

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.
O/A STEELBACK BREWERIES**

Applicants

**MOTION RECORD
(Amend Approval and Vesting Order Dated April 15, 2008)
(Returnable May 14, 2008)**

May 12, 2008

AYLESWORTH LLP
Barristers & Solicitors
P.O. Box 124, 18th Floor
222 Bay Street
Toronto, ON M5K 1H1

Lisa S. Corne (LSUC No. 27974M)
Tel: 416-646-4608
Fax: 416-865-1398

Solicitors for the Applicants

TO: **SERVICE LIST ATTACHED**

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D'ANGELO BRANDS INC. SERVICE LIST
as at May 12, 2008

FRANK D'ANGELO 265 Forest Hill Road Toronto, ON M5P 2N3	
S.E.I.U. LOCAL 2. ON BREWERY, GENERAL PROFESSIONAL WORKERS' UNION 238 Jane Street Toronto, ON M6S 3Z1	J. Cameron Nelson Tel: 416-762-7477 Fax: 416-762-0182 Email: jcnelson@seiulocal2.ca
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KRONIS, ROTSZTAIN, MARGLES, CAPPEL Barristers & Solicitors Suite 700, 25 Sheppard Avenue West Toronto, ON M2N 6S6	Mervyn Abramowitz Tel: 416-218-5620 Fax: 416-225-3910 Email: mabramowitz@krmc-law.com Solicitors for Mintz & Partners Limited
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OKELL & WEISMAN Barristers & Solicitors Suite 407, 1600 Steeles Avenue West Concord, ON L4K 4M2	David A. Weisman Tel: 905-761-8711 Fax: 905-761-8633 email: dweisman@okellweisman.com Solicitors for York Warehousing & Distribution and York Transportation Group
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SJM LOGISTICS 8 Tracey Blvd. Brampton, ON L6T 5R9	Dean Burnstein Tel: 905-792-9898 Fax: 905-792-3150 Email: dean@sjmlogistics.com
HORNELL BREWING CO. Suite 205, 5 Dakota Drive Lake Success, NY 11042 U.S.A.	Martin Cunningham Tel: 516-812-0301 Fax: 516-812-0401 Email: mcunningham@arizonaicedt.com Jay Petragani Tel: 516-812-0301 Fax: 516-812-0401 Email: jpetragani@arizonaicedt.com
CONFEDERATION FREEZERS 250 Summerlea Road Brampton, ON L6T 3V6	Kathie Krolicki Customer Relations Manager Tel: 905-595-4313 Email: kathie@gocold.ca

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GILBERTSON DAVIS EMERSON LLP Barristers and Solicitors Suite 2020, 20 Queen Street West Toronto, ON M5H 3R3	John L. Davis Tel: 416-979-2020 Fax: 416-979-1285 Email: jdavis@gilbertsondavis.com Solicitors for The Boiler Inspection and Insurance Company of Canada
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DEPARTMENT OF JUSTICE CANADA Tax Section, Exchange Tower Suite 3400, P.O. Box 36 130 King Street West Toronto, ON M5X 1K6	Diane H. A. Winters General Counsel Tel: 416-973-3172 Fax: 416-973-0810 Email: diane.winters@justice.gc.ca

CHAITONS LLP Barristers & Solicitors 185 Sheppard Avenue West Toronto, ON M2N 1M9	George Benchetrit Tel: 416-222-8888 Fax: 416-222-8402 Email: george@chaitons.com Solicitors for Hornell Brewing Co.
FASKEN MARTINEAU Barristers & Solicitors 66 Wellington Street West Suite 4200, Toronto Dominion Bank Tower Box 20, Toronto-Dominion Centre Toronto, ON M5K 1N6	Edmond Lamek Tel: 416-865-4506 Fax: 416-364-7813 Email: elamek@fasken.com Solicitors for Confederation Freezers
PENSKE TRUCK LEASING CANADA INC. Rt 10 Green Hills 3 rd Floor Reading, PA 19607	Maureen Biassey Tel: 610-603-8563 Email: maureen.biassey@penske.com
MEADWESTVACO PACKAGING SYSTEMS LP 281 Fairall Street Ajax, ON L1S 1R7	Tel: 905-683-2330 Fax: 905-683-5032
PARAMOUNT PALLET, INC. 1330 Martin Grove Road Toronto, ON M9W 4X3	Tel: 416-742-6006 Fax: 416-742-2390
NATIONAL STARCH AND CHEMICAL COMPANY 10 Finchdene Avenue P.O. Box 6500 Bridgewater, NJ 08807-0500	Tel: 908-885-5000 Fax: 908-685-5005
MTC LEASING INC. 5575 North Service Road Suite 300 Burlington, ON L7L 6M1	Tel: 905-639-3995 Fax: 905-681-4765 or 905-336-6516
FELTMATE DELIBATO HEAGLE LLP Barristers & Solicitors Suite 301, 2010 Winston Park Drive Oakville, ON L6H 5R7	Tibor Sarai Tel: 905-829-3200 Fax: 905-829-3277 Email: tsarai@fdhlawyers.com Solicitors for Domino Printing Solutions Inc.

