

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CARE LENDING GROUP INC.

Applicant

and

1000209217 ONTARIO LTD.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**MOTION RECORD OF THE RECEIVER,
MSI SPERSEL INC.
(Motion Returnable August 22, 2025)**

August 18, 2025

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of 1000209217 Ontario Ltd.

TO: ATTACHED SERVICE LIST

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985 C. B-3 AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, C. C-43, AS AMENDED

SERVICE LIST
(AS AT AUGUST 18, 2025)

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CARE LENDING GROUP INC.

Applicant

and

1000209217 ONTARIO LTD.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**NOTICE OF MOTION
(RETURNABLE AUGUST 22, 2025)**

msi Spergel Inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) over the property, assets and undertakings of 1000209217 Ontario Ltd. (the “**Debtor**”), will make a Motion before the Ontario Superior Court of Justice (the “**Court**”) on August 22, 2025, at 10:00 a.m., or as soon after that time as the Motion can be heard, by video conference via Zoom.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

- ☐ In writing under subrule 37.12.1(1) because it is;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location: Zoom link to be uploaded on Caselines.

THE MOTION IS FOR:

1. An order (the “**Approval and Vesting Order**”) substantially in the form attached at **Tab “3”** to the Motion Record, among other things:

- (a) approving the sale transaction (the “**Transaction**”) contemplated by the asset purchase agreement (the “**Sale Agreement**”) between the Receiver and 1001188952 Ontario Inc. (the “**Purchaser**”) dated as of August 15, 2025;
- (b) vesting in the Purchaser all of the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), free and clear from any Encumbrances (as defined in the Approval and Vesting Order), upon closing of the Transaction and the delivery of the Receiver’s certificate (“**Receiver’s Certificate**”) to the Purchaser; and

2. An order (the “**Ancillary Order**”) substantially in the form attached at **Tab “4”** to the Motion Record, among other things:

- (a) abridging the time for service of the Notice of Motion and the Motion Record herein, and dispensing with service on any other person other than those served, if necessary;
- (b) approving the report (the “**First Report**”) of the Receiver, to be filed, and the activities and conduct of the Receiver as described therein;

- (c) approving the professional fees and disbursements of the Receiver, including the Receiver's Fee Accrual (as defined in the First Report), as set out in the fee affidavit of Philip H. Gennis, to be filed (the "**Gennis Affidavit**");
 - (d) sealing the Confidential Appendices (as defined below) to the First Report;
 - (e) authorizing the Receiver to make certain Distributions (as defined below);
 - (f) discharging and releasing Spergel as Receiver of the Debtor; and
3. Such further and other Relief as to this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

A. BACKGROUND

4. The Receiver, Spergel, was appointed by Order of the Court on June 21, 2024 (the "**Receivership Order**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "**CJA**").
5. The Appointment Order was granted on an Application commenced by the senior secured creditor of the Debtors, Care Lending Group Inc.
6. The Debtor is an Ontario limited liability corporation incorporated on May 19, 2022, which operates the Cotton Mill Pharmacy (the "**Pharmacy**"), an independent pharmacy in Cornwall, Ontario. The Debtor's registered address is located at 150 York Street, Suite 1008, Toronto, Ontario M5H 3S5.

7. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Dan Gilchrist sworn on July 12, 2024, and filed in support of the Appointment Order (the “**Gilchrist Affidavit**”).

B. THE SALE PROCESS

8. Pursuant to the Appointment Order, the Receiver was empowered and authorized to market any or all of the Property (as defined in the Appointment Order) of the Debtor, including advertising and soliciting offers in respect of the Property or any part or parts thereof, and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate.

9. The Receiver prepared a teaser letter (the “**Teaser**”), which outlined the details of the potential sale of the Property (the “**Opportunity**”), as well as a non-disclosure agreement (“**NDA**”). The Receiver sent the Teaser and NDA to approximately 80 pharmacists the Receiver identified as potential bidders.

10. The Receiver prepared an advertisement, which provided a summary of the Debtor’s Property, which was published in The Globe & Mail and Insolvency Insider.

11. Prospective bidders who executed the NDA were provided access to an electronic data room containing financial and other confidential information of the Debtor.

12. As a result, 20 parties executed NDAs and accessed the data room, and three (3) prospective purchasers submitted bids.

13. The Purchaser’s bid was for substantially all of the Debtor’s Property. The Receiver and its legal advisors negotiated the Sale Agreement with the Purchaser for the Purchased Assets.

14. The Receiver determined that the Purchaser's bid was the best bid available in the circumstances.

C. SALE AGREEMENT AND APPROVAL AND VESTING ORDER

15. The Sale Agreement provides for the sale of substantially all of the Debtor's assets (the "**Purchased Assets**") to the Purchaser on an "as-is, where-is" basis with limited representations and warranties.

16. The consideration ("**Purchase Price**") for the Purchased Assets is an assumption of a portion of the Debtor's debt to Care Lending, commonly referred to as a debt assumption, by the Purchaser. In effect, the Purchaser will become indebted to Care Lending for a portion of Care Lending's debt.

17. The Purchaser will also be assuming certain of the Debtor's liabilities (the "**Assumed Liabilities**"), including all liabilities arising or accruing from the use or storage of the Purchased Assets from and after the Closing. The Assumed Liabilities include any and all costs related to the Purchased Assets from and after Closing, and Taxes arising or accruing from and after the Closing from the use of the Purchased Assets, including, without limitation, GST/HST to be collected and remitted to Canada Revenue Agency when due.

18. The Receiver has determined, as set out below, that Care Lending is the Debtor's senior secured creditor and that there are no outstanding super-priority payments, such that Care Lending is the first-priority creditor.

19. The Sale Agreement is conditional on the approval of this Court, approval of the Ontario College of Pharmacists, and the assignment of a lease to the Purchaser.

20. The Receiver understands that the Purchaser and the lease's landlord have agreed to a consensual lease assignment.

21. The Purchaser is a newly-incorporated entity. The Receiver understands that the Purchaser's principal is a pharmacist, such that he can legally take ownership of the Cotton Mill Pharmacy in accordance with the *Drug and Pharmacies Regulation Act*, R.S.O. 1990, c. H.4.

22. The Receiver believes that the Sale Agreement represents the best available outcome in the circumstances, in light of its extensive marketing efforts and the limited interest expressed in the Purchased Assets.

D. SEALING ORDER

23. Attached to the First Report are two confidential appendices, Confidential Appendix "1" and Confidential Appendix "2" (together, the "**Confidential Appendices**").

24. Confidential Appendix "1" contains a list of parties who received the Teaser and NDA from the Receiver in its initial email blast. This is a list of pharmacists that includes their personal and contact information. There is no public interest in this list being made public, and the benefit of sealing this information outweighs its negative effects.

25. As a result, the Receiver is seeking a sealing order over Confidential Appendix "1" until further order of the Court.

26. Confidential Appendix "2" contains an unredacted copy of the Sale Agreement. The only redaction is as to the Purchase Price. This redaction is necessary to prevent the market from being tainted in the event that the Transaction does not close, causing the Receiver to re-market the

Debtor's property. In such a circumstance allowing the Purchase Price to be made public would compromise a future sale process.

27. The Receiver proposes to seal Confidential Appendix "2" only until such time as the Transaction closes. Following the closing of the Transaction, there will not be any need to avoid the risk of "tainting" a future sale process.

28. As a result, the benefit of sealing Confidential Appendix "2" outweighs the negative effects.

E. APPROVAL OF RECEIVER'S ACTIVITIES

29. The Receivership Order directs and empowers the Receiver to report to the Court in respect of these proceedings at such times and intervals as the Receiver may deem appropriate.

30. The Receiver has filed with the Court its First Report and seeks approval of the same. The Receiver's actions and activities, as described in the First Report, are lawful and proper, and consistent with its powers, duties and obligations under the Receivership Order.

31. The Receiver's activities have been reasonable and responsible and in accordance with the Receiver's mandate as provided by the Receivership Order.

32. The Ancillary Order ensures that only the Receiver is able to rely upon the approval of the First Report and only with respect to its own personal liability.

F. APPROVAL OF RECEIVER'S FEES

33. The Receivership Order directs and empowers Spergel to pass its accounts from time to time.

34. Spergel has accrued fees and expenses in its capacity as receiver, which fees and expenses require the approval of this Court pursuant to the Receivership Order.

35. As set out in the Gennis Affidavit, Spergel's fees and disbursements for the period ending June 30, 2025 total \$97,578.55 (including HST) and Spergel estimates that its remaining fees and disbursements from July 1, 2025 to completion of the administration of the Receivership will total \$25,000 (including HST).

36. The fees and disbursements of the Receiver are secured by the Receiver's Charge created by the Receivership Order.

G. APPROVAL OF DISTRIBUTION OF ANY PROCEEDS

37. As the Transaction involves a debt assumption, there will be no cash proceeds to distribute. However, the Receiver has been in communication with the CRA and understands that the CRA will be making an HST refund payment to the Receiver, on behalf of the Debtor, in the future. Unfortunately, the Receiver has not been able to confirm the exact timing of this payment or the exact quantum.

38. Nonetheless, following payment of the Receiver's fees and disbursements, the Receiver is seeking approval of a distribution of the full amount of the HST refund to Care Lending, as the Debtor's senior secured creditor, upon such time as the funds are received from the CRA. The Receiver expects that the amount of the HST refund will be less than the remaining balance of the Debtor's debt to Care Lending even after the assumption of a portion of that indebtedness by the Purchaser following the closing of the Transaction.

39. The Receiver has engaged independent counsel, Stewart Esten LLP, who have opined that, subject to standard assumptions and caveats, Care Lending's security over the assets of the Debtor is valid and enforceable.

H. DISCHARGE OF RECEIVER

40. Upon completion of the Transaction and the distribution of any HST proceeds, the administration of the Debtor's receivership will have come to an end and it will be appropriate for the Receiver to be discharged.

I. GENERAL

41. The other grounds set out in the First Report.

42. The *BIA*, including Section 243 thereof.

43. The *CJA*, including Section 101 thereof.

44. The *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, including, without limitation, rules 1.04, 1.05, 2.03, 3.02, 16, 37 and 38.

45. The inherent and equitable jurisdiction of this Honourable Court.

46. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) The First Report of the Receiver, dated August 18, 2025; and

- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

August 18, 2025

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Receiver of 1000209217 Ontario Ltd.

TO: SERVICE LIST

CARE LENDING GROUP INC.
Applicant

AND

1000209217 ONTARIO LTD.
Respondent

Court File No. CV-24-00000103-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Cornwall

NOTICE OF MOTION

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1000209217 Ontario Ltd.

TAB 2

Court File No. CV-24-00000103-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

CARE LENDING GROUP INC.

Applicant

- and -

1000209217 ONTARIO LTD.

Respondent

**FIRST REPORT OF MSI SPERGEL INC
IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 1000209217 ONTARIO LTD.**

AUGUST 15, 2025

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9. The Globe and Mail Advertisement
10. Insolvency Insider Advertisement
11. Redacted Sale Agreement
12. Receiver's Fee Affidavit
13. Receiver's Interim Statement of Receipts and Disbursements
14. HST Notice of Assessment as at April 30, 2024
15. CRA Statement regarding Source Deductions
16. Receiver's Borrowing Certificates
17. PPSA Search
18. Stewart Esten LLP Security Opinion

CONFIDENTIAL APPENDICES

1. List of Parties who received Email blast
2. Unredacted Sale Agreement

I. APPOINTMENT AND BACKGROUND

1. This first report (this “**First Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of 1000209217 Ontario Ltd., (the “**Debtor**”)
2. The Debtor was a Canadian owned private corporation carrying on business as Cotton Mill Pharmacy (the “**Cotton Mill Pharmacy**”) from leased premises located at 703 Cotton Mill Street, Cornwall, Ontario (the “**Business Premises**”).
3. On June 21, 2024, Care Lending Group Inc. (“**Care**”), a secured creditor of the Debtor, moved by way of an application in the Ontario Superior Court of Justice (the “**Court**”) for an order appointing Spergel as the Receiver of all of the assets, undertakings and properties (collectively, the “**Assets**”) of the Debtor.
4. At the hearing of Care Lending’s application, the Honourable Madam Justice Champagne issued an endorsement (the “**June 21st Endorsement**”) outlining the circumstances that warranted the appointment of a receiver and noting that the Debtor had consented to the relief being sought by Care Lending. The Court granted an Order appointing Spergel as Receiver of the Property of the Debtor (the “**Receivership Order**”). Attached to this First Report as **Appendices 1** and **2**, respectively, are copies of the June 21st Endorsement and the Receivership Order.
5. As noted in the Receivership Order, the Receiver retained Miller Thomson, LLP (the “**Receiver’s Counsel**”) as its independent legal Counsel. The Receivership Order explicitly authorized the Receiver to retain the Receiver’s Counsel, notwithstanding that the same firm also acts for Care Lending in this proceeding. To avoid any conflict of interest, the Receiver has also retained Stewart Esten LLP to act in situations, such as security reviews, where it would be improper for the Receiver’s Counsel to act.

II. PURPOSE OF THIS FIRST REPORT AND DISCLAIMER

6. The purpose of this First Report is to advise the Court as to the steps taken by the Receiver to date in these proceedings and to seek Orders from the Court, including:
- a) approving this First Report and the conduct, actions and activities of the Receiver described herein and that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the First Report;
 - b) approving the Receiver's interim Statement of Receipts and Disbursements as at August 15, 2025;
 - c) approving an agreement of purchase and sale between the Receiver, as Vendor and 1001188952 Ontario Inc., as Purchaser (the "**Purchaser**") dated August 13, 2025, (the "**Sale Agreement**") for substantially all of the Assets and authorizing the Receiver to complete the transaction contemplated therein (the "**Transaction**").
 - d) vesting in the Purchaser all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) free and clear of any claims and encumbrances (other than permitted encumbrances identified in the Sale Agreement);
 - e) sealing the Confidential Appendices (as defined herein) to this First Report until the closing of the Transaction or further order of this Court;
 - f) approving the fees and disbursements of the Receiver for the period from June 21, 2024, to and including June 30, 2025;
 - g) approving the Fee Accrual as defined herein;

- h) approving the proposed distribution of any Harmonized Sales Tax (“HST”) refunds to Care Lending net of disbursements paid from that refund;
- i) effective upon the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, discharging Spergel as Receiver and releasing Spergel from any and all liability that Spergel has or may have hereafter by reason of or in any way arising out of the acts or omissions of Spergel while acting in its capacity as Receiver; and
- j) such further and other relief as Counsel may request and this Honourable Court may permit.

Disclaimer

- 7. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report for any other purpose.
- 8. In preparing this First Report, the Receiver has relied upon certain information provided to it by the Debtors and or its principals. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.
- 9. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

III. ACTIONS OF THE RECEIVER

10. A copy of the Receivership Order was provided to the Debtor by the Receiver. In addition, the Receiver prepared its statutory Notice and Statement of the Receiver in accordance with subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (“**BIA**”) and mailed same to all creditors known to the Receiver.
11. Since the date of its appointment the Receiver directly or through the Receiver’s Counsel attended to the following:
 - a) attended the Business Premises and took possession of same, changed the locks and engaged an inventory counting service to do a count of the inventory on hand both current expired and soon to be expired;
 - b) ensured that narcotics inventory was properly secured as required by law;
 - c) communicated with the Debtor in relation to amongst other things obtaining books and records and other information regarding the pharmacy business;
 - d) froze the bank accounts maintained by the Debtor that were known to the Receiver and arranged to transfer funds from those accounts to the Receiver;
 - e) arranged for the continuation of alarm service and all utilities servicing the Business Premises;
 - f) communicated with the off-site secure storage facility where historical patient were kept and arranged for the continuation of the rental of such facility;
 - g) arranged for funding of the receivership through borrowing from Care Lending supported by Receiver’s Certificates;
 - h) arranged for insurance on the Assets and the Business Premises;
 - i) communicated with the Landlord regarding the lease of the Business Premises and arranged for the payment of rent in accordance with said lease;
 - j) communicated with the Ontario College of Pharmacists regarding the pharmacy;

- k) communicated with all insurance providers servicing the pharmacy;
- l) communicated with equipment lessors;
- m) communicated with McKesson Canada as the provider of pharmaceutical and front counter products to the pharmacy and the holder of a Purchase Money Security Interest over the pharmacy inventory ("**PMSI**") and a registrant under the *Personal Property Security Act* ("**PPSA**")
- n) communicated with the Canada Revenue Agency ("**CRA**") in an effort to ascertain the existence of priority claims;
- o) arranged for a previous owner to act as Designated Manager of the pharmacy working one day per week and commuting from Ottawa, while full-time or part-staff could be found;
- p) communicated with the Ontario Pharmacists Association regarding full-time staffing for the pharmacy;
- q) communicated with the School of Pharmacy at the University of Toronto in an effort to secure staff from amongst recent graduates of the School;
- r) obtained a security opinion relative to the security held by Care Lending from Stewart Esten LLP, an independent law firm located in Barrie, Ontario;
- s) marketed the Assets; and
- t) negotiated the Sale Agreement.

The Pharmacy Business

12. Immediately upon its appointment the Receiver attended at the Business Premises to secure possession thereof; change locks and arranged for an inventory to be taken of all pharmaceuticals. The pharmacy was not operating.

13. The Receiver communicated with the Ontario College of Pharmacists and learned that the pharmacy was subject to Notice of Temporary Closure effective May 21, 2024. Attached to this First Report as **Appendix “3”** is a copy of the email from the OCP to the CEO of the Debtor confirming the temporary closure of the pharmacy for a period of three months ending August 21, 2024, after which date unless re-opened, the pharmacy would have to permanently close.
14. Despite efforts by the Receiver to source full-time pharmacy staff, through its contacts from previous pharmacy receiverships, and through the contacts of Care Lending as a lender to the health care industry and pharmacy staffing agencies, full-time staff could not be found. The former owner/pharmacist of the Pharmacy, Andrew Hanna was recruited as Designated Manager (“**DM**”) to work one day per week as an independent contractor so as to enable the pharmacy to avoid closure by the OCP.
15. In addition to the above, the Receiver reached out to the School of Pharmacy at the University of Toronto in an effort to gauge the interest of recent graduates to relocate to Cornwall, Ontario with accommodation included. No responses were received in this regard..
16. The former owner/pharmacist remained the DM of the Pharmacy and kept the pharmacy open one day per week from on or about June 28, 2024, to March 20, 2025, on which date, a new DM who is a related party to the proposed Purchaser was hired as an independent contractor. From March 25, 2025, to and including June 15, 2025, the pharmacy remained open two days per week with the support of the OCP. Given the lack of revenue being generated by the Pharmacy, the Receiver requested that the OCP support a temporary closure of the Pharmacy for the period from June 15, 2025 to and including September 15, 2025, while the Transaction (as defined herein) was finalized. In the event that the Transaction does not close by September 15, 2025, the Receiver, with the full support of the OCP will re-open two days per week until the closing of the Transaction.

17. From the date of the Receiver taking possession no business has been conducted at the Pharmacy due to the inability to find full-time or full-time part-time staff. It is the intention of the proposed Purchaser to re-establish the pharmacy in the community and build it up to its former profitability as a compounding pharmacy in partnership with Care Lending.
18. It is the Receiver's belief that the location of the pharmacy, in Cornwall, Ontario was the principal impediment to staffing absent direct ownership.

Equipment Lessors

19. According to lease documents provided to the Receiver, there were two pieces of leased compounding equipment utilized at the pharmacy. The first, described as a Planetary Mixer was leased from CWB National Leasing ("**CWB**") The second, described as a C-Cabinet was leased from Meridien One-Cap Credit Corp ("**Meridien**").
20. The Planetary Mixer, leased from CWB, although believed to be located at the pharmacy was never on-site and could not be located. The C-Cabinet, leased from Meridien was purchased by Care Lending directly from Meridien and remains at the pharmacy to be used by the Purchaser.

McKesson Canada Corporation ("**McKesson**")

21. McKesson is one of two major suppliers of inventory to the retail pharmacy space and was to the best of the Receiver's knowledge, the sole provider to the pharmacy and as previously advised was PMSI registrant
22. The Receiver, given the initial intention of the Receiver to operate the pharmacy, reached out to McKesson to establish a supply facility for the pharmacy, which facility became operational in a timely manner. The Receiver also arranged for an count to be taken of all pharmaceutical and front counter inventory.
23. Once it became apparent that the pharmacy could not operate, the Receiver arranged with McKesson to return the pharmaceutical and front counter inventory

save and except a small quantity of narcotics most of which have expired or are soon to expire. These remain in a safe on-site and once the Transaction is completed, the Purchaser will be arranging for the lawful destruction of these drugs in accordance with the protocol established by the OCP and Health Canada.

24. On the basis of the foregoing, the Receiver has confirmed with McKesson that no money is owing on account of its PMSI.

The Leased Premises

25. The pharmacy business operates out of leased premises located at 703 Cotton Mill Street, Cornwall, Ontario under a lease entered into between the Debtor as Tenant and Elizabeth & Co. Holdings Inc., as Landlord dated October 3, 2022. (the “**Premises Lease**”). The initial term of the Premises Lease ends on September 30, 2027. The Premises Lease provides for three renewal terms of five years each at rent to be mutually agreed upon. Attached to this First Report as **Appendix “4”** is a copy of the Premises Lease.
26. The Premises Lease provides for a security deposit in the Amount of \$20,264.61, which the Receiver assumes will be transferred to the credit of the Purchaser.
27. The Receiver and/or Care Lending have been paying rent under the terms of the Premises Lease since the date of the Receivership Order and the taking of possession.
28. The Landlord has been provided with a draft Lease Assignment Agreement and Consent, and it is anticipated that both will be finalized shortly. Attached to this First Report as **Appendices “5”** and **“6”**, respectively are copies of the draft Assignment Agreement and Consent of the Landlord.
29. The Receiver understands that the Landlord intends to consent to the assignment of the Premises lease to the Purchaser.

IV. THE SALE PROCESS

30. Pursuant to the terms of the Receivership Order, the Receiver was empowered and authorized to, among other things, market any or all of the Debtor's assets, including advertising and soliciting offers in respect of the assets and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate.
31. As part of the Receiver's sale process, the Receiver prepared a Teaser document outlining the opportunity and the process by which a prospective purchaser could gain access to the Data Room set up by the Receiver which contained historical financial information and information as to patient records and prescription counts. Attached to the Teaser was a Non-Disclosure Agreement ("**NDA**"), the execution and delivery of which was precondition to accessing the Data Room. Attached to this First Report as **Appendix "7"** is a copy of the Teaser and the NDA.
32. The Teaser was emailed by the Receiver to approximately 80 pharmacists known to the Receiver from previous pharmacy receiverships. Attached to this First Report as **Confidential Appendix "1"** is a list of the parties who received the Teaser and NDA as part of the initial email blast.
33. In addition to the email blast described above, the Receiver reached out to a real estate broker specializing in pharmacy purchases and sales who was previously engaged by the Receiver to see he could assist. The broker expressed concern over the location of the pharmacy and declined to accept the engagement but advised the Receiver that he would reach out to pharmacists known to him to see if he could garner any interest in this acquisition. The Receiver did not hear back from this broker.

34. In addition, the Receiver informally engaged Evcor, a firm specializing in business advisory services for pharmacists. Evcor did an email blast on two occasions to approximately 600 recipients; a fax blast in Ontario only to approximately 5000 recipients; and a Canada-wide fax blast to approximately 10,000 recipients informing them of the opportunity in Cornwall. Attached to this First Report as **Appendix “8”** is a copy of the email blast sent by Evcor. This effort led to 19 referrals, 5 of whom signed NDAs and accessed the Receiver’s Data Room.
35. As well, the Receiver placed advertisements in both the Globe and Mail Newspaper and in the Insolvency Insider Newsletter. Attached to this First Report as **Appendices “9”** and **“10”**, respectively are copies of the advertisements placed in The Globe and Mail and the Insolvency Insider Newsletter.
36. As a result of the marketing efforts described above, 20 parties executed NDAs and accessed the Receiver’s Data Room. The Receiver was presented with one offer in the amount of \$40,000 and a Letter of Intent in the amount of \$100,000, neither of which were acceptable to the Receiver nor Care Lending.
37. The Receiver has negotiated a Sale Agreement for the pharmacy business under terms and conditions that the Receiver believes is appropriate having regard to the extensive marketing of the assets to the pharmacy community and the costs incurred by Care Lending in funding the receivership. The Receiver is of the opinion that the Sale Agreement is the most economical way possible to dispose of the pharmacy and put an end to the excessive burn rate incurred to date.

V. THE TRANSACTION

38. As set out above, the Receiver has entered into an agreement with the Purchaser for the sale of substantially all of the Debtor’s assets (defined above as “Transaction”).
39. The Transaction provides for the sale of substantially all of the Debtor’s assets in exchange for the Purchaser agreeing to assume a portion of the Debtor’s debt to Care Lending at the closing of the Transaction. As is set out below, the Debtor

does not have any debts or claims against it that are in priority to the debt owing to Care Lending.

40. The Purchaser will also assume the Assumed Liabilities (as defined in the Purchase Agreement).
41. The Purchaser is a newly-formed corporation that is controlled by Eddie Slama. Mr. Slama is a qualified and registered pharmacist in Ontario, such that he can legally operate a pharmacy.
42. In the Receiver's opinion, the Transaction is commercially reasonable as the Transaction will provide Care Lending, the Debtor's senior secured creditor, which is presently owed the sum of \$747,339 with the opportunity to recover at least a portion of its debt.
43. The Receiver notes that Care Lending's debt owing from the Debtor is far in excess the amount that it will recover from the Transaction and accordingly, none of the Debtor's other creditors would be prejudiced by the approval by this Court of the Transaction.
44. The Sale Agreement is conditional only upon the approval of the Ontario College of Pharmacists which approval process is underway and of this Honourable Court and accordingly is the subject matter, inter alia, of the motion brought by the Receiver. A copy of the Sale Agreement with redaction of sensitive information is attached to this First Report as **Appendix "11"**. An un-redacted copy of the Sale Agreement is attached to this First Report as **Confidential Appendix "2"**.
45. The Receiver is of the view that the sale process with respect to the pharmacy was conducted in a commercially reasonable manner and that the market was extensively canvassed by the Receiver through its marketing efforts detailed above. It is the opinion that the terms and conditions contained in the Sale Agreement are commercially reasonable in all respects and that the completion of the Transaction is the most economical way possible to dispose of the pharmacy and put an end to the costs of the receivership.

VI. REQUEST FOR A SEALING ORDER

46. The Receiver is seeking a sealing order in respect of the Confidential Appendices to the First Report as they each contain commercially sensitive information, the release of which prior to the completion of the Transaction would be prejudicial to the stakeholders in the event that the Transaction does not close.
47. Confidential Appendix “1” consists of a list of names of pharmacists located around Ontario. There is no material public interest in making their names public.
48. Confidential Appendix “2” consists of an un-redacted copy of the Sale Agreement. The release of the Purchase Price prior to the completion of the Transaction would be prejudicial to the stakeholders in the event that the Transaction does not close.
49. The proposed Ancillary Order would maintain both Confidential Appendices “1” and “2” as sealed appendices until such time as the Transaction is completed and a certificate evidencing the completion is filed with the Court.

VII. FEES AND DISBURSEMENTS OF THE RECEIVER

50. Attached to this First Report as **Appendix “12”** is the Affidavit of Philip H. Gennis, sworn August 18, 2025 (the “**Receiver’s Fee Affidavit**”) which incorporates, by reference, a copy of the time dockets pertaining to the receivership of the Debtor for the period from June 21, 2024, to and including June 30, 2025. For the period specified, the fees and disbursements of the Receiver were \$97,578.55 inclusive of disbursements and HST. This represents 198.7 hours at an effective rate of \$433.88 per hour before HST.

VIII. FEE ACCRUAL

51. Provided there is no opposition to the relief sought in this First Report and that such relief is granted, the Receiver estimates that the costs to conclude the Transaction, if approved, and complete all matters related to the administration of the receivership estate should not exceed for the Receiver and its Counsel should not exceed \$25,000 plus disbursements and HST and as such the Receiver is seeking approval for this sum and for the payment of same.

IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

52. Attached to this First Report as **Appendix "13"** is a copy of the Interim Statement of Receipts and Disbursements of the Receiver as at August 15, 2025 (the "**Interim SRD**").

X. CANADA REVENUE AGENCY ("CRA")

53. As part of its on-going duties, the Receiver made enquiries of CRA to ascertain the status of accounts of the Debtor. The Receiver was provided with a Notice of Assessment for Harmonized Sales Tax ("**HST**") indicating a credit balance in the amount of \$18,114.36 as at April 30, 2024 (the "**HST Notice**"). The Receiver proposes to prepare and file those returns that are outstanding by the Debtor so as to enable recovery of this HST credit balance. Attached to this First Report as **Appendix "14"** is a copy of the HST Notice.
54. The Receiver has also been provided with a Statement of Account for Source Deductions dated September 18, 2024, confirming that there is no sum owing on account of employee source deductions for 2024 (the "**ETD Statement**"). Attached to this First Report as **Appendix "15"** is a copy of the ETD Statement.
55. As at the date of this First Report no claims have been filed with the Receiver by CRA for either unsecured or priority claims.

XI. WAGE EARNER PROTECTION PROGRAM ACT (“WEPPA”)

56. As of the date of the Receivership Order, there were no employees and no information was provided to the Receiver by the Debtor to indicate otherwise nor as to wage arrears. Accordingly, the Receiver did not have any contact with Service Canada on behalf of WEPPA.

XII. FUNDING OF THE RECEIVERSHIP

57. Pursuant to Paragraph 21 of the Receivership Order, the Receiver is empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may considers necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by the Receivership Order, including interim expenditures.
58. To date, the Receiver has borrowed monies from Care Lending in the principal amount of \$250,000 (the “**Current Borrowings**”) to fund its activities in these proceedings. Attached to this First Report as **Appendix “16”** are copies of the Receiver’s Certificates representing the current borrowings.
59. Pursuant to Paragraph 21 of the Receivership Order, the issuance of the Receiver’s Certificate has the effect of creating a charge on the assets of the Debtor, by way of a fixed and specific charge (the “**Receiver’s Borrowing Charge**”) as security for the repayment of the monies borrowed, together with interest and charges thereon, in priority to security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (as defined in the Receivership Order), but subordinate to the Receiver’s Charge, and the charges set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
60. As at the date of this Second Report, the Receiver has \$19,217.35 in the receivership estate’s trust account.

XIII. SECURITY INTEREST OF CARE LENDING

61. Attached to this First Report as **Appendix “17”** is a copy of an Ontario Search Report search conducted under the Personal Property Security Act (“**PPSA**”) dated May 27, 2024.
62. The PPSA Search evidences the priority registration of Care Lending against the assets of the Debtor.
63. The Receiver obtained an independent legal opinion as to the validity of Care Lending’s PPSA security interest in the assets of the Debtor, which opinion provides that, subject to standard assumptions and caveats, Care Lending’s security over the assets of the Debtor is valid and enforceable. Attached to this First Report as **Appendix “18”** is a copy of the security opinion provided by Stewart Esten LLP.

XIV. PROPOSED DISTRIBUTION

64. The Receiver proposes to distribute any funds, if any, received in consequence of this receivership to Care Lending pursuant to its valid first security interest after payment of any outstanding Receiver’s fees and disbursements..

XV. DISCHARGE OF THE RECEIVER

65. Subsequent to the date of this First Report, and prior to the Receiver’s discharge, the Receiver proposes to attend to the following:
 - a) Preparing and filing of all required returns with CRA;
 - b) Closing the Transaction;
 - c) Other residual and/or administrative matters in connection with Spergel’s appointment as Receiver;
 - d) Filing of the final Receiver’s Statement under the BIA; and

- e) Filing the Receiver's Certificate of Discharge

XVI. RECOMMENDATIONS

66. The Receiver respectfully requests that this Honourable Court grant the relief sought in this First Report.

Dated at Toronto, this 15th day of August, 2025

msi Spergel inc.

in its capacity as the Court-appointed Receiver
of the Debtor and not in its personal or
corporate capacity

Per: *Philip H. Gennis*

Philip H. Gennis, JD., CIRP, LIT
Licensed Insolvency Trustee

Appendix 1



Superior Court of Justice – East Region
29 Second Street West
Cornwall, Ontario K6J 1G3

ENDORSEMENT SHEET FOR CIVIL MOTION/APPLICATION

SHORT TITLE OF PROCEEDINGS: CARE LENDING GROUP INC. v. 1000209217 ONTARIO LTD.

COURT FILE NO.: CV24-103

BEFORE: The Honourable Justice N. Champagne

COUNSEL:
Plaintiff – ~~P. Corney~~ and M. Cressatti

Dr. Hannah

☐ **ORDER SIGNED**

☐ **ON CONSENT**

☐ **UNOPPOSED**

☐ **NO ONE APPEARED**

☐ **ADJOURNED TO**

ENDORSEMENT:

The applicant, Care Lending Group Inc (Lender). Brings an application for the appointment of msi Spergel Inc. as receiver and manager of the assets of 1000209217 Ontario Ltd. which operated the Cotton Mill Pharmacy (debtor).

On October 3, 2022 the lender advanced a five-year term loan of \$600,450.00 to the debtor. Interest on the loan was compounded monthly at a rate of 7.75% per annum. The interest on any overdue amounts accrued at a rate of 18% per annum. The loan was registered under the *Personal Property Security Act* R.S.O. 1990 c. P 10 (PPSA)

The debtor defaulted on the loan in the spring of 2024 and effectively closed the pharmacy's doors, abandoning the business. As of June 12, 2024 the amount owing to the lender was \$669,214.79.

The lender issued a notice of intention to enforce security on May 29, 2024.

The lender attended at the pharmacy June 5, 2024 and learned that the pharmacy had not had any employees including pharmacists in the store since early May 2024. The lender noted non-prescription drugs were left on the pharmacy's shelves creating a risk of theft. While narcotics are in a locked room, some prescription drugs have been left behind the counter. Prescriptions that had been filled remained behind the counter, ready for pick-up by patients who are obviously unable to access them or make payment.



Superior Court of Justice – East Region
29 Second Street West
Cornwall, Ontario K6J 1G3

The debtor's CEO has advised the lender that the debtor lacks the ability or willingness to reinvest the working capital necessary to reopen the pharmacy and it has no intention of doing so.

The lender's evidence is that msi Spergel would reopen and operate the pharmacy, using the necessarily qualified personnel in accordance with the applicable regulations, while the pharmacy is marketed for sale. This would mitigate concerns about theft and loss of goodwill and preserve the value of the property.

The debtor consents to the appointment of a receiver.

Analysis

Ordinarily where a notice of intention to enforce security is sent pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985 c. B-3A, the court cannot appoint a receiver until 10 days after the notice is sent unless the insolvent person consents to earlier enforcement. Such is the case here. In any event the lender issued notice of intention to enforce security on May 29, 2024. As a result, more than 10 days have passed since the issuing of that notice.

Pursuant to section 243(1) of the *BIA* a court may appoint a receiver on an application of a secured creditor if it is "just or convenient to do". The appointment of a receiver would allow it to take possession of all or substantially all of the inventory, accounts receivable or other property and exercise any control the court considers advisable over that property.

In considering whether the appointment of a receiver is just inconvenient, the court is required to have regard to all of the circumstances in the situation. Factors to be considered by the court are the nature of the property, the likelihood of preserving and maximizing the return on the subject property, the relationship between the debtor and its creditors, the conduct of the parties, the risk of the lender's security deteriorating, loss of confidence in the debtor's management, the potential costs of the receiver and whether a court appointment is required to enable the receiver to carry out its duties efficiently.

On the facts before me, taking the above factors into consideration, I conclude that the appointment of a receiver is appropriate and is just and convencient. At present the pharmacy is closed and is not operating. The debtor's CEO expresses absolutely no intention of reopening the business. Apart from the risk of theft, it is losing money each and every day its doors are closed. Clients will no doubt go to other pharmacies and inventory will expire over time. In my view a receivership would provide the stability, structure and supervision required to preserve the value of the pharmacy.

In all of the circumstances there shall be in order to go appointing msi Spergel as receiver of the debtor's property, in the form provided to the court by the applicant.


Justice Nathalie Champagne



Superior Court of Justice – East Region
29 Second Street West
Cornwall, Ontario K6J 1G3

Date: June 21, 2024

The Honourable Justice N. Champagne

Appendix 2

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	FRIDAY, THE 21 ST
)	
JUSTICE NATHALIE CHAMPAGNE)	DAY OF JUNE, 2024



CARE LENDING GROUP INC.

Applicant

- and -

1000209217 ONTARIO LTD.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the applicant Care Lending Group Inc. (“**Care Lending**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel Inc. (“**Spergel**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of 1000209217 Ontario Ltd. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day via Zoom videoconference.

ON READING the affidavit of Dan Gilchrist sworn June 12, 2024 and the exhibits thereto and on hearing the submissions of counsel for Care Lending and of Andrew Hanna, and on reading the consent of the Debtor, filed, and no other person appearing although duly served as appears from the affidavit of service of Kim Sellers sworn June 18, 2024 and on reading the consent of Spergel to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the

exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, and, if necessary, to deposit such monies in a separate bank account controlled by the Receiver and pay such disbursements that are necessary for the continued operation of the business of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;

- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any client/patient records and prescription information (“**Patient Records**”) billing privileges, books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall, subject to Paragraph 6A herein, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided

to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5A. **THIS COURT ORDERS** that, should the Receiver deem it necessary to seek from any insurance company or its pharmacy benefits manager personal information regarding persons covered pursuant to benefit plans which might have had claims under such plans relating to the Debtor, such information shall be sought pursuant to a motion on notice to the insurance company and its pharmacy benefits manager. Such information shall only be released by the insurance company or its pharmacy benefits manager on the agreement of such insurance company or as provided in the order so obtained.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6A. **THIS COURT ORDERS** that with respect to the Patient Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspects of the Patient Records; (ii) if necessary, appoint a pharmacist licensed and qualified to practice in the Province of Ontario to act as custodian (the “**Custodian**”) for the Patient Records; (iii) not allow anyone other than the Receiver or the Custodian to have access to the Patient Records; and (iv) allow the Debtor supervised access to the Patient Records for any purposes required pursuant to the *Regulated Health Professions Act, 1991*, the *Pharmacy Act, 1991*, or any other governing

Ontario or Canadian statute that requires the Debtor, from time to time, to perform certain obligations.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent

the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all claims processing services, computer software, communication and other data services, centralized banking services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for

herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. **THIS COURT ORDERS** that, pursuant to section 42 of the *Ontario Personal Health Information Protection Act* ("**PHIPA**"), the Receiver shall only disclose personal health information to prospective purchasers or bidders who are potential successor(s) to the pharmacy business of the Debtor (the "**Pharmacy**") as Health Information Custodian(s) (as defined in the PHIPA) for the purposes of allowing the potential successor to assess and evaluate the operations of the Pharmacy. Each potential successor to whom such personal health information is disclosed is required in advance of such disclosure to review and sign an acknowledgement of this Order

indicating that it agrees to keep the information confidential and secure and not to retain any of the information longer than is necessary for the purposes of the assessment or evaluation, and if such potential successor does not complete a Sale, such potential successor shall return all such information to the Receiver, or in the alternative shall destroy all such information. Such acknowledgement shall be deemed to be an agreement between the Receiver and the potential successor for the purposes of section 42 of PHIPA.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any

Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.spergelcorporate.ca/engagements>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as

last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF LAWYERS

28. **THIS COURT ORDERS** that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order. The Receiver is specifically authorized and permitted to use Miller Thomson LLP, solicitors for the Applicant herein, as its own counsel in respect of any matter where there is no conflict of interest. In respect of any legal advice or issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel.

GENERAL

29. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estates with such priority and at such time as this Court may determine.

34. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

35. **THIS COURT ORDERS** that this Order and is effective as of June 24, 2024, at 10:00AM prevailing Eastern Time and is enforceable without the need to entry and filing.

36. **THIS COURT ORDERS** that Elizabeth & Co. Holdings Inc. shall make best efforts, until the date and time specified in paragraph 35 of this Order, to bar the public from accessing the Pharmacy (as defined in paragraph 16 hereof), including by, among other things, locking any doors used to access the Pharmacy and posting signage advising the public to access any other tenants located in the same building as the Pharmacy via other entrances.

37. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, paragraph 36 of this Order shall be effective as of the date hereof and is enforceable without the need to entry and filing.



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 1000209217 Ontario Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ____ day of _____, 2024 (the "**Order**") made in an action having Court file number _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Newmarket, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2024.

Msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

CARE LENDING GROUP INC.
Applicant

AND

1000209217 ONTARIO LTD.
Respondent

Court File No. CV-24-00000103-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at
Cornwall

RECEIVERSHIP ORDER

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Patrick Corney LSO# 65462N

Tel: 416.595.8555
pcorney@millerthomson.com

Matthew Cressatti LSO# 77944T

Tel: 416.597.4311
mcressatti@millerthomson.com

Lawyers for the Applicant

Appendix 3

Philip Gennis

From: Kim Pyke <kpyke@ocpinfo.com>
Sent: Tuesday, May 21, 2024 8:33 AM
To: ptpharm@sympatico.ca
Subject: OCP - Pharmacy Temporary Closure: 309269
Attachments: image001.gif; image002.jpg; image003.jpg; image004.jpg; image005.jpg

Hello,

Your email was received and confirms the following information:

Type: Pharmacy Temporary Closure
Pharmacy Name: Cotton Mill Pharmacy
Accreditation number: 309269
Pharmacy Address: 107-703 Cotton Mill St Cornwall, ON K6H 0E7
Effective Date: May 21, 2024

Please be advised the College will allow a temporary closure of 3 months. The pharmacy must reopen by **August 21st, 2024** or permanently close.

Section [13 \(2\) of the Drug and Pharmacies Regulation Act](#) states "A certificate of accreditation shall be deemed to have expired if there is a permanent closure of or discontinuance of service at the pharmacy."

Prior to your pharmacy's temporary closure, you must also ensure the following:

- All patients with prescriptions prepared and awaiting pick up are contacted, advised of the closure, and given the opportunity to obtain their prepared prescriptions.
- Notices to the public should include details of the closure, location of alternative pharmacies, emergency contact number (if available), and any other information to assist with obtaining access to patient records and continuity of care. Examples of notification methods:
 - Posted signs in and around the pharmacy
 - Outgoing voicemail message
 - Websites and social media, if applicable
 - Local media
 - Posted notices at doctor's offices or clinics
 - Road signs
- Inventory must be secured and remains the DM's responsibility.
- Patient records must be secured and remain the DM's responsibility. The DM should also be aware of their responsibilities as a Health Information Custodian under the *Personal Health Information and Protection Act* and may be referred to a Practice Consultant for guidance.

Once the pharmacy has reopened you must notify the College so the file can be updated.

If the pharmacy will be [permanently closing](#), it is your responsibility to notify the College. A notice of intent or a complete [Pharmacy Closing Statement](#) must be submitted to Pharmacy Applications & Renewals at least **7 days** prior to

the permanently closing of a pharmacy. Notice may be submitted by email to pharmacyapplications@ocpinfo.com, faxed to 416-847-8399 or mailed to the attention of Pharmacy Applications & Renewals at 483 Huron St, Toronto, ON M5R 2R4.

Best Regards,



Kim Pyke

Pronouns: She/Her

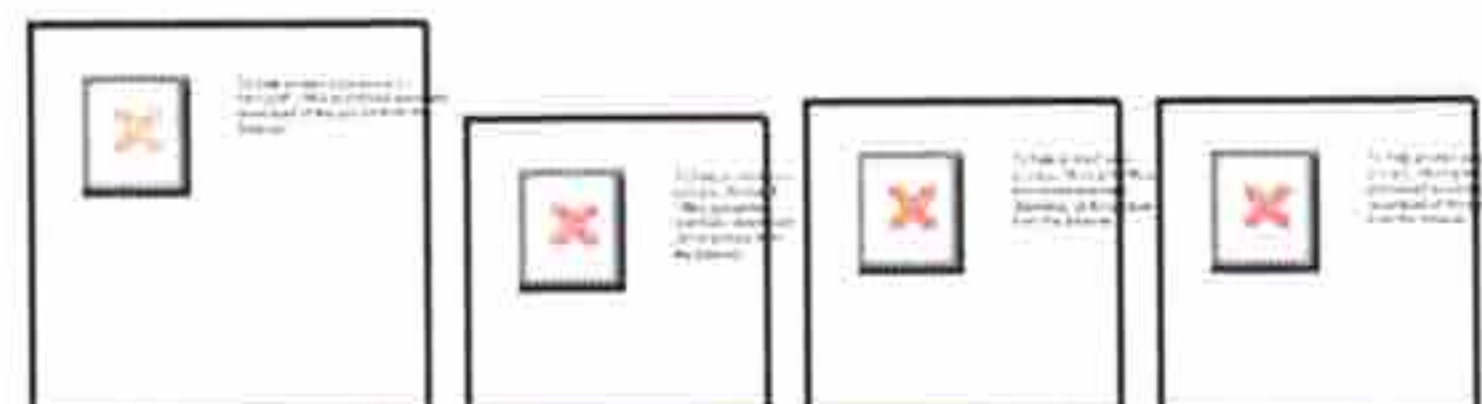
Pharmacy Applications & Renewals

416-962-4861, ext. 3600

kpyke@ocpinfo.com

www.ocpinfo.com

See our new [Service Charter](#) – our promise to you.



Appendix 4

THIS LEASE is dated as of the 3rd day of October, 2022.

B E T W E E N:

ELIZABETH & CO. HOLDINGS INC.
(the "Landlord")

OF THE FIRST PART

- and -

1000209217 ONTARIO LTD.
(the "Tenant")

OF THE SECOND PART

- and -

MIHI HEALTH & WELLNESS INC.
(the "Indemnitor")

OF THE THIRD PART

ARTICLE 1

Definitions

In this Lease and in the Schedules and Appendices to this Lease:

- 1.1 "Additional Rent" means any and all sums of money or charges required to be paid by the Tenant under this lease (except Minimum Rent) whether or not the same are designated "Additional Rent" or are payable to the Landlord or otherwise.
- 1.2 "Architect" means the architect from time to time named by the Landlord. The decision of the Architect whenever required and any related certificate shall be final and binding on the parties hereto.
- 1.3 "Building" means the lands and premises described in Schedule "A" attached hereto together with the condominium thereon and all buildings, structures, improvements, fixtures, sprinklers, elevators, escalators, heating, ventilating, air conditioning and mechanical and electrical equipment and machinery and water, gas, sewage, telephone and other communications facilities and electrical power services and utilities comprised therein and belonging thereto, as well as all driveways, walkways, tunnels, ramps and sidewalks appurtenant thereto and used in conjunction therewith, connected therewith or used in the operation thereof and now or hereafter constructed, erected and installed therein and thereon, but excludes all fixtures, improvements, installations, alterations and additions from time to time made, constructed, erected or installed in or to any premises by or on behalf of any tenant. The municipal address of the Building is **703 Cotton Mill Street, Cornwall, Ontario**.
- 1.4 "Business Day" means any of the days from Monday to Saturday of each week, unless any of such days is a statutory holiday.

- 1.5 "Commencement Date" means the first day of the Term.
- 1.6 "Common Elements" means those areas, facilities, improvements, equipment and installations in or serving the Building, which are not condominium units, including without limitation, any parking facilities, as more particularly described in the Condominium Declaration registered on title as Instrument No. ST76777, the Condominium Act (Ontario) or any statute subsequently passed to take the place of or to amend such Act.
- 1.7 "Condominium Corporation" means the corporation created pursuant to the Condominium Act (Ontario), or any statute subsequently passed to take the place of or to amend such Act, for the purpose of governing the Building and the Leased Premises.
- 1.8 "Indemnitor" means the party of the Third Part and means each person who has executed or agreed to execute the Indemnity Agreement, which is attached to this Lease as Schedule "E", if applicable. If more than one Indemnitor, means each and every Person mentioned as Indemnitor in this Lease, whether one or more and his, its, her or their respective heirs, administrators, successors and assigns, as the case may be. If there is more than one Indemnitor, any notice required or permitted by this Lease may be given by or to any one of them and has the same force and effect as if given by or to all of them. Any reference to "Indemnitor" includes, where the context allows (and it is agreed that in Section 8.5 the context allows), the servants, employees, agents, invitees and licensees of the Indemnitor and all others over whom the Indemnitor may reasonably be expected to exercise control.
- 1.9 "Landlord" means the party of the First Part. Wherever the word "Landlord" is used in this Lease, it is deemed to have the same meaning as "lessor", and includes the Landlord and its successors, assigns and duly authorized representatives.
- 1.10 "Lease" means this indenture of lease and includes any riders and schedules hereto and shall also include any agreements entered into which have the effect of amending this indenture from time to time.
- 1.11 "Leased Premises" means the condominium unit or units or part thereof owned by the Landlord and leased to the Tenant together with all improvements, equipment and fixtures therein comprising of approximately 5,448 square feet of Rentable Area on the first floor of the Building, being Suite 107 and 108, as legally described in Schedule "A", attached hereto.
- 1.12 "Lease Year" or "Rental Year" means a period of twelve (12) consecutive calendar months during the Term ending on the last day of the financial year of the landlord except that: (i) the first Lease Year of the Term of this Lease begins on the Lease Commencement Date and ends on the last day of the financial year of the Landlord next following and may be a period of less than twelve (12) consecutive calendar months; (ii) the Lease Year of the Term of this Lease begins on the first day of the financial year of the Landlord during which the last day of the Term occurs and ends on the last day of the Term and may be a period of less than twelve (12) consecutive calendar months; (iii) if the Landlord changes its financial year and gives notice to the Tenant on the first and last days of the new financial year, the period between the last day of the old financial year and the last day of the new financial year will be a Lease Year and will be a period of less than twelve (12) consecutive calendar months, and the next Lease Year will continue consecutively.
- 1.13 "Minimum Rent" means the annual rent payable by the Tenant pursuant to and in the manner set out in Section 3.2 of this Lease.

- 1.14 "Mortgagee" means any mortgagee or chargee (including any trustee for bondholders), from time to time, of the Leased Premises or any part thereof, or the Landlord's interest in it.
- 1.15 "Occupiable Space" means 5,448 square feet.
- 1.16 "Operating Costs"
- (a) "Operating Costs" means the total amounts incurred, paid or payable whether by the Landlord, the Condominium Corporation or by others on behalf of the Landlord or the Condominium Corporation attributable and/or allocable to the maintenance, insurance, operation, repair, replacement and administration of the Leased Premises.
 - (b) Operating Costs as set out in Section 1.15(a) hereof include, without limitation and without duplication, the aggregate of:
 - (i) the common expenses (the "Common Expenses") incurred for the maintenance, insurance, operation, repair, replacement and administration of the Building, including, without limitation, contribution to the reserve fund maintained by the Condominium Corporation, the Common Elements and all Taxes which are levied, rated, charged or assessed against the Building or any part thereof or against the Landlord or the Condominium Corporation on account of its interest therein;
 - (ii) the total annual costs and expenses of insuring the Leased Premises (including without limitation rental income insurance) and the improvements and equipment and other property serving the Leased Premises from time to time, owned or operated by the Landlord or for which the Landlord is legally liable;
 - (iii) audit fees, the cost of legal services incurred by the Landlord in respect of this Lease and the Leased Premises, and the cost of accounting services incurred in the preparation of the certificates referred to in this Lease and the financial statements related thereto, and in the computation of the rents and charges payable by the Tenant and tenants of other condominium units in the Building of which the Landlord is the landlord;
 - (iv) all repairs (including major repairs) and replacements to and maintenance and operation of the Leased Premises; and
 - (v) all charges for Utilities in accordance with Section 6.1;
 - (c) The parties hereto further agree that Operating Costs will **not** include any of the following:
 - (i) any full cost or expense of a capital nature as determined in accordance with generally accepted accounting principles charged in the year incurred, except that the Landlord may recover as Operating Costs the cost of capital repairs and replacements, amortized over the useful life of the repair, as determined by the Landlord acting reasonably;
 - (ii) cost of any structural repairs to the Leased Premises;

- (iii) depreciation on, or interest on the undepreciated capital cost of, any equipment used in the maintenance or operation of the Building;
 - (iv) any rent payable by the Landlord pursuant to any ground lease or head lease;
 - (v) the costs incurred by the Landlord in leasing any other premises in the Building;
 - (vi) debt service of the Landlord;
 - (vii) the salaries of any personnel employed by the Landlord who are not located in the Building and are not employed by the Landlord to do work for the Building;
 - (viii) the Landlord's overhead office costs and any costs incurred by the Landlord in the operation of the Landlord's head office;
 - (ix) capital taxes of the Landlord;
 - (x) any special assessment levied by the Condominium Corporation against the Leased Premises to the extent incurred in or attributed to the period prior to the commencement of the Lease;
 - (xi) the amount of any goods and services taxes paid or payable by the Landlord on its purchase of goods and services included in Operating Costs which may be available to, is claimed and is received by, the Landlord as a credit in determining the Landlord's net tax liability or refund on account of such goods and services taxes, but only to the extent such goods and services taxes are included in Operating Costs.
- 1.17 "Person", if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.
- 1.18 "Rent" means any and all amounts payable by the Tenant under this Lease including Minimum Rent and Additional Rent.
- 1.19 "Rentable Area" means an amount equal to the area of the Occupiable Space.
- 1.20 "Rules and Regulations" means the rules and regulations adopted and promulgated by the Landlord or the Condominium Corporation from time to time, as more particularly set out in Section 15.1.
- 1.21 "Taxes" means all duties, real property taxes, business taxes, assessments and payments, extraordinary as well as ordinary, whether foreseen or unforeseen, as shall during the Term hereby demised be laid, levied, assessed or imposed upon or become liens upon the Leased Premises or the Building or any part thereof or any appurtenances thereto or the leasehold estate hereby created or as may be levied, assessed or imposed upon the Landlord or the Condominium Corporation by reason of its interest in the Leased Premises and the Building, including any tax or levy imposed on the Building or on the Landlord or the Condominium Corporation by reason of its interest in the Building, based on total gross area or floor area whether known as a commercial concentration levy or otherwise, and all governmental charges including an increase in income taxes wholly or partially substituted for any real property taxes, all by virtue of any

present or future law, order or ordinance of Canada or of the provincial, city, county, local or regional government or of any department, office or bureau of any governmental authority. Taxes shall also include any and all penalties, late payment or interest charges imposed by any municipality or other taxing authority as a result of the Tenant's late payments of any taxes or instalments thereof but not as a result of the Landlord's delinquency. Taxes shall not include any income taxes or land transfer taxes of the Landlord.

- 1.22 "Tenant" means the party of the Second Part and is deemed to include the word "lessee" and to mean each and every Person mentioned as Tenant in this Lease, whether one or more and his, its, her or their respective heirs, administrators, successors and assigns, as the case may be. If there is more than one Tenant, any notice required or permitted by this Lease may be given by or to any one of them and has the same force and effect as if given by or to all of them. Any reference to "Tenant" includes, where the context allows (and it is agreed that in Section 8.5 the context allows), the servants, employees, agents, invitees and licensees of the Tenant and all others over whom the Tenant may reasonably be expected to exercise control.
- 1.23 "Tenant's Share" means (i) with respect to Common Expenses, the percentage in the Condominium declaration attributable to the Leased Premises and (ii) one hundred percent (100%) of the costs incurred by the Landlord including Operating Costs and Taxes (other than as set out in subparagraph (i) of this Section 1.23), with respect to the ownership, maintenance, insurance, operation, repair, replacement and/or administration of the Leased Premises or, if the Landlord owns or is the landlord of more than one (1) condominium unit in the Building, attributable by the Landlord on a reasonable and equitable basis to the Leased Premises. For the purposes of this lease, Condominium declaration shall mean the Condominium declaration registered on title and under the Condominium Act (Ontario) or where it has not yet been registered, the proposed Condominium declaration.
- 1.24 "Term" means the period of time set out in Section 2.3.

ARTICLE 2

Leased Premises, Term and Acceptance of Leased Premises

2.1 Leased Premises

In consideration of the rents, covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Leased Premises.

2.2 Use of Additional Areas

The Tenant has in common with others entitled to do so, the non-exclusive and non-transferable right to use of those parts of the Common Elements as are required for the purpose of the Tenant's business operations, and which have not been designated in the Condominium Declaration or by the Landlord for the exclusive use of any others.

2.3 Grant and Term

The Landlord leases the Leased Premises to the Tenant for a term of **five (5) years** to be computed from the 3rd day of October, 2022, and to be fully completed and ended on the 30th day of September, 2027, save as hereinafter provided for early termination. The Landlord grants to the Tenant the right to renew in accordance with Rider 1, Additional Terms, attached hereto.

2.4 As - Is Condition

The Tenant accepts the Leased Premises in an "as-is, where is" condition. The Landlord shall not be required to do any work to the Leased Premises prior to or after the Lease commencement date, other than those listed in Schedule "B".

2.5 Condominium Acknowledgment

The Tenant acknowledges that the Building forms part of a condominium development. The Tenant covenants and agrees that it shall be bound by the provisions of the Condominium Act S.O. 1998, c.19 (the "**Act**"), and any statute subsequently passed to take the place of or to amend such Act, and the Condominium Declaration and by-laws and the rules and regulations of the Condominium Corporation (the "**Condominium Documents**") and the Tenant shall execute and deliver whatever documents which may be required of it pursuant to the Act or the Condominium Documents as and when required and that where any conflict occurs between the covenants, terms or conditions of this Lease and the Act and the Condominium Documents, the Act and the Condominium Documents shall govern. The Landlord shall deliver to the Tenant a copy of the Condominium Documents and, during the Term of this Lease, any amendments or additions thereto of which the Landlord shall become aware.

The Tenant shall deliver to the Landlord contemporaneously with the execution of this Lease or at any other time as the Landlord may request an agreement signed by the Tenant to the following effect:

"The undersigned Tenant of **Units 6, 7, 8, 12, 13 and 14 Level 1, Stormont Standard Condominium Corporation No. 24** covenants and agrees that I, my visitors, customers, clients, employees, agents or others doing business with me, from time to time, will, in using the said Units rented by me, and the common elements, comply with the Condominium Act, the Declaration and the By-Laws and all Rules and Regulations of the Condominium Corporation, during the Term, together with renewals, of my tenancy."

2.6 Limitations as to Obligations of Condominium Corporation

The Tenant acknowledges and agrees that the Condominium Corporation is not a party to this Lease and that any provisions in this Lease imposing any duties, obligations or liabilities on the Condominium Corporation, whether express or implied herein, shall only apply to the extent that such duties, obligations or liabilities arise in the Condominium Documents, the provisions of the Condominium Act (Ontario) or otherwise at law, subject to the limitations contained therein and nothing herein stated shall be deemed to be a representation by the Landlord as to the validity or enforceability by the Tenant or the Landlord of the Condominium Corporation's duties, obligations and liabilities.

2.7 Fixturing Period

None.

ARTICLE 3 Rent

3.1 Covenant to Pay

The Tenant shall pay Minimum Rent and Additional Rent as herein provided.

3.2 Minimum Rent

The Tenant covenants and agrees to pay to the Landlord Minimum Rent for the Leased Premises the following payments before the applicable taxes, each in advance on the 1st day of each month during the Term as follows:

- (i) during the first three (3) Years of the Term, the sum of \$65,376.00 plus applicable taxes per annum, payable monthly in advance in equal instalments of \$5,448.00 plus applicable taxes on the first day of each and every month, commencing on the first day of the Term; and
- (ii) during the following two (2) year period thereafter throughout the Term, the sum paid in the previous three-year period, plus a percentage equal to the change in the Consumer Price Index (Toronto) over such preceding three-year period, which percentage change shall not be less than two percent (2%).

In addition to the Rent payable hereunder, Tenant shall pay to the Landlord (acting as agent for the taxing authority, if applicable) or directly to the taxing authority (if required by the applicable legislation) in the manner specified by the Landlord, the full amount of all goods and services/harmonized sales taxes, value added taxes, and any other taxes imposed on the Tenant in respect of Rent payable imposed under this Lease (collectively and individually, "**HST**"). Each of the Landlord and Tenant represent to the other party that it is a registrant under the Excise Tax Act for purposes of HST, and upon written request, shall provide the other party with its HST registration number.

The Tenant shall pay the aggregate of the monthly payments of Minimum Rent and of any payments of Additional Rent estimated by the Landlord and any payments required by this Lease to be paid monthly in advance to the Landlord by way of direct deposit to the Landlord pursuant to direct deposit instructions and account information attached hereto as Schedule "F", or as further directed by the Landlord from time to time. Upon completing the direct deposit, the Tenant provide the Landlord with a receipt of such deposit. The Landlord may, upon reasonable notice to the Tenant, require the Tenant to provide a series of twelve (12) monthly postdated cheques for the applicable Lease Year, for the payment of Rent, which shall be delivered to the Landlord's address or at such other location as directed by the Landlord.

3.3 Payment of Rent - General

All amounts payable by the Tenant to the Landlord under this Lease or payable to a government authority by reason of the Tenant's occupancy hereof other than Minimum Rent shall be considered "Additional Rent" and shall be deemed to be Rent and shall be payable and recoverable as Rent in the manner herein provided, and the Landlord shall have all rights against the Tenant for default in any such payment as in the case of arrears of Minimum Rent. Rent shall be paid to the Landlord, without the requirement of notice and without deduction or set-off, in legal tender of Canada, at the address of the Landlord as set forth in this Lease, or to such other person or at such other address as the Landlord may from time to time designate in writing. The Tenant's obligation to pay Rent shall survive the expiration or earlier termination of this Lease. If the time and manner of the payment of any Rent is not provided in this Lease, the Landlord shall be permitted to determine the time and manner of such payment. All Additional Rent shall commence to be payable on the Commencement Date unless otherwise provided for herein.

3.4 Rent - Adjustment

If the Term commences or ends on a day other than the first or last day of a calendar month, the monthly instalment of Minimum Rent and other Rent under this Lease shall be calculated on a per diem basis and pro rated accordingly using the Minimum Rent or Additional Rent payable during the calendar month in question.

3.5 Rent Past Due and Returned Cheques

If the Tenant fails to pay, when the same is due and payable, any Rent or other amount payable by the Tenant under this Lease, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a rate per annum which is five (5) percentage points in excess of the commercial lending rate of interest, expressed as an annual rate, which the Canadian Imperial Bank of Commerce quotes from time to time during the period of the default in Toronto as its "prime rate", which rate serves as the basis upon which effective rates of interest are calculated for Canadian dollar loans made in Canada to its commercial customers with interest payable as a function of its prime rate. In addition, the Tenant shall pay to the Landlord all of the Landlord's costs and expenses in collecting any such unpaid amounts which in each instance shall be a minimum of \$500.00

If any cheque provided to the Landlord for the payment of amounts due by the Tenant pursuant to the terms of this Lease is rejected by a financial institution or returned by any reason, including but not limited to non-sufficient funds, the Tenant shall deliver to the Landlord forthwith a certified cheque or bank draft for the amount then due and owing, plus a fee of one-hundred-and fifty-dollars (\$150.00).

3.6 Rent Deposit

Upon execution of this Lease, the Tenant shall pay to the Landlord the sum of twenty thousand two hundred sixty-four dollars and sixty-one cents (\$20,264.61) inclusive of HST, to be applied against the first month's Rent, with the balance applied in accordance with Section 3.7 hereof.

3.7 Security Deposit

The unapplied portion of Rent Deposit provided for in Section 3.6 hereof, shall be held in trust without interest as security for the Tenant's performance of the Tenant's Covenants, as a security deposit. If at any time during the Term, the Tenant fails to observe and perform any of the Tenant's Covenants, then the Landlord, at its option, may in addition to any other rights and remedies provided for in this Lease or by law, appropriate and apply any portion of such deposit as the Landlord in its sole and absolute discretion deems necessary to compensate the Landlord for loss or damage sustained or suffered by the Landlord due the breach on the part of the Tenant. If the Landlord applies any portion of the deposit as provided for herein, upon written demand from the Landlord, the Tenant shall pay to the Landlord within five (5) business days the amount necessary to restore the deposit to its original amount. Tenant shall not assign or encumber its interest in the security deposit, and Landlord shall not be bound by any attempted assignment or encumbrance of the security deposit, except in the case of any permitted Transfer of the Lease, in which case Tenant's interest in the security deposit shall be deemed to have been assigned to such permitted transferee as of the date of such Transfer. So much of the security deposit as remains unappropriated by Landlord shall be returned to Tenant within thirty (30) days after expiry of the Term so long as there is no continuing Event of Default and the Tenant has surrendered the Premises in accordance with all requirements of this Lease, otherwise the security deposit shall be forfeited to Landlord as liquidated damages, without prejudice to any other right or remedy available to Landlord.

3.8 Net Lease

It is the intent of the parties hereto that this Lease shall be triple net and carefree to the Landlord. Any obligation which is not expressly declared herein to be that of the Landlord pertaining to the Leased Premises shall be deemed to be that of the Tenant to be paid by the Tenant or to be performed by or at the expense of the Tenant. Notwithstanding the generality of the foregoing the Tenant shall have no responsibility for the income taxes of the Landlord, and any principal, interest or other carrying charges in any mortgage of the Leased Premises.

ARTICLE 4

Taxes and Operating Costs

4.1 Taxes Payable by the Landlord

Subject Sections 4.2 and 4.3 hereof, the Landlord shall pay directly to the appropriate taxing authority all Taxes which are levied, rated, charged or assessed against the Leased Premises. However, the Landlord may defer payment of any such Taxes, or defer compliance with any statute, law, by-law, regulation or ordinance in connection with the levying of any such Taxes, in each case to the fullest extent permitted by law, so long as it diligently prosecutes any contest or appeal of any such Taxes and the Tenant suffers no unreasonable interference with its occupancy of the Leased Premises as a result.

4.2 Taxes Payable by the Tenant

(a) The Tenant shall and will during the Term hereby demised pay and discharge, as Additional Rent, all Taxes levied, laid or assessed on or against the Leased Premises in accordance with this Section 4.2.

(b) In the event that a separate tax bill is issued by any lawful taxing authority, then the Tenant shall pay its Taxes on the basis of such separate tax bill. If there is no such separate tax bill, then the Tenant's Taxes shall, at the option of the Landlord, be calculated by the Landlord on the basis of the assessed value of the Leased Premises. In the event that there is not a separate tax bill for the Leased Premises available, and the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof its proportionate Share of all such Taxes levied, rated, charged or assessed from time to time against the Building. In any event, in addition to the Taxes levied or assessed against the Leased Premises, the Tenant shall also pay a Proportionate Share of all such Taxes levied, rated, charged or assessed from time to time against the Common Areas to the extent only that such Taxes on the Common Areas have not been included in the Taxes otherwise charged to the Tenant hereunder.

(c) All Taxes shall be paid by the Tenant to the Landlord upon receipt of an invoice for the Taxes from the Landlord or the taxing authority having jurisdiction. Where the Landlord has provided an invoice, it shall also deliver a copy of the statement or tax bill on which such invoice is based. Tenant may not claim a re-adjustment in respect of Taxes based upon any error of computation or allocation except by notice delivered to Landlord within ninety (90) days after the date of delivery of Landlord's invoice.

(d) In the case of assessments for local improvements or betterments which are assessed or imposed during the Term and which may by law be payable in instalments, the Tenant shall only be obligated to pay such instalments as same fall due during the Term, together with interest on deferred payments, on condition that the Tenant shall take such steps as may be prescribed by law to convert the payment of the assessment into instalment payments. Such payments of instalments and any

interest thereon shall be made before any fine, penalty, interest or cost may be added thereto for non-payment of any instalment or interest thereon.

(e) In any suit or proceeding of any kind or nature arising or growing out of the failure of the Tenant to keep any covenant contained in this Article, the certificate or receipt of the department, officer or bureau charged with collection of the Taxes, showing that the tax, assessment or other charge affecting the Leased Premises is due and payable or has been paid, shall be prima facie evidence that such tax, assessment or other charge was due and payable as a lien or charge against the Leased Premises or that it has been paid as such by the Landlord.

(f) Intentionally deleted.

(g) The Tenant upon request of the Landlord will promptly exhibit to the Landlord all paid bills for Taxes, which bills after inspection by the Landlord shall be returned to the Tenant.

(h) Any Tax relating to a fiscal period of the taxing authority, a part of which is within the Term and a part of which is prior to the commencement of the Term or subsequent to the expiration or earlier termination of the Term, shall, whether or not such Taxes shall be assessed, levied, imposed or become a lien upon the Leased Premises, or shall become payable during the Term, be apportioned and adjusted between the Landlord and the Tenant as of the stated date of commencement or expiration of the Term, as the case may be.

(i) If the Tenant designates that Taxes go to support separate schools, the Tenant shall pay the difference, if any, between the rate for separate and public schools to the Landlord, together with any other payment pursuant to this Section 4.2.

(j) Notwithstanding any other provision of this Section 4.2, the Landlord may, at its option, reasonably estimate and re-estimate the amount of Taxes payable by the Tenant during a particular Lease Year and the Tenant shall, at the request of the Landlord, pay either on an interim basis or pay one-twelfth of such estimate or re-estimate to the Landlord together with the monthly payment of Minimum Rent, with appropriate adjustments to be made between the Landlord and the Tenant within one hundred and twenty (120) days after the end of each Lease Year. Provided further, in the event that the Landlord's payment(s) made on account of Taxes to the taxing authority having jurisdiction, whether interim, instalment or final, shall be in excess of the amount of the payments made by the Tenant hereunder, the Tenant shall forthwith upon demand pay as Additional Rent to the Landlord, the amount of such deficiency, together with interest thereon from the date which is ten (10) days after the Landlord makes demand therefor, at a rate of two percent (2%) above the prime rate of interest charged by any Canadian chartered bank designated by the Landlord.

(k) The Tenant covenants with the Landlord to pay to the federal, provincial or municipal authority imposing the same, all service, business transfer, transaction value, ad valorem sales or other taxes by whatever name called, if any, assessed upon and as a direct result of the payment of Rent hereunder as often as such taxes become due and whether or not such taxes are applicable on the date of the execution of this Lease or become applicable thereafter. In the event that such taxes are by statute, by-law or regulation imposed upon or payable by the Landlord as recipient of the Rent, the Tenant shall reimburse the Landlord for the full amount of such taxes forthwith upon demand or at any time designated from time to time by the Landlord) as Additional Rent.

4.3 Business Taxes and Other Taxes of Tenant.

In addition to the Taxes payable by the Tenant pursuant to Section 4.2, the Tenant shall pay as Additional Rent to the lawful taxing authorities or to the Landlord, as it may direct, and shall discharge in each Lease Year, when the same becomes due and payable:

- (a) All taxes, rates, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises or the Building or any part or parts thereof or the Landlord on account of its ownership thereof or interest therein; and
- (b) Every tax and license fee which is levied, rated, charged or assessed against or in respect of any and every business carried on in the Leased Premises or in respect of the use or occupancy thereof or any other part of the Building by the Tenant and every sub-tenant or licensee of the Tenant or against the Landlord on account of its ownership thereof or interest therein, all of the foregoing being collectively referred to as "business taxes" and whether in any case any such taxes, rates, duties, assessments or license fees are rated, charged or assessed by any federal, provincial, municipal or other body during the Term. If there are not separate tax bills provided for business taxes, the Landlord is entitled to allocate business taxes to the Tenant using the methods referred to in subsection 4.2(b) hereof.

4.4 Tenant's Responsibility

The Tenant shall (a) upon request of the Landlord: (i) promptly deliver to the Landlord for inspection, receipts for payment of all Business Taxes payable by the Tenant pursuant to Section 4.3; (ii) promptly deliver to the Landlord notices of any assessments of any Business Taxes or other assessments received by the Tenant which relate to the Leased Premises; and (iii) furnish such other information in connection with any such Business Taxes payable by the Tenant pursuant to Section 4.3 as the Landlord reasonably determines from time to time; and (b) deliver to the Landlord at least ten (10) days prior to the last day permitted for filing an appeal a notice of any appeal or contestation the Tenant shall intend to institute with respect to any such Business Taxes payable and consult with the Landlord in advance and obtain the prior written approval of the Landlord to any such appeal or contestation. If the Tenant obtains such approval, the Tenant shall deliver to the Landlord such security for the payment of such Taxes and Business Taxes as the Landlord deems advisable and the Tenant shall diligently prosecute any such appeal or contestation to a speedy resolution and shall keep the Landlord informed of its progress in that regard, from time to time. No appeals or contestations are permitted with respect to those Taxes and Sales Taxes payable pursuant to Section 4.2 hereof.

The Tenant shall promptly indemnify and keep indemnified the Landlord from and against payment for all loss, costs, charges and expenses occasioned by or arising from all such Taxes and all such Business Taxes and any taxes which may in future be levied in lieu of such Taxes or Business Taxes or which may be assessed against any rentals payable pursuant to this Lease in lieu of such Taxes or Business Taxes, whether against the Landlord or the Tenant,, including, without limitation, any increase whensoever occurring in Taxes or Business Taxes arising directly or indirectly out of any appeal or contestation by the Tenant of the Business Taxes relating to the Leased Premises, or any part thereof. The Tenant shall deliver to the Landlord such security for any increase in Taxes and Business Taxes as the Landlord deems advisable.

4.5 Tenant's Share of Operating Costs

The Tenant shall pay, in accordance with Section 4.6, the Tenant's Share of Operating Costs. The Landlord shall provide, upon written the request of the Tenant, a statement of such Operating Costs accompanied by supporting invoices for such amounts. Tenant may not claim a re-adjustment in respect of Tenant's Share of Operating Costs or Taxes based upon any error of computation or allocation except by notice delivered to Landlord within three (3) months after the date of delivery of Landlord's statement.

4.6 Payment of Taxes and Operating Costs

(a) The amounts payable by the Tenant pursuant to Sections 4.2, 4.5 (and Section 4.3, if applicable) hereof may be estimated by the Landlord for such period as the Landlord determines from time to time, and the Tenant agrees to pay to the Landlord the Tenant's Share as so estimated, of such amounts in monthly instalments in advance during such period as Additional Rent. Notwithstanding the foregoing, as soon as bills for all or any portion of the amounts so estimated are received, the Landlord may bill the Tenant for the Tenant's Share thereof and the Tenant shall pay the Landlord the amounts as billed (less all amounts previously paid by the Tenant on the basis of the Landlord's estimate) as Additional Rent within five (5) days after demand.

(b) Within a reasonable period of time after the end of the period for which the estimated payments have been made, the Landlord shall determine and advise the Tenant of (i) the amounts and costs referred to in Section 4.2, Section 4.5 and Section 4.3 (if applicable) for such period, together with the calculation of the Tenant's Share of such amounts and costs and if necessary, an adjustment shall be made between the parties in the following manner. If the Tenant has paid in excess of the amounts due, the excess shall be refunded by the Landlord within a reasonable period of time after the Landlord's determination, as aforesaid, or, at the option of the Landlord, the excess shall be credited to amounts payable pursuant to Sections 4.2, 4.5 (and Section 4.3, if applicable) in the immediately following year. If the amount the Tenant has paid is less than the amounts due, the Tenant agrees to pay such additional amounts due within ten (10) days after demand. If any year during the Term is greater or less than any such period determined by the Landlord as aforesaid, the Tenant's Share pursuant to Sections 4.2 and 4.5 (and Section 4.3, if applicable) shall be adjusted on a per diem basis. The obligations set out herein shall survive the expiration of the Term or earlier termination of this Lease.

4.7 Right to Contest

The Tenant shall have the right to contest in good faith the validity or amount of any tax, assessment, licence fee, excise fee and other charge which it is responsible to pay under Section 4.3, provided that; (a) the Tenant obtains the Landlord's prior written consent to any such contest before commencing same; (b) no contest by the Tenant may involve the possibility of forfeiture, sale or disturbance of the Landlord's interest in the Leased Premises; (c) that the Tenant indemnifies and agrees to save the Landlord harmless from any and all losses, costs or damages that the Landlord may suffer by reason of such contest by the Tenant; and (d) that, prior to contesting such charge, the Tenant shall immediately pay and satisfy the amount claimed to be due, together with any costs, penalties and interest and provide evidence of such payment to the Landlord.

ARTICLE 5 Control and Services

5.1 Control of the Common Elements and Building

(a) The Tenant acknowledges and agrees that the Building is at all times subject to the exclusive control, management and operation of the Condominium Corporation. Without limiting the generality of the preceding sentence, the Condominium Corporation has the right, in its control, management and operation of the Building and by the establishment of Rules and Regulations and general policies at all times throughout the Term, to:

- (i) construct improvements in or to the Building and/or the Leased Premises and make alterations thereof, additions thereto, subtractions therefrom, rearrangements thereof (including all entrances and exits thereto), and construct additional facilities adjoining or proximate to the Building and/or the Leased Premises;
- (ii) relocate or rearrange the various facilities and improvements comprising the Building from those existing at the Commencement Date and, to the extent found necessary by the Condominium Corporation to accommodate changes in construction, design or facilities, relocate, alter or rearrange the Leased Premises;
- (iii) do and perform such other acts in and to the Building as the Condominium Corporation reasonably determines to be advisable for the more efficient and proper operation of the Leased Premises and/or the Building;
- (iv) control, supervise and regulate any parking facilities which may be used in conjunction with the Building and/or the Leased Premises in such manner as the Condominium Corporation reasonably determines from time to time, including, without limitation, imposing charges or rates as may from time to time be determined by the Condominium Corporation for the use of any such parking facilities.

(b) Notwithstanding anything contained in this Lease, it is understood and agreed that if as a result of the exercise by the Condominium Corporation of its rights set out in this Section 5.1, the facilities in or improvements to the Leased Premises are diminished or altered in any manner, or the Leased Premises are relocated or rearranged in accordance with the provisions of this Lease, or the facilities or improvements in or to the Building are altered, expanded or reduced, neither the Landlord nor the Condominium Corporation shall be subject to any liability, nor is any alteration or diminution of the facilities or improvements in or to the Building or the Leased Premises deemed a breach of any covenant for quiet enjoyment contained in this Lease, or implied by law. If the facilities in or improvements to the Leased Premises are materially diminished or altered in a substantial or material manner, or the Leased Premises are relocated or materially rearranged in accordance with the provisions of this Lease, or the facilities or improvements in or to the Building are materially altered, expanded or reduced, the Landlord and Tenant shall renegotiate and amend the Minimum Rent, Additional Rent and other applicable terms of the Lease as appropriate and necessary to reflect the changes in the Leased Premises, failing which the parties shall refer the issues to be determined by arbitration in accordance with the Arbitration Act of Ontario, with a single arbitrator, and such proceedings to be held in the city the Leased Premises are located or such other City as may be determined by the parties in writing.

5.2 Services

(a) The Tenant shall, in accordance with the requirements of the Landlord and/or the Condominium Corporation, regulate those portions of the heating, ventilating and air-conditioning system serving the Leased Premises and any parts of the heating, ventilating and air-conditioning facilities within the Leased Premises (including any distribution system for the Leased Premises) that are not part of the Common

Elements so as to maintain reasonable conditions of temperature and humidity within the Leased Premises and to avoid direct or indirect appropriation of heating, ventilating or air-conditioning from the common Elements. The Condominium Corporation shall operate the heating, ventilating and air-conditioning system of the Building as required to provide heating, ventilating and air-conditioning to the enclosed Common Elements, provided that the Condominium Corporation and the Landlord shall have no responsibility or liability for failure to supply any climate control service, whether to the Common Elements or the Leased Premises. The cost of providing heating, ventilating and air-conditioning to the Common Elements and the Leased Premises, including without limitation, the cost of all maintenance repairs and replacements of and to the heating, ventilating and air-conditioning systems and equipment shall be included in Operating Costs. If any changes, alterations or rebalancing is required as a result of any use of the Leased Premises not in accordance with the design standards or any arrangement of partitions which interferes with the normal operation of such system, such changes or alterations, if such changes can be accommodated by the Landlord's and Condominium Corporation's equipment, shall be made (i) by the Landlord or the Condominium Corporation; (ii) at the Tenant's sole cost and expense; and (iii) in accordance with drawings and specifications and by a contractor first approved in writing by the Landlord and the Condominium Corporation. All costs incurred shall be payable by the Tenant within ten (10) days after written demand as Additional Rent.

(b) If the Tenant's equipment requires utilities in excess of normal quantities, as determined by the Landlord's or the Condominium Corporation's electrical engineer or other consultants, facilities to supply such excess quantities may be provided by the Condominium Corporation or the Landlord at the sole expense of the Tenant provided that it is within the capabilities of the Condominium Corporation and the existing structure of the Leased Premises and the Building to provide such excess utilities.

