

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ECN FINANCIAL INC.

Applicant

- and -

**2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY
HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD.,
2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC., 2527475
ONTARIO INC. and GRACE DIENA**

Respondents

**MOTION RECORD OF THE COURT-APPOINTED
RECEIVER, KSV KOFMAN INC.**
(Motion returnable September 3, 2020)

VOLUME 1 OF 2

August 27, 2020

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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Respondents

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TAB 1

Court File No. CV-19-632106-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ECN FINANCIAL INC.

Applicant

- and -

2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD., 2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC., 2527475 ONTARIO INC. and GRACE DIENA

Respondents

NOTICE OF MOTION
(returnable September 3, 2020)

KSV Kofman Inc. (“**KSV**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of the property, assets and undertaking of 2345760 Ontario Inc. (“**2345**”), Rando Drugs Ltd. (“**Rando**”), 2275518 Ontario Inc. (“**2275**” or “**Abira**”), M. Blacher Drugs Ltd. (“**Blacher**”), 2501380 Ontario Inc. (“**2501**”), 2527218 Ontario Inc. (“**2527218**”), Dumopharm Inc. (“**Dumopharm**”), 2527475 Ontario Inc. (“**2527475**”) (collectively, the “**Company**”) and Grace Diena (“**Diena**” and together with the Company, the “**Respondents**”), will make a motion to a judge of the Commercial List of the Superior Court of Justice at 330 University Avenue, Toronto, ON M5G 1R7 on **Thursday, September 3, 2020** at 2:30 p.m. or as soon thereafter as the motion can be heard.

THE PROPOSED METHOD OF HEARING: The motion is to be heard via videoconference.

THE MOTION IS FOR ORDERS:

- 1 Abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;

- 2 Approving the E/W Transaction (defined below) and vesting the Company’s right, title and interest in and to the Purchased Assets (as defined in the E/W APA (defined below)) in the E/W Purchasers (defined below), free and clear of all liens, charges, security interests and encumbrances, other than the permitted encumbrances;
- 3 Authorizing the Receiver to execute the E/W Settlement (defined below) with the E/W Landlord (as defined below);
- 4 Approving an order (the “**Abira Order**”) limiting the Receiver’s powers as it relates to 2275 to the preparation and filing of Abira’s 2019 tax return and application for Scientific Research and Experimental Development (“**SR&ED**”) tax credits;
- 5 Authorizing and directing the Receiver to make distributions to ECN Financial Inc. (“**ECN**”) up to the balance owing to it, net of any reserve considered necessary by the Receiver to pay outstanding fees, costs and obligations related to these proceedings;
- 6 Approving the third report of the Receiver dated August 27, 2020 (the “**Third Report**”) and the activities of the Receiver set out therein;
- 7 Sealing the confidential appendices to the Third Report pending further order of the Court; and
- 8 Such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

- 9 Pursuant to an Order of the Honourable Justice Hainey made December 4, 2019 (the “**Receivership Order**”), KSV was appointed Receiver of the property, assets and undertaking of the Company;
- 10 Pursuant to a further Order of the Honourable Justice Hainey made on February 26, 2020, the Receivership Order was expanded to appoint KSV as receiver, for limited purposes, of the assets of Grace Diena, the wife of Dani Diena, the principal of the Company;

The Pharmacies

- 11 Prior to the receivership, the Company owned and operated four pharmacies (the “**Pharmacies**”) in Southwestern Ontario under the PharmaChoice banner:
- (a) 785 Tecumseh Road, Unit #16, Walpole Island (“**Walpole**”);
 - (b) 3A-1275 Walker Road, Windsor (“**Novacare**”);
 - (c) 1604 Tecumseh Road West, Windsor (“**Pharmacy West**”); and
 - (d) 6720 Hawthorne Drive, Windsor (“**Pharmacy East**”);

The Sale Process and the 2258 APA

- 12 Prior to the commencement of the receivership, KSV was retained to and had conducted an extensive refinancing and sale process (“**RSP**”);
- 13 Several offers were submitted for the Pharmacies; however, for reasons unknown to KSV at the time, none of the offers could be completed;
- 14 The Receiver subsequently learned that Rando could not complete a sale to purchasers identified in the RSP due to issues concerning the leases for Pharmacy East and Pharmacy West;
- 15 On December 4, 2019, ECN brought an application to appoint KSV as receiver and manager of the Respondents with the primary purpose of selling the Pharmacies;
- 16 Upon its appointment, the Receiver re-engaged with parties who had previously submitted the best offers in the RSP, including the principal of 2258156 Ontario Inc. (“**2258**”) who had participated in the RSP;
- 17 Subsequently, the Receiver and 2258 finalized an asset purchase agreement dated as of December 18, 2019 (as amended, the “**2258 APA**”) which provided for, among other things, the sale of all four (4) Pharmacies;