CAPO, SGRO LLP Barristers & Solicitors Suite 400, 7050 Weston Road Woodbridge, ON L4L 8G7	Gregory N. Hemsworth Tel: 905-850-7000 Fax: 905-850-7050 Email: ghemsworth@cslp.ca
CITY SOLICITOR'S OFFICE City of Toronto Legal Services Station 1260, 26 th Floor, Metro Hall 55 John Street Toronto, ON M5V 3C6	Glenn K. L. Chu Tel: 416-397-5407 Fax: 416-397-1765 Email: gchu2@toronto.ca Solicitors for Board of Governors of Exhibition Place
MINISTRY OF REVENUE (ONTARIO) Legal Services Branch 6 th Floor, P.O. Box 627, Station A 33 King Street West Oshawa, ON L1H 8H5	Kevin O'Hara Tel: 905-433-6934 Fax: 905-436-4510 Email: kevin.ohara@ontario.ca
QUALITECH FOODS INC. 150 Signet Drive Weston, ON M9L 1T9	Michael Florence
QTF FOODS INC. 150 Signet Drive Weston, ON M9L 1T9	Noordine Teja
2048572 ONTARIO LIMITED 150 Signet Drive Weston, ON M9L 1T9	Michael Florence
LEVINE SHERKIN BOUSSIDAN Barristers & Solicitors Suite 300 23 Leslie Street Toronto, ON M3B 3P6	Kevin D. Sherkin Tel: 416-224-2400 Fax: 416-224-2408 Email: Kevin@lsblaw.com Solicitors for Steelback Brewery Inc.
TORYS LLP Barristers & Solicitors Suite 3000, 79 Wellington Street West Box 270, TD Centre Toronto, ON M5K 1N2	Natasha De Cicco Tel: 416-865-0040 Fax: 416-865-7380 Email: ndecicco@torys.com Solicitors for Brewers Retail Inc. o/a The Beer Store

W:\w\Wasanda Enterprises Inc. - 12948\0003 - D'Angelo Brands, Inc. - Security Enforcement\Motions\01 Service List as at May 12 08.doc

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.
O/A STEELBACK BREWERIES**

Applicants

**NOTICE OF MOTION
(Amend Approval and Vesting Order Dated April 15, 2008)
(Returnable May 14, 2008)**

The Applicant, Wasanda Enterprises Inc., ("Wasanda") will make a Motion to a Judge presiding over the Commercial List on Wednesday, May 14, 2008, at 10:00 a.m., or as soon after that time as the motion can be heard at the court house, 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) An Order abridging the time for service of this Notice of Motion and Motion Record herein, if necessary, and dispensing with any further service thereof, such that this motion is properly returnable on May 14, 2008;

- (b) An Order amending the Order of the Honourable Mr. Justice Cumming dated April 15, 2008 (the "Approval and Vesting Order") so as to correct certain errors arising from accidental slips or omissions; and
- (c) Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) On April 15, 2008, Wasanda applied for and was granted the Approval and Vesting Order;
- (b) Through inadvertence, the Approval and Vesting Order contained several errors arising from accidental slips or omissions;
- (c) The amendments are required in order to correct these inadvertent errors and will not alter the substance of the matters adjudicated upon in the Approval and Vesting Order;
- (d) Rules 2.03, 3.02, 37 and 59.06(1) of the *Rules of Civil Procedure*; and
- (e) Such further and other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Affidavit of Douglas Hendler sworn May 12, 2008 and the exhibits thereto;
and

- (b) Such further and other material as counsel may advise and this Honourable Court may permit.