ARTICLE 6

Utilities

6.1 Charges for Utilities

(a) The Tenant shall be solely responsible for and shall promptly pay to the Landlord, or as the Landlord otherwise directs, in the manner hereinafter provided as Additional Rent, the aggregate, without duplication, of (i) the cost of all electricity, water, steam charges and other utility charges applicable to the Leased Premises (the "**Utilities**"); and (ii) any other charges levied or assessed in lieu of or in addition to such Utilities as determined by the Landlord or the Condominium Corporation including, without limitation, the equitable allocation to the Leased Premises of an additional charge, as determined by the Landlord or the Condominium Corporation, for the excess supply to and usage of water, electricity, steam and other utilities in the Leased Premises. The charges for the Utilities shall be included in Operating Costs; however if any such Utilities are separately metered in the Leased Premises, the Tenant shall pay the cost of any such Utilities on the basis of separate meters.

(b) The Tenant shall pay for the cost of any metering which the Tenant requests the Landlord to install in the Leased Premises, or which the Landlord wishes to install in the Leased Premises for the purpose of assisting in determining the consumption of any utility (including electricity and water) in the Leased Premises or which may be required by the Landlord to measure or estimate any excess usage of electricity, water or other Utility.

(c) In no event is the Condominium Corporation or the Landlord to be liable for, nor is the Condominium Corporation or the Landlord to have any obligation with respect to any interruption or cessation of, or failure in the supply of, any such Utilities, services or systems in, to or serving the Building, or the Leased Premises, whether or not supplied by the Landlord. Condominium Corporation or others.

ARTICLE 7

Use of the Leased Premises

7.1 Use

The Leased Premises shall be used and occupied only as a **pharmacy, medical office, laboratory and naturopathic clinic for the business of the Tenant**. The Tenant will not use or permit or suffer the use of the Leased Premises or any part thereof for any other business or purpose.

7.2 Compliance with Laws

The Leased Premises shall be used and occupied in a safe, careful and proper manner so as not to contravene any present or future governmental or quasi-governmental laws, by-laws, rules or regulations or orders. If improvements, alterations or repairs are necessary to comply with any of the foregoing or with the requirements of insurance carriers, the Tenant shall pay the entire cost thereof.

7.3 Abandonment

The Tenant shall not vacate or abandon the Leased Premises at any time during the Term without the written consent of the Landlord.

7.4 Nuisance

The Tenant shall not cause or maintain any nuisance in or about the Leased Premises, and shall keep the Leased Premises free of debris, rodents, vermin and anything of a dangerous, noxious or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise) or undue vibration, heat, noise or odors.

7.5 Additional Installations

It is understood and agreed that any and all costs and expenses paid or incurred by the Landlord or the Condominium Corporation in installing energy conservation equipment and systems and safety or life support systems shall be included in Operating Costs for the purposes of Section 4.5.

7.6 Non-Liability for Tenant's Losses

It is understood and agreed that the Condominium Corporation and the Landlord shall not be liable to the Tenant in any way for any loss, costs, damages or expenses whether direct or consequential, paid, suffered or incurred by the Tenant due to any reduction in the services provided by the Landlord or the Condominium Corporation to the Tenant or to the Leased Premises or the Building or any part thereof as a result of the Landlord's or the Condominium Corporation's compliance with any laws, by-laws, regulations or orders.

ARTICLE 8

Insurance and Indemnity

8.1 Tenant's Insurance

(a) The Tenant shall, throughout the Term (and at any other time during which the Tenant is in possession of the Leased Premises) at its sole cost and expense, take out and keep in full force and effect and in the names of the Tenant, and name as additional insured the Landlord, the Condominium Corporation and the Mortgagee as their respective interests may appear, the following insurance:

- (i) fire and standard extended coverage insurance including sprinkler leakages (where applicable), earthquake, flood and collapse, in an amount equal to the full replacement cost (new) thereof upon (1) property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or installed by or on behalf of the Tenant, and which is located within or on the Building, including, without limitation, fittings, installations, alterations, additions, partitions, signs (interior and exterior) fixtures and anything in the nature of a leasehold improvement and (2) the Tenant's stock-in-trade, furniture and moveable equipment. If there is a dispute as to the amount which comprises full replacement cost (new), the decision of the Landlord, the Condominium Corporation or the Mortgagee shall be conclusive;
- (ii) business interruption insurance in such amount as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in Section 8.1(a)(i) and other perils commonly insured against by prudent tenants or attributable to prevention of access to the Leased Premises or the Building as a result of such perils;
- (iii) public liability and property damage insurance, including personal injury liability, contractual liability, employers' liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Leased Premises and the Tenant's use of the Building, coverage to include the activities and operations conducted by the Tenant and any other Person on the Leased Premises, and by the Tenant and any other Person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in any other part of the Building. Such policies shall (1) be written on a comprehensive basis with inclusive limits of not less than Five Million Dollars (\$5,000,000.00) for each occurrence for bodily injury to any one or more Persons, or property damage, and such higher limits as the Landlord, acting reasonably, or the Mortgagee requires from time to time; and (2) contain a severability of interests clause and a cross liability clause;
- (iv) tenants' legal liability insurance for the actual cash value of the Leased Premises, including loss of use thereof. Any and all claims in respect of such insurance shall be adjusted by the Landlord; and
- (v) any other form of insurance as the Tenant or the Landlord, acting reasonably, or the Mortgagee requires from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.

(b) All policies required to be written on behalf of the Tenant pursuant to Section 8.1(a) shall contain the Mortgagee's standard mortgage clause, shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord or the Condominium Corporation and against those for whom the Landlord or the Condominium Corporation is in law responsible, whether any such damage is

caused by the act, omission or negligence of the Landlord or the Condominium Corporation or those for whom the Landlord or the Condominium Corporation is in law responsible.

(c) All policies (i) shall be taken out with insurers acceptable to the Landlord; (ii) shall be in a form satisfactory from time to time to the Landlord; (iii) shall be non-contributing with, and shall apply only as primary and not as excess to, any other insurance available to the Landlord, the Condominium Corporation or the Mortgagee; and (iv) shall not be invalidated as respects the interests of the Landlord, the Condominium Corporation or of the Mortgagee by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies. All policies shall contain an undertaking by the insurers to notify the Landlord, the Condominium Corporation and the Mortgagee in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof.

(d) The Tenant agrees that (i) certificates of insurance on the Landlord's or the Condominium Corporation's standard form or, if required by the Landlord or the Condominium Corporation or the Mortgagee, certified copies of each such insurance policy, will be delivered to the Landlord annually, as soon as practicable after the placing or renewal of the required insurance; (ii) each such certificate shall contain an acknowledgment, to be signed by the Tenant's insurers, that the insurers have read the Lease, including without limitation, Articles 8 and 10 and agree to the terms of the Lease; and (iii) no review or approval of any such insurance certificate by the Landlord or the Condominium Corporation shall derogate from or diminish the Landlord's rights or the Tenant's obligations contained in this Lease.

(e) The Tenant agrees that if the Tenant fails to take out or to keep in force any such insurance referred to in this Section 8.1, or should any such insurance not be approved by either the Landlord, the Condominium Corporation or the Mortgagee and should the Tenant not commence diligently to rectify (and thereafter proceed diligently to rectify) the situation within 5 days (unless a shorter period of time is prescribed by the insurance company) after written notice by the Landlord to the Tenant (stating, if the Landlord, the Condominium Corporation or the Mortgagee does not approve of such insurance, the reasons therefor) the Landlord has the right without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the tenant and all outlays by the Landlord, together with a sum equal to fifteen percent (15%) thereof representing the Landlord's overhead, shall be paid by the Tenant to the Landlord as Additional Rent on the first day of the next month following said payment by the Landlord without prejudice to any other rights and remedies of the Landlord under this Lease.

(f) The Tenant agrees that in event of damage or destruction to the leasehold improvements in the Leased Premises covered by insurance required to be taken out by the Tenant pursuant to Section 8.1(a), the Tenant shall use the proceeds of such insurance for the purpose of repairing or restoring such leasehold improvements if the Lease is not terminated in accordance with Article 10. In the event of damage to or destruction of the Building or the Leased Premises entitling the Landlord to terminate the Lease pursuant to Section 10.2, and the Landlord so decides to terminate the Lease, then, if the Leased Premises have also been damaged or destroyed and all amounts payable by the Tenant under this Lease are paid and up to date, the Tenant shall be entitled to retain all of its insurance proceeds relating to the leasehold improvements in the Leased Premises. If however the Landlord elects not to terminate the Lease or if the Leased Premises have not been damaged or destroyed, the Tenant shall upon demand deliver to the Landlord, in accordance with the provisions of this Lease, the insurance proceeds for the leasehold improvements and the Leased Premises.

8.2 Increase in Insurance Premiums

The Tenant shall not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by any fire insurance policy in force from time to time covering the Leased Premises or the Building. If (a) the occupancy of the Leased Premises; (b) the conduct of business in the Leased Premises;

or (c) any acts or omissions of the Tenant in the Building or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by (1) the Landlord with respect to the Leased Premises, or (2) the Condominium Corporation with respect to the Building, the Tenant shall pay any such increase in premiums as Additional Rent within five (5) days after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use or occupancy of the Leased Premises, a schedule issued by the organization computing the insurance rate on the Leased Premises or the Building, as the case may be, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements of the Insurer's Advisory Organization (or any successor thereof) or of any insurer now or hereafter in effect, pertaining to or affecting the Leased Premises or the Building.

8.3 Cancellation of Insurance

If any insurance policy upon the Leased Premises or the Building or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled, or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Leased Premises or any part thereof by the Tenant or by any assignee or subtenant of the Tenant, or by anyone permitted by the Tenant to be upon the Leased Premises, and if the Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within forty- (48) hours after notice thereof by the Landlord, the Landlord may, at its option, either (a) re-enter and take possession of the Leased Premises forthwith by leaving upon the Leased Premises a notice in writing of its intention so to do and thereupon the Landlord shall have the same rights and remedies as are contained in Article 14, or (b) enter upon the Leased Premises and remedy the condition giving rise to such cancellation, threatened cancellation or reduction, including the removal of any offending article, and the Tenant shall pay the cost thereof to the Landlord within five (5) days after demand and such cost may be collected by the Landlord as Additional Rent and the Landlord shall not be liable for any damage or injury caused to any property of the Tenant or of others located on the Leased Premises as a result of any such entry. The Tenant agrees that any such entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease or implied by law.

8.4 Loss or Damage

The Landlord and the Condominium Corporation shall not be liable for any death or injury arising from or out of any occurrence in, upon, at, or relating to, the Leased Premises or the Building, or damage to property of the Tenant or of others located on the Leased Premises or elsewhere in the Building nor shall the Landlord and the Condominium Corporation be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, whether or not any such death, injury, loss or damage results from the negligence of the Landlord or the Condominium Corporation, either of their agents, servants or employees or other Persons for whom either of them may, in law, be responsible. Without limiting the generality of the foregoing, the Landlord and the Condominium Corporation shall not be liable for any injury or damage to Persons or property resulting from fire, explosion, falling plaster, falling ceiling tile, falling ceiling fixtures (including part or all of the ceiling T grid system) and diffuser coverings, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, sprinklers, appliances, plumbing works, roof, windows or subsurface of any floor or ceiling of the Leased Premises or the Building or from the adjoining streets or any other place or by dampness or by any other cause whatsoever. The Landlord or the Condominium Corporation shall not be liable for any such damage caused by other tenants or Persons in the Leased Premises or the Building or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public or quasi-public work. All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant only and the Tenant shall indemnify the Landlord and the

Condominium Corporation and save them harmless from any claims arising out of any damages to the same including, without limitation, any subrogation claims by the Tenant's insurers.

8.5 Condominium Insurance

Notwithstanding any contribution by the Tenant to the cost of insurance premiums with respect to any insurance which may be taken out by the Landlord or the Condominium Corporation, the Tenant acknowledges and agrees that (i) the Tenant is not relieved of any liability arising from or contributed to by its negligence or its wilful acts or omissions, and (ii) no insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord or the Condominium Corporation and the Tenant has no right to receive any proceeds of any such insurance policies carried by the Landlord or the Condominium Corporation.

8.6 Indemnification of the Landlord and the Condominium Corporation

Notwithstanding any other terms, covenants and conditions contained in this Lease, the Tenant shall indemnify the Landlord and the Condominium Corporation and save each of them harmless from and against any and all loss (including loss of all Minimum Rent and Additional Rent payable by the Tenant pursuant to this Lease), claims, actions, damages, liability and expense in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence in, upon or at the Leased Premises, or the occupancy or use by the Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant or by anyone permitted to be on the Leased Premises or in the Building by the Tenant (including, without limitation, any breach or default under this Lease). If the Landlord or the Condominium Corporation shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord and the Condominium Corporation harmless and shall pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord and the Condominium Corporation in connection with such litigation. The Tenant shall also pay all costs, expenses and reasonable legal fees (on a solicitor and his client basis) that may be incurred or paid by the Landlord in enforcing the terms, covenants and conditions in this Lease.

ARTICLE 9 Maintenance, Repairs and Alterations

9.1 Maintenance and Repairs by the Tenant

(a) The Tenant shall, at all times, at its sole cost, keep and maintain its exterior and interior signs and the whole of the Leased Premises including without limitation, all interior partitions, doors, fixtures, shelves, equipment and appurtenances thereof, and improvements thereto (including without limitation, electrical, lighting, wiring, plumbing fixtures and equipment and the heating, ventilating and air-conditioning systems and equipment within or installed by or on behalf of the Tenant for the Leased Premises), and all telephone outlets and conduits and special mechanical and electrical equipment within or serving the Leased Premises in good order, first-class condition and repair (which shall include, without limitation, periodic painting and decoration), as determined by the Landlord, and the Tenant shall, subject to Sections 9.2, 9.3 and Article 10, make all needed, non-structural, repairs and replacements with due diligence and dispatch. Without limiting the generality of the foregoing, the Tenant shall be responsible to replace all light bulbs in the Leased Premises.

(b) If the replacement of any perimeter glass windows and perimeter glass doors in the exterior walls of the Building which are broken during the Term are the responsibility of the Condominium Corporation, then the cost thereof shall be included in Operating Costs.

(c) The Tenant shall examine the Leased Premises before taking possession thereof and unless the Tenant furnishes the Landlord with a notice in writing specifying any defect in the construction of the Leased Premises within ten (10) days after such taking of possession, the Tenant shall conclusively be deemed to have examined the Leased Premises, to have agreed that they are in order, and such taking of possession without the giving of such notice as aforesaid within such ten (10) day period is conclusive evidence against the Tenant that at the time thereof the Leased premises were in good order and satisfactory condition, subject to latent defects, if any.

9.2 Landlord's Approval of the Tenant's Repairs

The Tenant shall not make any alterations, repairs, replacements, decorations or improvements ("Alterations") to any part of the Leased Premises without first obtaining the Landlord's prior written approval and if required the prior written approval of the Condominium Corporation. The Tenant shall submit to the Landlord: (a) details of the proposed work including drawings and specifications prepared by qualified architects or engineers and conforming to good engineering practice; (b) such indemnification against liens, costs, damages and expenses as the landlord requires; and (c) evidence satisfactory to the Landlord that the Tenant has obtained, at its expense, all necessary consents, permits, licenses and inspections from all governmental and regulatory authorities having jurisdiction. All such Alterations approved of by the Landlord shall be performed: (i) at the sole cost of the Tenant; (ii) by competent workmen whose labour union affiliations are compatible with others employed by the Landlord and its contractors; (iii) in a good and workmanlike manner; (iv) in accordance with the drawings and specifications approved by the Landlord; and (v) subject to the reasonable regulations, controls and inspection of the Landlord. Any Alteration made by the Tenant without the prior written consent of the Landlord or which is not made in accordance with the drawings and specifications approved by the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at the Tenant's expense, in default of which the Landlord may at its option remove them without being liable for any loss or damage that may result to the Tenant's merchandise, fixtures or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay to the Landlord as Additional Rent within five (5) days after demand, both the Landlord's costs relating to any such repairs plus a sum equal to fifteen percent (15%) thereof representing the Landlord's overhead cost. The Tenant agrees that the making of any repairs by the Landlord or the Condominium Corporation pursuant to this Section 9.2 is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease or implied by law.

If any of the equipment or other apparatus used for the purpose of climate control, or if the pipes, electric lighting or other equipment servicing any part of the Building is damaged or destroyed or gets out of repair, the Condominium Corporation or the Landlord, as the case may be, shall have a reasonable time in which to make such repairs or replacements as may be reasonably required for the resumption of those services to the Leased Premises and the Tenant is not entitled to any compensation or damages therefor; but if any of such equipment, facilities or systems servicing the Building or any part thereof become impaired, damaged or destroyed in the circumstances referred to in Section 9.6, the Tenant shall be responsible for the cost of repairing, restoring or making good such damage in accordance with the provisions of Section 9.6.

9.3 Repair on Notice

In addition to the obligations of the Tenant contained in Section 9.1 hereof, the Tenant shall effect all repairs or replacements referred to therein according to notice from the Landlord, but failure to give notice shall not relieve the Tenant from its obligation to repair.

9.4 Surrender of the Leased Premises

At the expiration or earlier termination of the Term, the Tenant shall peaceably surrender and yield up the Leased Premises to the Landlord in as good condition and repair as the Tenant is required to maintain the Leased Premises throughout the Term, and the Tenant shall surrender all keys for the Leased Premises to the Landlord at the place then fixed for the payment of Minimum Rent and shall inform the Landlord of all combinations of locks, safes and vaults, if any, in the Leased Premises. Provided the Lease is in good standing at the relevant time, and if requested by the Landlord, the Tenant shall remove all of its trade fixtures and any alterations or improvements made by or on behalf of the Tenant, its subtenants or assignees, as provided in Section 9.9 hereof before surrendering the Leased Premises as aforesaid, and shall forthwith repair any damage to the Leased Premises caused by such installations or removals. The Tenant's obligations and covenants under this Article 9 shall survive the expiration of the Term or earlier termination of this Lease.

9.5 Repair Where the Tenant is at Fault

Notwithstanding any other terms, covenants and conditions contained in this Lease if the Leased Premises or the Building or any part thereof, or any equipment, machinery, facilities or improvements contained therein or made thereto, or the roof or outside walls of the Building or any other structural portions of the Building or the Leased Premises require repair or replacement or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant or those for whom it is in law responsible or any Person having business with the Tenant or through it in any way stopping up or damaging the climate control, heating apparatus, water pipes, drainage pipes or other equipment or facilities or parts of the Building or Leased Premises, the cost of the resulting repairs, replacements or alterations shall be paid by the Tenant to the Landlord as Additional Rent within ten (10) days after presentation of an account of such expenses incurred by the Landlord.

9.6 Tenant Not To Overload Facilities

The Tenant shall not install any equipment which exceeds the capacity of any utility, electrical or mechanical facilities in the Leased Premises, and the Tenant will not bring into the Leased Premises or install any utility, electrical or mechanical facility or service of which the Landlord does not approve. The Tenant agrees that if any equipment installed by the Tenant requires additional utility, electrical or mechanical facilities, the Landlord or the Condominium Corporation may, in its sole discretion, if such facilities are available, elect to install them at the Tenant's expense and in accordance with plans and specifications to be approved in advance in writing by the Landlord or the Condominium Corporation. The Landlord may require the Tenant to agree to an increase in the Additional Rent for electricity by an amount which will reflect the increased cost to the Landlord or the Condominium Corporation of the additional services to be furnished by the Landlord to the Leased Premises.

9.7 Tenant Not To Overload Floors

The Tenant shall not bring upon the Building or the Leased Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use, might in the opinion of the Landlord damage the Building or the Leased Premises and shall not at any time overload the floors of the Leased Premises. If any damage is caused to the Building or the Leased Premises by any machinery, equipment, object or thing or by overloading, or by any act, neglect, or misuse on the part of the Tenant, or any of its servants, agents, or employees, or any Person having business with the Tenant, the Tenant will forthwith repair such damage, or at the option of the Landlord, pay the Landlord within five (5) days after demand as Additional Rent, the cost of repairing such damage.

9.8 Removal and Restoration by the Tenant

(a) All alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf (other than the Tenant's trade fixtures) shall immediately become the property of the Landlord upon affixation or installation, without compensation therefor to the Tenant, but the Landlord is under no obligation to repair, maintain or insure such alterations, decorations, additions or improvements. Such alterations, decorations, additions or improvements shall not be removed from the Leased Premises either during or at the expiration or earlier termination of the Term except that:

- (i) the Tenant may during the Term in the usual or normal course of its business and with the prior written consent of the Landlord remove its trade fixtures, provided such trade fixtures have become excess for the Tenant's purposes or the Tenant is substituting new and similar trade fixtures therefor, and provided that in each case, (1) the Tenant is not in default under this Lease and (2) such removal is done at the Tenant's sole cost and expense; and
- (ii) the Tenant shall, at the expiration of the Term, at its own cost, remove all of its trade fixtures and such leasehold improvements and fixtures installed by or on behalf of the Tenant, its subtenants and assignees, in the Leased Premises as the Landlord requires to be removed.

(b) If the Tenant does not remove its trade fixtures at the expiration or earlier termination of the Term, the trade fixtures shall, at the option of the Landlord, become the property of the Landlord.

(c) The Tenant shall promptly repair any damage caused to the Leased Premises or the Building or any part thereof by the installation or removal of any such alteration, decoration, addition or improvement.

(d) For greater certainty, the Tenant's trade fixtures shall not include any (i) heating, ventilating or air-conditioning systems, facilities and equipment in or serving the Leased Premises (excepting therefrom ventilation specific to the pharmaceutical compounding undertaken by the Tenant (ii) floor covering affixed to the floor of the Leased Premises; (iii) light fixtures; (iv) internal stairways and doors, if any; and (v) all fixtures, improvements, installations, alterations or additions which are or have been installed by or at the expense of the Landlord or are considered to be leasehold improvements in accordance with generally accepted accounting practices; all of which are deemed to be leasehold improvements.

9.9 Notice by the Tenant

The Tenant shall, when it becomes aware of same notify the Landlord of any damage to, or deficiency or defect in any part of the Building, including the Leased Premises, any equipment or utility systems, or any installations located therein, including, without limitation, the HVAC Unit, notwithstanding the fact that the Landlord may have no obligations with respect to same.

9.10 Tenant to Discharge all Liens

The Tenant shall do any and all things necessary so as to ensure that no lien is registered against the Building or any part thereof or against the Landlord's or Tenant's interest in the Leased Premises by any person claiming by, through, under or against the Tenant or its employees, agents, invitees, licensees, contractors or subcontractors and if any such lien is made, filed or registered, the Tenant shall discharge it or cause it to be discharged forthwith at the Tenant's expense.

If the Tenant fails to discharge or cause any such lien to be discharged as aforesaid, then, in addition to any other right or remedy of the Landlord the Landlord may, but it shall not be obligated to, discharge the same by paying the amount claimed to be due, and any additional amounts as may be required at law or otherwise, into Court or directly to any such lien claimant and the amount so paid by the Landlord and a sum equal to fifteen percent (15%) thereof representing the Landlord's overhead and all costs and expenses including solicitor's fees (on a solicitor and client basis) incurred shall be immediately due and payable by the Tenant to the Landlord as Additional Rent within five (5) days after demand.

9.11 Signs and Advertising

The Tenant shall not paint, affix, display or cause to be painted, affixed or displayed, any sign, picture, advertisement, notice, lettering or decoration on any part of the outside of the Leased Premises or the Building or in the interior of the Leased Premises which is visible from the outside of the Leased Premises or the Building, without, in each instance, the prior written approval of the Landlord, and if necessary, the Condominium Corporation. The Tenant will erect an identification sign or signs of a type or types and in a location or locations specified in writing by the Landlord and in accordance with the Landlord's and the Condominium Corporation's sign policies. Any such signs shall remain the property of the Tenant and shall be maintained at the Tenant's sole cost and expense. At the expiration of the Term or earlier termination of this Lease, the Tenant shall remove any such sign from the Leased Premises at the Tenant's expense and shall promptly repair all damage caused by its installation and removal. The Tenant's obligation to observe and perform this covenant shall survive the expiration of the Term or earlier termination of this Lease.

ARTICLE 10

Damage and Destruction

10.1 Destruction of the Leased Premises

(a) If the Leased Premises are at any time destroyed or damaged (including, without limitation, smoke and water damage) as a result of fire, the elements, accident or other casualty and not caused by the Tenant, and if as a result of such occurrence:

- (i) the Leased Premises are rendered untenable only in part, this Lease shall continue in full force and effect and the Landlord or the Condominium Corporation shall, subject to Sections 10.1(b) and 10.2(a) hereof, commence diligently to reconstruct, rebuild or repair the Leased Premises to the extent only of the Landlord's or Condominium Corporation's obligations to repair under this Lease or the Condominium Act (Ontario) and then only to the extent of the insurance proceeds actually received by the Landlord or the Condominium Corporation, as the case may be, for such purpose, and only Minimum Rent (but not Additional Rent, except to the extent that the Landlord has specifically received insurance proceeds from its insurance for any payment of Additional Rent) shall abate proportionately to the portion of the Leased Premises rendered untenable from the date of the destruction or damage and until the Leased Premises have been restored and rendered tenable by the Landlord or the Condominium Corporation to the extent of its obligations hereunder;
- (ii) the Leased Premises are rendered wholly untenable, this Lease shall continue in full force and effect and the Landlord or the Condominium Corporation shall, subject to Section 10.1(b) and 10.2(a) hereof, commence diligently to reconstruct, rebuild or repair the Leased Premises to the extent of the Landlord's or Condominium Corporation's obligations to repair under this Lease or the Condominium Act (Ontario) and then only to

the extent of the insurance proceeds actually received by the Landlord or the Condominium Corporation, as the case may be, for such purpose, and only Minimum Rent (but not Additional Rent, except to the extent that the Landlord has specifically received insurance proceeds from its insurers for any payment of Additional Rent) shall abate entirely from the date of the destruction or damage and until the Leased Premises have been restored and rendered tenantable in whole or in part by the Landlord or the Condominium Corporation to the extent of its obligations hereunder or under the Condominium Act (Ontario);

- (iii) the Leased Premises are not rendered untenable in whole or in part, the Lease shall continue in full force and effect, the Rent and other amounts payable by the Tenant shall not terminate, be reduced or abate and the Landlord or the Condominium Corporation, to the extent required by the Condominium Act (Ontario) shall, subject to Sections 10.1(b) and 10.2(a) hereof, commence diligently to reconstruct, rebuild or repair the Leased Premises to the extent set forth in this Section 10.1.

(b) If (i) the Leased Premises are damaged or destroyed by any cause whatsoever, and if, in the opinion of the Landlord, reasonably arrived at, the Leased Premises cannot be rebuilt or made fit for the purposes of the Tenant within ninety (90) days of the happening of the damage or destruction, the Landlord, instead of rebuilding or making the Leased Premises fit for the Tenant in accordance with Section 10.1(a) may, at its option, elect to terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon Minimum Rent, Additional Rent, and any other payments for which the Tenant is liable under this lease shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver vacant possession of the Leased Premises to the Landlord in accordance with the terms of this Lease; or (ii) the Leased Premises are damaged or destroyed by any cause whatsoever and the Landlord is advised by the Board of Directors of the Condominium Corporation that the required percentage of condominium unit owners of the Building have elected not to repair the condominium units and the Common Elements, in accordance with the provisions of the Condominium Act (Ontario) or any statute subsequently passed to take the place of or to amend such Act, the Landlord, instead of rebuilding or making the Leased Premises fit for the Tenant in accordance with Section 10.1(a) shall terminate this Lease by giving to the Tenant, within ten (10) days after receipt of notice by the Landlord from the Board of Directors of the Condominium Corporation, notice of termination, and thereupon Minimum Rent, Additional Rent, and any other payments for which the Tenant is liable under this Lease shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Leased Premises to the Landlord in accordance with the terms of this Lease.

(c) In the event that the Landlord or the Condominium Corporation notifies the Tenant that the Premises cannot be repaired within ninety (90) days of the occurrence of damage, the Tenant may, at its option, elect to terminate this Lease by giving to the Landlord, within thirty (30) days after it receives such notice from the Landlord or the Condominium Corporation, a notice of termination, and thereupon Minimum Rent, Additional Rent, and any other payments for which the Tenant is liable under this Lease shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver vacant possession of the Leased Premises to the Landlord in accordance with the terms of this Lease.

(d) Provided neither party delivers a notice of termination as provided for in this Section 10.1, upon the Tenant being notified in writing by the Landlord that the Landlord or the Condominium Corporation has substantially completed its work under this Section 10.1, the Tenant shall forthwith complete all work required to fully restore the Leased Premises for its business. The Tenant shall diligently complete the

Tenant's Work and, if the Leased Premises have been closed for business, reopen for business within ninety (90) days after notice that the Landlord's or the Condominium Corporation's repair work is substantially completed.

(e) Nothing in this Section 10.1 or Section 10.2 requires the Landlord or the Condominium Corporation to (i) rebuild the Leased Premises or the Building, as the case may be, in the condition and state that existed before any such occurrence, provided that the Leased Premises, as re-built, will have reasonably similar facilities and services to those in the Leased Premises prior to the damage or destruction having regard, however, to the age of the Building at such time; or (ii) repair or replace any leasehold improvements or trade fixtures, equipment or furnishings in the Leased Premises.

10.2 Destruction of the Building or Leased Premises

(a) If any portion of the Building is damaged or destroyed and the Landlord is advised within ninety (90) days of any damage or destruction to the Building by the Board of Directors of the Condominium Corporation that the required percentage of condominium unit owners of the Building have elected not to repair the condominium units of the Building and the Common Elements, in accordance with the provisions of the Condominium Act (Ontario) or any statute subsequently passed to take the place of or to amend such Act, then, the Landlord shall, by giving written notice to the Tenant within ten (10) days following receipt of notice by the Landlord from the Board of Directors of the Condominium Corporation, terminate this Lease. In such cases, the Term and the tenancy hereby created shall expire upon the date specified in such notice, without indemnity or penalty payable by, or any other recourse against, the Landlord, and the Tenant shall, upon such date, vacate the Leased Premises and surrender them to the Landlord with the Landlord having the right to reenter and repossess the Leased Premises discharged of this Lease and to expel all Persons and remove all property therefrom. Minimum Rent and Additional Rent shall be due and payable without reduction or abatement subsequent to the destruction or damage and until the date of termination, unless the Leased Premises shall have been destroyed or damaged as well, in which event Section 10.1 shall apply.

(b) If the Landlord does not terminate this Lease in accordance with the rights hereinbefore granted, the Landlord or the Condominium Corporation, as the case may be, shall, following such destruction or damage, commence diligently to reconstruct, rebuild or repair, if necessary, that part of the Building which was damaged or destroyed, but only to the extent of the Landlord's or the Condominium Corporation's responsibilities pursuant to the Condominium Act (Ontario) or any statute subsequently passed to take the place of or to amend such Act, and exclusive of any tenant's responsibilities set out therein.

10.3 Expropriation

Both the Landlord and the Tenant agree to co-operate each with the other in respect of any expropriation of all or any part of the Leased Premises so that each may receive the maximum award in the case of any such expropriation to which they are respectively entitled at law.

ARTICLE 11

Transfer and Sale

11.1 Assignment, Subletting and Transfers

(a) The Tenant shall not be entitled to assign, sublet, mortgage, Charge or in any other matter dispose this Lease or franchise, license, grant concessions in, or otherwise part with or share possession of the

Leased Premises or any part thereof (hereinafter referred to as a "**Transfer**") without the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld or delayed, but which consent may contain reasonable conditions and terms imposed by the Landlord.

(b) At the time the Tenant requests such consent, which shall be at least thirty (30) days prior to the intended transfer date, the Tenant shall deliver to the Landlord such information in writing as the Landlord or its mortgagee may reasonably require, including, without limitation, a copy of the proposed offer or agreement, if any, to Transfer and the name, address and nature of business and evidence as to the financial strength (including financial statements) of the proposed assignee or subtenant or other user (hereinafter referred to as a "**Transferee**").

(c) The Consent by the Landlord to any Transfer if granted shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against a Transfer shall include a prohibition against any Transfer by operation of the law and no Transfer shall take place by reason of the failure of the Landlord to give notice to the Tenant within 30 days as required by Section 11.2.

(d) Notwithstanding the *Commercial Tenancies Act* (Ontario) or any other statute or common law, the Landlord may unreasonably withhold its consent if there is an Event of Default, but may not unreasonably withhold consent if such Event of Default is rectified as part of the Transfer, or immediately prior to the Transfer.

(e) Notwithstanding any rule of law or equity or statutory provision or anything in this Lease to the contrary, the Landlord shall have no liability for or in connection with any claims, actions, damages, liabilities or expenses of any kind or nature whatsoever of the Tenant or any proposed Transferee as a result of the Landlord withholding its consent to any Transfer in any circumstances where a Court of competent jurisdiction determines that such consent should have been granted. The Tenant agrees that its only remedy in respect of the Landlord's withholding of consent will be to bring an application for a declaration that such Transfer should be allowed.

11.2 Mortgage of Leasehold

The Tenant shall be entitled to mortgage, pledge, hypothecate or otherwise encumber all or any portion of the Tenant's interest in this Lease and the Leasehold Improvements as security to an institutional lender or to a supplier of inventory for the Tenant's business, in the ordinary course of its business, without the consent, but upon at least fifteen (15) days' written notice to the Landlord. Such notice shall include details of the encumbrance, name of the Lender and names of all credit parties involved. If such lender is not so listed or such loan is not in the ordinary course of business, the Tenant shall require prior written Landlord consent, which consent will not be unreasonably withheld or delayed. The Tenant shall not register any instrument or notice against title to the Leased Premises without prior written consent of the Landlord.

11.3 Landlord's Response

The Landlord shall, within fifteen (15) days after having received such notice and all requested and sufficient information to make an informed decision, notify the Tenant whether it consents or does not consent to the Transfer in accordance with the provisions and qualifications of this Article 11.

11.4 Reasonable Grounds to Withhold Landlord's Consent

The Landlord shall be deemed reasonable in withholding its consent to any subletting or assignment if:

- (i) the Tenant fails to obtain from the sublessee or assignee the covenant in the form set out in section 2.5 hereof;
- (ii) the Landlord is not satisfied with the financial circumstances or the financial strength of the Transferee or of any of its principals;
- (iii) the Landlord is not be satisfied with the business experience of the principals of the Transferee;
- (iv) the Transferee intends to change the use of the Leased Premises or, in the Landlord's reasonable opinion, the Transferee's proposed use creates a nuisance for nearby properties, including, without limitation, the creation, generation or emission of: noise, vibrations, obnoxious odours, dust or other particulates or will attract inordinate vehicular traffic to the surrounding area;
- (v) the Transferee's proposed use or business would result in an increase in insurance premiums or general increase in risk for the Leased Premises or the Building, or other improvements situated thereon, including, without limitation, the environmental condition thereof;
- (vi) the Landlord does not receive sufficient information regarding the Transferee to enable it to make a decision;
- (vii) the rent and additional rent payable by the sublessee or assignee shall not be proportionately less than the Minimum Rent and Additional Rent payable hereunder as at the effective date of the sublease or assignment, (including any increases provided for in this Lease); or
- (viii) if the rent and additional rent to be paid by the sublessee or assignee to the Tenant, as determined by the Landlord acting reasonably, exceeds the Minimum Rent and Additional Rent payable hereunder, and the amount of such excess is not paid by the Tenant to the Landlord.

11.5 Conditions of Transfer

(a) Provided, however, and it is made a condition to any Transfer, which the Landlord is prepared to approve, that:

- (i) The proposed Transferee shall agree in writing to assume and perform all of the terms, covenants, conditions and agreements by this Lease imposed upon the Tenant herein in a form to be approved by the solicitor for the Landlord, acting reasonably;
- (ii) The Tenant shall pay the Landlord all reasonable legal fees and disbursements incurred in connection with the Transfer;
- (iii) The consent of the Landlord is not a waiver of the requirement upon the Tenant for the Landlord's consent for any subsequent Transfer;

- (iv) The acceptance by the Landlord of Rent from a Transferee without the Landlord's consent to such Transfer shall not constitute a waiver of the requirement of such consent nor shall it constitute an acceptance of such party as the Tenant;
- (v) The Leased Premises, at the time of the Transfer, shall comply in all respects with the standard of repair and maintenance required of the Tenant pursuant to this Lease;
- (vi) If the gross rental rate payable by the proposed Transferee to the Tenant at any time is greater than the current Rent payable hereunder, as determined by the Landlord, acting reasonably, such greater Rent shall be assigned and payable to the Landlord;
- (vii) If the Transfer does not take place within sixty (60) days of the giving of consent by the Landlord, then the Landlord's consent to such Transfer shall, at the Landlord's option, expire and become null and void; and
- (viii) Notwithstanding any such Transfer the Tenant shall remain liable to the Landlord for the fulfillment of all covenants contained herein throughout the balance of the Term and any extension or renewal thereof.

(b) If a Transfer occurs without the consent of the Landlord when required, or in contravention of the terms noted herein, the Landlord may collect Rent from the party in whose favour the Transfer was made and apply the net amount collected to the Rent herein reserved but no such Transfer will be considered a waiver of the covenants and conditions contained herein or the acceptance of the party in whose favour the Transfer was made as a tenant hereunder.

11.6 Clinic Acknowledgement

- (a) The Landlord acknowledges that a medical clinic operates a from a portion of the Leased Premises and subleases approximately 3,278 square feet of the Leased Premises for such purpose (the "Clinic Space"). Provided the Tenant complies with the conditions noted in Section 11.6(b), none of Sections 11.1, and 11.3 to 11.5 of this Article shall apply to the sublease of the Clinic Space, to the extent that the Tenant shall not require prior written consent of the Landlord to enter into, renew, amend or terminate such arrangements for the sublease or other occupation of the Clinic Space including, without limiting the generality of the foregoing, determination of any rents or other contributions to be paid, permitting changes of control of any Person operating within the Clinic Space or permitting changes to the physicians practicing from the Clinic Space, from time to time.
- (b) Sections 11.1 and 11.3 to 11.5 shall not apply as noted in Section 11.6(a) provided that:
 - (i) The Tenant delivers thirty (30) days' prior written notice to the Landlord; and
 - (ii) Such notice contains the name of the proposed subtenant, the subtenant's contact information, copies of the sublease agreement, amendment agreement, or termination agreement as applicable, and copies of any other documents reviewed or considered by the Tenant, as may be applicable.

11.7 Corporate Ownership

- (a) If:

- (i) the Tenant is a corporation or if the Landlord has consented to a Transfer of this Lease to a corporation, any transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription from time to time of all or any part of the corporate shares of the Tenant or of any parent or holding body corporate or subsidiary body corporate of the Tenant or any corporation which is affiliated with the Tenant (as those terms are defined pursuant to the Canada Business Corporations Act and amendments thereto), or any other change or agreement, or
- (ii) the Tenant is a partnership or is controlled by a partnership (collectively and individually, the "Partnership") or if the Landlord has consented to a Transfer of this Lease to a Partnership and there is a change in the composition or control of any such Partnership, which results in any change in the present effective control of the Tenant by the Person(s) holding such control at the date of execution of this Lease (or at the date a Transfer of this Lease to a corporation or Partnership, as the case may be, is permitted)

such transfer, issue, other disposition, subscription change or agreement which results in such change of control shall for the purposes of this Section 11.5 be deemed to be a Transfer of this Lease and the provisions of Sections 11.1 to 11.4 inclusive shall apply to a Transfer under this Section 11.5.

The Tenant shall (i) when requesting consent to a sale of shares or change in the composition or control of the Partnership, as aforesaid, provide the Landlord with such information as to the proposed purchaser or partner(s) as the Landlord requires including, without limitation, information concerning creditworthiness, financial standing and business history; and (ii) make available to the Landlord, or its lawful representatives, all books and records of the Tenant for inspection at all reasonable times, in order to ascertain whether there has been any change in control of the Tenant.

This Section 11.5 shall not apply to the Tenant if and so long as the Tenant or the corporation or entity which controls the Tenant is a public corporation or entity whose securities are traded and listed on any recognized stock exchange in Canada or the United States, and so long as the Landlord receives assurances satisfactory to the Landlord that there will be a continuity of management of the Tenant, and of its business practices and policies, notwithstanding any such change of control.

11.8 Assignment by the Landlord

In the event of the sale, lease or other disposition by the Landlord of the Leased Premises or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee thereof assumes the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed and relieved of all liability with respect to the covenants and obligations of the Landlord hereunder. If the Landlord disposes of the Leased Premises or the Lease, as aforesaid, it shall obtain the covenant of the acquiror in favour of the Tenant agreeing to be bound by all of the terms, covenants and conditions hereof.

