduced accordingly. The Borrowers will be paying such funds under protest as they have an ongoing civil action against the City of Mississauga and Region of Peel. The Borrowers may at their own discretion advance towards the water claim a lower amount than what is owed.
5. Receipt of letter from the landlord confirming funds outstanding. Funds to be paid by the Bank's solicitor directly to the landlord on closing;
6. The Bank shall receive and be satisfied with the final signed sales contract between the Borrower and AriZona Beverages USA LLC, confirming no material changes to the Letter of Intent dated December 20, 2021; and,
7. Executed document(s) signed by Arizona Beverages USA and the Borrower confirming the date and amount of the ingredients trade payable that has been forgiven, with confirmation that Arizona has no claim on the assets of 2722959 Ontario Ltd. other than finished goods inventory;
8. The borrower's external CPA accountant is to provide a final version pro forma opening balance sheet at February 1, 2022;
9. The Borrower is to provide a written overview of equipment refurbishment to date and associated costs; and expected capital expenses for the remainder of the year. To be reviewed by the Bank;
10. Satisfactory review by the Bank's solicitor of the existing leases and amending agreements to be signed with the Borrower and landlords of 4500 Eastgate Parkway, 4544 Eastgate Parkway, 4560 Eastgate Parkway, and 5901A Tomken Road to transfer the existing leases to the Borrower;
11. The customer's solicitor will prepare a listing of the existing leased equipment and confirm which leases will be transferred to the Borrower on closing. Confirmation of transfer of the leases to be provided within 90 days of closing;
12. The Bank's solicitor will pay out the existing corporate credit card facility provided by TD Bank to 2156775 Ontario Inc. on funding, and follow for discharge of the TD PPSA registration within 30 days; and
13. The Bank's solicitor is to confirm that ownership of the assets has been legally transferred to the Borrower.

SCHEDULE "E" - DEMAND

GENERAL CONDITIONS

EVENTS OF DEFAULT

- I. Notwithstanding anything expressed or implied to the contrary, all indebtedness and liability of the Borrower's to the Bank under this Agreement is deemed to be repayable **ON DEMAND** and such indebtedness and liability may be demanded by the Bank at any time in the Bank's sole and exclusive discretion. In addition to being of a demand nature, the full amount of the indebtedness and liability of the Borrower then outstanding, together with accrued interest and any other charges then owing by the Borrower to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "Events of Default"):
- (a) the Borrower or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, or other amounts payable to the Bank;
 - (b) there is a breach by the Borrower of any other term or condition contained in this Agreement or in any other agreement to which the Borrower and the Bank are parties and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;
 - (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrower is a party and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;
 - (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrower and, if instituted against the Borrower are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;
 - (e) a Receiver is appointed over any property of the Borrower or any judgement or order or any process of any court becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower;
 - (f) any adverse change occurs in the financial condition of the Borrower or any Guarantor;
 - (g) any adverse change occurs in the environmental condition of:
 - (i) the Borrower(s), or either of them, or any Guarantor of the Borrower; or
 - (ii) any property, equipment, or business activities of the Borrower or any Guarantor of the Borrower.
 - (h) the Borrower acknowledges that failure by any Guarantor(s) of this Agreement to comply with the disclosure requirements set out in Section 45 of the Business Corporations Act (BCA) of Alberta shall constitute a default of the Borrower pursuant to this Agreement.

MISCELLANEOUS CONDITIONS

- I. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or powers of the Bank.

2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.
3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrower to the Bank.
4. The Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank.
5. This Agreement and the security documentation to be provided by the Borrower pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Ontario.
6. Balances outstanding under Demand Loan 1.1 are to fluctuate to the Bank's ongoing satisfaction. In the event that the facility fails to revolve in a manner satisfactory to the Bank, it may in its sole discretion require any outstanding balance to be placed on a reducing basis at then prevailing rates of interest, and be repaid over an amortization deemed acceptable to the Bank.