May 12, 2008

AYLESWORTH LLP
Barristers & Solicitors
P.O. Box 124, 18th Floor
222 Bay Street
Toronto, ON M5K 1H1

Lisa S. Corne (LSUC No. 27974M)
Tel: 416-646-4608
Fax: 416-865-1398

Solicitors for the Applicants

TO: **SERVICE LIST ATTACHED**

IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC. UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.B-16, AS AMENDED

AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC., O/A STEELBACK BREWERIES

Applicants

Court File No. 07-CL-7283

<p>ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST</p> <p>PROCEEDING COMMENCED AT TORONTO</p>	
<p>NOTICE OF MOTION (Amend Approval and Vesting Order Dated April 15, 2008)</p>	
<p>AYLESWORTH LLP Barristers & Solicitors Ernst & Young Tower Toronto-Dominion Centre P.O. Box 124, 18th Floor, 222 Bay Street Toronto, ON M5K 1H1</p> <p>Lisa S. Corne (LSUC 27974M) Tel : 416-646-4608 Fax: 416-865-1398</p> <p>Solicitors for the Applicants</p>	

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
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D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.,
O/A STEELBACK BREWERIES**

Applicants

**AFFIDAVIT OF DOUGLAS HENDLER
(Sworn May 12, 2008)**

I, Douglas Hendler, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I Douglas Hendler, solicitor, of the City of Toronto in the Province of Ontario hereby make oath and say as follows:
2. I am a partner in the law firm of Aylesworth LLP, solicitors for Wasanda Enterprises Inc. ("Wasanda") and accordingly, have knowledge of the matters to which I hereinafter depose.
3. On April 15, 2008, the Honourable Mr. Justice Cumming granted an Order on the application of Wasanda approving a sale transaction contemplated by an Agreement of Purchase and Sale between Steelback Brewery Inc., as purchaser, and D'Angelo Brands Ltd. and 15440633 Ontario Inc., as vendors, (collectively, the "Debtors"). A true copy of the Approval and Vesting Order issued by the Honourable Mr. Justice Cumming dated April 15, 2008, is attached hereto and marked as Exhibit "A".

4. Upon reviewing the Approval and Vesting Order subsequent to its issuance, I noted certain minor errors in the form of the Order which arose as a result of accidental slips or omissions.

5. Specifically, the Approval and Vesting Order includes a Schedule "C" – Purchased Assets, which is blank and was included in error. Schedule "C" ought to consist of a description of the real property included among the purchased assets. A corrected Schedule "C" is attached hereto and marked as Exhibit "B" to my affidavit.

6. In addition, the sixth line in paragraph 3 of the Approval and Vesting Order incorrectly refers to the purchased assets as "listed on Schedule "C" hereto". That reference should be deleted. Further, paragraph 4 of the Approval and Vesting Order includes an incorrect reference to "Schedule "B" in the fourth line thereof and ought to reference Schedule "C".

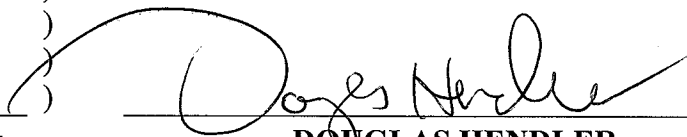
7. Accordingly, Wasanda requests an Order amending the Approval and Vesting Order in order to correct these inadvertent errors. The proposed amendments do not alter the subject matter adjudicated upon by the Court in the Approval and Vesting Order.

8. This Affidavit is sworn in support of a motion by Wasanda for an Order amending the Approval and Vesting Order and for no other or improper purpose.

SWORN OR AFFIRMED before)
me at the City of Toronto, in the)
Province of Ontario, this 12th day of)
May, 2008.)



A Commissioner for taking affidavits.



DOUGLAS HENDLER

IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC. UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.B-16, AS AMENDED

AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC., O/A STEELBACK BREWERIES

Debtors

Court File No.