ARTICLE 12 **Access and Alterations**

12.1 Right of Entry

(a) The Condominium Corporation and its agents have the right to enter the Leased Premises at all reasonable times upon reasonable notice, and the Landlord and its agents have the right to enter the Leased Premises at all reasonable times during regular business hours and upon not less than 24 hours

prior notice (except in the event of an emergency, when the Landlord and the Condominium Corporation can enter at any time) to show them to prospective purchasers, lessees or mortgagees, and to examine the same and to make such repairs, alterations, changes, adjustments, improvements or additions to the Leased Premises, the Building, or any part thereof or any adjacent property as the Landlord or the Condominium Corporation considers necessary or desirable. For such purpose, the Landlord or the Condominium Corporation may take all material into and upon the Leased Premises which is required therefor and may have access to the underfloor ducts and access panels to mechanical shafts and the Landlord or the Condominium Corporation has the right to check, calibrate, adjust and balance controls and systems. The Rent required to be paid pursuant to this Lease shall not abate or be reduced while any such repairs, alterations, changes, adjustments, improvements or additions are being made due to loss or interruption of business of the Tenant or otherwise, and the Landlord or the Condominium Corporation shall not be liable for any damage, injury or death caused to any Person, or to the property of the Tenant or of others located on the Leased Premises as a result of such entry. The Tenant shall not unduly obstruct any such pipes, conduits, ducts or mechanical shafts so as to prevent reasonable access thereto. Any entry to the Leased Premises shall be undertaken in a manner that minimizes disruption to the Tenant's operations.

(b) If the Tenant is not personally present to open and permit an entry into the Leased Premises, at any time when for any reason an entry therein is necessary or permissible, the Landlord or the Condominium Corporation or its agents may forcibly in the case of an emergency, real or apprehended, enter the same, without rendering the Landlord or the Condominium Corporation or such agents liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, is deemed or construed to impose upon the Landlord or the Condominium Corporation any responsibility whatsoever for the care, maintenance or repair of the Leased Premises, or any part thereof, except as otherwise herein specifically provided. The Tenant agrees that any entry made and any work undertaken by or on behalf of the Landlord or the Condominium Corporation upon the Leased Premises in accordance with this Section 12.1 is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease or implied by law.

ARTICLE 13

Status Statement, Attornment and Subordination

13.1 Status Statement

Within ten (10) days after written request therefor by the Landlord, or if upon any sale, assignment, lease or mortgage of the Leased Premises by the Landlord, a status statement is required from the Tenant, the Tenant shall deliver in a form supplied by the Landlord, a status statement or a certificate to any proposed purchaser, assignee, lessee or Mortgagee, or to the Landlord, stating (if such is the case):

- (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and identifying the modification agreements) or if this Lease is not in full force and effect, the certificate shall so state;
- (b) the Commencement Date;
- (c) the date to which Minimum Rent and Additional Rent have been paid under this Lease;
- (d) whether or not there is any existing default by the Tenant in the payment of any rent or other sum of money under this Lease, and whether or not there is any other existing or

alleged default by either party under this Lease with respect to which a notice of default has been served and if there is any such default, specifying the nature and extent thereof; and

- (e) whether there are any defences or counterclaims against enforcement of the obligations to be performed by the Tenant under this Lease.

13.2 Subordination and Attornment

(a) It is a condition of this Lease and the Tenant's rights granted hereunder that this Lease and all of the rights of the Tenant hereunder are, and shall at all times be, subject and subordinate to any and all ground or underlying leases, mortgages, trust deeds or the charge or lien resulting from, or any instruments of, any financing, refinancing or collateral financing or any renewals or extensions thereof from time to time in existence against the Leased Premises and/or the Building (collectively "**Encumbrances**"). Upon request, the Tenant shall subordinate this Lease and all of its rights hereunder in such form as the Landlord requires to any and all Encumbrances and to all advances made or hereafter to be made upon the security thereof, and, if requested, the Tenant shall attorn to the holder thereof. Upon being notified of the same, the Landlord covenants to notify the Tenant if enforcement proceedings are undertaken by the Landlord's mortgagee.

(b) The Tenant shall, if possession is taken under, or any proceedings are brought for possession under or the foreclosure of, or in the event of the exercise of the power of sale under any Encumbrance, attorn to the holder of any Encumbrance or to a purchaser of the Leased Premises or the Building upon any such foreclosure, sale or other proceeding and recognize the holder of any Encumbrance or a purchaser as the Landlord under this Lease.

(c) Upon receipt of written request from the Tenant and at the Tenant's sole expense, the Landlord shall use commercially reasonable efforts to obtain a non-disturbance agreement from any and all mortgagees of the Leased Premises.

13.3 Statements

The Tenant shall, upon request of the Landlord, any ground or underlying lessor or the Mortgagee or any other Person having an interest in the Leased Premises execute and deliver promptly and without delay such statements, instruments and certificates to carry out the intent of Sections 13.1 and 13.2 as are requested by the Landlord.

13.4 Financial Information

The Tenant shall, upon request (but not more often than once in any twelve (12) calendar month period), provide the Landlord with such information as to the Tenant's financial standing and corporate organization as the Landlord or the Mortgagee requires.

ARTICLE 14

Default

14.1 Right to Re-enter

- (a) An "Event of Default" occurs whenever:

- (i) the Tenant defaults in the payment of Rent or Sales Taxes and the default continues for three (3) days, whether or not the Landlord delivers written notice to the Tenant;
 - (ii) the Tenant fails to observe or perform any other term, covenant or condition of this Lease to be observed or performed by the Tenant (other than the terms, covenants and conditions set out below in subparagraphs (iii) to (xi) inclusive for which no notice is required) provided the Landlord first gives the Tenant ten (10) days written notice, or such other period of time as is otherwise provided in this Lease, of any such failure to perform and the Tenant within such period of ten (10) days or other period fails to commence diligently and thereafter to proceed diligently to cure any such failure to perform;
 - (iii) a report or statement required from the Tenant under this Lease is false or misleading except for a misstatement that is the result of an inadvertent or unintentional error;
 - (iv) the Tenant, or a Person carrying on business in a part of the Leased Premises, or an Indemnitor becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors;
 - (v) a license or permit required for the operation of the Tenant's business is revoked, withdrawn or cancelled by the applicable governing authority or governing body, and any applicable cure periods have expired;
 - (vi) a receiver or a receiver and manager is appointed for all or a part of the property of the Tenant, or of another Person carrying on business in the Leased Premises, or of an Indemnitor;
 - (vii) steps are taken or proceedings are instituted for the dissolution, winding up or other termination of the Tenant's or the Indemnitor's existence or the liquidation of their respective assets;
 - (viii) the Tenant or the Indemnitor makes or attempts to make a bulk sale of any of its assets regardless of where they are situated (except for a bulk sale made to a Transferee when the Transfer is permitted under this Lease or has been consented to by the Landlord);
 - (ix) property is sold, disposed of or removed from the Leased Premises so that there does not remain sufficient property on the Leased Premises available for distraint, free and clear of any lien, charge or other encumbrance ranking ahead of the Landlord's right of distress, to satisfy the Rent due or accruing for at least twelve (12) months;
 - (x) the Leased Premises are vacant or unoccupied for five (5) consecutive business days, or the Tenant abandons or attempts to abandon the Leased Premises;
 - (xi) the Tenant effects or attempts to effect a Transfer that is not permitted by this Lease; or
 - (xii) this Lease or any of the Tenant's assets on the Leased Premises are taken or seized under a writ of execution, an assignment, pledge, charge, debenture, or other security instrument.
- (b) Upon the occurrence of an Event of Default, (i) the full amount of the current month's and the next three (3) months' instalments of Rent (calculated according to Section 14.1(c)), and Sales Taxes will

become due and payable, and (ii) the Landlord may re-enter and re-possess the Leased Premises and on such a reentry, this Lease and all of the Tenant's rights hereunder will terminate without liability on the part of the Landlord for loss or damage, and without prejudice to the Landlord's rights to recover arrears of Rent or Sales Taxes or damages for any previous breach by the Tenant of any covenant or condition of this Lease. On such a termination, (1) the Tenant will promptly (and in any case within ten (10) days after written notice requiring it to do so) remove all of its property from the Leased Premises, or (2) the Landlord may at any time remove all or part of the property from the Leased Premises and store it in a public warehouse or elsewhere at the cost of the Tenant. The Landlord will not be responsible for loss or damage to any of the Tenant's property regardless of how the loss or damage is caused, and regardless of negligence. If the Tenant fails to remove its property as required by clause (1) above, or if it fails to pay the Landlord's costs of removal and storage within ten (10) days after written notice specifying those costs, the Tenant will be considered to have abandoned its property and the Landlord will be entitled to retain it or to sell or dispose of the Tenant's property for the Landlord's own benefit. Notwithstanding any such termination, the Landlord shall be entitled to recover damages from the Tenant including, but not limited to, (A) damages for loss of Rent and Sales Taxes suffered by reason of this Lease having been prematurely terminated; (B) the cost of recovering the Leased Premises; and (C) solicitor's fees on a solicitor and his client's basis;

(c) If the Landlord terminates this Lease for an Event of Default after the expiration of two (2) or more twelve (12) month Lease Years, the annual Rent for the purpose of calculating the Landlord's damages will be considered to be equal to the aggregate of (i) the annual Minimum Rent specified in this Lease; and (ii) Additional Rent for the preceding twelve (12) month Lease Year. If the termination takes place before the expiration of two (2) twelve (12) month Lease Years, the annual Rent for the purpose of calculating the Landlord's damages will be considered to be equal to the aggregate of (1) the annual Minimum Rent specified in this Lease; and (2) twelve (12) times the average monthly amount of Additional Rent for each full month of the Term preceding the termination.

14.2 Rejection of Tenant's Repudiation

If an Event of Default occurs the Landlord may, instead of terminating this Lease, insist on the performance of the covenants and conditions of this Lease and in that case may do both or either of the following: (a) levy distress for arrears of Rent; and (b) take legal proceedings against the Tenant for both or either of (i) payment of Rent and Sales Taxes as they become due; and (ii) performance of the covenants and conditions of this Lease; all without prejudice, however, to the Landlord's right to terminate this Lease at any time should the Event of Default continue unremedied.

14.3 Expenses

If legal proceedings are brought for recovery of possession of the Leased Premises, for the recovery of Rent, or because of an Event of Default by the Tenant, the Tenant will pay to the Landlord its expenses, including its solicitors' fees (on a solicitor and his client's basis).

14.4 Waiver of Exemption from Distress

Notwithstanding the Commercial Tenancies Act or any other applicable Act or legislation, none of the inventory, furniture, equipment or other property that is, or was at any time, owned by the Tenant is exempt from levy by distress for Rent.

14.5 Landlord May Cure the Tenant's Default

If the Tenant defaults in the payment of money that it is required under this Lease to pay to a third party, the Landlord may, after giving five (5) days' notice in writing to the Tenant, pay all or part of the amount payable. If the Tenant commits a breach of a covenant or condition of this Lease (except for a default in the payment of Rent) the Landlord may, after giving reasonable notice (it being agreed that forty-eight (48) hours is a reasonable notice of default of Section 8.1), or, without notice in the case of an emergency, perform or cause to be performed all or part of what the Tenant failed to perform and may enter upon the Leased Premises and do those things that the Landlord considers necessary for that purpose. The Tenant will pay to the Landlord on demand, the Landlord's expenses incurred under this Section 14.5 plus an amount equal to fifteen percent (15%) of those expenses for the Landlord's overhead. The Landlord will have no liability to the Tenant for loss or damages resulting from its action or entry upon the Leased Premises.

14.6 Application of Money

The Landlord may apply money received from or due to the Tenant against money due and payable under this Lease.

14.7 Remedies Generally

The remedies under this Lease are cumulative. No remedy is exclusive or dependent upon any other remedy. Any one or more remedies may be exercised generally or in combination. The specifying or use of a remedy under this Lease does not limit rights to use other remedies available at law generally. Subject to Section 11.1(a), any breach by the Landlord under this Lease can be adequately compensated in damages and the Tenant agrees that its only remedy to enforce its rights under this Lease is an action for damages.

ARTICLE 15 **Indemnity**

Simultaneously upon the Tenant executing this Lease, each Indemnitor, if any, shall execute the Indemnity Agreement attached to this Lease as Schedule "E".

ARTICLE 16 **Miscellaneous**

16.1 Rules and Regulations

The Rules and Regulations adopted and promulgated by the Landlord, and the Condominium Corporation from time to time including, without limitation, those set out in Schedule "D" attached and those passed by the condominium unit owners pursuant to the Condominium Act (Ontario) or any statute subsequently passed to take the place of or to amend such Act, or any amendments or supplements to the Rules and Regulations, are hereby made a part of this Lease as if they were embodied herein, and the Tenant shall comply with and observe the same. The Rules and Regulations will be adopted and promulgated by the Landlord acting reasonably and in such manner as would a prudent landlord of a reasonably similar building. The Tenant's failure to keep and observe the Rules and Regulations now or from time to time in force constitutes a default under this Lease in such manner as if the same were contained herein as covenants. Notice of the Rules and Regulations and amendments and supplements, if any, shall be given to the Tenant and the Tenant shall thereupon comply with and observe all such Rules and Regulations. The Landlord is not responsible to the Tenant in the event of the non-observance or violation of any of such Rules and Regulations or of the terms, covenants or conditions of any other lease of premises in the

Building and is under no obligation to enforce any such Rules and Regulations or terms, covenants or conditions.

16.2 Interpretation

(a) Obligations as Covenants

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

(b) Captions and Section Numbers

The captions, section numbers, article numbers, and Table of Contents appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

(c) Extended Meanings

The words "hereof", "herein", "hereunder" and similar expressions used in any Section or subsection of this Lease relate to the whole of this Lease and not to that Section or subsection only, unless otherwise expressly provided. The use of the neuter singular pronoun to refer to the Landlord or the Tenant is deemed a proper reference even though the Landlord or the Tenant is an individual, a partnership, a corporation or a group of two or more individuals, partnerships or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

(d) Partial Invalidity

If for any reason whatsoever any term, covenant or condition of this Lease, or the application thereof to any Person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:

- (i) is deemed to be independent of the remainder of the Lease and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of the Lease or any part thereof; and
- (ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any Person and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

Neither party is obliged to enforce any term, covenant or condition of this Lease against any Person, if, or to the extent by so doing, such party is caused to be in breach of any laws, rules, regulations or enactments from time to time in force.

(e) Entire Agreement

This Lease and the Schedules, and Riders, if any, attached hereto form a part hereof together with the Rules and Regulations adopted and promulgated by the Landlord pursuant to Section 15.1 hereof, and set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions

or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless in writing and signed by the Tenant and the Landlord.

(f) Governing Law

This Lease shall be construed in accordance with and governed by the laws of the Province of Ontario.

(g) Time of the Essence

Time is of the essence of this Lease and of every part hereof.

(h) Consent

Any consent or determination required to be made in this Lease by a Party shall be provided or made by such Party acting reasonably.

16.3 Overholding - No Tacit Renewal

- (a) If the Tenant remains in possession of the Leased Premises after the end of the Term with the consent of the Landlord but without having executed and delivered a new lease or an extension of Term agreement, there is no tacit renewal of this Lease and the Term hereby granted, notwithstanding any statutory provisions or legal presumption to the contrary, and the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month at a monthly Minimum Rent payable in advance on the first day of each month equal to one hundred and twenty-five percent (125%) of one-twelfth (1/12) of the amount of Minimum Rent, and otherwise, upon the same terms, covenants and conditions as are set forth in this Lease (including the payment of all Additional Rent and other charges required to be paid pursuant to this Lease), so far as these are applicable to a monthly tenancy.
- (b) If the Tenant remains in possession of the Leased Premises after the end of the Term without the consent of the Landlord, the same provisions of Section 16.3(a) shall apply, except Minimum Rent shall be two hundred and fifty percent (250%) of one-twelfth (1/12) of the amount of Minimum Rent.

16.4 Successors

All rights and liabilities herein granted to, or imposed upon the respective parties hereto, extend to and bind the successors and assigns of the Landlord and the heirs, executors, administrators and permitted successors and assigns of the Tenant, as the case may be. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been consented to by the Landlord in writing as provided in Article 11 hereof. If there is more than one Tenant, they are all bound jointly and severally by the terms, covenants and conditions herein.

16.5 Joint and Several Liability

If two or more individuals, corporations, partnerships or other business associations or any combination of two or more thereof, shall sign this Lease as Tenant or as Indemnitor, the liability of each such individual, corporation, partnership or other business association to pay Rent and perform all of the obligations under this Lease and Indemnity, as applicable, shall be deemed to be joint and several. If a Tenant or Indemnitor named in this Lease is a partnership or other

business association, the members of which by law are subject to personal liability, the liability of each such member shall be deemed to be joint and several.

16.6 Waiver

The waiver by the Landlord of any breach of any term, covenant or condition herein contained is not deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. The subsequent acceptance of Minimum Rent or Additional Rent hereunder by the Landlord is not deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No term, covenant or condition of this Lease is deemed to have been waived by the Landlord unless such waiver is in writing by the Landlord.

All Minimum Rent and Additional Rent to be paid by the Tenant to the Landlord hereunder, shall be paid without any deduction, abatement, set-off or compensation whatsoever (except for the Minimum Rent to the extent it may be abated pursuant to Section 10.1), and the Tenant hereby waives the benefit of any statutory or other rights in respect of abatement, set-off or compensation in its favour at the time hereof or at any future time.

16.7 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly payment of Minimum Rent or Additional Rent herein stipulated is deemed to be other than on account of the earliest stipulated Minimum Rent or Additional Rent, nor is any endorsement or statement on any cheque or any letter accompanying any cheque or payment as rent deemed an acknowledgment of full payment or accord and satisfaction, and the Landlord may accept and cash any such cheque or payment without prejudice to the Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

16.8 No Partnership or Agency

The Landlord does not in any way or for any purpose become a partner of the Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with the Tenant, nor is the relationship of principal and agent created.

16.9 Force Majeure

Notwithstanding anything to the contrary contained in this Lease, if either party hereto is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labour troubles; inability to procure materials or services; power failure; lockdowns, restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; pandemics; or other reason whether of a like nature or not which is not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such term, covenant or act is excused for the period of the delay and the party so delayed shall be entitled to perform such term, covenant or act expeditiously within the appropriate time period commencing immediately upon the expiration of the period of such delay. However, the provisions of this Section do not operate to excuse the Tenant from the prompt payment of Minimum Rent, Additional Rent or any other payments required by this Lease.

16.10 Notices

Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be delivered in person or sent by registered mail postage prepaid and shall be addressed:

(i) if to the Landlord,
1244 Riverdale Ave, Cornwall, Ontario, Canada, K6J 5V4
Attention: Elizabeth Eskander, President
Email: leeza.eskander@gmail.com
or to such other Person or at such other address as the Landlord designates by written notice.

(ii) if to the Tenant or Indemnitor,
C/O Shiny Health & Wellness Corp.
1008 - 150 York Street Toronto, ON M5H 3S5
Attention: Jude Pinto, Chief Financial Officer
Email: jude@snybcorp.com

Any such notice, demand, request or consent is conclusively deemed to have been given or made on the day upon which such notice, demand, request or consent is delivered, or, if mailed, then forty-eight (48) hours following the date of mailing, as the case may be and the time period referred to in the notice commences to run from the time of delivery or forty-eight (48) hours following the date of mailing. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice, the address therein specified is deemed to be the address of such party for the giving of notices hereunder. If the postal service is interrupted or is substantially delayed, any notice, demand, request or other instrument shall only be delivered in person.

16.11 Registration

Neither the Tenant nor any one on the Tenant's behalf or claiming under the Tenant shall register this Lease or any assignment or sublease of this Lease or any document evidencing any interest of the Tenant in the Lease or the Leased Premises, against the Leased Premises or the Building without the Landlord's prior written consent. If the Landlord grants such consent, and the Tenant intends to register a document for the purpose only of giving notice of this Lease, then, both parties shall join in the execution of a short form or notice of this Lease (the "Short Form") which shall be prepared by the Landlord or its solicitors at the Tenant's expense; and shall only describe the parties, the Leased Premises and the Commencement Date and the expiration date of the Term. The Short Form shall not be registered until after the declaration for the Condominium Corporation has been registered in the Land Titles Office, all costs, expenses and taxes necessary to register or file the Short Form shall be the sole responsibility of the Tenant. At the expiration of the Term or earlier termination of the Lease, the Tenant shall promptly discharge or delete the Notice of the Lease from title to the Leased Premises, at the Tenant's sole cost and expense.

16.12 Accrual of Minimum Rent and Additional Rent

Minimum Rent and Additional Rent shall be considered as annual and accruing from day to day and where it becomes necessary for any reason to calculate such rent for an irregular period of less than one (1) year, an appropriate apportionment and adjustment shall be made. Where the calculation of any Additional Rent is not made until after the termination of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the termination of this Lease and such amounts shall be payable by the Tenant forthwith on demand to the Landlord.

16.13 Compliance with the Planning Act

It is a condition of this Lease that the subdivision control provisions of the Planning Act (Ontario), and amendments thereto, be complied with if they apply. If the provisions of the Planning Act do apply, then until any necessary consent to the Lease is obtained, the Term (including any extensions thereof) and the Tenant's rights and entitlement granted by this Lease are deemed to extend for a period not exceeding twenty-one (21) years less one (1) day from the Commencement Date.

16.14 Quiet Enjoyment

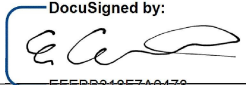
If the Tenant pays the Minimum Rent and Additional Rent and other sums herein provided, and observes and performs all the terms, covenants and conditions on the Tenant's part to be observed and performed, the Tenant shall peaceably and quietly hold and enjoy the Leased Premises for the Term hereby demised without hindrance or interruption by the Landlord, or any other Person lawfully claiming by, through or under the Landlord subject, nevertheless, to the terms, covenants and conditions of this Lease.

Signature page follows

IN WITNESS WHEREOF, the Landlord, the Tenant and the Indemnitors have signed and sealed this Lease.

LANDLORD:

ELIZABETH & CO. HOLDINGS INC.

DocuSigned by:

Per: _____
Name: Elizabeth ESKANDER
Title: President
I have authority to bind the Corporation

TENANT:

1000209217 ONTARIO LTD.

Per: _____
Name: _____
Title: _____

I have authority to bind the Corporation

INDEMNIFIER:

MIHI HEALTH & WELLNESS INC.

Per: _____
Name: _____
Title: _____

I have authority to bind the Corporation

IN WITNESS WHEREOF, the Landlord, the Tenant and the Indemnitors have signed and sealed this Lease.

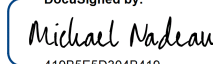
LANDLORD:

ELIZABETH & CO. HOLDINGS INC.

Per: _____
Name: Elizabeth ESKANDER
Title: President
I have authority to bind the Corporation

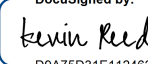
TENANT:

1000209217 ONTARIO LTD.

DocuSigned by:

Per: _____
Name: Michael Nadeau
Title: President
I have authority to bind the Corporation

INDEMNIFIER:

MIHI HEALTH & WELLNESS INC.

DocuSigned by:

Per: _____
Name: Kevin Reed
Title: Chief Executive officer
I have authority to bind the Corporation

ADDITIONAL PROVISIONS

RIDER NO. 1 - OPTION TO RENEW

If:

1. The Tenant has paid the Rent as and when due, there is no continuing Event of Default, and the Tenant punctually observes and performs the terms, covenants and conditions to be observed and performed by it in accordance with the terms of this Lease; and
2. The Tenant gives the Landlord not less than one hundred twenty (120) days written notice prior to the expiration of the initial or a renewal Term of this Lease, of the Tenant's intention to renew the term of the Lease;

then the Landlord will grant the Tenant the right to renew the term of this Lease upon the expiry of the Term for three (3) further periods of five (5) years each (the "Renewal Term" and respectively, the "First Renewal Term", the "Second Renewal Term" and the "Third Renewal Term") upon the same terms and conditions as set out in this Lease except that:

- (a) Minimum Rent for the First Renewal Term, Second Renewal Term and Third Renewal Term, as the case may be, shall be mutually agreed upon by the parties at least ninety (90) days prior to the expiry of the initial Term or the relevant Renewal Term then ending, failing which it shall be determined by arbitration in accordance with the Arbitration Act of Ontario, provided in no event shall Minimum Rent for the First Renewal Term, be less than the Minimum Rent for the last year of the initial Term;
- (b) there shall be no further right of renewal; and
- (c) with respect to the Renewal Term, the Landlord shall have no obligation to pay to the Tenant any allowance or inducement, or do or perform any Landlord's Work in, on or to the Leased Premises, the Tenant acknowledging and agreeing that the Tenant shall take the Leased Premises on a "as is" basis.

SCHEDULE "A"
LEGAL DESCRIPTION OF THE LEASED PREMISES

PIN No. 60824-0006 (LT)

Unit 6, Level 1, Stormont Standard Condominium Plan No. 24 and its appurtenant interest; subject to easements as set out in Schedule "A" as in ST76777; City of Cornwall

PIN No. 60824-0007 (LT)

Unit 7, Level 1, Stormont Standard Condominium Plan No. 24 and its appurtenant interest; subject to easements as set out in Schedule "A" as in ST76777; City of Cornwall

PIN No. 60824-0008 (LT)

Unit 8, Level 1, Stormont Standard Condominium Plan No. 24 and its appurtenant interest; subject to easements as set out in Schedule "A" as in ST76777; City of Cornwall

PIN No. 60824-0012 (LT)

Unit 12, Level 1, Stormont Standard Condominium Plan No. 24 and its appurtenant interest; subject to easements as set out in Schedule "A" as in ST76777; City of Cornwall

PIN No. 60824-0013 (LT)

Unit 13, Level 1, Stormont Standard Condominium Plan No. 24 and its appurtenant interest; subject to easements as set out in Schedule "A" as in ST76777; City of Cornwall

PIN No. 60824-0014 (LT)

Unit 14, Level 1, Stormont Standard Condominium Plan No. 24 and its appurtenant interest; subject to easements as set out in Schedule "A" as in ST76777; City of Cornwall

SCHEDULE "B"
LANDLORD'S WORK

1. None

SCHEDULE "C"
TENANT'S WORK

1. None

SCHEDULE "D"

RULES AND REGULATIONS

The following rules shall be observed by the Tenant, Indemnitor and those for whom the Tenant is at law responsible for, and the use of the term "owner" shall include any such Persons.

1. The Leased Premises shall not be used or permitted to be used for residential, lodging or sleeping purposes or for the storage of personal effects or property not required for business purposes.
2. The water closets and other water apparatus shall not for purposes other than those for which they are constructed and no sweepings, garbage, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting to them from misuse or from usual or unreasonable use shall be borne by the owner who, or whose family, guest, visitor, servant, clerk or agent shall cause it.
3. No sign, advertisement or notice other than the usual signs offering the Leased Premises for assignment, sublease or rent with dimensions not exceeding two feet by three feet shall be inscribed, painted, affixed or placed on any part of the inside or outside of the buildings or common elements whatsoever without the prior written consent of the Landlord or Condominium Corporation, as applicable.
4. No awnings or shades shall be erected over or outside any window or balcony without the prior written consent of the Landlord or Condominium Corporation.
5. No Tenant shall do, or permit, anything to be done in the Leased Premises or Building or bring or keep anything therein which will in any way increase the risk of fire or the rate of fire insurance on any building, or on property kept therein, or obstruct or interfere with the rights of any of the other owners, or in any way injure or annoy them, or conflict with the laws relating to fire or with the regulations of the Fire Department or with any insurance policy carried by the Tenant, Landlord or Condominium Corporation or any owner of conflict with any of the rules and ordinances of the Board of Health or with any statute or municipal by-law.
6. Nothing shall be placed on the outside of windowsills or projections without the prior written consent of the Landlord or Condominium Corporation, as applicable.
7. Water shall not be left running unless in actual use.
8. No owner shall place, leave or permit to be placed or left or upon the common elements, including those of which he has the exclusive use, any debris, refuse or garbage except on days designated by the Landlord or Condominium Corporation or the Manager as garbage pick-up days, nor shall he directly carry same in any area designated by the Landlord or Condominium Corporation as a central garbage depository.
9. Such debris, refuse or garbage shall be contained in properly tied polyethylene or plastic garbage bags not exceeding twenty-five pounds per bag in weight. Where such debris, refuse or garbage consists of packing cartons or crates, the owner shall arrange with the Manager for pick-up thereof and any such packing cartons or crates shall not in any event be left outside the Leased Premises or any unit.

10. Owners, their customers, guests, visitors and servants shall not create or permit the creation of or continuation of any noise or nuisance which, in the opinion of the Landlord (acting reasonably) or Condominium Corporation or the Manager, may or does disturb the comfort or quiet enjoyment of the property by any other owners, their families, guests, visitors or servants and persons having business with them.
11. Nothing shall be thrown out of any windows or doors of the Leased Premises or Building.
12. No animal, livestock, fowl or any pet shall be kept or allowed in the Leased Premises, Building nor upon the common elements including those thereof of which any owner the exclusive use.
13. Tenant shall not overload existing electrical circuit or drain.
14. No auction sale shall be hold on the Leased Premises.
15. No stores of coal or any combustible or offensive goods, provisions or materials shall be kept on the Leased Premises.
16. No noise caused by any instrument or other device, or otherwise, which in the opinion of the Landlord (acting reasonably) or Condominium Corporation may be calculated to disturb the comfort of the owners shall be permitted.
17. The sidewalks, entry, passageways, walkways and driveways used in common by the Tenant and owners shall not be obstructed by any of the owners or the Tenant or used by them for any purpose other than ingress and egress to and from their respective unit.
18. No mops, brooms, dusters, rugs or bedding shall be shaken or beaten from any window, door or those parts of the common elements of which the owner has exclusive use.
19. No motor vehicle other than a private passenger automobile, station wagon or commercial vehicle other than a one-half ton pick-up truck with uncovered rear and sills not excluding four feet in height shall be parked on any part of the common elements (including any part thereof of which any owner may have the exclusive use) nor shall any repairs be made to such motor vehicle on the common elements and no motor vehicle shall be driven on any part of the common elements other than on a driveway or parking space.
20. No motor vehicle, trailer, boat snowmobile, mechanical toboggan, machinery or equipment of any kind shall be parked on any part of the common elements other than on a designated parking space.
21. No television antenna, serial, tower or similar structure and appurtenance thereto shall be erected on or fastened to the Leased Premises or any unit, except in connection with a common television cable system.
22. No one shall harm, mutilate, destroy, alter or litter any of the landscaping work on the Leased Premises, Building or property, including grass, trees, shrubs, hedges, flowers and flower beds.
23. No smoking shall be permitted in any of the common areas.
24. The unit owners and/or the Tenant shall maintain silver horizontal or venetian blinds on all window within the Leased Premises and no other form of window covering shall be permitted.

25. Any loss, cost or damages incurred by the Condominium Corporation by reason of a breach to any rules and regulations of the Condominium Corporation in force from time to time by the Tenant, its guests, servants, agents or occupants or persons for whom the Tenant is at law responsible for shall be borne by the Tenant and may be recovered by the Landlord or Condominium Corporation against such Tenant in the same manner as common expenses or Rent, as applicable.

SCHEDULE "E"

INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT made with effect as of the ■ day of ■, ■
BETWEEN:

ELIZABETH & CO. HOLDINGS INC.
(the "Landlord")

-and -

MIHI HEALTH & WELLNESS INC.
(the "Indemnitor")

WHEREAS In order to induce Landlord to enter into the lease (the "Lease") dated the date hereof, and made between the Landlord and 1000209217 ONTARIO LTD., as Tenant, and the Indemnitor, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Indemnitor hereby makes the following indemnity and agreement ("**Indemnity**") with and in favour of Landlord:

1. Indemnity

Indemnitor hereby agrees with Landlord that at all times during (i) the Term, (ii) any extension or renewal thereof, and (iii) any other period when Tenant is in possession of the Leased Premises, Indemnitor shall be bound to Landlord for the performance of all the obligations of Tenant under the Lease, and Indemnitor's liability shall be that of a direct and primary obligor, and, in this regard, Indemnitor shall: (a) make due and punctual payment in full of all Rent, loan repayments, moneys, charges and other amounts of any kind whatsoever due and payable under the Lease by Tenant, whether to Landlord or to any other person and whether the Lease has been disaffirmed, disclaimed, terminated or surrendered; (b) effect prompt and complete performance of all the terms, covenants and conditions contained in the Lease on the part of Tenant to be kept, observed and performed; and (c) promptly indemnify and save Landlord harmless from and against any and all claims arising out of any failure by Tenant to pay all Rent, loan repayments, moneys, charges or other amounts of any kind whatsoever due and payable under the Lease or resulting from any failure by Tenant to observe or perform any of the terms, covenants and conditions contained in the Lease on the part of Tenant to be kept, observed and performed.

2. Unconditional Indemnity

Indemnitor hereby expressly acknowledges and agrees that this Indemnity is absolute and unconditional and the obligations of Indemnitor shall not be released, discharged, mitigated, impaired or affected (whether or not Indemnitor has notice thereof or is a party thereto) by: (a) any extension of time, indulgences or modifications which Landlord extends to or makes with Tenant in respect of the performance of any of the obligations of Tenant under the Lease; (b) any waiver by or failure of Landlord to enforce any of the terms, covenants, agreements, stipulations, provisos, conditions and Rules and Regulations contained in the Lease; (c) any Transfer of the Lease or of all or any part of the Leased Premises by Tenant or by any Transferee, or by any trustee, receiver, receiver-manager or liquidator; (d) any Change of Control of Tenant or of any Transferee; (e) any consent which Landlord gives to any Transfer or Change of Control; (f) any relocation, expansion or reduction of the Leased Premises and any changes to the Lease resulting therefrom; (g) any amendment, modification or variation (whether minor, trivial, substantive or otherwise) to the Lease (whether such amendment, modification or variation is made between Landlord and Tenant, or between Landlord and any Transferee); (h) any waiver by Tenant or any Transferee of any of its rights under the Lease; (i) any Alterations in, to or for the Leased Premises or any part thereof; (j) the expiration of the Term or termination of the Lease; (k) any overholding by Tenant of the Leased Premises or any part thereof; (l) any renewal or extension of the Lease pursuant to any option or right of Tenant or otherwise, it being understood and agreed that this Indemnity shall extend

throughout the Term, as renewed or extended; (m) any loss of, or any loss in respect of, any security received or intended to have been received by Landlord from Tenant or any other person; (n) intentionally deleted; or (o) any present or future statute or any existing or future common law under which (i) Tenant (or any one or more persons comprising Tenant) or (ii) Indemnitor (or any one or more persons comprising Indemnitor) is released or has its (or their) obligations under the Lease or this Indemnity, as the case may be, discharged, mitigated, impaired or affected in any way whatsoever; or (p) the addition of any person or persons comprising the Tenant or the Indemnitor, or both; or (q) any unilateral action of either Landlord or Tenant; or (r) any bankruptcy, insolvency, reorganization, arrangement, assignment for benefit of creditors, receivership, or trusteeship affecting Tenant, provided notice thereof is given to Indemnitor. Nothing but payment and satisfaction in full of all Rent and the due performance and observance of all terms, covenants and conditions on the part of Tenant to be paid and performed under the Lease shall release Indemnitor from its obligations under the Lease or this Indemnity, as the case may be.

3. Waiver of Notice

Indemnitor hereby expressly waives notice of the acceptance of this Agreement and any notice of non-performance, non-payment or non-observance on the part of Tenant of any of the terms, covenants and conditions contained in the Lease. Without limiting the generality of the foregoing, any notice which Landlord desires to give to Indemnitor shall be sufficiently given if addressed to Indemnitor and delivered to the Indemnitor's address for service set out herein, or, if mailed by prepaid registered or certified post addressed to Indemnitor at the Indemnitor's address for service set out herein, and every such notice is deemed to have been given on the day it was so delivered, or, if mailed, seventy-two (72) hours after it was mailed. Indemnitor may designate by notice in writing a substitute address for that set forth above and thereafter notices shall be directed to such substitute address. If two or more persons are named as Indemnitor, any notice given hereunder or under the Lease shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

4. Enforcement of Indemnity

In the event of a default by Tenant under the Lease, Indemnitor expressly acknowledges and agrees that Landlord may proceed directly against Indemnitor, and in this regard Indemnitor waives any right to require Landlord first to (a) proceed first against Tenant or any other indemnitor, guarantor or person or pursue any rights or remedies against Tenant or any other indemnitor, guarantor or person with respect to the Lease, (b) proceed against or exhaust any security of Tenant held by Landlord, or any other credit in favour of Tenant, or (c) pursue any other remedy available to Landlord under the Lease, in equity or at law. Landlord has the right to enforce this Indemnity regardless of the acceptance of additional security from Tenant and regardless of any release or discharge of Tenant by Landlord or by others or by operation of any law.

5. Survival of Indemnity

Without limiting any other provision contained in this Indemnity, the liability of Indemnitor under this Indemnity shall continue in full force and effect and shall not be, or be deemed to have been, waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant in any receivership, bankruptcy, winding-up or other creditors' proceedings, or the rejection, disaffirmance, disclaimer, termination or surrender (whether or not accepted by Landlord) of the Lease pursuant to any statute or otherwise, and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the Term as if the Lease had not been rejected, disaffirmed, disclaimed, terminated or surrendered. The liability of Indemnitor shall not be affected by any repossession of the Leased Premises by Landlord, provided, however, that any net payments received by Landlord after deducting all costs and expenses, including, without limitation, all professional, consultant and legal fees on a complete indemnity basis of repossessing and reletting the Leased Premises shall be credited from time to time by

Landlord against the indebtedness of Indemnitor hereunder, and Indemnitor shall pay any balance owing to Landlord from time to time immediately upon demand therefor.

6. Landlord's Proceedings

No action or proceedings brought or instituted under this Indemnity and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Indemnity by reason of any further default hereunder or in the performance and observance of any of the terms, covenants and conditions contained in the Lease. Indemnitor hereby waives the right to trial by jury in any action or proceeding that may hereafter be instituted by Landlord against Indemnitor in respect of this Indemnity. Indemnitor will pay to Landlord, on demand, all of Landlord's costs and expenses, including, without limitation, all professional and legal fees on a complete indemnity basis, in enforcing this Indemnity.

7. Modification of Indemnity

No modification of this Indemnity shall be effective unless such modification is in writing and is executed by both Indemnitor and Landlord.

8. Change in Control

If Indemnitor is a corporation, it shall not, directly or indirectly, change, or permit to be changed, the effective voting control thereof from that existing as of the date of the Commencement Date, and, if Indemnitor is a partnership, joint venture or co-tenancy, it shall not change, or permit to be changed, the persons comprising the partnership, joint venture or co-tenancy as of the Commencement Date, without in either case obtaining Landlord's prior written consent in each and every instance, which consent may be unreasonably withheld. The foregoing shall not apply if the Indemnitor is controlled by a Person whose securities are traded on a recognized stock exchange in Canada or the United States.

9. Joint and Several Liability

If more than one individual, corporation, partnership or other business association (or any combination of them) executes this Indemnity as Indemnitor, the liability of each such individual, corporation, partnership or other business association hereunder is joint and several. In like manner, if Indemnitor named in this Indemnity is a partnership or other business association, the members of which are by virtue of statutory or common law subject to personal liability, the liability of each such member is joint and several. If two or more persons are named as an Indemnitor in this Indemnity, the release of one or more of such persons does not release any remaining person named as an Indemnitor in this Indemnity.

10. Settlement with Tenant

Indemnitor shall be bound by any account settled between Landlord and Tenant.

11. Financial Information

Upon request of the Landlord, Indemnitor shall deliver to Landlord the following information regarding Indemnitor's credit-worthiness which it is allowed to distribute to the Landlord while still meeting its obligations under the Securities Act (Ontario): (a) current, complete, accurate and detailed audited financial statements of Indemnitor; (b) current bank references for Indemnitor; (c) a Dun & Bradstreet report on Indemnitor, if available; (d) a balance sheet of Indemnitor certified as being true by an independent chartered accountant; and (e) any additional information available to the public that is not otherwise listed herein.

12. Entire Agreement

This Indemnity and the Lease constitutes the complete agreement between Indemnitor and Landlord, and none of the Parties hereto shall be bound by any representations or agreements made by any person which would in any way reduce or impair the obligations of Indemnitor other than any which are expressly set

out herein, or in any modification of this Indemnity in writing and executed by both Indemnitor and Landlord.