- 18 The 2258 APA was subject to a number of conditions including assignment of the leases and extensions thereon;
- 19 The 2258 APA also provided that the various Pharmacies could be conveyed at separate times as conditions were either satisfied or waived;
- 20 In April 2020, two of the Pharmacies, Walpole and Novacare, were sold for total proceeds of \$1.8 million (including inventory) pursuant to the 2258 APA;
- 21 The transactions for Pharmacy East and Pharmacy West were deferred pending resolution of issues concerning the validity of the leases for those locations;

Pharmacy East and Pharmacy West

- 22 Pharmacy East and Pharmacy West operate in medical clinics owned by doctors who are believed to practice in those buildings;
- 23 The name of the landlord is Chopra, Joshi, Karnik & Lamont Medicine Professional Corporation (the “**E/W Landlord**”);
- 24 There are significant challenges faced by the Receiver to the validity and terms of the leases for Pharmacy East and Pharmacy West namely:
- (a) according to a copy of the lease in the possession of the E/W Landlord, the Pharmacy East lease is “month-to-month” and the E/W Landlord provided a notice of termination to Rando effective December 31, 2019¹. Mr. Diena initially advised KSV and ECN that the lease expires at the end of December 2024 pursuant to a lease extension dated December 31, 2015 (the “**East Lease Extension**”) which Mr. Diena provided to KSV; and
 - (b) according to a copy of the lease in the possession of the E/W Landlord, the lease for Pharmacy West expires on December 1, 2021, whereas Mr. Diena provided

¹ Mr. Diena appears to have consented to this notice by signing it as of October 22, 2019.

KSV with a copy of a lease amendment (the “**West Lease Amendment**”) that has an expiry date of December 1, 2024 (the “**West Expiry**”);

25 The Receiver engaged in extensive discussions with the E/W Landlord regarding the leases and the 2258 APA. The E/W Landlord ultimately advised that it preferred to lease Pharmacy West and Pharmacy East to a tenant of its choosing and expected the Receiver to vacate Pharmacy East by June 30, 2020;

26 As discussed below, based on the extensive review undertaken by the Receiver and its counsel of the various versions of the documents and underlying evidence, there is significant risk to pursuing litigation with the E/W Landlord related to the leases;

The E/W Transaction

27 In light of the above, the Receiver negotiated and finalized the terms of a transaction for the sale of Pharmacy East and Pharmacy West (the “**E/W Transaction**”) pursuant to an agreement of purchase and sale dated as of July 24, 2020 (the “**E/W APA**”) between the Receiver and Sri Etikala and Jasmeet Chawla in trust for a corporation to be incorporated;

28 2769630 Ontario Limited (the “**East Purchaser**”) and 2769637 Ontario Limited (the “**West Purchaser**”) and together the “**E/W Purchasers**”) have been incorporated as the “**Designated Purchasers**” by Sri Etikala and Jasmeet Chawla;

29 The Designated Purchasers are acceptable to the E/W Landlords;

30 The key terms of the E/W APA include:

- (a) Deposit: the E/W Purchasers have paid a 15% deposit;
- (b) Assets to be Purchased: All of the Debtors’ right, title and interest in and to substantially all of the business, assets and contracts of Pharmacy East and Pharmacy West, excluding accounts receivable, cash and cash equivalents, intercompany receivables, deposits, HST receivables, tax refunds, claims,

insurance or insurance claims, and any contracts not specifically included in the Contracts;

- (c) Inventory: Inventory shall be calculated based on an inventory count one business day before the Closing Date. If the value of the Inventory deviates from the book values of the Inventory as of December 31, 2019 by more than 5%, the Purchase Price is to be adjusted on a dollar for dollar basis, either upwards or downwards, for that portion of the variance in excess of 5%. This adjustment provision excludes any inventory that is ordered prior to Closing but arrives after Closing as the E/W Purchasers are to reimburse the Receiver on a dollar-for-dollar basis for such Inventory;
- (d) “As is, where is”: the agreement is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions;