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST PROCEEDING COMMENCED AT TORONTO	
AFFIDAVIT OF DOUGLAS HENDLER (Sworn May 12, 2008)	
AYLESWORTH LLP Barristers & Solicitors Ernst & Young Tower Toronto-Dominion Centre P.O. Box 124, 18 th Floor, 222 Bay Street Toronto, ON M5K 1H1 Lisa S. Corne (LSUC 27974M) Tel : 416-646-4608 Fax: 416-865-1398 Solicitors for the Applicants	

**THIS IS EXHIBIT "A" REFERRED TO IN
THE AFFIDAVIT OF DOUGLAS HENDLER
SWORN BEFORE ME THIS 12TH DAY
OF MAY, 2008**


.....
A COMMISSIONER FOR TAKING AFFIDAVITS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

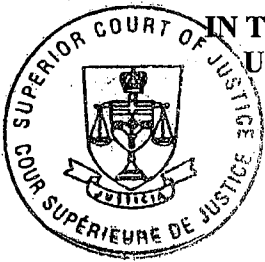
JUSTICE

CUMMING

)
)
)

TUESDAY, THE 15TH

DAY OF APRIL, 2008



**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
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OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.,
O/A STEELBACK BREWERIES**

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Wasanda Enterprises Inc. ("Wasanda") for an order:

- (a) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between Steelback Brewery Inc. (the "Purchaser") and D'Angelo Brands Ltd. and 15440633 Ontario Inc. (collectively, the "Debtors") as Vendors, made as of April 10, 2008 and appended to the Fourth Report of Mintz & Partners Limited in its capacity as Court-appointed Monitor (the "Monitor") dated April 11, 2008 (the "Report"), subject to a further marketing process to be conducted by the Monitor in accordance with the bidding procedures attached to the Sale Agreement (the "Bidding Procedures"); and
- (b) upon the issuance of a Monitor's Certificate confirming that no other Qualified Bids have been received prior to the Bid Deadline (as defined in the Bidding

Procedures), vesting in the Purchaser all of the Debtors' rights, title and interests in and to the assets described in the Sale Agreement (the "Purchased Assets"),

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and the affidavit of Glen A. Huber sworn April 9, 2008, and on hearing the submissions of counsel for Wasanda, the Debtors, the Purchaser, and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Claudia Peters sworn April 11, 2008 filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service on any interested party other than those parties served is hereby dispensed with.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtors and their stakeholders. The execution of the Sale Agreement by the Debtors is hereby authorized and approved, and the Debtors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, subject to the Bidding Procedures attached hereto as Schedule "A". Further, the Monitor is hereby authorized and directed to take such steps as may be appropriate to carry out the activities contemplated in the Bidding Procedures.
3. THIS COURT ORDERS AND DECLARES that upon the delivery by the Monitor of a certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "Monitor's Certificate") confirming that no other Qualified Bids (as defined in the Bidding Procedures) have been received prior to the Bid Deadline (as defined in the Bidding Procedures), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "C" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed

trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Pepall dated November 15, 2007; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that upon the registration in the Land Titles Division of Bruce of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule "D" hereto.
5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

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

8. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

April 15, 2008 Peter A. Cumming J.

CLERK OF THE COURT
FEDERAL COURT OF JUSTICE
1000 UNIVERSITY AVENUE
OTTAWA, K1P 6K1

APR 15 2008

PER/PAR:

CL

SCHEDULE "A" – BIDDING PROCEDURES

Pursuant to an application made by Wasanda Enterprises Inc. ("Wasanda"), a secured creditor of 1540633 Ontario Inc. and D'Angelo Brands Ltd. (collectively, the "Debtors"), the Debtors are currently subject to restructuring proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), and have been authorized to proceed with a sale of certain of their assets, under the supervision of the Ontario Superior Court of Justice (Commercial List) (the "Court"). Wasanda is seeking an Order of the court authorizing the Debtors to enter into a Purchase and Sale Agreement dated as of April 10, 2008, (the "Agreement") for the sale of certain of their assets used in connection with the brewery operated by 1540633 Ontario Inc. (collectively, the "Brewery Assets") to Steelback Brewery Inc. (the "Proposed Purchaser") or such other agreements as may be reached with a successful bidder (the "Successful Bidder") determined under these bidding procedures and approved by the Court. Only bids that comply, in all respects, with these bidding procedures will be considered for acceptance by the Debtors.