13. Successors and Assigns

All the terms, covenants and conditions of this Indemnity extend to and are binding on Indemnitor, his, her or its heirs, executors, administrators, successors and assigns, as the case may be, and enure to the benefit of and may be enforced by Landlord, its successors and assigns, as the case may be, and by any mortgagee or other encumbrancer of all or any part of the Centre referred to in the Lease. Indemnitor shall, on demand, reimburse Landlord for all costs and expenses (including, without limitation, all professional and legal fees on a complete indemnity basis) incurred by Landlord in enforcing this Indemnity or any provision thereof. The obligations of Indemnitor shall not be affected by the death or incapacity of Indemnitor. Wherever in this Indemnity reference is made to either Landlord or Tenant, the reference is deemed to apply also to the respective heirs, executors, administrators, successors and assigns of Landlord or of Tenant, as the case may be, named in the Lease. Any assignment by Landlord of any of its interest in the Lease operates automatically as an assignment to such assignee of the benefit of this Indemnity.

14. Definitions

The words "Landlord", "Tenant", "Rent", "Term" and "Leased Premises" and all other words and phrases used in this Indemnity that are defined in the Lease are used in this Indemnity as so defined unless otherwise defined in this Indemnity, or the context otherwise requires. For the purposes of this Agreement, "person" includes any individual, partnership, firm, company, corporation, incorporated or unincorporated association, co-tenancy, joint venture, syndicate, fiduciary, estate, trust, government, governmental or quasi-governmental agency, board, commission or authority, organization or any other form of entity howsoever designated or constituted, or any group, combination or aggregation of any of them.

15. Governing Law

This Indemnity shall be construed in accordance with the laws of the jurisdiction where the Leased Premises are situated.

16. Independent Legal Advice

Indemnitor acknowledges the suggestion of Landlord that, before executing this Indemnity, Indemnitor should obtain independent legal advice.

Signature page follows

IN WITNESS WHEREOF the parties hereto have duly executed this Indemnity as of the day and year first above written.

LANDLORD:

ELIZABETH & CO. HOLDINGS INC.

Per: DO NOT SIGN – SCHEDULE ONLY

Name: Elizabeth ESKANDER

Title: President

I have the authority to bind the Corporation

Address for Service:

ELIZABETH & CO. HOLDINGS INC.

1244 Riverdale Avenue, Cornwall

Ontario, Canada, K6K 0A5

Attention: Elizabeth ESKANDER, President

Email: leeza.eskander@gmail.com

INDEMNITOR:

MIHI HEALTH & WELLNESS INC.

Per: DO NOT SIGN – SCHEDULE ONLY

Name:

Title:

I have authority to bind the Corporation

SCHEDULE "F"

LANDLORD DIRECT DEPOSIT INSTRUCTIONS

See attached.



DESJARDINS ONTARIO



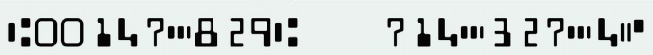
September 19, 2022

Elizabeth & Co. Holdings Inc.
34 MALACHIGAN CRESCENT
ORLEANS, ON
K4A1G6

Subject: Void cheque

Dear member,

In reference to your request for a void cheque, here is the account information required to sign up for a direct deposit or withdrawal service.

ELIZABETH & CO. HOLDINGS INC. 34 MALACHIGAN CRESCENT ORLEANS, ON K4A1G6		Date	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>M</td><td>M</td><td>D</td><td>D</td></tr></table>									Y	Y	Y	Y	M	M	D	D
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Pay to _____ the order of _____		\$	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																
_____		/ 100 dollars	 Security features included. Details on back.																
 Desjardins	DESJARDINS ONTARIO 840, RUE PITT SUITE 100 CORNWALL, ON K6J 3S2 (613) 932-4513																		
For _____	_____ MI																		
																			

DESJARDINS ONTARIO
840, RUE PITT SUITE 100
CORNWALL, ON
K6J 3S2 (613) 932-4513

Appendix 5

ASSIGNMENT OF LEASE AGREEMENT

THIS AGREEMENT made as of the ____ day of August, 2025 (the “**Effective Date**”)

B E T W E E N:

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of all of the assets, undertakings and properties of 1000209217 Ontario Ltd. (the “**Company**”) and not in its personal or corporate capacities (the “**Assignor**”)

OF THE FIRST PART

- and -

1001148056 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario (the “**Assignee**”)

OF THE SECOND PART

WHEREAS, Assignor, solely in its capacity as the Court-appointed receiver of all of the assets, undertakings and properties of the Company, is presently the holder of the tenant’s interest under the provisions of a certain lease agreement by and between Elizabeth & Co. Holdings Inc. (the “**Landlord**”) and Assignor, dated as of October 3, 2022 (the “**Lease**”), pursuant to which Assignor is leasing from Landlord the property municipally known as 107-703 Cotton Mill Street, Cornwall, ON K6H 0E7, for the Lease Term commencing on October 3, 2022 and terminating on September 30, 2027, in consideration of the rent and of the other terms and conditions set forth therein;

AND WHEREAS, a true and complete copy of the Lease is attached to this Agreement as Schedule A hereto and by this reference made an integral part of this Agreement for all purposes;

AND WHEREAS, capitalized terms used in this Agreement and not otherwise defined herein shall have the same meaning ascribed to those terms in the Lease;

AND WHEREAS, the Assignor, as vendor, and the Assignee, as purchaser, entered into an asset purchase agreement dated August 16, 2025 (the “**APA**”), pursuant to which the Assignee agreed to purchase certain Purchased Assets and Purchased Contracts (each as defined in the APA), including the Lease;

AND WHEREAS, the Assignor has agreed, effective upon the closing of the transaction contemplated by the APA, to assign all of its right, title, and interest in and to the Lease to the Assignee, provided the Landlord consents to this Agreement, and the Assignee has agreed to assume and be fully responsible for all the obligations of the Assignor, as tenant under the Lease, from and after the Effective Date for the remainder of the Lease Term;

AND WHEREAS, Landlord has provided its consent to the Assignor’s assignment of the Lease to the Assignee pursuant to a consent to assignment of lease agreement dated August ___, 2025 (the “**Consent**”), as required under Section 11.1 of the Lease;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Consent to Assignment of Lease. Subject to the provisions of the Consent, Landlord hereby consents to: (a) Assignor's assignment of its rights and obligations under the Lease to Assignee; and (b) Assignee's assumption of Assignor's rights and obligations under the Lease, both pursuant to and in accordance with this Agreement.
2. Assignment. Assignor hereby assigns, conveys, transfers and sets over unto Assignee all of Assignor's right, title and interest, as tenant, in, to and under the Lease, expressly subject to the rights and privileges of Landlord under the Lease.
3. Assumption. Assignee hereby assumes and agrees to pay, perform, fulfill and comply with all covenants and obligations (including, without limitation, all rent covenants) to be paid, performed, fulfilled or complied with by Assignor, as tenant, under the Lease arising from and after the Effective Date of this Agreement.
4. Condominium Acknowledgment. The Assignee acknowledges that the Building forms part of a condominium development. The Assignee covenants and agrees that it shall be bound by the provisions of the Condominium Act S.O. 1998, c.19 (the "**Condominium Act**"). For greater certainty, the Assignee hereby covenants agrees as follows: "I, my visitors, customers, clients, employees, agents or others doing business with me, from time to time, will, in using the said Units rented by me, and the common elements, comply with the Condominium Act, the Declaration and the By-Laws and all Rules and Regulations of the Condominium Corporation, during the Term, together with renewals, of my tenancy".
5. No Modification or Waiver. Notwithstanding any provision in this Agreement or the Lease to the contrary this Agreement shall not be construed in any manner to modify, waive, or affect any of the provisions of the Lease.
6. Release of Assignor. The Landlord and the Assignee each hereby discharge the Assignor, its successors, assigns, affiliates, officers, directors, employees, and agents (the "**Released Parties**"), from any and all claims, demands, actions, causes of action, damages, and liabilities of any kind whatsoever, whether known or unknown, which the Landlord and the Assignee, or either of them, ever had, now have, or may hereafter have as against the Released Parties, arising out of or in any way connected with the Lease. For greater certainty, the Assignor shall have no further liability to the Landlord, the Assignee, or any other person arising from or out of the Lease from and after the Effective Date.
7. Miscellaneous.
 - (a) Authority. Each party to this Agreement represents and warrants to the other parties to this Agreement that it is authorized to enter into this Agreement and/or to execute the applicable assignment, assumption and/or consent provisions set forth herein and perform its respective obligations hereunder without the consent or approval of any other person or party, and that the person signing this Agreement on its respective behalf is authorized to sign on behalf of such party.

- (b) Successor and Assigns; Interpretation. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.
- (c) Further Assurances. Each of the parties hereto shall, and shall cause their respective affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby and thereby.
8. Counterparts and Electronic Delivery. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original copy, and all of which together will constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
9. Entire Agreement; Amendments and Modifications. This Agreement, the Consent, and all related exhibits and schedules, represents the entire understanding and agreement between Assignor, Assignee and Landlord with respect to the subject matter hereof, and this Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. The agreement in writing shall then be binding on the parties thereto.
10. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
11. Governing Law. This Agreement is governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable in that province.

[Signature page immediately follows]

IN WITNESS WHEREOF, Assignor, and Assignee have duly executed this Agreement as of the date first above written.

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of all of the assets, undertakings and properties of 1000209217 ONTARIO LTD. and not in its personal or corporate capacities

By: _____

Name: Mukul Manchanda

Title: Managing Partner

I have authority to bind the Corporation.

1001148056 ONTARIO INC.

By: _____

Name:

Title: Authorized Signing Authority

I have authority to bind the Corporation.

Acknowledged and agreed to by:

ELIZABETH & CO. HOLDINGS INC.

By: _____

Name:

Title: Authorized Signing Authority

I have authority to bind the Corporation.

SCHEDULE "A"

LEASE

Appendix 6

CONSENT TO ASSIGNMENT OF LEASE

THIS AGREEMENT is dated as of the ____ day of August, 2025.

BETWEEN :

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of all of the assets, undertakings and properties of 1000209217 Ontario Ltd.
(**“Tenant”**)
OF THE FIRST PART

- and -

1001148056 ONTARIO INC.
(**“Assignee”**)
OF THE SECOND PART
- and -

ELIZABETH & CO. HOLDINGS INC.
(**“Landlord”**)
OF THE THIRD PART

WHEREAS:

- A. By a lease dated the 3rd day of October, 2022 (the **“Lease”**), Landlord (and/or its predecessors under the Lease) leased to 1000209217 Ontario Ltd. (the **“Debtor”**) for a term ending on September 30, 2027 (the **“Term”**), certain premises known as 107-703 Cotton Mill St, Cornwall, ON K6H 0E7 (the **“Leased Premises”**), as more particularly described in the Lease;
- B. On June 21, 2024, the Debtor was placed into receiver by order of the Ontario Superior Court of Justice and the Tenant was appointed receiver and manager of all of the assets, properties, and undertakings of the Debtor; and
- C. Pursuant to an asset purchase agreement (the **“APA”**) made between Tenant, as vendor, and Assignee, as purchaser, Tenant has agreed to assign the Lease to Assignee, effective as of the closing of the transaction contemplated by the APA (the **“Effective Date”**), subject to the prior written consent of Landlord in accordance with the terms of the Lease.

NOW, THEREFORE, in consideration of the sum of Two (\$2.00) Dollars and other good and valuable consideration paid by each of the parties to each of the others, the receipt and sufficiency of which is hereby respectively acknowledged by the parties hereto, the parties agree as follows:

1. RECITALS

Tenant, Assignee and Landlord confirm that the foregoing recitals are true in substance and in fact.

2. LANDLORD’S CONSENT

Subject to the terms of this Agreement, Landlord hereby consents to the assignment of the Lease by Tenant to Assignee as of the Effective Date (the **“Assignment”**), it being understood that Landlord in granting this consent does not thereby acknowledge or approve of or agree to be bound by any of the terms of the Assignment as between Tenant and Assignee, but is only consenting to the occurrence of the Assignment. Notwithstanding the foregoing, on or before execution and delivery hereof, Tenant and Assignee shall provide Landlord with a copy of the document evidencing the Assignment, and thereafter, a copy of any and all amendments, extensions or renewals thereto, promptly upon completion of the same.

3. LANDLORD’S RIGHTS CONTINUE

This consent by Landlord is without prejudice to Landlord’s rights under the Lease and at law and shall not be deemed to authorize any further or other assignment of the Lease or subletting or parting with or sharing possession of all or any part of the Leased Premises.

4. COVENANTS OF ASSIGNEE

- (a) Assignee covenants and agrees that it shall be jointly and severally bound by all the provisions of the Lease and liable to pay to Landlord all sums of any kind whatsoever and perform all obligations of any kind whatsoever which Tenant is obliged to pay or perform under the Lease or otherwise in respect of the Leased Premises throughout the Term and any renewal or extension thereof, including, without limitation, any charges billed after the date hereof which relate to amounts payable in respect of the Leased Premises pursuant to the Lease or otherwise which at the date hereof either had not yet been billed to Tenant or had been billed to tenant on an estimated basis subject to adjustment in accordance with the provisions of the Lease and any and all obligations of Tenant under the Lease whether arising before or after the date of this Assignment.
- (b) If Landlord performs any leasehold improvements or other work or services with respect to the Leased Premises at the request or on behalf of Assignee, all amounts payable to Landlord with respect to such improvements, work or services shall be deemed to be rent payable under the Lease and the Lease shall thereupon be deemed to be amended to that effect as between Landlord and Assignee in accordance with subsection 5(b) hereof.
- (c) Assignee agrees, if so requested by Landlord, to deliver to Landlord, forthwith and thereafter prior to the beginning of each year during the Term and any renewal or extension thereof, a series of post-dated cheques for all payments of rent and other amounts whatsoever payable under the Lease or otherwise in respect of the Leased Premises for the ensuing year.
- (d) Assignee acknowledges that the Building (as defined in the Lease) forms part of a condominium development. The Assignee covenants and agrees that it shall be bound by the provisions of the Condominium Act S.O. 1998, c.19 (the “**Condominium Act**”). For greater certainty, the Assignee hereby covenants agrees as follows: “I, my visitors, customers, clients, employees, agents or others doing business with me, from time to time, will, in using the said Units rented by me, and the common elements, comply with the Condominium Act, the Declaration and the By-Laws and all Rules and Regulations of the Condominium Corporation, during the Term, together with renewals, of my tenancy”.

5. COVENANTS OF TENANT

Tenant covenants and agrees with Landlord that:

- (a) The Debtor is not hereby released from the performance of any of its obligations pursuant to the Lease and remains liable, jointly and severally with Assignee, for all of the obligations of tenant under the Lease notwithstanding the Assignment or any further or other assignment of the Lease or subletting or parting with or sharing possession of all or any part of the Leased Premises or any renewal or extension of the Lease pursuant to any option of tenant under the Lease;
- (b) Landlord and Assignee may from time to time agree as between themselves to amend the terms of the Lease, it being agreed that no such amendments shall have the effect of releasing the Debtor from any of its obligations under the Lease, for which the Debtor shall remain liable to the same extent as if such amendments had not been made;
- (c) if Landlord terminates the Lease as a result of any default by Assignee in the performance of its obligations pursuant to the Lease or this Agreement, such termination shall, as against the Debtor and Assignee, be without prejudice to all the rights of Landlord under the Lease and at law, included in which shall be the right to obtain from any of them all arrears of rent and other charges owing under the Lease up to the date of termination and damages in respect of losses and deficiencies sustained by Landlord; and
- (d) if Assignee is released or discharged in any receivership, bankruptcy, winding-up or other creditors’ proceeding or the Lease is disclaimed in any such proceeding or otherwise by a trustee, receiver or other person, or where Assignee is a partnership, in the event of a change in the constitution of the partnership, the obligations of the Debtor shall not thereby be or be deemed to be released, waived, impaired or affected but shall continue with respect to the entire Term as if the Lease had not been disclaimed.

6. CONDITIONS PRECEDENT

This Agreement shall become shall become effective on the date that each of the following conditions has been satisfied:

- (a) The Assignee shall execute the guarantee in favour of the Landlord attached hereto as Schedule “A”; and
- (b) The Assignee shall pay the sum of \$[●], representing three months rent to the Landlord’s solicitor in trust; and
- (c) The Effective Date shall have occurred.

7. **RELEASE OF TENANT**

The Landlord and the Assignee each hereby discharge the Tenant, its successors, assigns, affiliates, officers, directors, employees, and agents (the “**Released Parties**”), from any and all claims, demands, actions, causes of action, damages, and liabilities of any kind whatsoever, whether known or unknown, which the Landlord and the Assignee, or either of them, ever had, now have, or may hereafter have as against the Released Parties, arising out of or in any way connected with the Lease. For greater certainty, the Tenant shall have no further liability to the Landlord, the Assignee, or any other person arising from or out of the Lease from and after the Effective Date.

8. **NOTICES**

Any notice, request or demand provided for or given under this Agreement or under the Lease shall be in writing and shall be served in the manner specified in the Lease. The addresses for service of notice by registered mail shall be:

To Landlord:

ELIZABETH & CO. HOLDINGS INC.

1244 Riverdale Ave.
Cornwall, ON, K6J 5V4

Attention: Elizabeth Eskander, President
Email: leeza.eskander@gmail.com

With a copy to:

[●]

To Tenant:

MSI SPERGEL INC.

1100-200 Yorkland Blvd.
Toronto, ON, M2J5C1

Attention: Philip H. Gennis
Email: pgennis@spergel.ca

To Assignee:

at the Leased Premises

9. **ACKNOWLEDGEMENT OF ASSIGNEE**

Assignee acknowledges that it has received a copy of the Lease and is familiar with the terms, covenants and conditions contained therein.

10. **CONFIRMATION OF LEASE**

The parties hereto acknowledge and confirm that the Lease is in full force and effect, unmodified except in accordance with this Agreement.

11. DELIVERY

This Agreement shall be deemed not to have been executed and delivered by Landlord until it has been duly executed by all the other parties hereto and Landlord has received at least one original executed copy hereof and at least one original executed copy of each of the Indemnity Agreement and the Assignment document. Until all of the said documents have been received by Landlord, Landlord may, at its sole option, by written notice to Tenant, withdraw its consent herein contained, in which case this Agreement shall be null and void and of no further effect. If all of the said documents have not been received by Landlord within ninety (90) days from the date hereof, at Landlord's option, Landlord's consent to the Assignment and the other terms of this Agreement shall be null and void unless given anew in writing by Landlord.

12. SUCCESSORS

This Agreement shall be binding upon and, to the extent expressly permitted pursuant to the provisions of the Lease, shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and other legal representatives.

13. JURISDICTION

This Agreement shall be governed by and interpreted in accordance with, and the parties hereto shall attorn to, the laws of the Province of Ontario. The parties agree that the Courts of Ontario shall have jurisdiction to determine any matters arising hereunder.

14. FAX, COUNTERPART AND ELECTRONIC EXECUTION

This Agreement may be executed by counterparts and by facsimile or electronic (e-mail) transmission, and if so executed, each document shall be deemed to be an original, shall have the same effect as if all parties had executed the same copy of this Agreement in hard copy and all of which copies when taken together shall constitute one and the same document. Upon acceptance or execution of this Agreement as aforesaid, original documents shall be executed by all of the parties hereto in the same form as the counterpart and/or facsimile and/or electronic version and delivered. The parties hereto shall use reasonable efforts to ensure that the documents are executed and delivered in hard copy within ten (10) business days of the acceptance or execution hereof by counterpart, facsimile and/or electronic means.

15. CAPITALIZED EXPRESSIONS

Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Lease.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

For the Tenant:

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of all of the assets, undertakings and properties of 1000209217 ONTARIO LTD. and not in its personal or corporate capacities

By: _____
Name: Mukul Manchanda
Title: Managing Partner
I have the authority to bind the corporation

For the Assignee:

1001148056 ONTARIO INC.

By: _____
Name: _____
Title: Authorized Signatory

For the Landlord:

ELIZABETH & CO. HOLDINGS INC.

By: _____
Name: _____
Title: Authorized Signatory
I have the authority to bind the corporation

Appendix 7

ACQUISITION OPPORTUNITY
IN THE MATTER OF THE RECEIVERSHIP OF
1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy, Cornwall, Ontario

Opportunity

An opportunity exists to potentially acquire any right, title and interest of the business and assets of 1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy (the “**Company**”).

Msi Spergel inc., was appointed as Receiver (the “**Receiver**”) of all of the assets, property and undertakings of the Company pursuant to the Order of the Honourable Justice Champagne of the Ontario Superior Court of Justice dated June 21, 2024 (the “**Receivership Order**”).

The Receivership Order authorized the Receiver to undertake the marketing and sale of the assets, property and undertakings of the Company (the “**Sale Process**”). Accordingly, subject to the granting of an Approval and Vesting Order, the Receiver is offering for sale the pharmacy business operated by the Company on an “as-is, where-is” basis.

Business Overview and Description of Assets

- The Company operates a retail pharmacy business out of leased premises located in Cornwall, Ontario (the “**Pharmacy**”). It shares the building with three Family Medicine physicians.
- It’s accreditation with the OCP is current.

NOTES

1. Available information for the Pharmacy will be contained in the data room, access to which will be provided to those executing the attached Non-Disclosure Agreement and Disclaimer.

Sale Process

If you are interested in pursuing this opportunity, please execute the attached Confidentiality and Non-Disclosure agreement ("**NDA**") and Disclaimer and return both to the Receiver, to the attention of: Philip Gennis (Email: pgennis@spergel.ca).

Under the Sale Process, all interested parties will be provided with an opportunity to participate. The Sale Process is intended to solicit offers to purchase the pharmacy business on an *en bloc* basis. The Receiver reserves its discretion to select any offer or offers, alone or in conjunction, and to refuse any or all offers.

The Receiver reserves the right to amend or terminate the Sale Process at any time. The Receiver is under no obligation to accept the highest or any offer.

The Receiver has prepared an on-line data room to provide additional information on the Company and this opportunity. Access to the on-line data room is available to prospective purchasers that execute and return the attached NDA.

**The deadline for the submission of offers is August 31, 2024
at 5:00 pm (Toronto time).**

All communications relating to this opportunity should be directed to:

Philip H. Gennis, JD., CIRP., LIT
Licensed Insolvency Trustee
msi Spergel inc.
(416) 498-4325
pgennis@spergel.ca

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT
("Agreement")

TO: Msi Spergel inc., court-appointed Receiver of 1000209217 Ontario Ltd.
carrying on business as Cotton Mill Pharmacy

Re: Sale of Pharmacy Business

Pursuant to the Order of the Honourable Justice Champagne of the Ontario Superior Court of Justice in Court File No. CV-24-00000103-00 (the "**Receivership Proceedings**"), dated June 21, 2024 (the "**Appointment Order**"), the Vendor was appointed as Receiver of all of the assets, property and undertakings (the "**Assets**") of 1000209217 Ontario Ltd. (the "**Company**") including the Purchased Assets (as defined herein). A copy of the Appointment Order may be accessed on the Receiver's website at <http://www.spergelcorporate/engagements>.

The undersigned has expressed an interest in reviewing the information more particularly defined below (the "**Information**") solely for the purpose of determining its potential interest in submitting an offer to acquire the assets of the Company. The undersigned understands and agrees that the Receiver is willing to provide the Information, but, will only do so on the condition that the undersigned provides the covenants, warranties and undertakings set out in this Agreement with respect to the Information.

In consideration of the Receiver providing such Information and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the undersigned agrees as follows:

1. "**Information**" means any and all information regarding the Company, whether delivered orally, in writing or by other media; provided, however, that Information shall not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the undersigned or any Permitted Person (as defined below) in breach of this Agreement; (ii) was in the possession of or becomes available to the undersigned or any Permitted Person on a non-confidential basis from a source that, to the knowledge of the undersigned, is not bound by a confidentiality obligation in respect of the Information and is from a source other than the Receiver, any party retained by the Receiver; or (iii) is or was developed independently by the undersigned or any Permitted Person (as defined herein) without reliance on the Information.

2. The undersigned acknowledges and agrees that the Information contains sensitive confidential business information about the Company. The undersigned acknowledges that unauthorized use or disclosure of the Information will cause substantial and irreparable damage to the business and competitive position.
3. The undersigned acknowledges and agrees that the Receiver will provide the Information to it solely for the Permitted Purpose. The undersigned covenants and warrants that it and any **"Permitted Persons"** (which term shall collectively include any and all of the undersigned's officers, professional counsel, directors, agents, employees, consultants or other representatives or persons who the undersigned reasonably requires have access to all or some of the Information strictly to the extent necessary for the Permitted Purpose, and to whom Information is so provided by the undersigned) shall not use the Information for any purpose other than the Permitted Purpose and shall not disclose to any third party the fact that any Information has been provided to the undersigned or Permitted Persons. For greater certainty, the undersigned and the Permitted Persons shall not use the Information in carrying on their business or that of any affiliate, and will not disclose the Information to any other person, firm, corporation or organization without the Receiver's prior written consent.
4. For greater certainty, but without limiting its covenant and warranty to keep the Information confidential, the undersigned shall take all reasonable steps to prevent the disclosure of the Information, by ensuring that:
 - a) only Permitted Persons shall have access thereto, and they shall be instructed and required to treat the Information as confidential;
 - b) proper and secure storage is provided for all written Information or any Information which is stored on any computer or data retrieval system;
 - c) the undersigned shall not make, permit or cause to be made copies of the Information, other than for the Permitted Purpose and subject to the terms herein; and
 - d) the undersigned shall not disclose, to any person other than the Permitted Persons, for any reason whatsoever, the Information or any discussions regarding the Information, unless:
 - i) disclosure is required under federal or provincial law;
 - ii) any regulatory body having jurisdiction requires disclosure; or
 - iii) disclosure is required to be made by the undersigned pursuant to due legal process.
5. In the event that the undersigned or any Permitted Person becomes legally compelled to disclose any of the Information, the undersigned shall, to the extent legally permitted, provide the Receiver with prompt written notice so that the Receiver may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that either such protective order or other remedy is not obtained, or the Receiver waives compliance with provisions of this Agreement, the undersigned shall provide only that portion of the Information which

is legally required and shall exercise commercially reasonable efforts to obtain reliable assurance that the Information will be treated as confidential.

6. In addition to its other obligations under this Agreement, the undersigned will comply with all applicable privacy laws regarding its collection, use, protection and disclosure of personal information contained in the Information.
7. Upon request from the Receiver, the undersigned will promptly destroy or return to the Receiver all Information, any copies thereof, and all notes, correspondence, documents or other records relating to the Information in the undersigned's possession. The destruction, by the undersigned, of any Information shall not affect any of its obligations hereunder.
8. The Receiver shall not be deemed to have made any representation or warranty, whether express or implied, as to the accuracy or completeness of the Information. The undersigned agrees that the Receiver will have any liability, direct or indirect, to the undersigned or any Permitted Persons relating to or resulting from the Information or the use by the undersigned of, or reliance on, the Information, errors in the Information, or omissions from the Information.
9. It is understood that this Agreement does not require the Receiver to enter into any further definitive agreement or to disclose any particular information to the undersigned.
10. It is understood that this Agreement does not grant any intellectual property rights in the Information to the undersigned or any Permitted Persons and does not grant the undersigned or any Permitted Persons with any rights in or to the Information.
11. The undersigned agrees to immediately provide the Receiver with written notice of any actual or possible breach of the terms of this Agreement or unauthorized disclosure or use of the Information.
12. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be sent by email to the following addresses:

a) in the case of the Receiver, as follows:

msi Spergel Inc.
Attention: Philip Gennis
Telephone: 416.498.4325
Email: pgennis@spergel.ca

b) in the case of the undersigned, as follows:

(Name – Company or First and Last)
(Street/RR/PO Box No., Suite/Unit No.)
(City/Town) (Province)
(Postal Code)
Attention: •
Telephone: •
Email: •

Any notice by email shall be deemed to have been received on the date the email was sent. The Receiver or the undersigned may change its address for service of notice or the person to whom such notice shall be directed from time to time by notice given in accordance with the foregoing.

13. The undersigned agrees that it shall not and may not assign this Agreement or any of its rights hereunder, either in whole or in part.
14. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario (and, if applicable, the federal laws of Canada) without regard to conflict of laws principles. The Receiver and the undersigned hereby irrevocably attorn to the jurisdiction of the Ontario Superior Court of Justice.
15. The undersigned acknowledges that any breach of this Agreement would cause serious and irreparable damage and harm, and that remedies at law would be inadequate to protect against breach of this Agreement. Therefore, the undersigned agrees in advance to the granting of injunctive relief in favour of the Receiver for any breach or reasonably anticipated breach of the provisions of this Agreement and to the specific enforcement of the terms of this Agreement, without proof of actual damages, in addition to any other remedy to which the Receiver would be entitled.
16. Any unauthorized disclosure or use of Information by Permitted Persons will be deemed to have been by the undersigned, and the undersigned will be responsible and liable for any breach of this Agreement by Permitted Persons as though it was its own.
17. This Agreement will remain in effect until the date that is one (1) year from the date the Receiver or the undersigned, by notice in writing, terminates negotiations with respect to the purchase of the pharmacy business (the “**Termination Date**”).
18. Non-Interference: The undersigned agrees that the Covered Entities will not, directly or indirectly, use the Information to solicit, induce, encourage or otherwise cause any of the Company’s customers, suppliers, manufacturers, distribution partners, clients, advertisers, marketing representatives, investors, lenders, advisors, consultants, or any party with whom the Company or its affiliates have a commercial or business relationship (contractual or otherwise), to alter, change, modify, cancel, discontinue, limit or refrain from entering into any commercial or business relationship (contractual or otherwise) with the Company or its affiliates, without the Company’s and the Receiver’s express prior written consent; nor will the Covered Entities use the Information of the Company to solicit or attempt to initiate a new business relationship, or modify the terms of an existing business relationship, with any such customer, supplier, manufacturer, distribution partner, client, advertiser, marketing representative, investor, lender, advisor or consultant.
19. This Agreement shall enure to the benefit of the Company, the Receiver and any purchaser, or purchasers, of the assets and their respective representatives and assigns, and shall be binding upon the undersigned and its heirs, executors, administrators, legal personal representatives, successors and permitted assigns.
20. The undersigned acknowledges and agrees that it has had the opportunity to obtain independent legal advice as to the terms and conditions of this Agreement and has either received same or expressly waived its right to do so.

21. Failure to enforce any provision of this Agreement will not constitute a waiver of any term hereof.
22. If any provision of this Agreement is deemed void by law, the remaining provisions will continue in full force and effect.
23. This Agreement may be executed and transmitted digitally and any documents so executed shall be treated as original executed documents. This Agreement may be executed in counterparts (including, without limitation, facsimile and PDF counterparts), each of which will be deemed an original and each of which together will constitute one and the same instrument.
24. This Agreement constitutes the entire agreement between the undersigned and the Receiver with respect to the subject matter hereof and supersedes all prior agreements and or discussions relating to the subject matter hereof. This Agreement may only be amended by further written agreement between the Receiver and the undersigned.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned has executed this Agreement and hereby agrees to all of the covenants and undertakings contemplated herein.

Dated at _____ this _____ day of _____ 2024.

<hr/> <p>(Signature of Person – Individual) Name:</p> <hr/> <p>Signature of Witness – Individual Name:</p>	OR	<hr/> <p>(Name of Corporation) Per:</p> <hr/> <p>(Signature of Authorized Signing Officer) Name: Title: I have authority to bind the corporation</p>
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Appendix 8

PHARMACY OPPORTUNITY

Take charge of your career with this opportunity to own a pharmacy in a welcoming south east Ontario urban community.

Moving to this city isn't just about changing your address—it's about becoming a pillar of the community and your role grows far beyond just business as usual.



Historic Annual Revenue

\$1,600,000

Hx Rx Totals
30,000



Hx EBITDA

\$120,000

Asking Price

\$500,000



Whether you're a pharmacist eager to run your own business or an experienced operator wanting to add to your portfolio, this pharmacy is primed for renewed success.

Due to unfortunate circumstances, the pharmacy is operating with limited hours, but with historically strong financials and infrastructure already in place, you can focus on growing and evolving the business further.

Interested in learning more? Contact us for additional financial details and store information.

Contact: Max Beirsto max@evcor.com

Contact us: [1-844-283-6367](tel:1-844-283-6367)

<https://www.evcor.com/contact-us/>



Appendix 9

Globe and Mail Advertisement

Opportunity

An opportunity exists to potentially acquire any right, title and interest of the business and assets of 1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy (the “**Company**”) The Company operates a retail pharmacy business out of leased premises located in Cornwall, Ontario.

By Order of the Ontario Superior Court of Justice (the “**Court**”), made on June 21, 2024, msi Spergel Inc., (GRIP) as Court-appointed Receiver of the Company, was authorized to undertake the marketing and sale of the assets, property, and undertakings of the Company.

For further information on this opportunity, please contact Philip Gennis at pgennis@spergel.ca

Appendix 10

Opportunity

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Appendix 11

PHARMACY PURCHASE AGREEMENT

This Agreement is made as of the 15th day of August, 2025 (the “**Effective Date**”)

BY AND BETWEEN:

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of all of the assets, undertakings and properties of 1000209217 Ontario Ltd. (the “**Company**”) and not in its personal or corporate capacities (hereinafter referred to as the “**Vendor**”)

– and –

1001148056 ONTARIO INC. (hereinafter referred to as the “**Purchaser**”)

RECITALS:

A. Pursuant to the Order of the Honourable Justice Champagne of the Ontario Superior Court of Justice (the “**Court**”) in Court File No. CV-24-00000103-00 (the “**Receivership Proceedings**”), dated June 21, 2024 (the “**Appointment Order**”), the Vendor was appointed as receiver (in such capacity, the “**Receiver**”) of all of the assets, property and undertakings of the Company including the Purchased Assets (as defined herein);

B. Subject to the granting of the Approval and Vesting Order (as defined herein), the Vendor has agreed to sell, transfer and assign to the Purchaser, and the Purchaser has agreed to purchase and assume from the Vendor, the Purchased Assets, subject to and in accordance with the terms and conditions contained in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“**Agreement**” means this asset purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Allocation Schedule**” has the meaning set out in Section 3.2.

“Applicable Law” means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“Appointment Order” has the meaning set out in the recitals hereto.

“Approval and Vesting Order” means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing this Agreement and the Transaction, and effective upon the delivery of the Receiver’s Certificate to the Purchaser, vesting in the Purchaser all of the right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances other than Permitted Encumbrances, which order shall be in form and substance acceptable to the Receiver.

“Assignment and Assumption Agreement” means an assignment and assumption agreement evidencing the assignment to the Purchaser of the Company’s interest in, to and under the Purchased Contracts and the assumption by the Purchaser of all of the Assumed Liabilities, in form and substance satisfactory to the Parties, acting reasonably.

“Assignment Order” means an order of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, assigning to the Purchaser the rights and obligations of the Company under the Purchased Contracts for which a consent, approval or waiver necessary for the assignment of such Purchased Contracts has not been obtained, and which will include, if necessary, a mechanism for the resolution of any disputed Cure Costs.

“Assumed Liabilities” means: (a) Priority Payables, if any; (b) the obligation to repay the Assumption Amount in accordance with the terms of the CLG Debt Assumption Agreement; (c) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “B”, as the same may be modified by the Purchaser in accordance with the terms hereof; and (d) all Liabilities which relate to the Business under any Purchased Contracts; in each case, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“Assumption Amount” means [REDACTED].

“Authorization” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

“Books and Records” means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) relating to the Business, including Tax and accounting books and records used or intended for use by, or in the possession of the Company or any of its Affiliates including information, documents and records relating to the Purchased Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and

records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“Business” means the pharmacy business conducted by the Company from the Leased Premises.

“Business Day” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“Claims” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“CLG” means Care Lending Group Inc.

“CLG Debt” means: (a) all indebtedness of the Company owing to CLG under or in connection with the Fixed Rate Promissory Note issued by the Company in favour of CLG on October 3, 2022; and (b) all indebtedness owing to CLG under the Receiver’s Borrowing Charge.

“CLG Debt Assumption Agreement” has the meaning set out in Section **Error! Reference source not found.**

“Closing” means the closing and consummation of the Transaction.

“Closing Date” means the date that is five (5) Business Days, or such shorter period as the Parties may agree, after the date upon which the conditions set forth in Article 7 have been satisfied or waived, other than any conditions set forth in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing).

“Closing Time” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“College Approval” means the required approval of the Ontario College of Pharmacists for the sale of the Purchased Assets.

“Company” has the meaning set out in the recitals hereto.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which the Company is a party or by which the Company is bound or in which the Company has, or will at Closing have, any rights or by which any of its property or assets are or may be affected.

“Court” has the meaning set out in the recitals hereto.

“Cure Costs” means, in respect of the Purchased Contracts, all amounts, costs, fees and expenses: (i) required to be paid to remedy all of the Company’s monetary defaults in relation to the Purchased Contracts, other than those arising by reason only of the Company’s bankruptcy, insolvency or failure to perform a non-monetary obligation; (ii) as may be required pursuant to the Assignment Order; or (iii) necessary to secure a counterparty’s or any other necessary Person’s consent to the

assignment of the Purchased Contracts; and which, for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to a Purchased Contract.

“Effective Date” has the meaning set out in the recitals hereto.

“Encumbrance” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“ETA” means the *Excise Tax Act*, R.S.C, 1985, c. E-15, as amended.

“Excluded Assets” means the properties, rights, assets and undertakings of the Company listed as “Excluded Assets” on Schedule “C”, as the same may be modified by the Purchaser in accordance with the terms hereof.

“Final” with respect to any order of the Court, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Vendor and Purchaser) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired.

“General Conveyance” means a general conveyance evidencing the conveyance to the Purchaser of the Company’s and the Vendor’s interest, if any, in and to the Purchased Assets, in form and substance satisfactory to the Parties, acting reasonably.

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under Part IX of the ETA.

“Income Tax Act” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“Intellectual Property” means all rights, interests and benefits of the Company, through ownership, licensing or otherwise, in: (i) any trademarks, trade names, business names, brand names, services marks, copyrights, trade secrets, industrial designs, inventions, patents, formulas, processes, know how, technology, manufacturing, engineering and other technical drawings and manuals, blue prints, research and development reports, technical information, technical assistance, engineering data, design and engineering specifications, telephone numbers, domain names, domain name registrations, website names and worldwide web addresses, social media accounts and social media handles and other communication addresses, and related goodwill; and (ii) any applications or registrations of the foregoing, issued patents, continuations in part, divisional applications or analogous rights therefor; in each case whether registered or not, and solely as such property relates to the Business.

“Inventory” means all inventories of the Business that are in good and saleable condition, excluding: (i) damaged, expired, obsolete, worn, defective or unsaleable goods; (ii) goods for which the packaging is broken; (iii) shop worn merchandise; (iv) front of store (retail) merchandise (including over the counter medicines and products) with an expiry date less than six (6) months after the Closing Date; (v) Rx (prescription) merchandise with an expiry date less than three (3) months after the Closing Date or that is liquid and contained in an open vial or bottle; and (vi) seasonal merchandise purchased more than 45 days prior to the Closing Date.

“Landlord” means Elizabeth & Co. Holdings Inc.

“Lease” means the lease for the Leased Premises, dated October 3, 2022 between the Landlord, as landlord, and the Company, as tenant, as amended, extended, renewed or otherwise modified.

“Leased Premises” means the premises located at 107-703 Cotton Mill St, Cornwall, ON K6H 0E7.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Organizational Documents” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“Patient Records” means all prescription files, patient record files, and sales records of the Business including all digital back-up tapes and/or disks and the customer list showing each customer’s name, address, telephone number, patient history and third-party drug information.

“Permitted Encumbrances” means the Encumbrances expressly listed as permitted Encumbrances in the Approval and Vesting Order.

“Purchased Contracts” means the Contracts listed in Schedule “A”, as the same may be modified by the Purchaser in accordance with the terms hereof (and including as such Purchased Contracts may be amended, restated, supplemented or otherwise modified from time to time).

“Outside Date” means 11:59 pm (Toronto time) on June 30, 2025 or such later date and time as the Vendor and the Purchaser may agree to in writing.

“Parties” means the Vendor and the Purchaser, collectively, and **“Party”** means either one of them.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“Priority Payables” means any amounts that are required be paid in priority to the Assumption Amount under the BIA or other applicable laws.

“Purchased Assets” has the meaning set out in Section 2.1.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchaser” has the meaning set out in the preamble hereto.

“Receiver” has the meaning set out in the recitals hereto.

“Receiver’s Borrowing Charge” has the meaning set out in the Appointment Order.

“Receiver’s Certificate” has the meaning given to it in Section 6.2(d).