SCHEDULE "F" – DEMAND

SCHEDULE – STANDARD LOAN TERMS

ARTICLE I – GENERAL

- 1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.
- 1.2. **Floating rate of interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate or the U.S. Base Rate, as the case may be, changes.
- 1.3. **Payment of interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or get judgment, against you.
- 1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.
- 1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes to the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more cash into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.
- 1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.
- 1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.
- 1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.
- 1.9. **Insurance.** You will keep all your business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgage Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.
- 1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.
- 1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.
- 1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).
- 1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign.
- 1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

- 1.15. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:
- (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
 - (b) all the required security has been received and registered to our satisfaction;
 - (c) any special provisions or conditions set forth in the Agreement have been complied with; and
 - (d) if applicable, you have given us the required number of days notice for a drawing under a Loan.
- 1.16. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.
- 1.17. **Use of the Operating Loan.** You will use your Operating Loan only for your business operating cash needs. You are responsible for all debits from the Operating Account that you have either initiated (such as cheques, loan payments, pre-authorized debits, etc.) or authorized us to make. Payments are made by making deposits to the Operating Account. You may not at any time exceed the lesser of the Loan Amount and the maximum available under the Margin Requirements. We may, without notice to you, return any debit from the Operating Account that, if paid, would result in the Loan Amount being exceeded, unless you have made prior arrangements with us. If we pay any of these debits, you must repay us immediately the amount by which the Loan Amount is exceeded.
- 1.18. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:
- (a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.
 - (b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:
 - (i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate or U.S. Base Rate (as the case may be). If the Prime Rate or U.S. Base Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate or U.S. Base Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate or U.S. Base Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we chose to do so.
- (ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate or U.S. Base Rate (as the case may be).
- (c) **Demand of Fixed Rate Demand Non-Revolving Loans.** If you have a Fixed Rate Demand Non-Revolving Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

ARTICLE 2 – DEFINITIONS

2.1. **Definitions.** In this Agreement, the following terms have the following meanings:

“*Agreement*” means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

“*Business Day*” means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

“*Cash Flow Coverage Ratio*” means for any fiscal year the ratio of X to Y where:

X =
Net profit after tax
+ amortization/depreciation
+ all interest expenses
+ all taxes
= EBITDA

Y =
All interest paid or accrued during the trailing fiscal year + the Borrower’s actual principal payment obligations for the trailing fiscal year under the CWB credit facility and any other document or agreement including without limitation:

- o in respect of any indebtedness for borrowed money as classified in the balance sheet of the Borrower and in accordance with generally accepted accounting principals; and
- o in respect of any capital lease in accordance with generally accepted accounting principles entered into by the Borrower.

“*Current Assets*” are cash, accounts receivable, inventory and other assets that are likely to be converted into cash, sold, exchanged or expended in the normal course of business within one year or less, excluding amounts due from related parties.

“*Current Liabilities*” means debts that are or will become payable within one year or one operating cycle, whichever is longer, excluding amounts due to related parties, and which will require Current Assets to pay. They usually include accounts payable, accrued expenses, deferred revenue and the current portion of long-term debt.

“*Current Ratio*” means the ratio of Current Assets to Current Liabilities.

“*Customer Automated Funds Transfer (CAFT)*” is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

“*CWB Branch/Centre*” means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

“*CWBdirect*” is a service available to allow customers the capability to access their bank accounts and general banking information using a personal computer with via the internet.

“*Debt to Tangible Net Worth Ratio*” means the ratio of Debt to Tangible Net Worth, where:

- (a) Debt is defined as: all liabilities listed on the balance sheet less loans from shareholders or affiliates where the bank has a registered postponement of claim. The after tax portion of management bonuses not yet re-invested as shareholders’ loans may be excluded from debt where written confirmation has been obtained from the borrower regarding the re-investment.
- (b) Tangible Net Worth is defined as: the aggregate of share capital, retained earnings, shareholder and affiliated company loans specifically postponed to the Bank, less intangible assets such as goodwill, investments in and advances to affiliated companies and any other asset determined by the Bank to be intangible. The after tax portion of management bonuses not yet re-invested as shareholders’ loans may be included in tangible net worth where written confirmation has been obtained

from the borrower regarding the re-investment and providing these loans are specifically postponed to the Bank.

“*Demand Non-Revolving Loan*” means an instalment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

“*Fixed Rate Loan*” means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

“*Intangibles*” means assets of the business that have no value in themselves but represent value. They include such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, and deferred development costs.

“*Letter of Credit*” or “*L/C*” means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

“*Lien*” includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

“*Loan*” means any loan segment referred to in the Agreement and if there are two or more segments, “*Loan*” includes reference to each segment.