The consideration to be paid by the Proposed Purchaser for the sale of all of the Brewery Assets is the sum of \$8 million cash, plus applicable taxes (the "Purchase Price"), payable by way of a refundable deposit of \$1 million, and the balance of \$7 million, on closing. Wasanda and the Debtors believe that the Agreement is fair and reasonable and also believe that it is in the best interest of all stakeholders of the Debtors to undertake a further marketing and sale process, using the Agreement as a benchmark to establish a floor price, in an effort to identify the highest or otherwise best offer for the Brewery Assets. Accordingly, Wasanda, with the consent of the Debtors, is seeking the approval of the Court of the Bidding Procedures set out herein.

Assets to be Sold

The Debtors, who are operating under the supervision of Mintz & Partners Limited, the Monitor appointed by the Court pursuant to the CCAA (the "Monitor"), are offering the Brewery Assets for sale. These assets are detailed in the Agreement. The Debtors shall retain all right, title and interest in and to the assets which are not subject to a bid accepted by the Debtors and approved by the Court.

The Bidding Process

Interested parties will be provided with access to confidential information relevant to the Brewery Assets and will be given an opportunity to inspect the Brewery Assets only upon executing a confidentiality agreement and providing financial statements or other satisfactory evidence of an ability to finance a transaction, on an all cash basis in an amount greater than the Purchase Price (hereinafter, a "Qualified Bidder").

The Monitor will receive offers from interested parties and will communicate with the Debtors and coordinate the efforts of all Qualified Bidders in conducting due diligence investigations.

Bid Deadline

Any person who wishes to make a bid shall deliver a written copy of its bid to be received by no later than 5:00 p.m., on Tuesday, May 6, 2008 (the "Bid Deadline"), by electronic mail, facsimile

transmission, personal delivery, courier or prepaid mail addressed to the Monitor and the Debtors as follows:

- (a) To the Monitor to:
Mintz & Partners Limited
1 Concord Gate
Suite 200
North York, ON
M3C 4G4

Attention: Tony Zaspalis
Facsimile: 416-644-4303
Email: tzaspalis@deloitte.ca

- (b) To the Debtors to:
D'Angelo Brands Ltd.
and 1540633 Ontario Inc.,
o/a Steelback Breweries
14 Brewster Road
Brampton, ON L4W 3W6

Attention: Ari Huber
Facsimile: 905-794-0289
Email: ahuber@steelbackbrewery.com

The Debtors, and the Monitor, may, in their collective discretion, extend the Bid Deadline once or successively, but are not obligated to do so.

Bid Requirements

All bids must include the following documents:

- (a) a letter stating that the bidder's offer is irrevocable until the earlier of 2 business days after the closing of a sale of the Brewery Assets or June 16, 2008;
- (b) an offer to purchase the Brewery Assets, for an amount equal to or greater than the Purchase Price executed by the bidder, substantially in the form of the Agreement, marked and initialled to show those amendments and modifications to the Agreement which the bidder proposes;
- (c) a good faith deposit in the amount of \$1 million, in the form of a certified cheque or bank draft (or other form acceptable to the Monitor and the Debtors, in their discretion) payable to the order of the Monitor in trust (the "Deposit");
- (d) evidence in writing of either immediately available funds from the bidders' internal sources or from external sources (i.e., a financial commitment letter), or other evidence of ability to consummate the proposed transaction which is satisfactory to the Monitor and the Debtor, in their discretion.

The Monitor and the Debtors will consider a bid only if it is on terms that are not conditional upon obtaining financing or on the outcome of unperformed due diligence by the bidder.

In addition to the Agreement, a bid that includes all of the above requirements and satisfies all of the foregoing conditions is a "Qualified Bid". If no Qualified Bid other than the Agreement is received prior to the Bid Deadline, the Debtors shall be authorized to complete the sale of the Brewery Assets to the Proposed Purchaser on the terms set out in the Agreement.

Due Diligence

The Monitor, in cooperation with the Debtors, will coordinate requests from Qualified Bidders for additional information regarding the Debtors and their assets and due diligence information requests. The Monitor will not be obligated to provide any due diligence information after the Bid Deadline.

As Is, Where Is

The sale of the Brewery Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtors or the Monitor, except to the extent set forth in the applicable Agreement of the Successful Bidder as accepted by the Debtors. Except as otherwise provided in the applicable Agreement, all right, title and interest of the Debtors in and to the Brewery Assets shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, and options thereon in accordance with a Vesting Order of the Court, and any such interests and claims, charges, encumbrances, options, or liens, will attach to the net proceeds from the sale of the Brewery Assets.