31 The E/W Purchasers advised on July 30, 2020 that the condition relating to leases for Pharmacy East and Pharmacy West had been satisfied;

32 The E/W APA remains subject to several regulatory conditions which it anticipates would be satisfied prior to closing;

33 The E/W Transaction is expected to preserve employment for all or a substantial number of the Company’s employees on terms similar to those currently in place;

34 ECN supports the E/W Transaction;

35 For reasons primarily related to the leases at Pharmacy East and Pharmacy West, the Receiver does not believe that further time spent marketing the Company’s business and assets will result in a superior transaction. The leases for these locations are the cornerstone to any transaction for Pharmacy East and Pharmacy West;

The E/W Settlement

- 36 In connection with the dispute with the E/W Landlord regarding the leases, on March 24, 2020, counsel to the E/W Landlord purported to serve the Receiver with a Notice of Application returnable in the Windsor Court, to among other things, obtain declarations that versions of the Pharmacy West and Pharmacy East leases provided by Mr. Diena to the Receiver are invalid (the “**Application**”);
- 37 The Receiver disputed the E/W Landlord’s choice of venue and asserted the Application violated the stay in the receivership proceedings;
- 38 The evidence provided in the Application and underlying affidavits is well supported and cannot be credibly refuted by the Receiver;
- 39 The Application is still pending in Windsor, although the Receiver and E/W Landlord have resolved the issues in the Application and it will not proceed;
- 40 The E/W Landlord and the Receiver have now agreed on terms of minutes of settlement (the “**E/W Settlement**”) which provide for the following:
- (a) the Receiver will provide vacant possession of Pharmacy East and Pharmacy West and surrender the leases effective as of the closing date of the E/W Transaction;
 - (b) The E/W Landlord shall have the Application dismissed without costs;
 - (c) The Receiver will seek approval of the E/W Settlement from this Court (and shall not seek any costs against the E/W Landlord); and
 - (d) the parties will enter into a surrender of lease and mutual release;

The Abira Order

- 41 Abira operated a physiotherapy clinic from leased premises located at 4256 Bathurst Street, Suite 200, Toronto;
- 42 Unlike the other Respondents, TD is the senior secured creditor of Abira;

- 43 Abira's principal source of revenue is funding under an agreement (the "**MOH Agreement**") with the Minister of Health and Long-term Care ("**MOH**"). Monthly payments pursuant to the MOH Agreement are approximately \$12,000;
- 44 During the receivership proceedings, Abira's business generated monthly losses of approximately \$9,000, before professional costs. In January, 2020, Mr. Diena provided funding of \$26,000 to the Receiver on an unsecured basis so that the business could continue to operate during the receivership period;
- 45 It is the Receiver's view that the realizable value of Abira's business is presently nominal, other than, perhaps, a SR&ED tax credit;
- 46 Mr. Diena and TD continue to engage in discussions concerning Abira's business and operations;
- 47 The Receiver recommends that its powers and responsibilities as it relates to Abira and the Receiver be limited to the filing of the 2019 tax returns and application for the SR&ED tax credits (subject to the funding from TD);
- 48 TD has also requested that the Receiver seek Court approval to assign Abira into bankruptcy in due course;

Distributions to ECN

- 49 At the time of the receivership application, ECN, the Respondents' (other than Abira) principal secured creditor, was owed approximately \$4.1 million by the Respondents, plus accrued interest, enforcement costs and disbursements, which continue to accrue;
- 50 Since the date of the Receivership Order, the Receiver has also borrowed \$150,000 from ECN pursuant to a Receiver's Certificate;
- 51 GSNH has provided opinions on ECN's security over the Company and Ms. Diena;

