# REVOLVING LOAN AGREEMENT

**Key Terms:**

**Maximum Credit Line: $3,000,000**

**Maturity Date: October 23, 2027 (3 years from signing)**

**Minimum Advance Amount: $100,000**

**Minimum Repayment Amount: $100,000**

**Financing Rate: Prime + 3.25%**

**Loan Fee:** [redacted] redacted - commercially sensitive

**WHEREAS** Client (2707048 Ontario Corporation, a subsidiary of Aegis Brands Inc.) has requested Lender (Yogen Fruz Canada Inc.) to make available to it a revolving loan in the maximum aggregate amount specified under the heading "Maximum Credit Line" above and Lender has agreed to make such revolving loan available to Client on the terms and subject to the conditions set out in this Agreement.

**THE PARTIES AGREE THAT:** In consideration of the loan made or to be made by Yogen Fruz Canada Inc. (the "**Lender**") to Client, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to pay to Lender the amounts which are set out herein (the "**Obligations**").

**IN WITNESS WHEREOF,** the parties hereto have executed this Revolving Loan Agreement at Toronto, Ontario this 23 day of October, 2024.

**2707048 ONTARIO CORPORATION**

**By:** [redacted]
Name: Steven Pelton
Title: President

**By:** [redacted]
Name: Melinda Lee
Title: Secretary

SIGNATURE OF AUTHORIZED OFFICERS

**YOGEN FRUZ CANADA INC.**

**By:** [redacted]
Name: Aaron Serruya
Title: President

SIGNATURE OF AUTHORIZED OFFICERS

1. PURPOSE

This revolving loan shall be used to purchase restaurant assets, leasehold improvements and other expenditures required in order to resell restaurants to franchisees as a turn-key St. Louis Bar & Grill.

2. REVOLVING LOAN

Lender agrees to make available to Client a revolving loan (the "**Loan**") in the aggregate principal amount equal to the Maximum Credit Line.

To request an advance under the Loan (an "**Advance**") Client shall submit a Request for Advance to the Lender in the form attached as Schedule A. Client hereby acknowledges and agrees that the continuing availability of, and the Lender's obligation to make, any Advance is subject to the Client providing Lender with any and all information requested in connection with Advances, and the Client not being in default of this Agreement.

The Loan will revolve and, accordingly, Advances may be obtained, repaid and re-obtained by Client until the Maturity Date.

Client must ensure that the aggregate amount of all outstanding Advances under the Loan will not at any time exceed the Maximum Credit Line. Accordingly, Client may not request an Advance if the making of such Advance would result in such limit being exceeded.

3. REPAYMENTS

Client may at any time make repayments on Advances outstanding under the Loan without affecting its right to re-borrow up to the Maximum Credit Line. Client shall give a written notice to Lender, in the form of Schedule B, specifying:

(a) the amount of the Advance repayment, which shall be a multiple of $100,000 but which shall be in the minimum amount stated as such on the face hereof;

(b) the amount of accrued and unpaid interest and loan fee;

(c) the total amount to be debited (Advance repayment plus interest plus loan fee); and

(d) the date of the repayment, which shall be a Business Day.

The notice must be received by Lender no later than 12:00 pm (noon) Toronto time on the Business Day that is at least 48 hours preceding the date of the repayment. For clarity, all Advances plus related accrued interest and fees will be repaid in full concurrent with the closing of the sale of the related restaurant to a third party.

Unless otherwise agreed by Lender, any Advances which have not been repaid as above by the Maturity Date shall be paid in full by Client, together with any outstanding interest and loan fees, on the Maturity Date.

4. INTEREST

Advances shall bear interest at the applicable Financing Rate from the date hereof until unconditionally paid in full to Lender. Interest payable hereunder shall accrue and be calculated daily upon the daily outstanding balance of the aggregate Advances on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as applicable. Interest shall be compounded monthly. All interest payments to be made under this Agreement shall be paid on repayment of the associated Advance.

Any principal or interest which is not paid when due shall bear interest at the Default Rate, being the Financing Rate plus three percent (3%), compounded monthly.

The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) the Financing rate multiplied by (b) the actual number of days in the calendar year in which it is to be ascertained divided by 365 or 366, as applicable.

As the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective daily. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client.

5. LOAN FEE

Advances will be subject to a loan fee, being [redacted] calculated and compounded monthly and payable on repayment of the associated Advance.