Each bidder will be deemed to acknowledge and represent by submitting its bid that it has had an opportunity to conduct any and all due diligence regarding the Brewery Assets prior to making its offer, the bidder has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Brewery Assets in making its bid and that it did not rely upon any written or oral statements, representations, promises warranties or guarantees, whatsoever, whether express, implied or by operation of law or otherwise, regarding the Brewery Assets or the completeness or accuracy of any information provided in connection therewith, except as expressly stated in the applicable Agreement.

Auction

If, in addition to the Agreement, one or more Qualified Bids are received prior to the Bid Deadline, the Monitor shall, without the requirement for further notice to any person, conduct an auction of the Brewery Assets (the "Auction"). The Auction will commence at 10:00 a.m. on May 8, 2008, at the offices of the Monitor, 1 Concord Gate, Suite 200, North York, Ontario, or such later time or other place as the Monitor shall notify all Qualified Bidders who have submitted Qualified Bids. Only a Qualified Bidder who has submitted a Qualified Bid is eligible to participate and submit a further bid at the Auction. During the Auction, bidding shall begin initially with the highest Qualified Bid, and subsequently continue in minimum increments of at least \$100,000.00 higher than the previous bid. Other than as disclosed herein, the Monitor may conduct the Auction in the manner it determines will result in the highest or otherwise best offer. Upon conclusion of the Auction, the Monitor in consultation with the Debtors, and Wasanda, shall review each Qualified Bid received on the basis of the financial and contractual terms and

other relevant factors, including the speed and certainty of consummating a sale and identify the highest or otherwise best offer for the Brewery Assets (the "Successful Bid").

Acceptance of Bids

Following entry of an Order of the Court approving the Successful Bid, to be obtained upon motion by Wasanda, on notice to the service list in the Debtors' CCAA proceeding, the Debtors will sell the Brewery Assets to the Successful Bidder or as directed pursuant to the Order of the Court.

The presentation of a particular bid to the Court for approval will not constitute acceptance of that bid by the Debtors. The Debtors will be deemed to have accepted a Successful Bid only when the bid has been approved by the Court.

The sale approval hearing will be held at 393 University Avenue, Toronto, Ontario on May 14, 2008 at 10:00 a.m. or as soon after that time as the matter can be heard.

Following the sale approval hearing, if the Successful Bidder fails to consummate an approved sale, the next highest or otherwise best bid, as disclosed at the sale approval hearing, shall be deemed to be the Successful Bid, until a sale is completed to a Successful Bidder and the Debtors shall be authorized to consummate the sale with the bidder submitting such bid without further order of the Court.

Return of Deposit

The Deposit will be deposited by the Monitor into an interest bearing trust account, and held in escrow by the Monitor until 2 business days after the closing of the sale of the Brewery Assets. If an offer is not accepted for any reason, the Deposit shall be returned to the bidder, together with all interest accrued thereon, without deduction. If a bidder fails to consummate an approved sale as a result of a breach or failure to perform on the part of the bidder, the Monitor will not have any obligations to return the Deposit deposited by such bidder and the Deposit, together with interest will be retained by the Debtors and forfeited by the bidder as liquidated damages.

Schedule "B" – Form of Monitor's Certificate

Court File No. 07-CL-7283

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.,
O/A STEELBACK BREWERIES**

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (the "Court") dated November 15, 2007, Mintz & Partners Limited was appointed as Monitor (the "Monitor") of D'Angelo Brands Ltd. and 1540633 Ontario Inc. o/a Steelback Breweries (collectively, the "Debtors").

B. Pursuant to an Order of the Court dated April 15, 2008, the Court approved the agreement of purchase and sale made as of April 10, 2008 (the "Sale Agreement") between the Debtors and Steelback Brewery Inc. (the "Purchaser"), subject to a further marketing process to be conducted by the Monitor and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; and

(ii) that the conditions to Closing as set out in articles 5 and 6 of the Sale Agreement have been satisfied or waived by the Debtors and the Purchaser.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. No Qualified Bid other than the Sale Agreement has been received by the Monitor or the Debtors prior to the Bid Deadline;
2. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
3. The conditions to Closing as set out in articles 5 and 6 of the Sale Agreement have been satisfied or waived by the Debtors and the Purchaser.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ 2008.