- 52 Subject to standard qualifications and assumptions contained therein, GSNH is of the opinion that ECN's security constitutes a valid and enforceable charge against the Company's and Ms. Diena's assets;
- 53 The total recovery on the assets of the Respondents is expected to be significantly less than the amount owing to ECN;
- 54 Other than the Receiver's Charge, and the \$150,000 amount referenced above that was funded by ECN under a Receiver's Certificate, the Receiver is not aware of any claim against the Property that ranks or may rank in priority to ECN over the proceeds from the sale of the Company's pharmacies;
- 55 All PPSA registrants will be provided notice of this motion;
- 56 Additionally, the Receiver will provide notice to counsel for CEDV Inc. ("CEDV") and 2139152 Ontario Inc. ("2139" and together with CEDV, the "Co-Tenants");
- 57 The Co-Tenants had been co-tenants on the leases for Novacare and Walpole but their interests were terminated upon closing of those transactions;
- 58 New leases were entered into by 2258 (or its designee) as part of the transaction and therefore no value has been ascribed to those co-tenancy interests;
- 59 The only party with PPSA registrations against CEDV and 2139 is TD, who will be given notice of this motion;
- 60 Based on the timing of registration alone, there are no creditors with prior ranking registrations against the Company (other than TD in respect of Abira) that rank, or appear to rank, in priority to ECN;
- 61 None of the distributions in these proceedings relate to Abira's business or assets;
- 62 The Receiver recommends that the Court issue an order authorizing and directing the Receiver to make distributions to ECN up to the amount of the Company's indebtedness owing to it;

Activities of the Receiver

63 The Receiver's activities as set out in the Third Report are lawful and proper and are consistent with its mandate as Receiver as contemplated by the Receivership Order;

Sealing

64 An unredacted version of the E/W APA has been filed with the Court on a confidential basis as the availability of this information to other parties may negatively impact any future sale process for the Company's business and assets should the transactions not close;

65 The information in the confidential appendix also contains confidential information concerning certain of the Company's employees which may be private and personal information;

66 As such, the Receiver is requesting that Confidential Appendix 1 be sealed pending further Order of this Court;

67 Such further and other grounds as counsel may advise and this Court may permit;

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

- (a) The Third Report;
- (b) Such further and other evidence as counsel may advise and this Honourable Court may permit.

August 27, 2020

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ECN FINANCIAL INC. and 2345760 ONTARIO INC., et al.
Applicant Respondents

Court File No.: CV-19-632106-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

NOTICE OF MOTION
(returnable September 3, 2020)

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TAB 2

Court File No. CV-19-632106-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

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Applicant

- and -

**2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY
HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD.,
2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC., 2527475
ONTARIO INC. and GRACE DIENA**

Respondents

**THIRD REPORT OF KSV KOFMAN INC. AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES
OF RANDO DRUGS LTD. AND RELATED COMPANIES**

August 27, 2020



**Third Report of
KSV Kofman Inc.
as Receiver of the
assets, undertakings and properties of
Rando Drugs Ltd.
and Related Companies**

August 27, 2020

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Confidential Appendix

E/W APA (unredacted)1

COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ECN FINANCIAL INC.

APPLICANT

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2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY
HEALTH PHARMACY WEST INC. FORMERLY KNOWN AS M. BLACHER DRUGS LTD.,
2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC., 2527475 ONTARIO
INC. AND GRACE DIENA

RESPONDENTS

THIRD REPORT OF KSV KOFMAN INC.
AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
RANDO DRUGS LTD. AND RELATED COMPANIES

AUGUST 27, 2020

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as receiver (the "Receiver") of the assets, undertakings and properties (the "Property") of 2345760 Ontario Inc. ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd.¹ ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company"), and of Grace Diena, the spouse of Dani Diena, the Company's principal².
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on December 4, 2019 (the "Receivership Order"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".
3. The principal purpose of the receivership proceedings is to allow the Company's four pharmacies (the "Pharmacies") (which are believed to be owned by Rando) and its physiotherapy clinic (which is believed to be owned by 2275 and operates as "Abira") to continue to operate while the Receiver works to complete a sale of some or all of these businesses on a going-concern basis.

¹ Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

² Ms. Diena was added to the Receivership Order pursuant to a Court order dated February 26, 2020.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) provide an update on the marketing process for the Pharmacies and the Court-approved process pursuant to which the opportunity to acquire the Pharmacies was carried out during these proceedings (the “Sale Process”);
 - c) summarize a transaction for Family Health Pharmacy East, located at 6720 Hawthorne Drive, Windsor (“Pharmacy East”), and Family Health Pharmacy West, located at 1604 Tecumseh Road West, Windsor (“Pharmacy West”) pursuant to an agreement of purchase and sale (the “E/W APA”) between the Receiver and Sri Etikala and Jasmeet Chawla, in trust for a corporation to be incorporated (the “Purchasers”, being 2769630 Ontario Limited and 2769637 Ontario Limited, as designated by Messrs. Etikala and Chawla) dated July 24, 2020 (the “E/W Transaction”);
 - d) summarize the terms of the proposed settlement with the E/W Landlord (defined below);
 - e) summarize the opinion from Goldman Sloan Nash & Haber LLP (“GSNH”), the Receiver’s counsel³, regarding the security granted by the Company in favour of ECN Financial Inc. (“ECN”), the Company’s principal secured creditor;
 - f) summarize information provided to the Receiver from Ms. Diena, a secured guarantor of the Company’s indebtedness to ECN, regarding her financial affairs;
 - g) provide an update on Abira, including the reasons why the Receiver recommends that certain provisions of the Receivership Order be amended as it relates to Abira, including that the Receiver’s powers set out in paragraph 3 of the Receivership Order be limited to preparing and filing the tax return for the year ended December 31, 2019 and application for Scientific Research and Experimental Development (“SR&ED”) tax credits, and authorizing the Receiver to assign Abira into bankruptcy (the “Abira Order”);
 - h) provide the Receiver’s rationale for sealing certain confidential information, including the purchase price associated with the E/W Transaction;