“Receivership Proceedings” has the meaning set out in the recitals hereto.

“Taxes” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“Transaction” means all of the transactions contemplated by this Agreement, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Assets.

“Transfer Taxes” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST/HST.

“Vendor” has the meaning set out in the preamble hereto.

1.2 Interpretation not affected by headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this

Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Vendor or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments To Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

Schedule A	-	Purchased Contracts
Schedule B	-	Assumed Liabilities
Schedule C	-	Excluded Assets
Schedule D	-	Allocation Schedule

The Parties acknowledge that as of the Effective Date, the Schedules are not complete and may be revised on or before the dates set out in such Schedules. The Parties shall cooperate with each other and shall use commercially reasonable efforts to complete the Schedules as soon as practicable after the Effective Date, and in any event at least two (2) days prior to Closing. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendor shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase and assume from the Vendor, all of

the Company's and the Vendor's right, title and interest, if any, in, to and under all of the tangible and intangible assets, properties and rights of the Business (other than the Excluded Assets), which are owned by the Vendor and relate to or are used or held for use in connection with, the Business being conducted at the Leased Premises, free and clear of all Encumbrances, including the following (collectively, the "**Purchased Assets**"):

- (a) Inventory;
- (b) Patient Records;
- (c) fixed assets, including machinery, equipment, fixtures, furniture, computer hardware, computer software and accessories;
- (d) leasehold improvements;
- (e) Intellectual Property;
- (f) the Purchased Contracts;
- (g) Books and Records relating to the Purchased Assets; and
- (h) all goodwill and other intangible assets associated with the Business and the Purchased Assets.

2.2 Transfer of Purchased Assets and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities from and after the Closing Date.

2.3 Assignment of Purchased Contracts

- (a) Until the Closing Date, the Purchaser shall be entitled to make additions, deletions and modifications to the Contracts classified as "Purchased Contracts", in its sole discretion.
- (b) Each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of the Purchased Contracts, all consents and approvals required to assign the Purchased Contracts to the Purchaser.
- (c) To the extent that any Purchased Contract is not assignable without the consent or approval of the counterparty or any other Person, and such consent or approval has not been obtained prior to the Closing Date: (i) the Company's interest in, to and under such Purchased Contract may be conveyed to the Purchaser pursuant to an Assignment Order; (ii) the Vendor will use commercially reasonable efforts to obtain an Assignment Order in respect of such Purchased Contract on or prior to the Closing Date; and (iii) if an Assignment Order is obtained in respect of such Purchased Contract, the Purchaser shall accept the assignment of such Purchased Contract on such terms.
- (d) To the extent that any Cure Costs are payable with respect to any Purchased Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid either directly to the applicable counterparty or to the Vendor, which Cure Costs shall be in addition to the Purchase Price. Unless the Parties otherwise agree, to the extent that any Cure Cost is payable with respect to any Purchased Contract, where such Purchased

Contract is assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in accordance with such Assignment Order, and where such Purchased Contract is not assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty.

- (e) The Vendor shall be entitled to disclaim or seek to disclaim any Contract that is not a Purchased Contract.
- (f) It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security, including without limitation any Cure Costs that may be required by Governmental Authorities or any third parties to permit the transfer of the Purchased Assets, including the Purchased Contracts, to the Purchaser.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The aggregate purchase price for the Purchased Assets shall be equal to the sum of the following amounts (in aggregate, the “**Purchase Price**”), in each case exclusive of Taxes:

- (a) the Assumption Amount; and
- (b) an amount equal to the Assumed Liabilities, payable on, accruing to, or arising prior to the Closing Time.

3.2 Allocation of Purchase Price

The Purchaser and the Vendor agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as shown in the allocation schedule attached hereto as Schedule “**D**” (the “**Allocation Schedule**”).

3.3 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price on the Closing Date as follows:

- (a) In respect of the Assumption Amount, by the assumption of a portion of the CLG Debt equal to the Assumption Amount in accordance with the terms of the CLG Debt Assumption Agreement; and
- (b) In respect of the Assumed Liabilities, by way of assumption by Purchaser of such Assumed Liabilities in accordance with the terms of this Agreement.

3.4 Transfer Taxes

The Parties agree that:

- (a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets.

- (b) Where the Vendor is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser will pay the amount of such Transfer Taxes to the Vendor at Closing.
- (c) Except where the Vendor is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendor is required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser at Closing, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.
- (d) The Purchaser shall indemnify the Vendor for, from and against all Claims and demands for payment of any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority), and any Liability or costs incurred as a result of any failure by the Purchaser to pay or remit such Transfer Taxes; and
- (e) Notwithstanding the foregoing, if available, the Purchaser and the Vendor shall jointly execute an election under section 167 of the ETA in connection with the transfer of the Purchased Assets contemplated herein, and the Purchaser shall file such election with its applicable Tax return for the reporting period in which the sale of the Purchased Assets takes place. Notwithstanding the foregoing, any GST/HST incurred in connection with the purchase and sale of the Purchased Assets contemplated by this Agreement, including where an election pursuant to subsection 167(1) of the ETA is not or cannot be validly made in respect of the Purchased Assets, shall be borne by Purchaser.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Authorization. Subject to the granting the Approval and Vesting Order, the Vendor has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments.
- (b) No Other Purchase Agreement. The Vendor has not entered into any other agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the purchase or other acquisition from the Vendor of the Purchased Assets.
- (c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms subject only to the granting of the Approval and Vesting Order.
- (d) Residency. The Company is not a non-resident of Canada for purposes of the *Income Tax Act*.

4.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time, and acknowledges that, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is duly organized, validly subsisting and is in good standing under such laws and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) Residency. The Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act*.
- (g) Approvals and Consents. Except as otherwise provided herein, no authorization, consent or approval of or filing with or notice to any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser or the purchase of any of the Purchased Assets hereunder.
- (h) GST/HST Registrant. The Purchaser is a registrant for the purposes of Tax imposed under Part IX of the ETA and its registration number is [●].
- (i) Investment Canada Act. The Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*.

4.3 As is, Where is

The representations and warranties of the Vendor shall merge on Closing and shall thereafter be of no further force and effect. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Assets shall be sold and delivered to the Purchaser, and the Assumed Liabilities shall be assumed by the Purchaser, on an “as is, where is” basis, subject only to the representations and warranties contained herein, and without any recourse to the Vendor or any its directors, officers, shareholders, employees,

representatives, agents or advisors. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for any present or intended purpose, merchantability, condition, quantity or quality, assignability or in respect of any other matter or thing whatsoever. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser. The Purchaser acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets. The Purchaser further acknowledges, agrees and confirms that it has conducted its own investigations, due diligence and analysis in satisfying itself as to all matters relating to the Company and its assets, liabilities and Business, including the Purchased Assets. Any documentation, materials or information provided by the Vendor to the Purchaser regarding the Purchased Assets, or any part thereof, was provided solely for the convenience of the Purchaser and is not warranted or represented to be complete or accurate and does not form part of this Agreement.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Vesting Order, the consummation of the Transaction or for any other reason. For greater certainty, the Vendor shall have no Liability for any Taxes payable, collectible or required to be remitted before, on or after Closing in connection with: (a) the Vendor entering into this Agreement; (b) the issuance of the Approval and Vesting Order; or (c) the consummation of the Transactions.

The Purchaser shall, and shall be deemed to, rely entirely on its own inspections and investigations concerning the Purchased Assets. The description of the Purchased Assets contained herein is for purposes of identification only and the Vendor is not liable for any error or omission in such description. No representation, warranty or condition has or will be given by the Vendor concerning the completeness or accuracy of those descriptions. Notwithstanding anything contained herein to the contrary, the Purchaser further hereby covenants and agrees to release the Vendor of and from all Claims and Liabilities which the Purchaser may have against the Vendor in respect to any matter relating to the Purchased Assets. The provisions of this Section 4.3 shall not merge on Closing but shall remain in effect thereafter without limitation.

4.4 Vendor's Liability

The Purchaser hereby expressly acknowledges and agrees that the Receiver is acting only in its representative capacity as a Court-appointed receiver of the Purchased Assets and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is subject to this Agreement.

ARTICLE 5 COVENANTS

5.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

5.2 Motion for Approval and Vesting Order

Subject to the availability of the Court, the Vendor shall, as soon as practicable, serve and file with the Court a motion for the issuance of the Approval and Vesting Order and, if applicable, the Assignment Order. Notice of the motion shall be served on all Persons having a registered Encumbrance against the Purchased Assets, or any part thereof, and such other Persons as the Vendor deems necessary or the

Purchaser reasonably requests. Prior to the service of the motion, Purchaser's counsel shall be provided with the service list for the motion. The Vendor shall use commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and, if applicable, the Assignment Order, and the Purchaser shall cooperate with the Vendor in such efforts.

5.3 Confidentiality of Patient and Customer Records

Purchaser shall keep confidential and secure all Patient Records and customer records provided to the Purchaser as part of the Purchaser's due diligence for the Transaction. In the event that the Transaction is not completed, for any reason, the Patient Records and customer records shall be returned immediately to the Vendor and with any copies, electronic or otherwise, destroyed, with proof thereof provided to the Vendor.

5.4 Actions to Satisfy Closing Conditions

The Vendor and the Purchaser agree to take (or, in the case of the Vendor, cause the Company to take) all such actions as are within their respective control and shall use their respective commercially reasonable efforts to take, or cause to be taken, all other actions and make all such other filings and submissions, and obtain such authorizations, which are necessary or advisable in order to: (i) fulfil their respective obligations under this Agreement; and (ii) assist with and ensure the satisfaction of all conditions provided for in Article 7.

5.5 Access

Subject to Applicable Laws, during the Interim Period, the Vendor:

- (a) shall, upon reasonable notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to: (i) the Purchased Assets, including all Books and Records in the possession or control of the Vendor; (ii) all Contracts and leases to which the Company is a party; and (iii) the senior personnel of the Company, so long as the access does not unduly interfere with the ordinary conduct of the Business;
- (b) shall furnish to the Purchaser or its Representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser from time to time reasonably requests; and
- (c) shall not, without the prior written consent of the Purchaser disclaim any agreement to which the Company is a party, or enter into any material agreements, contracts or other arrangements that are binding upon the Company or affect the Business.

5.6 Regulatory Approval and Consents

Subject to Applicable Laws, during the Interim Period:

- (a) each of the Parties shall (and, in the case of the Vendor, shall cause the Company to) use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate actions, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transaction; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transaction, including but not limited to the College Approval; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or

reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transaction required under any Applicable Law.

- (b) The Parties shall (and, in the case of the Vendor, shall cause the Company to) use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.6.

5.7 Assumption of the CLG Debt

The Purchaser shall enter into an agreement with CLG, in form and substance satisfactory to the Purchaser and CLG, acting reasonably, whereby the Purchaser assumes a portion of the CLG Debt in an amount equal to the Assumption Amount (the “**CLG Debt Assumption Agreement**”). For certainty, the Assumption Amount shall include all amounts advanced under the Receiver’s Borrowing Charge.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

6.2 Vendor’s Closing Deliverables

At or before the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) a true copy of the Assignment Order, if applicable, as issued and entered by the Court;
- (c) a certificate dated as of the Closing Date confirming that the Vendor has not been served with any notice of appeal with respect to Approval and Vesting Order or, if applicable, the Assignment Order, or any notice of any application, motion or proceeding seeking to set aside or vary the Approval and Vesting Order or, if applicable, the Assignment Order, or to enjoin, restrict or prohibit the Transaction;
- (d) an executed certificate of the Receiver substantially in the form attached to the Approval and Vesting Order (the “**Receiver’s Certificate**”);
- (e) all Tax elections contemplated by Section 3.4, duly executed by the Vendor;
- (f) the General Conveyance, duly executed by the Vendor;
- (g) the Assignment and Assumption Agreement, duly executed by the Vendor;
- (h) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and

that the Vendor has performed in all material respects the covenants to be performed by it prior to the Closing Time; and

- (i) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.3 Purchaser's Closing Deliverables

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor the following:

- (a) a copy of the duly executed CLG Debt Assumption Agreement;
- (b) payment of all Transfer Taxes payable on Closing to the Vendor (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities) in accordance with Section 3.4; or, alternatively, the Tax elections and indemnities contemplated by Section 3.4, duly executed by the Purchaser;
- (c) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (d) the release contemplated by Section 4.3, in form and substance satisfactory to the Parties, acting reasonably;
- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Approval and Vesting Order shall have been granted by the Court and shall be Final;
- (b) Assignment Order. The Assignment Order, if applicable, shall have been granted by the Court and shall be Final; and
- (c) College Approval. The College Approval shall have been obtained.

7.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date or such earlier date as indicated below:

- (a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.2.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.
- (d) Regulatory Approvals. Any approvals for the Transaction required to be provided by the Ontario College of Pharmacists and/or the Ontario Drug Benefit Program shall have been obtained.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 7.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

7.3 Conditions Precedent in favour of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 6.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.1(d) shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (d) No Legal Action. No action or proceeding shall be pending or threatened by any Person to enjoin, restrict or prohibit the completion of the Transaction or the right of the Purchaser to own the Purchased Assets after the Closing Time.
- (e) No Redemption or Loss of Control. The Vendor shall not have lost its ability to convey the Purchased Assets or any part thereof.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 7.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 7.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) as provided for in Sections 7.1, 7.2 and 7.3;
- (b) by the mutual written agreement of the Vendor and the Purchaser; or
- (c) by the Vendor, if there has been a material violation or breach by the Purchaser of any covenant, representation or warranty and such violation or breach has not been waived by the Vendor or cured within five (5) Business Days after written notice thereof from the Vendor to the Purchaser.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder. Notwithstanding the foregoing, if the Transaction is not completed by the Outside Date solely as a result of the Purchaser's failure to perform any of its obligations under this Agreement, then the Vendor may, on notice to the Purchaser, treat this Agreement as having been terminated by the Purchaser. In that event, any payments made by the Purchaser to the Vendor will be forfeited to the Vendor on account of its liquidated damages, the Vendor shall be entitled to pursue all of its rights and remedies against the Purchaser, and the Purchased Assets may be resold by the Vendor.

ARTICLE 9 GENERAL

9.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be required by any Applicable Law, the Purchaser shall retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Company) shall have the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

1001148056 Ontario Inc.

[●]

with a copy to:

[●]

Attention: [●]

Email: [●]

- (b) in the case of the Vendor, as follows:

msi Spergel inc.

1100-200 Yorkland Blvd.,

Toronto, ON, M2J5C1

Attention: Philip H. Gennis

Email: pgennis@spergel.ca

with a copy to:

Miller Thomson, LLP

40 King Street West, Suite6600

Toronto, ON, M5H 3S1

Attention: Sam Massie / Matthew Cressatti

Email: smassie@millerthomson.com / mcressatti@millerthomson.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

9.3 Public Announcements

The Vendor shall be entitled to disclose this Agreement to the Court and parties in interest in the Receivership Proceedings, other than any information which the Purchaser advises the Vendor in writing as being confidential. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required by Applicable Laws, neither Party shall make any public statement concerning the Transaction. If any public statement or press release is required, the Parties shall, prior to making such statement or issuing such release, consult in good faith to agree upon the content of such statement or release, which shall be satisfactory to both Parties, acting reasonably.

9.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

9.5 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing, provided that the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor and the Purchaser.

9.8 Personal Information

The Purchaser acknowledges that it is aware, and it will advise its representatives, that privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada), applies to certain information that may be disclosed to the Purchaser and its representatives pursuant to this Agreement and/or the Transaction. The Purchaser agrees to comply, and cause its representatives to comply, with such privacy legislation in connection with any such information disclosed to them.

9.9 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

9.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

9.11 Assignment

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, without the prior written consent of the Vendor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendor; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.

9.12 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

9.13 Vendor's Capacity

In addition to all of the protections granted to the Vendor under the BIA or any Order of the Court, the Purchaser acknowledges and agrees that the Vendor is entering into this Agreement solely in its capacity as court-appointed receiver pursuant to the Appointment Order and not in its personal capacity and in no circumstances shall have any personal or corporate liability under or as a result of this Agreement or the Transaction contemplated herein whatsoever.

9.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.


9.15 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been executed as of the date first written above.

1001148056 ONTARIO INC.

By: Eddie Slama 
Name: Eddie Slama
Title: President

I have the authority to bind the corporation

**MSI SPERGEL INC., solely in its capacity as
the Court-appointed receiver of all of the
assets, undertakings and properties of
1000209217 ONTARIO LTD. and not in its
personal or corporate capacities**

By: Philip H. Gennis
Name: ~~Mukul Manchanda~~ Philip H. Gennis
Title: ~~Managing Partner~~ Licensed Insolvency Trustee

I have the authority to bind the corporation

SCHEDULE "A"
PURCHASED CONTRACTS

The following is an exhaustive list of Purchased Contracts:

1. The Lease.

[Note: Balance of schedule to be completed prior to Closing]

**SCHEDULE “B”
ASSUMED LIABILITIES**

The following is an exhaustive list of Assumed Liabilities:

1. The Liabilities set out in the definition of “Assumed Liabilities”.
2. All Liabilities and Claims arising or accruing from the use or storage of the Purchased Assets from and after the Closing, including any and all costs related to the Purchased Assets from and after Closing.
3. Taxes arising or accruing from and after the Closing from the use of the Purchased Assets, including, without limitation, GST/HST to be collected and remitted to Canada Revenue Agency when due.

[Note: Balance of schedule to be completed prior to Closing]

SCHEDULE "C"
EXCLUDED ASSETS

The following is an exhaustive list of Excluded Assets:

1. Cash on hand, bank deposits, guaranteed investment certificates, securities and other similar cash or cash equivalent items.
2. All income tax refunds, GST/HST refunds and all other tax refunds and amounts that may be due to the Company from Canada Revenue Agency or any provincial tax authorities relating to the period prior to the Closing Date.
3. All Contracts that are not Purchased Contracts.

[Note: Balance of schedule to be completed prior to Closing]

SCHEDULE "D"
PURCHASE PRICE ALLOCATION

1.

[Note: Balance of schedule to be completed prior to Closing]

Appendix 12

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

CARE LENDING GROUP INC.

Applicants

- and -

1000209217 ONTARIO LTD.

Respondents

AFFIDAVIT OF PHILIP GENNIS
(sworn August 18, 2025)

I, **PHILIP GENNIS**, of the City of Thornhill, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Licensed Insolvency Trustee with msi Spergel inc. ("**Spergel**"), the Court-Appointed Receiver (the "**Receiver**") of 1000209217 Ontario Inc. ("**1000**") and as such have knowledge of the matters to be deposed herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver was appointed, without security, of all of the assets, undertakings and properties of the 2668 by Order of the Honourable Madam Justice Nathalie Champagne of the Ontario Superior Court of Justice (Commercial List), on June 21, 2024
3. In connection with the receivership of 1000 for the period up to and including June 30, 2025 fees of \$97,578.55 (inclusive of HST, disbursements) were charged by

Spergel as detailed in the billing summary and time dockets attached hereto as **Exhibit "1"** to this my Affidavit. This represents 198.7 hours at an effective rate of \$433.88 per hour.

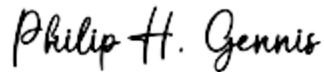
4. The hourly billing rates detailed in this Affidavit are comparable to the hourly rates charged by Spergel for services rendered in relation to similar proceedings.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the receipts and disbursements of the Receiver and its accounts.
6. I make this Affidavit for no improper purpose.

SWORN BEFORE ME at the City
of Toronto, in the Province of
Ontario, this 18th day of August 2025



A Commissioner, etc.

Barbara Eileen Sturge,
a Commissioner, etc. for MSI Spergel Inc.
and Spergel & Associates Inc.
Expires September 21, 2025



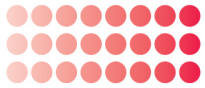
PHILIP GENNIS

**This is Exhibit “1” of the Affidavit of
PHILIP GENNIS
Sworn before me on this 18th day of August 2025**



A Commissioner, Etc.

Barbara Eileen Sturge,
a Commissioner, etc. for MSI Spergel Inc.
and Spergel & Associates Inc.
Expires September 21, 2025



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March 18, 2025

Invoice #: 12883

1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

INVOICE

RE: 1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

FOR PROFESSIONAL SERVICES RENDERED in the period up to and including February 28, 2025, in connection with the Court-appointed receivership proceedings.

Professional Services	Hours	Hourly Rate	Total
Mukul Manchanda, CPA, CIRP, LIT	1.20	\$533.33	\$640.00
Philip H. Gennis, LL.B., CIRP, LIT	120.20	\$525.00	\$63,105.00
Gillian Goldblatt, CPA, CA, CIRP, LIT	1.10	\$425.00	\$467.50
Paula Amaral	31.50	\$330.63	\$10,415.00
Eileen Sturge	3.20	\$250.00	\$800.00
Dharam Tiwana	0.30	\$250.00	\$75.00
Manocher Sarabi	14.30	\$175.00	\$2,502.50
Others	3.80	\$159.21	\$605.00
Lindsay Lesmeister	2.00	\$110.00	\$220.00
Total Professional Services	177.60	\$443.86	\$78,830.00
HST			\$10,247.90

Reimbursable Expenses	Total
Courier	\$73.82
Total Reimbursable Expenses	\$73.82
HST on expenses	\$9.60

Total	\$89,161.32
HST Registration #R103478103 (AACOTT-R)	



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INVOICE RECONCILIATION PAGE

Date	Staff	Memo	Hours	B-Rate	Amount
Professional Services					
2024-06-21	PGE	<i>All matters not previously posted including, but not limited to initial consultation with Dan Gilchrist of Care Lending Group; completing conflict check; liaising with Counsel for Care Lending and multiple emails in this regard; telephone discussions with Dan Gilchrist and with Counsel for Care Lending; receipt and review of various documents, including Corporate Profile Report and PPSA searches and summary chart; receipt and review of draft receivership order and forwarding revisions to Counsel for Care Lending; receipt and signature of Consent to Act as Receiver and transmittal of same to Counsel for Care Lending; receipt and review of Affidavit in support of application and draft NOA; receipt of Notice of Temporary Closure; email exchange and preliminary discussions with Andrew Hanna proposed Designated Manager; receipt and review of Application Record returnable June 21, 2024; preliminary discussions and email exchange with Bernard Lefebvre VP Finance at McKesson Canada; receipt and review of lease of premises; telephone discussion and engaging of Total Inventory Professionals; receipt and review of Factum of Applicant;</i>	3.50	\$525.00	\$1,837.50
2024-06-21	PAM	<i>Prepare documentation required for taking possession. Various emails between P. Gennis and stakeholders regarding possession and future operations.</i>	0.20	\$325.00	\$65.00
2024-06-22	PGE	<i>Email exchange with Paul Thompson Director of the Company; email exchange with Rory Demetriooff of Total Inventory confirming attendance on the 24th to take inventory for PMSI purposes; lengthy email to McKesson enclosing copy of receivership order and requesting support on a go-forward basis; email exchange with Andrew Hanna confirming his willingness to act as DM; to staff the pharmacy and to attend on the 24th to assist in taking possession; lengthy email to Paula Amaral outlining requirements for the 24th;</i>	1.35	\$525.00	\$708.75
2024-06-24	PGE	<i>Receipt and review Order of Justice Champagne; drafting and transmittal of letters to BMO, CIBC, TD, RBC and BNS requesting freeze of bank accounts; receipt and review of inventory count; multiple telephone discussions with Andrew Hanna during the taking of possession of the closed pharmacy; receipt and review of invoices for expenses incurred;</i>	3.25	\$525.00	\$1,706.25

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2024-06-24	PAM	Visit site to take possession and meet with inventory company to complete inventory count, owner of property and pharmacist to access computers, safe and count narcotics. Change locks, review documents on site and supervise counts.	15.50	\$325.00	\$5,037.50
2024-06-25	MMA	Posted file documents to corporate website.	0.50	\$525.00	\$262.50
2024-06-25	PGE	Email exchanges and telephone discussion with Andrew Hanna; arranging bank account for receivership estate and transmittal of same to Dan Gilchrist for borrowing purposes; internal emails on operational matters; receipt and review of preliminary responses from a number of Banks; email communication to Ontario College of Pharmacists and telephone discussion with Jaswant Sandhu in this regard;	1.75	\$525.00	\$918.75
2024-06-26	PGE	Internal email exchange with Paula Amaral regarding Notice of Receivership and Providers; arranging for postings to case website; several discussions with Andrew Hanna regarding issues with opening and staffing;	1.25	\$525.00	\$656.25
2024-06-26	EST	Run PPSA report; draft Notice of Receiver with information available	0.80	\$250.00	\$200.00
2024-06-28	PGE	Email exchange with BMO regarding accounts now frozen; transmittal of bank form and inventory to McKesson; email to Andrew Hanna requesting confirmation of staffing rates for pharmacists and technicians; receipt and review of documents provided by former CFO of enterprise; email to OCP ethics divisions regarding narcotics issue; email exchange with DM regarding flu shot paperwork; email exchange with property manager;	3.50	\$525.00	\$1,837.50
2024-07-01	PGE	Receipt and review of lease of premises and invoices for rent for June and July; email exchange with LL requesting breakdown between rent and HST; email exchange with Andrew Hanna enclosing signed IC agreement; multiple telephone discussions with Andrew Hanna; emails regarding staff to be hired and rates to be charged by them;	1.50	\$525.00	\$787.50
2024-07-02	EST	Update Notice of Receiver with unsecured creditors; mailing list; e-file to OSB; prepare for mailing	1.50	\$250.00	\$375.00
2024-07-02	PAM	Various calls and emails with P.Gennis regarding set up of Pharmacy. Emails regarding rates for technicians and relief pharmacists.	0.30	\$325.00	\$97.50

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2024-07-02	PGE	Telephone discussions with Andrew Hanna regarding hourly rates for staff; email exchange with Andrew Hanna in this regard; telephone discussions with other pharmacists regarding staff rates; further email exchange with McKesson regarding expired inventory;	1.75	\$525.00	\$918.75
2024-07-03	PGE	Email from Andrew Hanna regarding lack of paper files in the pharmacy; receipt and review of expired inventory count with DINs included; email to Bernard Lefebvre at McKesson enclosing expired inventory count; email from McKesson with bank account detail for pharmacy; text exchange with Phil Hauser regarding pharmacy staffing; email to Dan Gilchrist enclosing copy of Hauser text; email exchange with OSB regarding filing documents; further email exchange with Bernard Lefebvre at McKesson regarding expired inventory and the process for getting credit for same; forwarding Lefebvre email to Andrew Hanna; telephone discussion with OCP regarding pharmacy accreditation; email exchange with OCP regarding pharmacy accreditation; further email to McKesson regarding expired inventory; internal email exchange with Paula Amaral regarding accreditation issues with previous pharmacy accreditations in receivership; email to former CFO of Debtor regarding paper files and their location; email exchange with Paul Thompson former CEO of Debtor with respect to paper files; email exchange with Andrew Hanna regarding paper files and accreditation renewal; lengthy telephone discussion with OCP regarding accreditation renewal; further emails regarding staffing and rates; review and execution of BIA filing docs; email exchange regarding debit machines for pharmacy; email from OCP regarding previous DMs; email from BNS confirming that it does not have any accounts in the name of the Debtor; email from Lawrie Insurance requesting information relative pharmacy;	3.25	\$525.00	\$1,706.25
2024-07-04	PAM	Source information for insurance and respond to email from insurance broker. Various emails regarding set up pharmacy in preparation for operations.	1.00	\$325.00	\$325.00

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2024-07-04	PGE	Email exchange with Dan Gilchrist regarding receiver's borrowing; email exchange with Andrew Hanna regarding accreditation renewal; further email exchange with Paul Thompson regarding location of paper files; email exchange with banking department regarding date of funding of receiver's borrowing; internal email exchange with Paula Amaral regarding placement of insurance and re-instatement of telephone and fax; telephone discussion with Dan Gilchrist regarding borrowing terms; execution and transmittal of Borrowing Certificate to Care Lending; email exchange with former C FO of Debtor regarding on-line access to BMO accounts; email from Rory at Inventory Professionals regarding wire transfer coordinates; email from Andrew Hanna regarding narcotics review; review and execute accreditation renewal and transmittal to OCP; email exchange with OCP with respect to accreditation; email response from Lawrie Insurance; email to former CFO requesting copies of telephone and utility bills;	2.50	\$525.00	\$1,312.50
2024-07-05	PGE	Email exchange with Andrew Hanna regarding narcotics review; multiple telephone calls with Andrew Hanna regarding narcotics review and other matters related to timing of opening; email exchange with OCP regarding Change of DM Form and the execution thereof; email from former CFO of Debtor enclosing previous utility bills; receipt of Receivership Certificate from OSB; further email exchange with Andrew Hanna regarding narcotics review; email exchange with principals of Debtor regarding paper files and invoices for storage;	1.75	\$525.00	\$918.75
2024-07-05	PAM	Various emails regarding drug inventory count reports, registration of new DM, utilities and location of patient records.	0.50	\$325.00	\$162.50
2024-07-07	PGE	Email exchange and telephone discussions with Andrew Hanna regarding invoicing;	0.25	\$525.00	\$131.25

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2024-07-08	PGE	<i>Further email exchange with Andrew Hanna regarding invoicing and payment of invoices; email to storage facility regarding invoices for storage; internal email exchange regarding insurance for pharmacy; telephone discussions with Dan Gilchrist on a number of issues including staffing, opening and invoice payments; email exchange and telephone discussion with Phil Hauser regarding staffing plan for pharmacy; internal email exchanges regarding insurance for pharmacy; email exchange with Andrew Hanna and McKesson regarding access to Pharmaklik to enable reconciliation of narcotics; email to pharmacy practice division at OCP regarding narcotics issues;</i>	2.25	\$525.00	\$1,181.25
2024-07-09	PGE	<i>Email exchange with McKesson and DM regarding access to Pharmaklik software; receipt and review of Bell Canada invoice; email from former CFO regarding storage facility; email response from Pharmacy Practice Division of OCP regarding narcotics discrepancy; email from Andrew Hanna regarding Apotex Account; receipt and review of rent invoices from Landlord and review of lease in consequence;</i>	0.75	\$525.00	\$393.75
2024-07-09	PAM	<i>Receive Bell bill and request authorization pay the bill to ensure continuity of service.</i>	0.10	\$325.00	\$32.50
2024-07-10	PGE	<i>Multiple email exchanges and telephone discussions with Andrew Hanna regarding operational issues, including timeline for opening, staffing, generic drug rebates and processing of payables; multiple emails to and from Cornwall Mini Storage and telephone interaction with Regional Manager resulting in arrangements to retain the storage locker containing patient paper records; email exchange with Andrew Hanna and Rachel Lemke regarding issues surrounding narcotics; approval and processing of payables; telephone discussions with Dan Gilchrist at Care Landing Group; email to Andrew Hanna requesting copies of certain reports for Data Room; email exchange with Counsel to set up conference call to discuss forthcoming sales process;</i>	3.50	\$525.00	\$1,837.50
2024-07-10	PAM	<i>Various emails exchanges regarding storage facility and set up of pharmacy. Review requisitions prepared by M.Manocher.</i>	0.70	\$325.00	\$227.50

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2024-07-11	PGE	Email from Andrew Hanna regarding reports requested for Data Room; email exchanges with Andrew Hanna ; email and telephone discussion with CCC regarding outstanding debt owed to Apotex and forwarding BIA Initial Notice in response; receipt and review of insurance quote; telephone discussion with Dan Gilchrist independent of conference call earlier; telephone discussion with Jaswant Sandhu at OCP regarding possible extension of August 21st deadline;	2.25	\$525.00	\$1,181.25
2024-07-12	GGO	Review and approve disbursement.	0.30	\$425.00	\$127.50
2024-07-12	PAM	Review requisitions, edit and save to drive for processing by banking department. Various emails regarding operational issues and process for opening of pharmacy.	1.20	\$325.00	\$390.00
2024-07-12	PGE	Further email exchange between Receiver, Andrew Hanna and Dan Gilchrist; follow up conference call regarding operational plan going forward; email exchange with Bernard Lefebvre at McKesson; email exchange with Rory Demetriooff from Totals Inventory regarding inventory count with drug names and forwarding same to Andrew Hanna for purposes of determining inventory needs; preliminary draft of APS, NDA, Disclaimer for Sale Process and forwarding same to Counsel for review; email exchange with Andrew Hanna regarding lease of pharmacy; email exchanges regarding CRA accounts for ETD and HST;	3.25	\$525.00	\$1,706.25
2024-07-14	PGE	Email to OCP with a copy of narcotics memo; following up discussion with OCP not previously posted; email enquiry to Lawrie Insurance;	0.50	\$525.00	\$262.50
2024-07-15	PGE	Email exchange and telephone discussion with Andrew Hanna regarding proposed email to OCP; email exchange and telephone discussion with Chad Brownlee of Lawrie Insurance; telephone discussion with Phil Hauser regarding proposed replacement of DM and staffing plan going forward;	1.00	\$525.00	\$525.00

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2024-07-16	PGE	Email from former CFO forwarding email from MeridianOneCap with respect to lease of pill counting equipment; email exchange and telephone discussion with Andrew Hanna with respect to this equipment; email exchange with insurance broker regarding business loss endorsement; email exchange with proposed independent legal Counsel with respect to security opinions; further emails from Andrew Hanna and Rachel Lamke; email to OCP regarding narcotics issue; email exchanges with Banking Department regarding approved payables;	1.25	\$525.00	\$656.25
2024-07-16	PAM	Discuss opening of utility accounts, CRA accounts and CRA authorization with M. Manocher. Review CRA forms and utility letters prepared by M. Manocher.	0.50	\$325.00	\$162.50
2024-07-17	MSR	Preparing Notice, utility letters and sending to concern companies.	2.00	\$175.00	\$350.00
2024-07-17	PGE	Email exchange with MeridianOneCap regarding pill counter; email exchange with DM regarding reports requested;	0.25	\$525.00	\$131.25
2024-07-17	PAM	Email exchanges regarding doctor's lists. Emails from creditors with details of debt owed and request for updates. Forward copy of receivership order and notice and statement of receiver.	0.20	\$325.00	\$65.00
2024-07-18	MSR	discussion with team and preparing documents as requested.	1.50	\$175.00	\$262.50
2024-07-18	PGE	Receipt of physician information from Dan Gilchrist for inclusion in Data Room; receipt of email from Meridian Loss Recovery department; email exchange with Counsel regarding draft sale documents; email from Phil Hauser regarding staffing plan for pharmacy; email exchanges with DM regarding pill counting machine and cheques found at the pharmacy; email exchange with Dan Gilchrist regarding pill counting machine and impending staffing proposal from Phil Hauser; receipt and review of pharmacy reports for inclusion in Data Room; receipt and review of insurance quote from Lawrie Insurance; telephone discussion with loss recovery agent at Meridian; email exchange with Cornwall Mini Storage regarding storage unit where patient records are stored; email to Lawrie Insurance requesting that insurance coverage be bound; receipt and processing payment of August rent; receipt of email from OnPharm buying group;	2.75	\$525.00	\$1,443.75

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2024-07-18	PAM	Email exchanges regarding contract for storage unit. Email exchange with legal team regarding Agreement of Purchase and Sale. Email exchanges regarding insurance coverage.	0.30	\$325.00	\$97.50
2024-07-19	PGE	Binding insurance coverage; review and deal with payables;	0.50	\$525.00	\$262.50
2024-07-20	PGE	Receipt and respond to email from Insurance broker; email exchange with DM;	0.20	\$525.00	\$105.00
2024-07-22	MSR	Preparing documents as requested.	0.20	\$175.00	\$35.00
2024-07-22	PGE	Email exchange and telephone discussion with DM regarding invoicing; email to Phil Hauser; email from Receiver's Counsel approving proposed final draft of APS; Email exchange with technician; email exchange with Phil Hauser regarding staffing plan; conversation with Dan Gilchrist on a number of issues; execution and transmittal of insurance application; further minor revisions to draft APS; further email exchange with insurance broker; email from DM providing breakdown of invoice presented;	1.50	\$525.00	\$787.50
2024-07-22	PGE	Email exchange with Andrew Hanna regarding Teva Pharmaceutical and OnPharm buying group;	0.25	\$525.00	\$131.25
2024-07-23	PAM	Review CRA forms to request authorization and an RT0002 account.	0.20	\$325.00	\$65.00
2024-07-23	MSR	Preparing and saving and sending documents as requested.	0.30	\$175.00	\$52.50
2024-07-23	PGE	Multiple emails and telephone discussions with Andrew Hanna; telephone discussions and emails to and with Dan Gilchrist at Care Lending Group; review and approve payables; interceding with McKesson on behalf of Andrew Hanna; review and execute CRA docs opening RT0002 accounts;	2.50	\$525.00	\$1,312.50
2024-07-23	MMA	Phone call with P. Gennis regarding sales process.	0.50	\$525.00	\$262.50
2024-07-24	PAM	Discussions with P.Gennis and insurance company regarding refund of funds.	0.30	\$325.00	\$97.50
2024-07-24	PGE	Email exchange with Cornwall Mini Mall Storage; receipt, review and execution of Mini Mall Storage MTM lease; email exchange with ShiftPosts; review and approve payables;	1.00	\$525.00	\$525.00

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2024-07-25	PGE	Email from Dan Gilchrist regarding Hanna invoice; review payables presented by Andrew Hanna; email exchanges with McKesson regarding technical glitches wrt Pharmaklik; multiple emails to and from Andrew Hanna regarding outstanding payables;	2.50	\$525.00	\$1,312.50
2024-07-26	PGE	Multiple email exchanges with Andrew Hanna regarding pharmacy issues; telephone discussions with the OCP; email exchange with technician regarding payment of her invoice; expense analysis for Dan Gilchrist to substantiate the need for additional borrowing;	0.50	\$525.00	\$262.50
2024-07-27	PGE	Email to Meridian regarding equipment lease;	0.10	\$525.00	\$52.50
2024-07-29	PAM	Receive deposit information. Various emails related to product returns.	0.20	\$325.00	\$65.00
2024-07-29	PGE	Receipt and review of email from CWB National Leasing with copies of security document s attached; further review of payables; lengthy discussion with Phil Hauser regarding OCP rules relative to re-opening; email exchange with Andrew Hanna regarding OCP rules for opening; email exchange with Andrew Hanna regarding pharmacist able to work third week in August;	1.25	\$525.00	\$656.25
2024-07-30	PAM	Contact Bell to discuss status of account. Discuss transfer of responsibility. Review alarm codes and alarm contract. Source contact list of interested parties and forward to P. Gennis. Various emails related to access to McKesson Canada portal and returns.	1.20	\$325.00	\$390.00
2024-07-30	PGE	Email exchange with Andrew Hanna regarding alarm codes; multiple emails to and from McKesson regarding issues related to full and unfettered access to Pharmaklik; email exchange with Andrew Hanna regarding email from the investigative arm of the OCP regarding time-release safe posted notices; lengthy telephone discussion with Jaswant Sandhu at the OCP in this regard; requesting and obtaining inventory lists updated with DINs and transmittal of same to Bernard Lefebvre at McKesson; email exchange with Ryan Mace of Shift-Posts; email from OCP regarding Notice of Closure; receipt and review of email from Telus Health; assemble prospect list for teaser mailout scheduled for July 31; execute and transmit Borrowing Certificate No. 2 to Care Lending Group; further review and approval of payables; email exchange with Cornwall Mini Storage	1.50	\$525.00	\$787.50