“*Loan Amount*” of any Loan means the amount specified in the Agreement and if there are two or more segments, “*Loan Amount*” includes reference to each segment.

“*Mandatory Capital Expenditures*” means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

“*Monthly Statement of Borrowing Limit*” means the CWB form 1099 by that name, as it may from time to time be changed.

“*Normal Course Lien*” means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

“*Operating Account*” means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

“*Postponed Debt*” means any debt owed by you that has been formally postponed to the Bank.

“*Principal Sum*” means the loan balance outstanding.

“*Priority Claims*” means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

“*Prime Rate*” means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

“*Purchase Money Lien*” means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

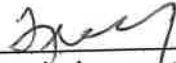
“*Shareholders’ Equity*” means paid-in capital, retained earnings and attributed or contributed surplus.

“*Standard Overdraft Rate*” means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"Unwinding Costs" means the costs the Bank incurs when a fixed rate loan is paid out early. The unwinding costs are based on an interest rate differential between the loan rate and the bid side yield for Government of Canada securities with the same maturity as the loan, for the remaining term of the loan at the time of repayment.

"U.S. Base Rate" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

This is **Exhibit "K"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be "Sperry", written over a horizontal line.

A Commissioner, etc.

This message and any attachments are intended only for the recipient(s) named in this email. This message may contain personal or other information that is privileged and/or confidential. If you have received this message in error, please notify the sender above immediately, and permanently delete this message and any attachments from your computer system. You may also notify privacy@cwbank.com. Any further disclosure, distribution or copying of this message and any attachments is strictly prohibited.

From: Joseph F. Lo Greco <jlogreco@lslaw.ca>
Sent: May 16, 2022 3:25 PM
To: John Butler <John.Butler@cwbank.com>
Cc: Frank D'Angelo <Frank@Dangelobrand.ca>; Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>
Subject: Re: D'ANGELO / GEMMA RUNAGHAN

CAUTION: This email originated from outside of CWB Financial Group.

Good afternoon Mr. Butler,

Further to my email below please provide me immediately with an update.

If you do not have any useful positive information to share, I kindly ask that you provide me with the names and contact information of those individuals at CWBANK as we wish as outlined in our email below exercise our clients further actions.

Respectfully,

Joseph F. Lo Greco

LS | LO GRECO STILMAN LLP
Barristers and Solicitors

13170 Yonge Street
Richmond Hill, Ontario L4E 1A3

T. 416-488-4110
F. 416-488-0216
Mobile 416-545-9605

From: Joseph F. Lo Greco <jlogreco@lslaw.ca>
Date: Monday, May 16, 2022 at 10:29 AM
To: John Butler <John.Butler@cwbank.com>
Cc: Frank D'Angelo <Frank@Dangelobrand.ca>, Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>
Subject: Re: D'ANGELO / GEMMA RUNAGHAN

Mr. Butler,

Thank you for your email, however, please be **advised that our clients are at risk of having to permanently shut down their business if funds are not advanced by you today.**

They have been promised an advance since January and the deadlines have been moved without any clarification to the point where you directed our clients to mortgage their properties at a high interest rate and directed them to cash out personal RRSPs as the loan would be imminent.

As of today, funds have not been advanced, and you are now requesting a further appraisal on the equipment. This last request is delaying the advancement date. The hydro supplier disconnected the electricity on Thursdays as funds were not advanced as promised. The hydro disconnection alone has caused spoilage of raw materials of approximately \$200,000.00. The clients were not able to meet payroll demands and are at risk of permanently losing their staff.

Your actions, have placed my clients in a personal and business financial crisis which cannot be mitigated without an immediate advance of funds today.

I trust that you will advance funds by 3:00 p.m. today and failure to do will result in further actions taken by our clients.

Regards,

Joseph F. Lo Greco

LS | LO GRECO STILMAN LLP
Barristers and Solicitors

13170 Yonge Street
Richmond Hill, Ontario L4E 1A3

T. 416-488-4110
F. 416-488-0216
Mobile 416-545-9605

From: John Butler <John.Butler@cwbank.com>

Date: Monday, May 16, 2022 at 8:12 AM

To: Joseph F. Lo Greco <jlogreco@lslaw.ca>

Cc: Frank D'Angelo <Frank@Dangelobrand.ca>, Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>

Subject: RE: D'ANGELO / GEMMA RUNAGHAN

Good Morning Mr. Lo Greco:

Receipt of your e-mails and various attachments from May 13-2022 are acknowledged with thanks - including your letter to me outlining the requested amendments to the executed Commitment Letter dated May 12-2022 (as appended).