³ Jennifer Stam, the Receiver’s lawyer at GSNH who has primary carriage of this mandate, recently moved to Norton Rose Fulbright Canada LLP and will continue to represent the Receiver.

- i) recommend that the Court issue orders:
 - i. approving the E/W Transaction;
 - ii. vesting the Company's right, title and interest in and to the Purchased Assets (as defined in the E/W APA) in the Purchasers, free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances;
 - iii. authorizing the Receiver to execute a settlement and related documents with the E/W Landlord (as defined below);
 - iv. authorizing and directing the Receiver to make distributions to ECN up to the balance owing to it, net of any reserve considered necessary by the Receiver to pay outstanding fees, costs and obligations related to these proceedings;
 - v. amending the Receivership Order as it relates to Abira, as set out in the Abira Order;
 - vi. sealing the confidential appendix to this Report on the terms set out below; and
 - vii. approving this Report and the Receiver's activities described herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with the Company's representatives, particularly Mr. Diena, the President of the Company. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be sufficient for any purpose whatsoever. The Receiver accepts no reliance to any party based on the information in this Report.

2.0 Background

1. As of the date of the Receivership Order, 2345 was indebted to ECN in the amount of approximately \$4.1 million (the "ECN Facility"), plus interest, fees and costs which continue to accrue. Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm, 2527475 and Ms. Diena are secured guarantors of 2345's indebtedness under the ECN Facility.

2. As at the date of the Receivership Order, the Company owned and operated the following pharmacies in Southwestern Ontario under the PharmaChoice banner:
 - a) Pharmacy West;
 - b) Pharmacy East;
 - c) 785 Tecumseh Road, Unit #16, Walpole Island (“Walpole”); and
 - d) 3A-1275 Walker Road, Windsor (“Novacare”).
3. Each pharmacy operates as a separate division of Rando.
4. As set out in Section 3 below, the Walpole and Novacare pharmacies were sold in April 2020.
5. Mr. Diena is the President of Rando and every other Company subject to the Receivership Order. Mr. Diena has been an undischarged bankrupt since October 18, 2012. Mr. Diena’s Licensed Insolvency Trustee, MSI Spergel Inc., has not taken any positions within these receivership proceedings.
6. Of the remaining borrowers and guarantors under the ECN Facility, the only other business is carried on by Abira. The Toronto-Dominion Bank (“TD”) and ECN are secured creditors of Abira. Pursuant to a priorities agreement dated March 4, 2016 between TD and ECN, Abira’s indebtedness to TD appears to have priority over its indebtedness to ECN. Abira’s indebtedness to TD totalled approximately \$980,000 at the commencement of the receivership proceedings.
7. Additional information about the Company is provided in KSV’s report to Court as proposed receiver dated December 3, 2019 (the “Pre-Filing Report”). A copy of the Pre-Filing Report is provided in Appendix “B”, without appendices.
8. The Court materials filed in these proceedings are available on the Receiver’s website at <https://www.ksvadvisory.com/insolvency-cases/case/rando-drugs-ltd>.

3.0 Sale Process

1. Prior to the commencement of the receivership, KSV was retained to, and had conducted, an extensive refinancing and sale process (“RSP”). Several offers were submitted for the Pharmacies in the RSP; however, for reasons unknown to KSV at the time regarding, primarily, the status of the leases for Pharmacy East and Pharmacy West, none of the offers could be completed. ECN determined that it was necessary to place the Company in receivership when it became clear that a transaction for the Pharmacies would not be completed outside of a court supervised insolvency proceeding. The issues concerning the Pharmacy East and Pharmacy West leases are discussed below, including that they are the cornerstone to a transaction for those locations.
2. Information regarding the RSP was provided in Section 3 of the Receiver’s Second Report to Court dated February 19, 2020 (“Second Report”). A copy of the Second Report is provided in Appendix “C”, without appendices.