6. SECURITY

Aegis Brands Inc. ("**Aegis**"), Client's parent company, will provide a corporate guarantee supported by a General Security Agreement creating a security interest against all of the assets situated at the restaurant associated with each Advance (the "**Collateral**"), which shall be a fully subordinated second secured position behind Aegis' senior lender and Lender will enter into a full standstill agreement with Aegis' senior lender. Lender is permitted to file a PPSA registration on the Collateral associated with each Advance while the Advance is outstanding. The PPSA will be discharged on resale of each location concurrent with the repayment of the Advance and related interest and fees.

7. COVENANTS

The Client covenants and agrees to:

(a) preserve, repair and maintain the Collateral in good condition and replace any which is destroyed or rendered unusable;

(b) insure the Collateral at all times against any loss or damage up to its full replacement value;

(c) not allow any lien or encumbrance to be created or registered against the Collateral, with the exception of any registrations by the senior lender as referred to in Section 6;

(d) not sell, assign, rent or otherwise alienate the Collateral or any part of it except (i) the sale of inventory in the ordinary course of business and (ii) the sale or disposal of furniture or equipment which has become damaged, obsolete or otherwise unusable, provided that the Client substitutes them immediately with other property of the same nature and value.

8. DEFAULT

It shall be a Default under this Agreement if:

(a) Client fails to pay any Advance when due or any interest or loan fee payment within 10 days after its due date;

(b) Client breaches any of the covenants in Section 7 and fails to remedy such breach within five (5) days written notice of default;

(c) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading;

(d) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client and in such act, petition, filing or proceeding (excluding in the case of a voluntary act, petition or notice by the Client) has not been stayed, dismissed, vacated or withdrawn within thirty (30) days of the commencement thereof; or

(d) Client initiates any steps for its dissolution, winding up or liquidation.

Upon Default, Lender shall be entitled to:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations including repayment of all outstanding Advances, interest and loan fees shall be immediately due, payable and enforceable without any notice or demand whatsoever; and/or

(b) suspend or terminate the Client’s right to use the Loan and obtain Advances thereunder; and/or

(c) exercise all rights and remedies available against the Client and the Collateral pursuant to the security documents referred to in Section 6; and/or

(d) terminate this Agreement.

9. CURRENCY

All sums of money owing under any Advance shall be paid in Canadian Dollars.

10. ADMINISTRATIVE FEES AND EXPENSES

Client shall pay to Lender the sum of $10,000, together with HST if applicable, as payment for Lender’s legal and administrative expenses in connection with this Agreement and any related documents and registration of the security, which payment shall be deducted from the first Advance.

11. ASSIGNMENT

Client shall not assign any rights hereunder without the prior written consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

12. ENTIRE AGREEMENT

There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Loan, the Obligations, the Accrued Liability, this Agreement or Collateral, other than expressed in this Agreement.

No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Collateral or connected herewith shall be binding unless in writing signed by the parties hereto.

13. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the courts of Ontario.

# SCHEDULE A
# FORM OF REQUEST FOR ADVANCE

DATE:

TO: YOGEN FRUZ CANADA INC.

RE: REVOLVING LOAN AGREEMENT DATED OCTOBER __, 2024 BETWEEN LENDER AND 2707048 ONTARIO CORPORATION

Reference is made to the Agreement. The undersigned hereby requests Lender to make an Advance in the amount of **$______(multiple of $100,000.00)** to be disbursed on ______ (dated) by way of wire transfer to **2707048 ONTARIO CORPORATION.** On the date hereof, we certify that no Default has occurred and is continuing, or will result from the making of the Advance and we hereby reaffirm that the representations and warranties contained in the Agreement are true and accurate as of the date hereof and as of the date of the Advance requested herein.

**2707048 ONTARIO CORPORATION**

By: ____________________________________
Name: Steven Pelton
Title: President

By: ____________________________________
Name: Melinda Lee
Title: Secretary

SIGNATURE OF AUTHORIZED OFFICERS

# SCHEDULE B
# REPAYMENT NOTICE

DATE:

TO: YOGEN FRUZ CANADA INC.

RE: REVOLVING LOAN AGREEMENT DATED OCTOBER __, 2024 BETWEEN LENDER AND 2707048 ONTARIO CORPORATION

Reference is made to the Agreement. The undersigned hereby advises Lender of its intent to make a repayment of Advances in the amount of $_____(**multiple of $100,000.00).**

The interest and loan fee in connection with the repayment of this draw are $__________ (calculation attached).

The undersigned hereby instructs Lender to debit the total amount of the Advance repayment plus interest plus loan fee in the amount of $_______from its bank account on _______(date).

**2707048 ONTARIO CORPORATION**

By: ___________________________________
Name: Steven Pelton
Title: President

By: ___________________________________
Name: Melinda Lee
Title: Secretary

SIGNATURE OF AUTHORIZED OFFICERS