We are working with our internal adjudication partners, and external legal counsel, to address the concerns noted in your letter to find viable solutions.

I fully appreciate the gravity of the situation and want to assure you that we are working with the utmost urgency to address same.

I will provide a further update ASAP – ideally before the end of the day.

Thanks,
John

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

OBSESSED WITH YOUR SUCCESS™

cwbank.com

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From: Joseph F. Lo Greco <jlogreco@lslaw.ca>
Sent: May 13, 2022 4:56 PM
To: John Butler <John.Butler@cwbank.com>
Cc: Frank D'Angelo <Frank@Dangelobrand.ca>; Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>
Subject: D'ANGELO / GEMMA RUNAGHAN

CAUTION: This email originated from outside of CWB Financial Group.
--

Mr. Butler,
Please see the attached letter from our office.

Regards,

Joseph F. Lo Greco



13170 Yonge Street
Richmond Hill, Ontario L4E 1A3

T. 416-488-4110
F. 416-488-0216
Mobile 416-545-9605

From: John Butler <John.Butler@cwbank.com>

Date: 2022-05-17 9:40 a.m. (GMT-05:00)

To: "Joseph F. Lo Greco" <jlogreco@lslaw.ca>

Cc: Frank D'Angelo <Frank@Dangelobrands.ca>, Gemma Runaghan <Gemma.Runaghan@DangeloBrands.ca>,
Matthew Himmel <mhimmel@macdonaldsager.com>

Subject: RE: D'ANGELO / GEMMA RUNAGHAN

Mr. Lo Greco:

With reference to your e-mail to me on May 13-22, we have reviewed the request to amend the terms of the Commitment Letter dated May 12-22, in order to permit immediate funding, but are unable to support the request.

This e-mail is confirm to you that the Bank is not prepared to advance additional funds to the Borrower, until all of the conditions precedent as outlined in the Commitment Letter of May 12-2022 and all other matters have been addressed to the Bank's satisfaction.

Our counsel will be sending you their initial letter today, outlining the items required to complete funding.

Please direct any additional correspondence directly to Mr. Himmel – please see his contact details below:

Matthew Himmel
Macdonald, Sager LLP
150 York Street
Toronto, ON M5H 3S5
C: 416-361-2503
E: Mhimmel@macdonaldsager.com

John Butler
AVP & Market Lead
Markham, Ontario
Canadian Western Bank
C: 416-388-6314

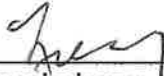
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This is **Exhibit "L"** referred to in the
Affidavit of Frank D'Angelo
sworn before me this 27th day of
April, 2023

A handwritten signature in black ink, appearing to be "J. [unclear]", written over a horizontal line.

A Commissioner, etc.

**NOTICE TO TERMINATE FOR FAILURE OF
TENANT TO PAY RENT ARREARS**

TO: 2156775 ONTARIO INC. O/A D'ANGELO BRANDS, ET AL.

TAKE NOTICE that the Landlord, PIANOSI BROS. CONSTRUCTION LIMITED, hereby terminates your tenancy of the Leased Premises ("Premises") located at 4560 EASTGATE PARKWAY, MISSISSAUGA, ONTARIO, for Rent arrears and costs in the amount of THIRTY-THREE THOUSAND SEVEN HUNDRED AND FORTY-TWO DOLLARS AND THIRTY-THREE CENTS, (\$33,742.33), plus all costs, including Bailiff Fees, locksmith, and any other fees associated with this Termination.

AND FURTHER TAKE NOTICE that the locks have been changed and that entry to the Premises for removal of personal property may be done only with the prior permission of the Landlord or its Bailiff.

AND FURTHER TAKE NOTICE any attempt by any person whatsoever to gain entry to the Premises is unlawful without the prior written consent by the Landlord or its Bailiff, and such person will be deemed a trespasser and will be dealt with as directed by law.