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March 18, 2025

Invoice #: 12883

1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

INVOICE

2024-07-30	MSR	<i>Reviewed & prepared documents as requested.</i>	1.00	\$175.00	\$175.00
2024-07-31	EST	<i>Arrange ad in Globe and Mail</i>	0.50	\$250.00	\$125.00
2024-07-31	PGE	<i>Receipt and review of payables; finalize the sale documents and begin mail out to prospective purchasers; telephone discussion and email to U of T School of Pharmacy posting advertisement for pharmacists to work the pharmacy; email from Andrew Hanna to Bernard Lefebvre; placement of advertisements in Globe and Mail and Insolvency Insider; telephone discussion with Dan Gilchrist; telephone discussions with Andrew Hanna; review and approve payables; telephone discussion with prospective purchasers; email exchange with Dan Gilchrist and follow up telephone discussion; email from Andrew Hanna to McKesson regarding expired and soon to be expired inventory; telephone discussion with Ryan Mace at Shift Post; email exchange with Andrew Hanna regarding pharmacist for opening; oversight of email blast to prospective purchasers; receipt of signed NDA and Disclaimer from one prospective purchaser; email to Telus Health;</i>	2.75	\$525.00	\$1,443.75
2024-07-31	PAM	<i>Review requisitions prepared to M. Manocher prior to submitting for approval.</i>	0.20	\$325.00	\$65.00
2024-08-01	EST	<i>Arrange for ad in Globe and Mail; send revision</i>	0.20	\$250.00	\$50.00
2024-08-01	PGE	<i>Email exchange with Dan Gilchrist and prospective purchasers; telephone discussion with Dan Gilchrist and follow up email regarding doctors connected to the pharmacy; finalize sale docs; review and approve advertisements in Globe and Mail and Insolvency Insider; revise Teaser to reflect multi-disciplinary nature of medical practice; multiple email responses to teaser mail out; telephone discussions with prospective purchasers; telephone discussion with Andrew Hanna; multiple emails to and from Bernard Lefebvre regarding returns; email exchange with CWB National Leasing regarding equipment lease; multiple emails to and from LL regarding access to Data Room; review and approve payables;</i>	3.00	\$525.00	\$1,575.00
2024-08-01	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$425.00	\$42.50
2024-08-02	PAM	<i>Review cheque requisition prepared by A. Sarabi. Advise of changes and need for revised invoice from supplier.</i>	0.20	\$325.00	\$65.00
2024-08-02	MSR	<i>reviewed and prepared documents as requested.</i>	1.00	\$175.00	\$175.00

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2024-08-02	PGE	Email from Dan Gilchrist enclosing signed NDA and related documents; email exchanges and telephone discussions with prospective purchasers; email exchange with Andrew Hanna regarding opening; email exchange with McKesson regarding returns; on-going emails from prospective purchasers;	1.25	\$525.00	\$656.25
2024-08-02	PGE	Email from Dan Gilchrist enclosing signed NDA and related documents; email exchanges and telephone discussions with prospective purchasers; email exchange with Andrew Hanna regarding opening; email exchange with McKesson regarding returns; on-going emails from prospective purchasers;	1.75	\$525.00	\$918.75
2024-08-03	PGE	Email exchange with prospective purchaser; email exchange with DM regarding availability of pharmacists;	0.50	\$525.00	\$262.50
2024-08-04	PGE	Further email exchanges with prospective purchasers and with DM regarding operational issues;	0.75	\$525.00	\$393.75
2024-08-05	PAM	Coordination with previous owner to complete transfer of responsibility for Bell services. Review provider forms requesting transfer to the Receiver prepared by M. Manocher.	0.80	\$325.00	\$260.00
2024-08-05	PGE	Multiple emails between Receiver and DM on operational issues; telephone discussion with Phil Hauser regarding staffing;	0.75	\$525.00	\$393.75
2024-08-06	PGE	Email exchanges with prospective purchasers; email regarding Telus Health; email exchange with former CF regarding Telus; review and approve payables;	0.75	\$525.00	\$393.75
2024-08-06	IFR	Issue chqs, Deposits	1.30	\$150.00	\$195.00
2024-08-07	PGE	Email exchange with McKesson regarding inventory being returned; email to Andrew Hanna regarding contact with OCP on opening and signage to reflect reduced hours; email from Spergel Banking confirming delivery of cheques; email exchange internal regarding issue with a particular payable; further email exchange with Andrew Hanna regarding opening hours; Email from McKesson regarding maintenance contract for Robot; email exchanges with prospective purchasers; on going discussions with Phil Hauser; on-going discussions with Dan Gilchrist; multiple calls with Andrew Hanna;	2.25	\$525.00	\$1,181.25
2024-08-08	GGO	Review and approve disbursement.	0.10	\$425.00	\$42.50

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2024-08-08	PGE	Email exchange regarding Bell Canada phone and fax; email from former CFO regarding Telus POS; email from former CFO enclosing correspondence from Meridian One-Cap regarding C Cabinet Lease; telephone discussion with representative of Meridian One-Cap; responding to calls from prospective purchasers;	0.75	\$525.00	\$393.75
2024-08-08	MSR	Receipt, Review and processing.	0.20	\$175.00	\$35.00
2024-08-09	PGE	Lengthy telephone discussion with Jaswant Sandhu at OCP regarding inspectors report; lengthy email to OCP with respect to issues raised and on-going sales process; email exchange with Andrew Hanna regarding Bell Canada, McKesson and staffing;; telephone discussion with McKesson; telephone discussions with Dan Gilchrist;	1.50	\$525.00	\$787.50
2024-08-11	PGE	Email exchange with McKesson regarding recovery of returns; telephone discussion with Dan Gilchrist;	0.50	\$525.00	\$262.50
2024-08-12	PAM	Receive email from creditor with account statement and update Notice and Statement of Receiver.	0.20	\$325.00	\$65.00
2024-08-12	PGE	Multiple emails between DM and Andrew Lee of McKesson regarding return of expired and soon to be expired inventory; email from insurance broker; review of insurance policy; email from Cornwall Mini Storage; receipt and review of two lengthy emails from prospective purchaser and responding thereto; email from former CFO; telephone calls with Andrew Hanna;	1.50	\$525.00	\$787.50
2024-08-13	PAM	Receive and review invoice and forward to M.Manocher for processing.	0.20	\$325.00	\$65.00
2024-08-13	PGE	Email exchange and telephone discussion with Meridian Cap One regarding pill counter on lease with pharmacy; review and execution of provider forms; review and approve payable; review and execution of ODB Form;	0.75	\$525.00	\$393.75
2024-08-14	PGE	Email from OnPharm and forwarding email to Dan Gilchrist; multiple emails and responses to enquiries from Daniel Korsunsky of Neighbourly Pharmacy Inc., email exchange with Andrew Hanna with respect to TEVA enrollment; email exchange with DM and McKesson regarding ordering new product; email exchange with Andrew Hanna regarding pill counter and McKesson Maintenance contract for same; email to former CFO regarding notice given to patients at time of closure in May as required by OCP.	1.20	\$525.00	\$630.00

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2024-08-15	PGE	Email to McKesson requesting new account number for pharmacy; email from Bernard Lefebvre in this regard; email from TEVA;	0.25	\$525.00	\$131.25
2024-08-17	PGE	Email to Dan Gilchrist regarding enrollment in buying group;	0.10	\$525.00	\$52.50
2024-08-19	PGE	Email exchange with Dan Gilchrist regarding OnPharm enrollment; email to OnPharm confirming no enrollment at this time; email from Andrew Hanna regarding OnPharm; email exchange between DM and McKesson confirming pick up of 23 totes and 4 boxes of expired and soon to be expired medications; telephone enquiries from parties receiving teaser; telephone discussions with DM regarding operational issues;	1.00	\$525.00	\$525.00
2024-08-21	PGE	Telephone discussions with DM; email exchange with McKesson regarding order processing; receipt and review of invoice from Cornwall Mini Mall Storage and forwarding same to Paula Amaral for processing;	0.50	\$525.00	\$262.50
2024-08-22	PGE	Continuing email exchanges with McKesson regarding pharmacy ordering and protocol for dealing with narcotics; telephone discussion with Bernard Lefebvre at McKesson in an effort to expedite a resolution of the ordering issues;	0.75	\$525.00	\$393.75
2024-08-26	PGE	Telephone discussion with Dan Gilchrist;	0.20	\$525.00	\$105.00
2024-08-27	PGE	Receipt and review of email from Cornwall Mini Storage regarding gate opening code;	0.10	\$525.00	\$52.50
2024-08-28	PGE	Email from Debtor forwarding email from creditor of pharmacy;	0.10	\$525.00	\$52.50
2024-08-29	PAM	Receive call from Enbridge regarding account name. Investigate previous bills and advise Enbridge of status.	0.30	\$325.00	\$97.50
2024-08-30	PGE	Email exchange with Meridien regarding its secured claim and proposed dealing with same as part of sales process; telephone discussion with Dan Gilchrist regarding results of sales process;	0.50	\$525.00	\$262.50
2024-09-03	GGO	Receive and review bank reconciliation.	0.10	\$425.00	\$42.50
2024-09-04	PGE	Telephone discussion with Dan Gilchrist regarding sales process and extension of bid deadline; telephone discussion with Maged Bebawy regarding possible MLS listing for pharmacy; revise Teaser to reflect extension of bid deadline and instructing second email blast to prospective purchasers; email exchange with previous insurance broker regarding claim for unpaid premiums;	1.50	\$525.00	\$787.50

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2024-09-05	IFR	<i>Issue chq</i>	0.10	\$150.00	\$15.00
2024-09-09	PGE	<i>Email exchange and telephone discussion with Receiver's Counsel; email exchange with McKesson Pharmaceuticals; email to Andrew Hanna requesting a detailed summary of orders placed to date and a documentary evidence of drugs returned to McKesson;</i>	0.75	\$525.00	\$393.75
2024-09-10	PGE	<i>Email exchange with McKesson Pharmaceuticals; email to Cornwall storage facility; review and approve payable;</i>	0.50	\$525.00	\$262.50
2024-09-12	LLE	<i>Email received from D. Mancini requesting NDA to obtain access to the data room. Forwarded him a copy of the NDA for review and signature.</i>	0.30	\$110.00	\$33.00
2024-09-13	PGE	<i>Review and approve payables;</i>	0.25	\$525.00	\$131.25
2024-09-13	MSR	<i>Preparing and reviewing documents as requested.</i>	0.60	\$175.00	\$105.00
2024-09-13	LLE	<i>Received and reviewed executed NDA from D. Mancini. Provided access to the data room.</i>	0.20	\$110.00	\$22.00
2024-09-16	PGE	<i>Email Email exchange with CWB National Leasing; email to Dan Gilchrist confirming extension of bid deadline on sales process to September 20th; telephone discussion with Dan Gilchrist in this regard;</i>	0.50	\$525.00	\$262.50
2024-09-17	PGE	<i>Email exchange with prospective purchaser of goodwill; review of LOI provided; email to DM requesting confirmation of sales generated since opening; t/c with Dan Gilchrist re LOI received;</i>	0.25	\$525.00	\$131.25
2024-09-18	PGE	<i>Email exchange with storage facility; receipt and review of credit notes from McKesson; further email from prospective purchaser increasing offer; telephone discussion with prospective purchaser declining his LOI and forwarding email to Dan Gilchrist; multiple emails to and from McKesson regarding narcotics;</i>	0.50	\$525.00	\$262.50
2024-09-18	LLE	<i>Received email from B. Haley with a revised offer.</i>	0.10	\$110.00	\$11.00
2024-09-19	PAM		0.10	\$325.00	\$32.50
2024-09-19	PGE	<i>Further emails to McKesson regarding additional returns;</i>	0.25	\$525.00	\$131.25
2024-09-21	PGE	<i>Email enclosing resumes of pharmacists potentially willing to work in Cornwall and forwarding same to Dan Gilchrist;</i>	0.10	\$525.00	\$52.50
2024-09-22	PGE	<i>Email exchange with pharmacist formerly engaged by pharmacy regarding payment of outstanding fees;</i>	0.10	\$525.00	\$52.50

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2024-09-23	PGE	Email Email exchange with DM regarding ordering of medication; email request to banking group regarding mailing of certain cheques;	0.10	\$525.00	\$52.50
2024-09-27	LLE	Sent WIP report to P. Gennis.	0.10	\$110.00	\$11.00
2024-09-30	GGO	Receive and review bank reconciliation.	0.10	\$425.00	\$42.50
2024-09-30	MSR	Preparing and reviewing documents as requested.	0.20	\$175.00	\$35.00
2024-09-30	PGE	Email EEmail exchange with DM regarding payment of outstanding rent and consulting; receipt and transmittal of reports requested by Dan Gilchrist;	0.20	\$525.00	\$105.00
2024-10-01	PAM	Receive and respond to email from Enbridge regarding set up of new account.	0.10	\$350.00	\$35.00
2024-10-01	PGE	Receipt and review of rent invoice for October; email exchange with Dan Gilchrist in this regard; review and approve payables; receipt and review of updated SRD; email exchange with Paul Thompson regarding his communication with OCP which resulted in temporary closure;	0.50	\$525.00	\$262.50
2024-10-02	PGE	Review and approve payables; call with Dan Gilchrist regarding need for cash infusion from Care Lending Group;	0.20	\$525.00	\$105.00
2024-10-04	PGE	Internal email exchange with respect to transmittal of payment of receivables; email from Mini Mall storage;	0.25	\$525.00	\$131.25
2024-10-05	PGE	Review of GL for receivership; Email to Dan Gilchrist regarding funding for receivership;	0.25	\$525.00	\$131.25

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2024-10-07	PGE	Email exchange with CWB National Leasing regarding equipment on site; email exchange with secured creditor regarding cash burn on the receivership; receipt and review of Interim SRD and WIP report prior to transmittal to secured creditor; email from Andrew Hanna regarding phone and fax lines; email request from Dan Gilchrist regarding drug Utilization and Front Shop reports for 2023; email to Andrew Hanna regarding reports requested; email exchange with Andrew Sunn at Care Lending Group re WIP; email exchange and telephone discussion with Andrew Hanna regarding credit memos issued by McKesson; further email to Andrew Hanna regarding return of expired and soon to be expited narcotics to McKesson; follow up email to Andrew Hanna regarding current expired and soon-to-be expired inventory; review of WIP for September and telephone discussion with Andrew Sunn of CLG in this regard; email exchange with Sonya Olivo at McKesson regarding the return of expired narcotics;	2.00	\$525.00	\$1,050.00
2024-10-08	PAM	Review requisition prepared by M.Manocher.	0.10	\$350.00	\$35.00
2024-10-08	PGE	Email exchange Andrew Lee at McKesson regarding narcotics inventory; internal email regarding Bell disconnection; follow-up email to Andrew Hanna regarding requested reports; multiple emails with Andrew Hanna regarding Kroll software access and narcotics inventory returnable to McKesson; emails to Dab Gilchrist in both regards; email exchange with Andrew Sunn regarding rent for September and October; review pending payables and the need for further receiver borrowing; email from CWB National Leasing; email exchange with Landlord regarding October rent;	2.50	\$525.00	\$1,312.50
2024-10-09	PGE	Email exchange with Dan Gilchrist and Andrew Hanna regarding remote access to pharmacy software; telephone discussion with Dan Gilchrist regarding prospective purchaser; email to prospective purchaser attaching NDA and Disclaimer for signature; email exchange with McKesson regarding delivery logistics; email from storage unit administration; telephone discussion with Bernard Lefebvre at McKesson regarding delivery delays; email exchange with Andrew Hanna in this regard; several emails to and from McKesson regarding delivery issues and return of expired narcotics;	1.25	\$525.00	\$656.25
2024-10-09	LLE	Sent NDA to prospective purchaser for review and signature.	0.20	\$110.00	\$22.00

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2024-10-10	PGE	Further email interaction with McKesson over logistical issues and return of expired narcotics; telephone discussion and email exchange between Dan Gilchrist and prospective purchaser; further email exchange with McKesson regarding vaccines; email exchange with Meridien One-Cap; receipt of signed NDA and Disclaimer from prospective purchaser;	1.75	\$525.00	\$918.75
2024-10-10	LLE	Received request from P. Gennis to forward NDA to interested party. Emailed NDA to interested party, received and reviewed executed NDA, granted access to the data room.	0.50	\$110.00	\$55.00
2024-10-11	IFR	Deposits, Issue chqs, posting	0.60	\$150.00	\$90.00
2024-10-11	PGE	Email exchange with Meridien One Cap regarding arrears under its lease with Cotton Mill; email exchange with Andrew Hanna regarding additional pharmacist; email exchange with Dan Gilchrist in this regard; email to prospective purchaser regarding access to Data Room; receipt of additional borrowing from Care Lending Group; execution and transmittal of Receiver's borrowing certificate; email exchange with BMO;	0.75	\$525.00	\$393.75
2024-10-14	PGE	Emails from Dan Gilchrist;	0.10	\$525.00	\$52.50
2024-10-15	PGE	Review and approve payables'	0.20	\$525.00	\$105.00
2024-10-15	PAM	Review requisitions prior to submitting for approval.	0.30	\$350.00	\$105.00
2024-10-16	PGE	Email exchange with Cornwall Mini Mall Storage; email from Dan Gilchrist requesting NDA be sent to prospective purchaser; receipt and review of payout statement from Meridien One-Cap and forwarding same to Dan Gilchrist for discussion purposes; discussion with Dan Gilchrist; email to Meridien One-Cap requesting that they connect with Andrew Hanna to arrange for pick up of their asset;	1.00	\$525.00	\$525.00
2024-10-16	LLE	Provided NDA to interested party per request from D. Gilchrist.	0.10	\$110.00	\$11.00

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2024-10-17	PGE	Email from prospective purchaser confirming receipt of NDA and related documents; email exchange with Andrew Hanna regarding on-boarding with OnePharm; email exchange and telephone discussion with Beverley Anderson of OnePharm; further email from Andrew Hanna regarding unpaid invoices; email from Hanna colleague regarding working one day per week; review and approve payables; receipt and review of signed NDA and Disclaimer from prospective purchaser;	1.50	\$525.00	\$787.50
2024-10-21	PAM	Review payables and reconcile with current bills.	0.30	\$350.00	\$105.00
2024-10-21	PGE	Review and approve payables; email exchange with Andrew Hanna regarding Beverley Anderson at One Pharm; telephone discussion with Beverley Anderson regarding potential purchasers; email to Dan Gilchrist in this regard; email exchange with Andrew Hanna regarding Bell lines;; email from Andrew Hanna regarding drug usage and flu vaccines; emails from Andrew Hanna with cleaning invoices attached;	1.25	\$525.00	\$656.25
2024-10-22	MSR	Preparing and reviewing documents as requested.	2.50	\$175.00	\$437.50
2024-10-23	LLE	Received and reviewed executed NDA from A. Virji; provided access to the data room.	0.30	\$110.00	\$33.00
2024-10-23	PGE	Email exchange with prospective purchaser and Dan Gilchrist; further emails with prospective purchaser; review and approve payables;	0.25	\$525.00	\$131.25
2024-10-25	MMA	Approve and release EFT payment.	0.20	\$575.00	\$115.00
2024-10-29	PGE	Email from CWB National Leasing;	0.10	\$525.00	\$52.50
2024-11-02	PGE	Email exchange with Andrew Hanna;	0.10	\$525.00	\$52.50
2024-11-05	PGE	Email exchange with Dan Gilchrist regarding Telus Health Notice; email from Cornwall Mini Mall Storage;	0.25	\$525.00	\$131.25
2024-11-06	LLE	Sent NDA to N. Koko.	0.20	\$110.00	\$22.00
2024-11-06	PAM	Download provider forms, prepare provider forms and submit for signature. Assemble provider form with order and copy of void cheque. Contact Bell to activate telephone line.	5.50	\$350.00	\$1,925.00
2024-11-06	HSI	Banking	0.40	\$175.00	\$70.00

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1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

INVOICE

2024-11-06	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$425.00	\$42.50
2024-11-06	PGE	<i>Email exchange with Andrew Hanna regarding outstanding invoices; email exchange with Dan Gilchrist with regard to providing NDA etc., to another prospective purchaser; email exchange with BMO regarding funds in frozen accounts;</i>	0.25	\$525.00	\$131.25
2024-11-08	PGE	<i>Email exchange with Dan Gilchrist regarding prospective purchasers; email exchange with Andrew Hanna regarding Meridien One-Cap lease and the pick-up of their equipment;</i>	0.10	\$525.00	\$52.50
2024-11-11	MSR		0.00	\$175.00	\$0.00
2024-11-11	MSR		0.00	\$175.00	\$0.00
2024-11-12	PGE	<i>Email enquiry from real estate broker with possible interested clients; arranging for NDA signing and access to Data Room; email to Andrew Hanna requesting update on the return of narcotics to McKesson, drug orders placed and received, sales revenue; email to CWB National Leasing requesting payout statement for leased equipment;</i>	1.00	\$525.00	\$525.00
2024-11-14	PGE	<i>receipt of payout statement from CWB National Leasing; Email to CWB National Leasing requesting copy of lease document;</i>	0.25	\$525.00	\$131.25
2024-11-15	PGE	<i>Email from CWB National Leasing; transmittal of payout to Dan Gilchrist with recommendation that leased equipment be picked up;</i>	0.25	\$525.00	\$131.25
2024-11-17	PGE	<i>Email to Dan Gilchrist regarding Telus;</i>	0.10	\$525.00	\$52.50
2024-11-21	PGE	<i>Email exchange with record storage facility; email exchange with Andrew Hanna; email to Meridien; email to McKesson regarding recovery of narcotics;</i>	0.50	\$525.00	\$262.50
2024-11-25	PGE	<i>Email exchange with Dan Gilchrist and Lindsay Lesmeister regarding access to data room by an additional prospective purchaser; email exchange with prospective purchaser; email exchange with Meridien One-Cap;</i>	0.25	\$525.00	\$131.25
2024-11-26	PGE	<i>Review and execution of provider forms and transmittal of same to PA for transmittal to providers; email from prospective purchaser;</i>	0.25	\$525.00	\$131.25
2024-11-28	PGE	<i>Email exchange with CWB National Leasing;</i>	0.10	\$525.00	\$52.50
2024-11-29	PGE	<i>Email exchange with CWB National Leasing; email from liquidator for Meridien One-Cap; email exchange with Andrew Hanna in this regard;</i>	0.20	\$525.00	\$105.00

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INVOICE

2024-12-02	IFR	Issue chqs	0.40	\$150.00	\$60.00
2024-12-02	PGE	Email exchange with CWB National Leasing;	0.20	\$525.00	\$105.00
2024-12-03	GGO	Receive and review bank reconciliation.	0.10	\$425.00	\$42.50
2024-12-03	PGE	Email from Andrew Hanna with respect to prospective purchaser; internal email exchange regarding NDA and Disclaimer to be signed by Joseph Saad; email exchange with Dan Gilchrist with respect to another prospective purchaser; email from Dan Schwartz of CWB National Leasing; email exchange with Adam Moscovitz of Platinum Assets regarding recovery of Meridien OneCap asset; receipt and review of signed NDA and Disclaimer from prospective purchaser (JM);	1.25	\$525.00	\$656.25
2024-12-04	PGE	Email exchange with prospective purchaser;	0.25	\$525.00	\$131.25
2024-12-05	DTI	Prepare cheque requisition for Mini Mall Storage.	0.10	\$250.00	\$25.00
2024-12-05	PGE	Further emails with prospective purchaser; email exchange with Cornwall mini-storage; review and approve payable;	0.50	\$525.00	\$262.50
2024-12-06	PGE	Review GL and WIP reports; review and approve payable; email exchange with Dan Gilchrist regarding another prospective purchaser; further email exchange with Dan Gilchrist regarding equipment leased through Meridien OneCap;	0.50	\$525.00	\$262.50
2024-12-08	PGE	Email exchange with prospective purchaser;	0.20	\$525.00	\$105.00
2024-12-10	PGE	Review, sign and transmit provider forms for pharmacy;	0.50	\$525.00	\$262.50
2024-12-11	DTI	Prepare cheque requisition for enbridge.	0.20	\$250.00	\$50.00
2024-12-11	PGE	Review and approve payables; review outstanding invoices for AH and for rent;	0.30	\$525.00	\$157.50
2024-12-12	PGE	Email exchange with Andrew Hanna;	0.10	\$525.00	\$52.50
2024-12-13	PGE	Email exchange regarding Meridien OneCap equipment;	0.20	\$525.00	\$105.00
2024-12-19	PGE	Dealing with unpaid invoices rendered by Mini Mall Storage; email from Dan Gilchrist regarding prospective buyer; review and approve payable;	0.50	\$525.00	\$262.50
2024-12-23	PGE	Email exchange and telephone discussion with Daryl MacLellan regarding possible acquisition of pharmacy; lengthy telephone discussion with Dan Gilchrist	0.60	\$525.00	\$315.00

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INVOICE

2024-12-24	EST	Allow access to data room for D. MacLellan	0.10	\$250.00	\$25.00
2024-12-24	PGE	Email exchange and telephone discussion with Daryl MacLellan;	0.30	\$525.00	\$157.50
2025-01-02	PGE	Email exchange with Andrew Hanna; email exchange with Telus;	0.25	\$525.00	\$131.25
2025-01-02	PAM	Review requisitions prepared by M. Sarabi.	0.10	\$350.00	\$35.00
2025-01-03	EST	Send NDA documents to Dale Gilchrist.	0.10	\$250.00	\$25.00
2025-01-03	HSI	banking	0.60	\$175.00	\$105.00
2025-01-03	PGE	Email exchange and telephone discussion with Mini Mall storage regarding non-payment of rental costs; internal email to banking regarding stop payment on cheques lost in mail strike; providing personal CC to cover arrears; email from Dan Gilchrist regarding prospective purchaser;	1.25	\$525.00	\$656.25
2025-01-06	PGE	Email exchange and telephone discussion with Max Bearisto; review and approve payables;	0.50	\$525.00	\$262.50
2025-01-06	PAM	Discussion with Bell Canada regarding account. Receive copies of bills and submit for processing. Receive various emails regarding payables.	0.30	\$350.00	\$105.00
2025-01-07	GGO	Receive and review bank reconciliation	0.10	\$425.00	\$42.50
2025-01-07	PGE	Review and approve payable; review of WIP and GL; email exchange with Andrew Sunn at Care Lending Group regarding additional borrowing; email to Andrew Sunn regarding financial status of the receivership and recommending court order for additional borrowing power;	0.75	\$525.00	\$393.75
2025-01-08	PGE	Email exchange with Max Bearisto regarding agency engagement; drafting of agreement; email exchange and telephone discussion with Receiver's Counsel regarding agency agreement; email from Care Lending confirming wire transfer; email exchange with Banking Department regarding wire transfer; execute and transmittal of borrowing certificate; review and approve payables;	1.25	\$525.00	\$656.25
2025-01-09	PGE	Email from Cornwall Mini Mall storage; email from Max Bearisto; finalize agency agreement with Bearisto;	0.50	\$525.00	\$262.50
2025-01-10	PGE	Email exchange with Max Bearisto enclosing draft e-blast; revise eblast and transmit revisions; email from Dan Gilchrist conforming approval; email from CWB Leasing regarding equipment;	0.50	\$525.00	\$262.50

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2025-01-12	PGE	Further email exchange with CWB regarding leased equipment; email to Paula Amaral regarding funds on hand at BMO and status of A/R;	0.20	\$525.00	\$105.00
2025-01-13	PGE	Email from CWB National Leasing; email exchange with prospective Purchaser; email exchange with realtor regarding his potential purchasers of the pharmacy; telephone discussion with Dan Gilchrist regarding involvement of Max Beairsto in sales process; multiple email exchanges with prospective purchasers introduced by Max Beairsto;	1.25	\$525.00	\$656.25
2025-01-13	PAM	Email from P. Gennis with update on sale of pharmacy.	0.10	\$350.00	\$35.00
2025-01-14	PGE	Email exchange with Dan Gilchrist regarding Meridien equipment; email exchange with Adam Moscovitz of Platinum Assets regarding pick-up of Meridien equipment; further email exchanges with prospective purchasers referred by both Care Lending and Max Beairsto and others;	1.25	\$525.00	\$656.25
2025-01-15	PGE	Email from Platinum Assets regarding Meridien equipment;	0.10	\$525.00	\$52.50
2025-01-16	PGE	Review and approve payable; email exchange with prospective purchaser; email from Max Bearisto requesting update on interest from his referrals; receipt and review of rent invoices and transmittal for processing;	0.75	\$525.00	\$393.75
2025-01-17	PGE	Email exchange with prospective purchaser;	0.25	\$525.00	\$131.25
2025-01-20	HSI	Banking- Deposit and cheques/ EFT Wires	0.40	\$175.00	\$70.00
2025-01-20	PGE	Email from Platinum Assets regarding Meridien equipment; email to prospective purchaser; email from prospective purchaser enclosing signed Disclaimer; email from Max Beairsto;	0.30	\$525.00	\$157.50
2025-01-21	PGE	Email from prospective purchaser;	0.10	\$525.00	\$52.50
2025-01-22	PGE	Email exchanges with prospective purchasers;	0.50	\$525.00	\$262.50
2025-01-23	PGE	Email exchange with Agent for prospective purchaser; further email exchange with another prospective purchaser; email exchange with Max Beairsto and another prospective purchaser; further email exchange with Max Beairsto regarding his additional fax blitz to prospective purchasers;	0.75	\$525.00	\$393.75

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2025-01-24	PGE	<i>Review of GL in anticipation of additional invoices being received from DM and Landlord; review and approve payables; internal email regarding recovery of HST input credits; email to Dan Gilchrist regarding financial status of receivership account and potential offer to purchase; internal email regarding Telus; receipt and review of Offer to Purchase and response thereto; telephone discussion with Dan Gilchrist in this regard;</i>	0.75	\$525.00	\$393.75
2025-01-26	PGE	<i>Email exchange with Dan Gilchrist regarding pill counting equipment; Email exchange with Platinum Assets requesting delay in recovery of equipment in light of impending sale being finalized;</i>	0.50	\$525.00	\$262.50
2025-01-27	PGE	<i>Email from Max Beirsto; email from Dan Gilchrist with contact information for another prospective purchaser; email to prospective purchaser; receipt of NDA; internal email regarding funds in BMO account (if any);</i>	0.30	\$525.00	\$157.50
2025-01-29	PGE	<i>Email exchange with Platinum Assets regarding pill counter</i>	0.10	\$525.00	\$52.50
2025-01-31	PGE	<i>Email from TELUS; telephone discussion with Telus in response;</i>	0.25	\$525.00	\$131.25
2025-02-03	PGE	<i>Email exchange regarding rental arrears;</i>	0.10	\$525.00	\$52.50
2025-02-04	MSR	<i>Preparing documents as requested. Receiving reviewing and scanning mails to drive. responding to emails regarding the estate. Reconciliation receipts and disbursements</i>	2.50	\$175.00	\$437.50
2025-02-04	PGE	<i>Email exchange with Cornwall Mini Storage;</i>	0.10	\$525.00	\$52.50
2025-02-05	PAM	<i>Receive invoices statement and invoice from alarm company and forward to M.Manocher for processing of payment.</i>	0.10	\$350.00	\$35.00
2025-02-05	PGE	<i>Receipt and review of invoice from Andrew Hanna;</i>	0.10	\$525.00	\$52.50
2025-02-08	PGE	<i>Email exchange with Pat Corney;</i>	0.10	\$525.00	\$52.50
2025-02-10	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$425.00	\$42.50
2025-02-12	PGE	<i>Review and approve payables; email exchange with prospective purchaser;</i>	0.10	\$525.00	\$52.50
2025-02-13	PGE	<i>Review and approve payables;</i>	0.10	\$525.00	\$52.50
2025-02-14	PGE	<i>Email from prospective purchaser enclosing signed NDAS and Disclaimer;</i>	0.10	\$525.00	\$52.50

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2025-02-17	PGE	Email to PA requesting confirmation of asset recovery and the potential for an HST refund; email to Adam Moscovitz regarding pill counter;	0.25	\$525.00	\$131.25
2025-02-18	MSR	Preparing cheque requisitions to process payments to suppliers. Conversion with P.G regarding the payments to suppliers, preparing and providing documents as requested.	2.00	\$175.00	\$350.00
2025-02-18	PGE	Email to Care Lending Group with invoices to be paid; review and approve payables;	0.25	\$525.00	\$131.25
2025-02-20	PGE	Email exchange regarding Meridian equipment;	0.10	\$525.00	\$52.50
2025-02-21	MSR	Phone call with P.G regarding invoices to be paid and their approval and provided documents as requested,	0.30	\$175.00	\$52.50
2025-02-21	PAM	Receive and reply to email from creditor regarding status of assets.	0.10	\$350.00	\$35.00
2025-02-25	PAM	Follow up with BMO regarding transfer of funds into the estate account.	0.10	\$350.00	\$35.00
2025-02-25	PGE	Email exchange with Andrew Hanna regarding compounding equipment;	0.10	\$525.00	\$52.50
Professional Services Total:			177.60		\$78,830.00
Reimbursable Expenses					
2024-08-14	NTA				\$36.91
2024-08-16	NTA				\$36.91
Reimbursable Expenses Total:			2.00		\$73.82



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August 18, 2025

Invoice #: 12972

1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

INVOICE

RE: 1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

FOR PROFESSIONAL SERVICES RENDERED in the period from March 1, 2025 to June 30, 2025, in connection with the Court-appointed receivership proceedings.

Professional Services	Hours	Hourly Rate	Total
Mukul Manchanda, CPA, CIRP, LIT	0.30	\$575.00	\$172.50
Philip H. Gennis, LL.B., CIRP, LIT	8.10	\$566.05	\$4,585.00
Gillian Goldblatt, CPA, CA, CIRP, LIT	0.40	\$425.00	\$170.00
Paula Amaral	0.70	\$350.00	\$245.00
Dharam Tiwana	2.30	\$251.96	\$579.50
Eileen Sturge	0.50	\$250.00	\$125.00
Manocher Sarabi	8.30	\$175.00	\$1,452.50
Cassandra Glover	0.50	\$104.00	\$52.00
Total Professional Services	21.10	\$349.83	\$7,381.50
HST			\$959.60

Reimbursable Expenses	Total
Courier	\$67.37
Total Reimbursable Expenses	\$67.37
HST on expenses	\$8.76

Total	\$8,417.23
HST Registration #R103478103 (AACOTT-R)	



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INVOICE

INVOICE RECONCILIATION PAGE

Date	Staff	Memo	Hours	B-Rate	Amount
Professional Services					
2025-03-06	GGO	Receive and review bank reconciliation.	0.10	\$425.00	\$42.50
2025-03-14	PAM	Coordinate with locksmith to cut and deliver keys to new manager.	0.20	\$350.00	\$70.00
2025-03-17	MMA	Receipt, review and sign the cheque requisition for Mini Mall storage.	0.10	\$575.00	\$57.50
2025-03-17	CGL	Send for M. Manchanda's signature and return for processing the cheque requisition for Mini Mall Storage.	0.10	\$100.00	\$10.00
2025-03-20	EST	Prepare documentation as requested.	0.50	\$250.00	\$125.00
2025-03-20	MSR	3 Mar 2025: Following up regarding the cheque requisition. 17 Mar 2025: Preparing /reviewing cheque requisition for the mini mall storage and coordinating with banking department and providing the General Ledger to the Trustee. 25 Mar 2025: Preparing cheque requisition to pay various suppliers. 18 Mar 2025: Preparing and reviewing the cheque requisition to pay the legal fees and coordinating with banking department. 20 Mar 2025: Review and sending emails.	2.50	\$175.00	\$437.50
2025-03-27	PAM	Request key from locksmith and coordinate pick up with pharmacist. Contact alarm company and change caller list and codes.	0.50	\$350.00	\$175.00
2025-04-01	PGE	Review and approve payables; email from Telus;	0.20	\$525.00	\$105.00
2025-04-01	MSR	Preparing the cheque requisitions, coordinating with team and banking department regarding the cheque requisitions.	1.00	\$175.00	\$175.00
2025-04-02	PGE	Email exchange with Paul Thomson regarding equipment leased from CWB National Leasing;	0.20	\$525.00	\$105.00
2025-04-03	PGE		0.10	\$525.00	\$52.50
2025-04-07	GGO	Receive and review bank reconciliation.	0.10	\$425.00	\$42.50
2025-04-07	MSR	Preparing Cheque Requisition and coordinating with Banking Department.	0.20	\$175.00	\$35.00

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2025-04-08	MSR	<i>received, review and responded to emails.</i>	0.20	\$175.00	\$35.00
2025-04-08	CGL	<i>Administrative work including couriering cheques to service vendors.</i>	0.20	\$100.00	\$20.00
2025-04-12	PGE	<i>Email exchange with Andrew Hanna regarding invoice; communication with CLG;</i>	0.20	\$525.00	\$105.00
2025-04-15	PGE	<i>Email exchange with Boura Ebid re OCP accreditation; and with CLG; approve payable;</i>	0.25	\$525.00	\$131.25
2025-04-23	PGE	<i>Email exchange with Dan Gilchrist; review of APS and t/c with Matt Cressatti regarding Lease Assignment;</i>	0.50	\$525.00	\$262.50
2025-05-02	PGE	<i>Email from Noura Ebid regarding renewal of pharmacy accreditation; email exchange with Matthew Cressatti; telephone discussion with Matthew Cressatti; receipt of invoice from Eddie Slama; email exchange with McKesson Canada confirming absence of claim on its PMSI; email exchange with Max Bearisto regarding his sale process numbers; email to CLG regarding HST deemed trust claim; review of draft Assignment of Lease; consent to lease assignment and revised APS and email with comments to MT;</i>	1.00	\$575.00	\$575.00
2025-05-05	DTI	<i>Contact CRA insolvency centre, inquire regarding HST filings, prepare and file HST returns for periods Aug 2024 till date.</i>	2.20	\$250.00	\$550.00
2025-05-05	PGE	<i>Draft report to Court and transmittal to Matt Cressatti for review and comment;</i>	2.00	\$575.00	\$1,150.00
2025-05-06	PGE	<i>Review and approve payables; call with Matt Cressatti;</i>	0.20	\$575.00	\$115.00
2025-05-08	PGE	<i>Email exchange with MT and CLG regarding status of sale transaction; telephone discussion with MT and CLG;</i>	0.50	\$575.00	\$287.50
2025-05-08	MSR	<i>Prepare, review and send the cheque requisition for approval to pay utilities and coordinating with banking department.</i>	1.00	\$175.00	\$175.00
2025-05-12	PGE	<i>Email exchanges regarding sale process update; review and approve payables;</i>	0.25	\$575.00	\$143.75
2025-05-14	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$425.00	\$42.50
2025-05-15	MSR	<i>Email received, reviewed and responded. prepare and review cheque requisition to pay monthly storage fee.</i>	0.40	\$175.00	\$70.00
2025-05-21	MSR	<i>Emails received and reviewed regarding the storage fees prepared and reviewed the cheque requests and send for approval.</i>	0.20	\$175.00	\$35.00

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2025-05-26	PGE	Email exchange with CLG and MT regarding status of sale transaction; telephone discussion with Jaswant Sandhu at the OCP regarding Noura Ebid resignation as DM and immediately engaging Eddie Slama to act in that capacity; completion of and arranging for execution of OCP form and transmittal to OCP;	0.50	\$575.00	\$287.50
2025-05-27	PGE	Further emails regarding DM roll and arranging signature on DM agreement with Receiver by Eddie Slama;	0.25	\$575.00	\$143.75
2025-05-28	PGE	Further email exchange between Counsel and CLG regarding Eddie Slama and his purchase of pharmacy;	0.25	\$575.00	\$143.75
2025-05-29	PGE	Email exchange with Andrew Hanna regarding passwords;	0.20	\$575.00	\$115.00
2025-06-02	PGE	Email exchange with interested party and follow up telcon;	0.20	\$575.00	\$115.00
2025-06-03	PGE	Email exchange with MT regarding discussions with Counsel for Landlord regarding lease assignment;	0.20	\$575.00	\$115.00
2025-06-04	MSR	prepared reviewed and submitted cheque requisition for approval and coordinated with banking department to process payment and arranged for cheques to be couriered.	0.50	\$175.00	\$87.50
2025-06-05	MSR	prepared and reviewed cheque requisitions to pay utilities.	1.00	\$175.00	\$175.00
2025-06-06	PGE	Review and approve payables;	0.10	\$575.00	\$57.50
2025-06-06	DTI	Review cheque and status of payment for Mini Mall Storage.	0.10	\$295.00	\$29.50
2025-06-06	MSR	Mails received, reviewed and saved in drive.	0.20	\$175.00	\$35.00
2025-06-09	GGO	Receive and review bank reconciliation.	0.10	\$425.00	\$42.50
2025-06-13	MSR	Review of receivership activities with colleagues for the file.	0.10	\$175.00	\$17.50
2025-06-16	PGE	Dealing with OCP regarding Temporary Closure;	1.00	\$575.00	\$575.00
2025-06-17	MSR	Phone call with courier company representative regarding the status of mail and inquiring regarding the delay in delivery of mail.	0.60	\$175.00	\$105.00
2025-06-18	MMA	Review and approve payable.	0.20	\$575.00	\$115.00
2025-06-18	CGL	Administrative work including facilitating payables.	0.20	\$110.00	\$22.00
2025-06-24	MSR	Coordinating with banking department regarding Storage invoice payment.	0.20	\$175.00	\$35.00
2025-06-26	MSR	Prepared cheque requests to pay utility and submitted for approval.	0.20	\$175.00	\$35.00

Barrie 705 722 5090 • Brampton 905 874 4905 • Downsview 416 633 1444 • Hamilton 905 527 2227 • London 519 902 2722 • Mississauga 905 602 4143
Oshawa 905 721 8251 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Toronto 416 778 8813 • Vaughan 647 288 7636
Saskatchewan 306 341 1660 • British Columbia 604 365 7434



SPERGEL

msi Spergel inc., Licensed Insolvency Trustees
Head Office: 200 Yorkland Blvd., Suite 1100
Toronto, ON., M2J 5C1
T: 416 497 1660 • F: 416 494 7199
www.spergel.ca

August 18, 2025

Invoice #: 12972

1000209217 ONTARIO INC., cob COTTON MILL PHARMACY

INVOICE

Professional Services Total:		21.10	\$7,381.50
Reimbursable Expenses			
2025-03-14	NTA		\$33.89
2025-04-28	NTA		\$33.48
Reimbursable Expenses Total:		2.00	\$67.37

Appendix 13

District of
Division No. 12 - Ottawa
Court No. 33-165848
Estate No. 33-165848

**In the Matter of the Receivership of
1000209217 Ontario Inc.
of the City of Cornwall, in the Province of Ontario**

Receiver's Statement of Receipts and Disbursements
As at August 15, 2025

RECEIPTS

1	Miscellaneous	
	Receiver Borrowing from Secured Creditor	250,000.00
	Cash in bank	4,134.36
	Accounts Receivable	577.86
	Interest allocation	1,487.47
TOTAL RECEIPTS		<u>256,199.69</u>

DISBURSEMENTS

2.	Federal and Provincial taxes	
	HST paid on Disbursements Exclusive of Fees	26,938.55
	HST paid on Ascend License Fee	42.25
	HST on legal fees	195.00
		<u>27,175.80</u>

3.	Miscellaneous	
	Ascend License Fee	325.00
	Advertising - Insolvency Insider	250.00
	Bank Charges	20.34
	Casual Labour	960.00
	Change of Locks	665.00
	Cleaning Service	1,715.63
	Consulting Fees	102,845.00
	Filing Fees Paid to O/R	80.42
	Insurance	3,768.52
	Inventory purchases	1,200.00
	Legal fees/disbursements	1,704.61
	Newspaper advertising first meeting	1,459.11
	Occupation rent	76,517.34
	Office expense	1,035.68
	Operating expense	1,544.54
	Security	270.00
	Storage	4,525.79
	Telephone	1,384.86
	Repairs and maintenance	162.00
	Utilities	9,372.70
		<u>209,806.54</u>

TOTAL DISBURSEMENTS	<u>236,982.34</u>
----------------------------	--------------------------

Net Receipts over Disbursements	<u>19,217.35</u>
	E&OE

Dated at the City of Toronto in the Province of Ontario, this 15th day of August 2025.
msi Spergel inc. - Licensed Insolvency Trustee

Appendix 14



Sudbury ON P3A 5C1

0006856

1000209217 ONTARIO LTD.
C/O DOMINIC LAVALLEE
CP 20036 CSP IBERVILLE
REPENTIGNY QC J5Y 0K6

Notice details

Business number	72565 8306 RT0001
Period covered	Apr 1, 2024 - Apr 30, 2024
Date issued	Jun 28, 2024

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

This notice explains the results of our reassessment of your GST/HST return(s).