**Mintz & Partners Limited, in its capacity as
Court-Appointed Monitor of D'Angelo
Brands Ltd. and 1540633 Ontario Inc. o/a
Steelback Breweries and not in its personal
capacity**

Per: _____
Name:
Title:

Schedule "C" – Purchased Assets

Schedule "D" – Claims to be deleted and expunged from title to Real Property

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
LT50372	2002/10/21	Charge	\$5,000,000		Wasanda Enterprise Inc.
BR1368	2007/01/29	Charge	\$100,000,000	1540633 Ontario Inc.	2048572 Ontario Limited
BR1543 Remarks: LT50372 to BR1368	2007/02/07	Postponement		Wasanda Enterprises Inc.	2048572 Ontario Limited
BR1544 Remarks: LT46920 to BR1368	2007/02/07	Postponement		Wasanda Enterprises Inc.	2048572 Ontario Limited

**Schedule "E" – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Reg. Num.	Date	Instrument Type	Parties To
LT16633	1986/05/22	Agreement	The Corporation of the Township of Bruce
LT18457 Remarks: Amendment, LT16633	1987/05/22	Agreement	The Corporation of the Township of Bruce
LT34372 Remarks: Site Plan	1993/03/31	Agreement	The Corporation of the Township of Bruce
LT17660	1986/11/13	Transfer Easement	Ontario Hydro

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**THIS IS EXHIBIT "B" REFERRED TO IN
THE AFFIDAVIT OF GLEN A. HUBER
SWORN BEFORE ME THIS 12TH DAY
OF MAY, 2008**


.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Schedule "C" – Real Property

The real property and improvements located at 88 Farrell Drive,
Tiverton, Ontario and legally described as Lot 15, Plan 3M – 113,
Township of Bruce, County of Bruce.

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

JUSTICE

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WEDNESDAY, THE 14TH

DAY OF MAY, 2008

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.,
O/A AS STEELBACK BREWERIES**

Applicants

ORDER

(Amend Approval and Vesting Order Dated April 15, 2008)

THIS MOTION, made by Wasanda Enterprises Inc. ("Wasanda"), for an Order amending the Order of the Honourable Mr. Justice Cumming dated April 15, 2008 (the "Approval and Vesting Order"), in order to correct errors arising from accidental slips or omissions, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Douglas Hendler sworn May 12, 2008, and on hearing the submissions of counsel for Wasanda, the Debtors, and the Monitor, no one appearing for any other person on the Service List, although properly served:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and that the Motion is properly returnable today and service on any interested party other than those parties served is hereby dispensed with.

DRAFT

2. **THIS COURT ORDERS** that the Approval and Vesting Order be and is hereby amended as follows:

- (a) Schedule "C" – Purchased Assets is hereby deleted and replaced with Schedule "C" – Real Property in the form attached hereto;
- (b) Paragraph 3 is amended by deleting from the sixth line thereof, the words " and listed on Schedule "C" hereto; and
- (c) Paragraph 4 is amended by deleting from the fourth line thereof, the reference to "Schedule "B" and replacing it with "Schedule "C".

W:\w\Wasanda Enterprises Inc. - 12948\0003 - D'Angelo Brands, Inc. - Security Enforcement\Motions\Amend Approval and Vesting Order May 14 08\Order.doc

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IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC. UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.B-16, AS AMENDED

AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC., O/A STEELBACK BREWERIES

Applicants

Court File No. 07-CL-7283

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER
(Amend Approval and Vesting Order
Dated April 15, 2008)

AYLESWORTH LLP
Barristers & Solicitors
Ernst & Young Tower
Toronto-Dominion Centre
P.O. Box 124, 18th Floor, 222 Bay Street
Toronto, ON M5K 1H1

Lisa S. Corne (LSUC 27974M)
Tel : 416-646-4608
Fax: 416-865-1398

Solicitors for the Applicants

IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC. UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.B-16, AS AMENDED

AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC., O/A STEELBACK BREWERIES

Applicants

Court File No. 07-CL-7283

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(Amend Approval and Vesting Order
Dated April 15, 2008)**

AYLESWORTH LLP

Barristers & Solicitors

Ernst & Young Tower

Toronto-Dominion Centre

P.O. Box 124, 18th Floor, 222 Bay Street

Toronto, ON M5K 1H1

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