AND FURTHER TAKE NOTICE that you have 5 days from this date to remove assets from the Premises or be subject to storage and costs thereafter. The Landlord may elect to dispose of the assets anytime after the five days without further notice to you and without any benefit to you.

AND FURTHER TAKE NOTICE that the Landlord expressly preserves its rights under your Lease Agreement to look to you for all Rent Arrears and other charges owing at the present time and throughout the balance of the Term of your Lease Agreement, and intends to seek recovery of damages incurred by reason of the Landlord losing the benefit of the balance of the Term of your Lease Agreement, including, without limitation, the costs of recovering the Premises, solicitor fees, arrears and all future Rental payments or deficiency thereof, due under your Lease Agreement for the balance of the Term.

DATED at Mississauga, Ontario, this 19th day of May, A.D. 2022.

Landlord: PIANOSI BROS. CONSTRUCTION LIMITED
3250 BLOOR STREET WEST, Suite 410, EAST TOWER
ETOBICOKE, ONTARIO
M8X 2X9

Tel: 416-231-1297 Fax: 416-231-1322

Served by: STERLING BAILIFFS INC.
1001 Petrolia Road
Toronto, Ontario
M3J 2X7

Tel: 416-701-1322 Fax: 416-701-0005

L-6523

NOTICE TO TERMINATE FOR FAILURE OF TENANT TO PAY RENT ARREARS

TO: 2156775 ONTARIO INC. O/A D'ANGELO BRANDS, ET AL

TAKE NOTICE that the Landlord, **ROVINELLI HOLDINGS LTD.**, hereby terminates your tenancy of the Leased Premises ("Premises") located at **4544 EASTGATE PARKWAY, MISSISSAUGA, ONTARIO**, for Rent arrears and costs in the amount of **TWO HUNDRED THOUSAND SEVEN HUNDRED AND NINETEEN DOLLARS AND THIRTY-EIGHT CENTS, (\$200,719.38)**, plus all costs, including Bailiff Fees, locksmith, and any other fees associated with this Termination.

AND FURTHER TAKE NOTICE that the locks have been changed and that entry to the Premises for removal of personal property may be done only with the prior permission of the Landlord or its Bailiff.

AND FURTHER TAKE NOTICE any attempt by any person whatsoever to gain entry to the Premises is unlawful without the prior written consent by the Landlord or its Bailiff, and such person will be deemed a trespasser and will be dealt with as directed by law.

AND FURTHER TAKE NOTICE that you have 5 days from this date to remove assets from the Premises or be subject to storage and costs thereafter. The Landlord may elect to dispose of the assets anytime after the five days without further notice to you and without any benefit to you.

AND FURTHER TAKE NOTICE that the Landlord expressly preserves its rights under your Lease Agreement to look to you for all Rent Arrears and other charges owing at the present time and throughout the balance of the Term of your Lease Agreement, and intends to seek recovery of damages incurred by reason of the Landlord losing the benefit of the balance of the Term of your Lease Agreement, including, without limitation, the costs of recovering the Premises, solicitor fees, arrears and all future Rental payments or deficiency thereof, due under your Lease Agreement for the balance of the Term.

DATED at Mississauga, Ontario, this 2nd day of June, A.D. 2022.

Landlord: **ROVINELLI HOLDINGS LTD.**
4540 Eastgate Parkway, Unit 8
Mississauga, Ontario
L4W 3W6

Served by: **STERLING BAILIFFS INC.**
1001 Petrolia Road
Toronto, Ontario
M3J 2X7

Tel: 416-701-1322 Fax: 416-701-0005

LANDLORD'S DISTRESS WARRANT

NOTICE TO TENANT: 2156775 ONTARIO INC. O/A D'ANGELO BRANDS, ET AL

TAKE NOTICE THAT EASTGATE GROUP INC., (LANDLORD), HAS TAKEN DISTRESS AGAINST YOUR GOODS AND CHATTELS, INVENTORY AND CASH, (COLLECTIVELY "GOODS"), LOCATED AT: 4500 EASTGATE PARKWAY, MISSISSAUGA, ONTARIO, PURSUANT TO THE PROVISIONS OF THE LEASE BETWEEN YOU, AND THE LANDLORD, AND PURSUANT TO THE PROVISIONS OF THE "COMMERCIAL TENANCIES ACT", FOR RENT ARREARS, AND ADDITIONAL RENT ARREARS OWING IN THE SUM OF FOUR MILLION, NINE HUNDRED AND SEVENTY-ONE THOUSAND, FOUR HUNDRED AND NINETY-SIX DOLLARS AND SEVENTY-TWO CENTS (\$4,971,496.72) PLUS COSTS.