Thank you,

Bob Hamilton
Commissioner of Revenue

Account summary

Total balance: **\$18,114.36 CR**

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

1000209217 ONTARIO LTD.

Notice details

Business number	72565 8306 RT0001
Period covered	Apr 1, 2024 - Apr 30, 2024
Date issued	Jun 28, 2024

GST/HST reassessment**Results**

This notice explains the results of our reassessment of the GST/HST return(s) you filed for the period shown above. It also explains any changes we made to your return(s).

Description	\$ Amount	CR
Result of this reassessment	1,239.62	CR
Previous balance	16,874.74	CR
Total balance	18,114.36	CR

We held your refund because you have not filed the required returns in the following program account(s):

72565 8306 RC0001

For more information, please see the "Summary" and "Explanation of changes and other important information" sections of this notice.

Please keep this notice of reassessment for your records.

1000209217 ONTARIO LTD.

Notice details

Business number	72565 8306 RT0001
Period covered	Apr 1, 2024 - Apr 30, 2024
Date issued	Jun 28, 2024

Summary

Reporting Period: Apr 1, 2024 - Apr 30, 2024
Reference Number: 24152000932360892

Sales and other revenue

Line	Description	\$ Revised amount	\$ Adjustment	CR
101	Sales and other revenue	3,269.94	3,269.94	

Balance calculation

Line	Description	\$ Revised assessment	CR	\$ Adjustment	CR
105	Total GST/HST and adjustments	40.27		40.27	
108	Total ITCs and adjustments	1,279.89	CR	1,279.89	CR
109	Net tax assessed	1,239.62	CR	1,239.62	CR
	Result of reassessment			1,239.62	CR

Explanation of changes and other important information

This notice shows the changes to your account. We made the changes as a result of the additional information you or your representative gave us.

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More information

If you need more information, go to **canada.ca/taxes**.

To see your latest account information, including payment transactions, go to **canada.ca/my-cra-business-account**.

For information regarding options for adjusting your return, go to **canada.ca/taxes-business-online** and select "GST/HST return and/or rebate" under "Change", or see Guide RC4022, General Information for GST/HST Registrants. For faster service, submit your request electronically.

If you disagree with this assessment, go to **canada.ca/cra-complaints-disputes** and select the topic "Goods and services tax/harmonized sales tax (GST/HST)" for your objection options. You have 90 days from the date of this notice to register your dispute.

Definitions

CR (credit) is the amount we owe you.

Help for persons with visual impairments

You can get this notice in braille, large print, or audio format. For more information about other formats, go to **canada.ca/cra-multiple-formats**.

Direct deposit

Direct deposit is a faster, more convenient, reliable, and secure way to get all amounts deposited into one account or to have refunds and rebates from different programs deposited into different accounts. For more information, go to **canada.ca/cra-direct-deposit**.

Get your mail online

You can choose to receive your mail online. When you register for this new service, we will no longer print and mail most correspondence to you. Instead, we will notify you by email when you have mail to view in your secure online account. For more information, go to **canada.ca/my-cra-business-account**.

Appendix 15



SEP 25 2024

Sudbury ON P3A 5C1

000000346

Statement details

Account number 72565 8306 RP0002

Date issued Sep 18, 2024

1000209217 ONTARIO LTD.
1100 - 200 YORKLAND BLVD
NORTH YORK ON M2J 5C1

Statement of account for current source deductions

This is your statement of account for current source deductions for 1000209217 ONTARIO LTD.. See the **Account summary** section for details.

As a monthly remitter, you have to send us your remittance by the 15th of the month after the month you pay employees.

For more information about making your next remittance, go to **canada.ca/payroll** and select "**Remit (pay) payroll deductions and contributions**." If you will not be making a remittance, select **Report a nil remittance**.

Thank you,

Bob Hamilton
Commissioner of Revenue

Remittance account balance

This is your total year to date deductions at source.

2024 balance: \$0.00

Go paperless!

Get your mail online through
My Business Account.

1. Log in at **canada.ca/my-cra-business-account**;
2. Select "Business Profile"; and
3. Select "Manage Notification Preferences".

Statement details

Account number	72565 8306 RP0002
----------------	-------------------

Date issued	Sep 18, 2024
-------------	--------------

1000209217 ONTARIO LTD.
1100 - 200 YORKLAND BLVD
NORTH YORK ON M2J 5C1

Account summary

Since you are a new employer, we opened an account for your source deduction remittances. Please use this account to send the income tax, Canada Pension Plan (CPP) contributions and employment insurance (EI) premiums you deduct from your employees, as well as the employer share of CPP contributions and EI premiums.

For more information or to view useful videos, go to canada.ca/payroll.

Explanation of changes and other important information

This year, National Payroll Week is from September 16 to 20, 2024. The Canada Revenue Agency salutes payroll practitioners across the country, our partners in administering payroll deductions requirements npw.payroll.ca.

To keep informed on changes to slips and summaries filed on or after calendar year 2024, go to canada.ca/taxes-slips, and select "T4 slip -- Information for employers" or "T4 summary -- Information for employers."

Did you know you can submit payroll documents online? The "Submit documents" service lets you or your representative securely send documents electronically to the CRA. You can access this service directly through My Business Account or Represent a Client. If you have not already registered for My Business Account or Represent a Client, go to canada.ca/taxes-business-online.

More information

For details on understanding statements of account and remittance vouchers, go to canada.ca/statements-account-remittance-vouchers.

For information about payroll accounts, deductions, contributions, information returns, benefits, and allowances, go to canada.ca/payroll.

To access and manage your payroll account, go to canada.ca/my-cra-business-account.

Authorized employees or representatives can access accounts online on behalf of their employer or clients. To log in or register, go to canada.ca/taxes-representatives.

Definitions

For remittance account balances, a debit (DR) decreases your balance and a credit (CR) increases your balance. For arrears account balances, a debit (DR) increases your amount owing and a credit (CR) decreases your amount owing.

Help for persons with hearing, speech or visual impairments

You can get this statement in braille, large print, electronic text, or audio format. For more information about other formats, go to canada.ca/cra-multiple-formats.

If you use a teletypewriter, you can get tax information by calling 1-800-665-0354.

How do you remit?

- online or by phone using a Canadian financial institution's services
- online at canada.ca/cra-my-payment
- online by setting up a pre-authorized debit agreement at canada.ca/my-cra-business-account
- in person at your Canadian financial institution with the remittance voucher
- in person at a Canada Post retail outlet with cash or debit. Go to the CRA Make a Payment page, select Pay by cash at Canada Post and follow the links to create a QR code

Note: The QR code contains all the information required to make your payment with cash or debit at a Canada Post retail outlet.

For more information, go to canada.ca/payments.

Don't forget your due dates

The Business Tax Reminder App lets business users create custom reminders and alerts for remittances and filing due dates. To find out how to download the mobile app, go to canada.ca/cra-mobile-apps.

Get your money faster

Get your refunds faster by registering for direct deposit and have your money deposited directly into your bank account. For more information on direct deposit, go to canada.ca/cra-direct-deposit.

Date issued Sep 18, 2024

1000209217 ONTARIO LTD.
1100 - 200 YORKLAND BLVD
NORTH YORK ON M2J 5C1



Canada Revenue Agency Agence du revenu
du Canada

Protected B
when completed

Account number: 72565 8306 RP0002
Employer name: 1000209217 ONTARIO LTD.
Return address: Surrey BC V3T 5E1

- go to canada.ca/my-cra-business-account
- call our automated TeleReply service at 1-800-959-2256
- mail this nil remittance to the return address

☐ No employees subject to deductions or business temporarily discontinued

Beginning of the period
Year Month Day

End of the period		
Year	Month	Day

☐ Business closed or ceased to employ, legal entity or ownership changed, or account opened in error

Effective date		
Year	Month	Day

If your business is closed, you must remit all income tax deductions, Canada Pension Plan contributions, and employment insurance premiums within 7 days and file a "T4 type" information return within 30 days of the date your business was closed.

Employer or authorized person (please print)	Telephone number		
Position	Date	Year	Month Day

Personal information is collected under the Income Tax Act (ITA) and is used to verify compliance with obligations related to withholding, remitting, reporting and filing. It may also be used for any other purpose as authorized by the ITA. It may be shared or verified with other federal, provincial/territorial government institutions in accordance with sharing agreements. A refusal to provide the information may result in penalties, interest payable or other actions. Personal information is described in CRA PPU 120 and is protected under the Privacy Act. Individuals have a right of protection, access to and correction or notation of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their information.

PD7A-N E X



Canada Revenue Agency Agence du revenu
du Canada

**Current source deductions
remittance voucher**
Pay online or at your financial institution

Protected B when completed

PD7A E (24)X

Sudbury ON P3A 5C1
1233

Account number		Do not use this area	
06	72565 8306 RP0002		

End of remitting period for which deductions were withheld	Year	Month

[illegible]

Amount paid

1000209217 ONTARIO LTD.
1100 - 200 YORKLAND BLVD
NORTH YORK ON M2J 5C1

0610020006000000725658306RP000200000000000000000000000610026

Amount of payment

Teller's stamp

Convert to electronic payment

Personal information is collected under the Income Tax Act (ITA) and is used to verify compliance with obligations related to withholding, remitting, reporting and filing. It may also be used for any other purpose as authorized by the ITA. It may be shared or verified with other federal, provincial/territorial government institutions in accordance with sharing agreements. A refusal to provide the information may result in penalties, interest payable or other actions. Personal information is described in CRA PPU 120 and is protected under the Privacy Act. Individuals have a right of protection, access to and correction or notation of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their information.

Teller's stamp

Convert to electronic payment

CANADA REVENUE AGENCY
PO BOX 3800 STN A
SUDBURY ON P3A 0C3

We will charge you a fee for any dishonoured payment.
Do not fold this voucher or use staples, paper clips, or tape.
Use this remittance voucher, not a photocopy.
Do not send us cash.

Appendix 16

SCHEDULE “A”
RECEIVER CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$ 50,000.00

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the “**Receiver**”) of the assets, undertakings and properties of 1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”) appointed by the Order of the Ontario Superior Court of Justice (the “**Court**”) dated the 21st day of June 2024, (the “**Order**”) made in an action having Court file number CV-24-00000103-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$50,000.00 being part of the total principal sum of \$ 250,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 26th day of each month after the date hereof at a notional rate per annum equal to the rate of five (5%) per cent above the prime commercial lending rate of TD Canada Trust from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 26th day of June 2024.

msi Spergel inc., solely in its capacity as
Receiver of the Property, and not in its
personal capacity

Per:

Philip H. Gennis

Name: Philip H. Gennis

Title: Licensed Insolvency
Trustee

SCHEDULE “A”
RECEIVER CERTIFICATE

CERTIFICATE NO. 2

AMOUNT \$ 50,000.00

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the “**Receiver**”) of the assets, undertakings and properties of 1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”) appointed by the Order of the Ontario Superior Court of Justice (the “**Court**”) dated the 21st day of June 2024, (the “**Order**”) made in an action having Court file number CV-24-00000103-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$50,000.00 being part of the total principal sum of \$ 250,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 29th day of each month after the date hereof at a notional rate per annum equal to the rate of five (5%) per cent above the prime commercial lending rate of TD Canada Trust from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 29th day of July 2024.

msi Spergel inc., solely in its capacity as
Receiver of the Property, and not in its
personal capacity

Per:

Philip H. Gennis

Name: Philip H. Gennis

Title: Licensed Insolvency
Trustee

SCHEDULE “A”
RECEIVER CERTIFICATE

CERTIFICATE NO. 3

AMOUNT \$ 50,000.00

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the “**Receiver**”) of the assets, undertakings and properties of 1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”) appointed by the Order of the Ontario Superior Court of Justice (the “**Court**”) dated the 21st day of June 2024, (the “**Order**”) made in an action having Court file number CV-24-00000103-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$50,000.00 being part of the total principal sum of \$ 250,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 11th day of each month after the date hereof at a notional rate per annum equal to the rate of five (5%) per cent above the prime commercial lending rate of TD Canada Trust from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 11th day of October 2024.

msi Spergel inc., solely in its capacity as
Receiver of the Property, and not in its
personal capacity

Per:

Philip H. Gennis

Name: Philip H. Gennis

Title: Licensed Insolvency
Trustee

SCHEDULE “A”
RECEIVER CERTIFICATE

CERTIFICATE NO. 4

AMOUNT \$ 100,000.00

1. THIS IS TO CERTIFY that msi Spergel inc., the Receiver (the “**Receiver**”) of the assets, undertakings and properties of 1000209217 Ontario Ltd., o/a Cotton Mill Pharmacy (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”) appointed by the Order of the Ontario Superior Court of Justice (the “**Court**”) dated the 21st day of June 2024, (the “**Order**”) made in an action having Court file number CV-24-00000103-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$100,000.00 being part of the total principal sum of \$ 250,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 8th day of each month after the date hereof at a notional rate per annum equal to the rate of five (5%) per cent above the prime commercial lending rate of TD Canada Trust from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Newmarket, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 8th day of January 2025.

msi Spergel inc., solely in its capacity as
Receiver of the Property, and not in its
personal capacity

Per:

Philip H. Gennis

Name: Philip H. Gennis

Title: Licensed Insolvency
Trustee

Appendix 17

Enquiry Result

File Currency: 26MAY 2024



All Pages ▾



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	1000209217 ONTARIO LTD.								
File Currency	26MAY 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	786695976	1	5	1	8	14SEP 2032			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
786695976		001	1		20220914 1633 1793 8086	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1000209217 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	107-703 COTTON MILL STREET				CORNWALL	ON	K6H0E7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MIHI HEALTH & WELLNESS INC.								
	Address				City	Province	Postal Code		
	4500, 855-2ND STREET SW				CALGARY	AB	T2P4K7		
Secured Party	Secured Party / Lien Claimant								
	CARE LENDING GROUP INC.								
	Address				City	Province	Postal Code		
	200 PONY DRIVE				NEWMARKET	ON	L3Y7B6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	1951584 ONTARIO INC.			
	Address	City	Province	Postal Code
	200 PONY DRIVE	NEWMARKET	ON	L3Y7B6

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1000209217 ONTARIO LTD.						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	787302171	2	5	2	8	04OCT 2025	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
787302171		001	1		20221004 1605 1590 2949	P PPSA	3

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	1000209217 ONTARIO LTD.				
	Address		City	Province	Postal Code
	150 YORK STREET, SUITE 1008		TORONTO	ON	M5H 3S5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant						
	COTTON MILL PHARMACY INC.						
	Address				City	Province	Postal Code
	34 MALACHIGAN CROIS.				OTTAWA	ON	K4A 1G6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make			Model		V.I.N.	

General Collateral Description	General Collateral Description						

Registering Agent	Registering Agent			
	WILSON VUKELICH LLP (42-2992)			
	Address	City	Province	Postal Code
	710-60 COLUMBIA WAY	MARKHAM	ON	L3R 0C9

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	1000209217 ONTARIO LTD.									
File Currency	26MAY 2024									
	File Number	Family	of Families	Page	of Pages					
	787302171	2	5	3	8					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number				Registered Under	
		001	1		20221005 1116 1590 3092					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	787302171		X	A AMNDMNT						
Reference Debtor/ Transferor	First Given Name				Initial		Surname			
	Business Debtor Name									
	1000209217 ONTARIO LTD.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO CHANGE THE NAME OF SECURED PARTY FROM COTTON MILL PHARMACY INC.									
	TO 2471911 ONTARIO INC. BY WAY OF ARTICLES OF AMENDMENT FILED									
	OCTOBER 5, 2022.									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name							Ontario Corporation Number		
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	2471911 ONTARIO INC.									
	Address				City		Province	Postal Code		
	34 MALACHIGAN CROIS.				OTTAWA		ON	K4A 1G6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									

Registering Agent				
Registering Agent or Secured Party/ Lien Claimant				
WILSON VUKELICH LLP (42-2992)				
Address		City	Province	Postal Code
710-60 COLUMBIA WAY		MARKHAM	ON	L3R 0C9

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1000209217 ONTARIO LTD.						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	787515327	3	5	4	8	12OCT 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
787515327		01	001		20221012 1703 1462 4743	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	1000209217 ONTARIO LTD.				
	Address		City	Province	Postal Code
	107-703 COTTON MILL STREET		CORNWALL	ON	K6H0E7

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	MCKESSON CANADA CORPORATION			
	Address		City	Province Postal Code
	2300 MEADOWVALE BLVD		MISSISSAUGA	ON L5N5P9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X							

Motor Vehicle Description	Year	Make		Model	V.I.N.

General Collateral Description	General Collateral Description			

Registering Agent	Registering Agent			
	MCKESSON CANADA CORPORATION CREDIT DEPARTMENT			
	Address		City	Province Postal Code
	2300 MEADOWVALE BLVD		MISSISSAUGA	ON L5N5P9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	1000209217 ONTARIO LTD.								
File Currency	26MAY 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	787515336	4	5	5	8	12OCT 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period	
787515336		01	001			20221012 1703 1462 4744	P PPSA	5	
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	1000209217 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	107-703 COTTON MILL STREET				CORNWALL	ON	K6H0E7		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	MCKESSON CANADA CORPORATION								
	Address				City	Province	Postal Code		
	2300 MEADOWVALE BLVD				MISSISSAUGA	ON	L5N5P9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MCKESSON CANADA CORPORATION CREDIT DEPARTMENT								
	Address				City	Province	Postal Code		
	2300 MEADOWVALE BLVD				MISSISSAUGA	ON	L5N5P9		

END OF FAMILY

Type of Search	Business Debtor							
Search Conducted On	1000209217 ONTARIO LTD.							
File Currency	26MAY 2024							
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status	

	795918294	5	5	6	8	03AUG 2029											
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN																	
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period										
795918294		001	3		20230803 1623 6005 8588	P PPSA	06										
Individual Debtor	Date of Birth	First Given Name			Initial	Surname											
Business Debtor	Business Debtor Name					Ontario Corporation Number											
	1000209217 ONTARIO LTD.																
	Address				City	Province	Postal Code										
	107-703 COTTON MILL STREET				CORNWALL	ON	K6H 0E7										
Individual Debtor	Date of Birth	First Given Name			Initial	Surname											
Business Debtor	Business Debtor Name					Ontario Corporation Number											
	COTTON MILL PHARMACY																
	Address				City	Province	Postal Code										
	107-703 COTTON MILL STREET				CORNWALL	ON	K6H 0E7										
Secured Party	Secured Party / Lien Claimant																
	CWB NATIONAL LEASING INC.																
	Address				City	Province	Postal Code										
	1525 BUFFALO PLACE (3165811)				WINNIPEG	MB	R3T 1L9										
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date								
			X														
Motor Vehicle Description	Year	Make			Model		V.I.N.										
General Collateral Description	General Collateral Description																
	ALL MEDICAL & LAB EQUIPMENT-PLANETARY MIXER OF EVERY NATURE OR KIND																
	DESCRIBED IN AGREEMENT NUMBER 3165811, BETWEEN EASYLEASE CORP., AS																
	ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED																
Registering Agent	Registering Agent																
	Address				City	Province	Postal Code										

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	1000209217 ONTARIO LTD.						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	795918294	5	5	7	8	03AUG 2029	
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
795918294		002	3		20230803 1623 6005 8588		

Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City		Province	Postal Code	
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City		Province	Postal Code	
Secured Party	Secured Party / Lien Claimant								
	Address				City		Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY								
Registering Agent	Registering Agent								
	Address				City		Province	Postal Code	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	1000209217 ONTARIO LTD.								
File Currency	26MAY 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	795918294	5	5	8	8	03AUG 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
795918294		003	3		20230803 1623 6005 8588				
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City		Province	Postal Code	

Individual Debtor	Date of Birth		First Given Name			Initial		Surname	
Business Debtor	Business Debtor Name							Ontario Corporation Number	
	Address					City	Province	Postal Code	
Secured Party	Secured Party / Lien Claimant								
	Address					City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	THEREFROM.								
Registering Agent	Registering Agent								
	Address					City	Province	Postal Code	

LAST PAGE

Note: All pages have been returned.

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All Pages

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[ServiceOntario Contact Centre](#)

Appendix 18

P.O. Box 7700, 100 Collier Street
Barrie, Ontario L4M 4V3
Phone: (705) 728-5591
Fax: (705) 739-8767
stewartesten.ca



March 7, 2025

Sent Via Email: PGennis@spergel.ca

MSI Spergel Inc. - Licensed Insolvency Trustee
200 Yorkland Blvd
Suite 100
Toronto, ON
M2J 5C1

ATTENTION: PHILLIP GENNIS

Dear Sir:

Re: Security Documents provided to Care lending Group Inc. (the “Lender”) by 1000209217 Ontario Ltd. (the “Borrower”) pursuant to a term sheet provided to the Lender by the Borrower, and related and ancillary security documents as outlined below.

Our file No.: 20-1944

We are delivering this opinion letter to you at your request via email March 6, 2025. Unless otherwise defined herein, capitalized terms shall have the respective meanings set forth in the Security Documents.

Documents Reviewed

For the purpose of this opinion, we have participated in the preparation of and have examined executed originals or photostatic or facsimile copies of executed originals of the following documents (collectively, the “**Documents**”), each dated as of October 3, 2022, unless otherwise indicated:

- General Security Agreement from 1000209217 Ontario Ltd in favour of Care Lending Group Inc.;
- Incumbency Resolution of 1000209217 Ontario Ltd.;
- Certified Authorizing Resolutions of the Shareholders of 1000209217 Ontario Ltd.;
- Ontario PPSA Registration for 1000209217 Ontario Ltd., Registration No. 20220914 1633 1793 8086;
- Subordination Agreement between Care Lending Group Inc., Cotton Mill Pharmacy Inc., and 1000209217 Ontario Ltd.; and
- Asset Purchase Agreement between Cotton Mill Pharmacy Inc., 1000209217 Ontario Ltd., and Andrew Hanna, dated as of September 22, 2022;

The Documents referenced above are sometimes collectively referred to herein as the “**Security Documents**” and individually as a “**Security Document**”.

For the purpose of rendering the opinions expressed herein, we have also made such investigations and examined originals (or photocopies or facsimile copies, certified or otherwise identified to our satisfaction) of such certificates of public officials and of such other certificates, documents and records as we considered necessary or relevant for purposes of the opinions expressed below, including but not limited to each of the following:

- (a) a certificate of incumbency for the Borrower, respectively; and the resolutions of the board of directors of the Borrower, authorizing, among other things, the execution and delivery of the Security Documents to which they are parties and the performance of their obligations thereunder; and
- (b) the certificates of status dated May 19, 2022 and March 7th 2025 issued in respect of the Borrower pursuant to the *Business Corporations Act* (Ontario).

We have also examined such statutes and regulations, public records, certificates and originals or copies, certified or otherwise identified to our satisfaction, of such agreements, documents and other instruments, and considered such questions of law, as we have considered necessary as a basis for the opinions hereinafter expressed.

Jurisdiction

We are qualified to render opinions only as to the laws of the Province of Ontario and the laws of Canada applicable therein ("**Ontario Law**") and, accordingly, we express no opinion as to the laws of any other jurisdiction. Without limiting the generality of the foregoing, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the security interests created by the Security Documents as a result of the application of Ontario Law, including, without limitation, sections 5 to 8 of the *Personal Property Security Act* (Ontario) (the "**PPSA**").

Assumptions and Reliance

For the purpose of the opinions set out below, we have assumed the following:

- (a) with respect to all documents and certificates examined by us, the genuineness of all signatures on, the legal capacity of individuals signing, and the authenticity and completeness of all documents submitted to us as original documents, and the conformity to authentic originals of all copies of documents submitted to us;
- (b) the due authorization, execution and delivery of the Security Documents by the Borrower to which it is a signatory and the enforceability of the Security Documents against the Borrower;
- (c) the identity and capacity of all individuals acting or purporting to act as public officials, the accuracy and completeness of the records maintained by any office of public record and of all representations, statements and other matters of fact set out or referred to in certificates or documents received from such offices of public record, the reliability of all search results obtained by electronic transmission, and the accuracy of the result of any printed or computer search of any office of public record;
- (d) we have assumed that the certificate of status with respect to the Borrower referred to above continues to be accurate as of the date of this opinion as if issued on that date;
- (e) we have relied upon the accuracy, currency and completeness of the indices and filing systems maintained by public offices where we searched or enquired, and upon such information and advice as provided to us by appropriate governmental, regulatory or other like authorities from whom advice was obtained and relied upon for the purpose of these opinions;
- (f) in respect of all personal property security interests in the personal property collateral secured by the Security Documents (the "**PPSA Collateral**") referred to herein, that:
 - (i) value has been given in connection with the transactions to which such security interests relate;
 - (ii) the Borrower has rights in the PPSA Collateral, and the parties intended that the security interests contained therein attach on execution of such Security Documents.

Opinions

Based upon and subject to the foregoing, and subject to the qualifications hereinafter set forth, we are of the opinion that:

Security Opinions

1. The Borrower is a corporation which exists and has not been dissolved.
2. The Borrower has the corporate power and capacity to carry on its business, to own its properties and assets, including the Property, and to enter into, execute, deliver and perform its obligations under the Security Documents to which it is a party.
3. The Borrower has taken the necessary corporate action to authorize the execution, delivery and performance by it of each of the Security Documents to which it is a party.
4. Each of the Security Documents is a legal, valid, and binding obligation of the Borrower and is enforceable in accordance with its terms.

Qualifications

The foregoing opinions are subject to the following qualifications:

Qualifications as to Enforceability

- (a) The enforceability of the Documents is subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding up, moratorium and other similar laws of general application affecting the enforcement of creditors' rights generally.
- (b) The enforceability of the Documents is subject to the fact that the availability of equitable remedies, such as specific performance and injunctive relief, is in the discretion of a court.
- (c) The enforceability of the Documents is subject to general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing.
- (d) We express no opinion as to the enforceability of any provision of a Document:
 - (i) which purports to waive generally all defences or statutory rights which might be available to, or constitute a discharge of the liability of any Credit Party;
 - (ii) to the extent it purports to exculpate the Lender, its agents or any receiver or receiver and manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct;
 - (iii) which states that amendments or waivers of or with respect to the Document that are not in writing will not be effective; or
 - (iv) which states that a Document constitutes the entire agreement among the parties thereto and that there are no representations, conditions or collateral agreements among the applicable parties except as set out therein.
- (e) Provisions contained in a Document which purport to sever from the Document any provision which is prohibited or unenforceable under applicable law without affecting the

enforceability or validity of the remainder of the Document may be enforced only in the court's discretion.

- (f) The enforceability of an indemnity contained in a Document may be limited by applicable law to the extent it directly or indirectly relates to liabilities imposed on the Lender by law for which it would be contrary to public policy to require any Credit Party to indemnify the Lender.
- (g) We express no opinion as to the enforceability of any provision of a Document which requires any Credit Party to pay, or to indemnify the Lender for, the costs and expenses of the Lender in connection with judicial proceedings, since those provisions may derogate from the court's discretion to determine by whom and to what extent those costs should be paid.
- (h) The enforceability of each Document is subject to the limitations contained in the *Limitations Act*, 2002 (Ontario) and we express no opinion whether a court may find that any provision of any Document is unenforceable as an attempt to vary, suspend or exclude the ultimate fifteen-year limitation period established by such statute.
- (i) Powers of attorney contained in any of the Documents and not coupled with an interest, although expressed to be irrevocable, may be revoked.
- (j) Wherever a Document provides that any matter or thing is to be determined or done in the discretion of the Lender, such discretion may be required to be exercised in a reasonable manner.
- (k) We express no opinion as to the enforceability of any provision of the Documents (other than the Commitment Letter) which is inconsistent with or contrary to any provision of the Commitment Letter.
- (l) We express no opinion as to compliance with *The Personal Information Protection and Electronic Documents Act* (Canada) or any other privacy laws.
- (m) We express no opinion as to whether a security interest may be created in:
 - (i) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;
 - (ii) permits, quotas or licences which are held by or issued to any Credit Party;
 - (iii) any policy of insurance, contract of annuity or other personal property to which the PPSA does not apply; or
 - (iv) any collateral for which, pursuant to applicable conflict rules (including, without limitation, the conflict rules of the PPSA), the validity, perfection and the effect of perfection or non-perfection are governed by the laws of a jurisdiction other than Ontario.
- (n) We express no opinion as to any security interest created by a Security Document with respect to any property of the Credit Parties that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of any Credit Party that is not identifiable or traceable.

- (o) Notwithstanding that, subject to attachment, the security interests created by the Security Documents have been perfected by registration of the financing statements referred to in this letter:
- (i) only the continued possession by or on behalf of the Lender of chattel paper, instruments, goods, money and negotiable documents of title (each as defined in the PPSA) is sufficient to defeat the interest of certain specified parties as provided for under the PPSA or the *Bills of Exchange Act* (Canada), as applicable; and
 - (ii) a buyer or leasee of goods from a seller or lessor who sells or leases such goods in the ordinary course of business in the circumstances described in the PPSA takes them free from any security interest therein given by the seller or the lessor as provided by the PPSA.
- (p) An assignment of a debt or account will not be binding on the obligor to the extent that such debt or account is paid or otherwise discharged before notice of the assignment is given to the obligor, together with a direction to pay the debt or account to the Lender.
- (q) We express no opinion as to whether any Credit Party has title to or any rights in any of the collateral referred to in a Security Document and we express no opinion as to the priority of any security interest created by a Security Document.

Qualifications as to Interest and Penalties

- (r) We express no opinion as to the enforceability of any provision in any Document which may be characterized by a court as an unenforceable penalty and not as a genuine pre-estimate of liquidated damages.
- (s) The provisions for the payment of interest under any Document may not be enforceable if those provisions provide for the receipt of interest by the Lender at a “criminal rate” within the meaning of section 347 of the *Criminal Code* (Canada).
- (t) Pursuant to section 8 of the *Interest Act* (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.

Qualifications as to Realization

- (u) The Lender may be required to give the Borrower a reasonable time to repay following a demand for payment of a demand loan prior to taking any action to enforce its right of repayment or before exercising any of the rights and remedies expressed to be exercisable by the Lender in any of the Documents.
- (v) A receiver or receiver and manager appointed pursuant to any of the Security Documents may, for certain purposes, be treated as the agent of the Lender and not solely as the agent of any of the Credit Parties, as applicable, notwithstanding any provision in such Security Document to the contrary.
- (w) We express no opinion as to any licences, permits or approvals that may be required in connection with the enforcement of the Documents by the Lender or by any other person, whether such enforcement involves the operation of the businesses of any Credit Party or a sale, transfer or disposition of its property and assets.

This opinion is delivered to you in connection with the Security referred to herein and may only be relied upon by you (and not by any other person) in connection therewith.

Yours very truly,

STEWART, ESTEN LLP

A handwritten signature in black ink, appearing to be 'CS', written in a cursive, stylized manner.

Christopher Shultz Hon.B.A. LL.B
CRS/lj

Encl.

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

FRIDAY, THE 22ND

JUSTICE

)

DAY OF AUGUST, 2025

)

CARE LENDING GROUP INC.

Applicant

- and -

1000209217 ONTARIO LTD.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of 1000209217 Ontario Inc. (the “**Debtor**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), for an order, among other things, (i) approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Receiver, as vendor, and 1001188952 Ontario Inc. (the “**Purchaser**”), as Purchaser, dated August 15, 2025, and (ii) vesting in the Purchaser all of the Debtor’s right, title and interest in and to the Purchased Assets, as defined in the Sale Agreement, was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion, the Receiver's First Report dated August 18, 2025, and on hearing the submissions of counsel for the Receiver, the Purchaser and those other counsel and parties listed on the Participant Information Form, no one else appearing although properly served as appears from the Certificate of Service of Jaclyn Tarola sworn August 19, 2025, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is 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.

2. **THIS COURT ORDERS** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement 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 Champagne dated June 21, 2024; (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 (all of which are collectively referred to as the "**Encumbrances**") 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.

3. **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 Receiver'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.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current 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 Debtor.

6. **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 BIA in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

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 Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA 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.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

SCHEDULE A

Form of Receiver's Certificate

Court File No. CV-24-00000103-0000

ONTARIO SUPERIOR COURT OF JUSTICE

B E T W E E N:

CARE LENDING GROUP INC.

Applicant

- and -

1000209217 ONTARIO LTD.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Champagne of the Ontario Superior Court of Justice (the "**Court**") dated June 21, 2024, MSI Spergel Inc. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of 1000209217 Ontario Ltd. (the "**Debtor**").

B. Pursuant to an Order of the Court dated August 22, 2025, the Court approved the agreement of purchase and sale made as of August 15, 2025 (the "**Sale Agreement**") between the Receiver and 1001188952 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased

Assets; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ August _____, 2025.

MSI SPERGEL INC., in its capacity as Court-appointed Receiver of 1000209217 Ontario Ltd., and not in its personal capacity

Per: _____
Name:
Title:

CARE LENDING GROUP INC.
Applicant

AND

1000209217 ONTARIO LTD.
Respondent

Court File No. CV-24-00000103-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Cornwall

APPROVAL AND VESTING ORDER

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Lawyers for MSI Spergel Inc., Receiver of
1000209217 Ontario Ltd.

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

FRIDAY, THE 22ND

)

JUSTICE

)

DAY OF AUGUST, 2025

CARE LENDING GROUP INC.

Applicant

- and -

1000209217 ONTARIO LTD.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

ORDER

(Re: Approval of Report, Conduct and Fees of the Receiver, Sealing, Distribution and Discharge of the Receiver)

THIS MOTION, made by msi Spergel Inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of 1000209217 Ontario Inc. (the “**Debtor**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), for an order, *inter alia*, (i) approving the first report of the Receiver dated August 18, 2025 (the “**First Report**”) and the conduct and activities of the Receiver described therein; (ii) approving the fees and disbursements of the Receiver, as described in the First Report, and the estimates of the remaining fees and disbursements to be incurred during these proceedings by the Receiver (the “**Fee Estimates**”); (iii) sealing Confidential Appendix 1 and Confidential Appendix 2, as defined in the First Report and annexed thereto; (iv) authorizing the Receiver to make certain Distributions (as defined and specified herein) to Care

Lending Group Inc. (“**Care Lending**”); and (v) discharging and releasing Spergel as Receiver of the assets, undertakings and properties of the Debtor effective upon the filing of a certificate by the Receiver certifying that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, in substantially the form attached hereto as Schedule A (the “**Discharge Certificate**”), was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion and the First Report, and on hearing the submissions of counsel for the Receiver, the Purchaser and those other counsel and parties listed on the Participant Information Form, no one else appearing although properly served as appears from the Certificate of Jaclyn Tarola sworn August 19, 2025, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record of the Debtor are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service hereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Asset Purchase Agreement dated August 15, 2025 (the “**Sale Agreement**”) between the Receiver, as vendor, and the Assignee, as Purchaser, or the First Report, as applicable.

FIRST REPORT, CONDUCT AND ACTIVITIES OF RECEIVER

3. **THIS COURT ORDERS** that the First Report and the conduct and activities of the Receiver, as described therein, be and are hereby approved, provided that only the Receiver, in its

personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

FEE APPROVAL AND STATEMENT OF RECEIPTS AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, including the Receiver's Fee Accrual (as defined in the First Report), in the total amount of \$[●] including HST, as set out in the Receiver's Fee Affidavit, attached as Appendix [●] to the First Report, are hereby approved.

SEALING

5. **THIS COURT ORDERS** that Confidential Appendix 1 to the First Report is hereby sealed and shall not form part of the public record until further order of the Court.

6. **THIS COURT ORDERS** that Confidential Appendix 2 to the First Report is hereby sealed and shall not form part of the public record until the closing of the Transaction contemplated in the Sale Agreement between the Receiver and 1001188952 Ontario Inc. dated August 15, 2025, and approved by the Court pursuant to the Approval and Vesting Order dated August 22, 2025, and the filing of the Receiver's Certificate with the Court confirming same.

DISTRIBUTIONS

7. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed, without further order of the Court, to distribute any Harmonized Sales Tax ("HST") refunds to Care Lending, which shall be applied against the indebtedness, liabilities and obligations owing by the Debtor to Care Lending.

8. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

SCHEDULE A

Form of Receiver's Discharge Certificate

Court File No. CV-24-00000103-0000

ONTARIO SUPERIOR COURT OF JUSTICE

B E T W E E N:

CARE LENDING GROUP INC.

Applicant

- and -

1000209217 ONTARIO LTD.

Respondent

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Champagne of the Ontario Superior Court of Justice (the “**Court**”) dated June 21, 2024, msi Spergel Inc. (“**Spergel**”) was appointed as receiver (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of 1000209217 Ontario Ltd. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated August 22, 2025 (the “**Discharge Order**”), Spergel was discharged as Receiver of the Debtor's assets, undertakings and properties, to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matter to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. All matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver.

2. This Certificate was delivered by the Receiver to the Court at _____ [TIME] on _____ August ____, 2025.

MSI SPERGEL INC., in its capacity as Court-appointed Receiver of 1000209217 Ontario Ltd., and not in its personal capacity

Per: _____
Name:
Title:

CARE LENDING GROUP INC.
Applicant

AND

1000209217 ONTARIO LTD.
Respondent

Court File No. CV-24-00000103-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Cornwall

ORDER

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1000209217 Ontario Ltd.

CARE LENDING GROUP INC.
Applicant

AND

1000209217 ONTARIO LTD.
Respondent

Court File No. CV-24-00000103-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Cornwall

**MOTION RECORD
(MOTION RETURNABLE AUGUST 22, 2025)**

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