AND TAKE FURTHER NOTICE THAT IF YOU DO NOT, WITHIN FIVE (5) DAYS FROM THE DATE OF SERVICE UPON YOU OF THE NOTICE HEREIN, REPLEVY THE SAME GOODS AND CHATTELS BY PAYING THE ARREARS OF RENT AS AFORESAID, THE SAID GOODS AND CHATTELS SHALL BE APPRAISED BY TWO APPRAISERS IN ACCORDANCE WITH THE PROVISIONS OF THE "COMMERCIAL TENANCIES ACT", AND SHALL THEREAFTER BE SOLD, AND THE BEST PRICE THAT CAN BE OBTAINED FOR THEM TOWARD SATISFACTION OF RENT FOR WHICH THEY WERE DISTRESSED, AND THE CHARGES OF SUCH DISTRESS, APPRAISEMENT, SALE, LEGAL FEES AND RELATED COST.

AND FURTHER TAKE NOTICE THAT SHOULD IT BE NECESSARY FOR THE PROTECTION OF YOUR GOODS AND CHATTELS AND FOR THE PROTECTION OF THE LANDLORD'S RIGHT OF DISTRESS THAT THE SAID GOODS BE REMOVED AND STORED IN A SAFE PLACE, AND/OR THE LOCK ON THE ENTRY TO THE SAID PREMISES BE CHANGED BUT, NOTWITHSTANDING THE CHANGE OF LOCK BY THE LANDLORD FOR THE PURPOSE OF PROTECTION OF SAID GOODS AND CHATTELS, YOUR RIGHTS AS TENANT TO THE PREMISES CONTINUE TO BE RECOGNIZED, AND YOU MAY, UPON REQUEST TO THE LANDLORD OR ITS BAILIFF, RE-ENTER THE LEASED PREMISES AND CONTINUE TO OCCUPY SAME, AND USE SAME. YOU MAY REPLEVY YOUR GOODS AND CHATTELS UPON PAYMENT OF ARREARS OF RENT, PLUS COSTS AND CHARGES, AS AFORESAID.

THIS IS NOT A FORFEITURE OF THE SAID TENANCY AGREEMENT BUT A DISTRESS AGAINST GOODS AND CHATTELS. FOR GREATER CERTAINTY, THIS DISTRESS IS NOT INTENDED IN ANY WAY TO TERMINATE THE SAID TENANCY AGREEMENT.

LANDLORD
EASTGATE GROUP INC.
4540 Eastgate Parkway, Unit 8
Mississauga, Ontario, L4W 3W6

BAILIFF
STERLING BAILIFFS INC.
1001 Petrolia Road
Toronto, Ontario M3J 2X7
Tel: 416-701-1322 Fax: 416-701-0005

DATED at Mississauga, Ontario, this 2nd day of June, A.D. 2022.

Signed: 

Warrant Registration File No.: L-6531A

NOTICE TO TENANT

RE-ENTRY INTO THESE PREMISES MUST BE BY PERMISSION OF THE LANDLORD OR THEIR BAILIFF. SUCH RE-ENTRY SHALL NOT BE UNREASONABLY WITHHELD BY ARRANGEMENT.

ANY ATTEMPT TO REMOVE SEIZED GOODS OR CHATTELS IS UNLAWFUL AND A VIOLATION OF THE CRIMINAL CODE

CANADIAN WESTERN BANK - and - 2722959 ONTARIO LTD. et al

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

SUPPLEMENTARY MOTION RECORD

KLUG LAW
Barristers & Solicitors
100 Allstate Parkway
Suite 800
Markham, ON L3R 6H3

Leo Klug
leoklug@kluglaw.ca
Law Society No. 12452U
Telephone: (905) 947-8771
Facsimile: (905) 947-0529

Counsel to Lo Greco Stilman LLP
Lawyers for the Respondent (Moving Party)
2156775 Ontario Limited