3. Pursuant to Orders dated February 26, 2020 (the “Sale Approval Orders”), the Court approved an asset purchase agreement between the Receiver and 2258156 Ontario Inc. (“2258”) dated December 18, 2019 (the “Original APA”), as amended on January 31, 2020 and March 13, 2020 (the “Amendments” and together with the Original APA, the “2258 APA”). The 2258 APA contemplated a sale by the Receiver to 2258 of all four of the Pharmacies. The 2258 APA allocated a separate value to each of the Pharmacies and the Company’s “charter⁴”, such that 2258 was prepared to close on the different locations and the charter at different times.
4. The Sale Approval Orders approved the sale of the Novacare and Walpole locations to 2258. For the reasons discussed in Section 3.1 below, the transactions contemplated in the 2258 APA related to Pharmacy East and Pharmacy West were deferred pending resolution of issues with the landlords of those locations, including the validity of the leases for Pharmacy East and Pharmacy West. A redacted copy of the 2258 APA is provided in Appendix “D”.
5. The transactions for the Novacare and Walpole locations were completed on April 24 and 25, 2020, respectively, for combined proceeds of approximately \$1.8 million, including inventory.
6. In Section 4.1 of the Second Report, the Receiver advised that the lease in respect of Novacare (the “Novacare Lease”) was held jointly by Dumopharm and CEDV Inc. (“CEDV”), a company not subject to these receivership proceedings but related to Mr. Diena. Pursuant to the Sale Approval Orders, the Court approved an assignment of the Novacare Lease to 2258 and vested out, on closing, any interest in respect of CEDV from the Novacare Lease. As part of the closings, 2258 advised the Receiver that it had entered into a new lease with the landlord of the Novacare location. Accordingly, the Novacare Lease was not assigned to 2258 and therefore the Receiver did not allocate any of the purchase price to it. Attached as Appendix “E” is a *Personal Property Security Act* (“PPSA”) search against CEDV with a file currency date of December 15, 2019 (“CEDV Search”). Based on the CEDV Search, the only party with a PPSA registration against CEDV is TD, which has been served with notice of this motion.
7. Similarly, 2139152 Ontario Inc. (“2139”), another company not subject to these receivership proceedings but related to Mr. Diena, was a co-tenant with Rando of the lease in respect of Walpole. On closing, 2258 entered into a new lease with the landlord of the Walpole location. As such, no proceeds were allocated to the Walpole lease. Attached as Appendix “F” is a PPSA search against 2139 with a file currency date of December 17, 2019 (“2139 Search”). Based on the 2139 Search, the only party with a PPSA registration against 2139 is TD.
8. On April 28, 2020, GSNH advised Jerome Stanleigh, counsel to Mr. Diena, that the Novacare and Walpole locations had been sold and that the interests of CEDV and 2139 had been vested out (“April 28th Email”). A copy of the April 28th Email is provided in Appendix “G”.

⁴ As a company incorporated prior to or in 1954 that carried on the business of a pharmacy at that time, Rando falls within the exemption provided under Section 142(4) (the “Exemption”) of the *Drug and Pharmacies Regulations Act* (Ontario) (“Pharmacies Act”), which allows it to own and operate pharmacies without it being majority owned by pharmacists.

3.1 Pharmacy East and Pharmacy West

1. Pharmacy East and Pharmacy West are located in medical buildings owned by certain of the doctors who practice in medical clinics located in the buildings. The name of the landlord is Chopra, Joshi, Karnik & Lamont Medicine Professional Corporation (the “E/W Landlord”).
2. The Receiver previously reported to the Court in its Second Report, on a confidential basis, about issues regarding the leases related to Pharmacy East and Pharmacy West and the Receiver’s dealings with the E/W Landlord.
3. The key issues regarding the leases are as follows:
 - a) according to the copy of the lease in the possession of the E/W Landlord, the Pharmacy East lease is “month-to-month” and the E/W Landlord provided a notice of termination to Rando effective December 31, 2019⁵. Mr. Diena initially advised KSV and ECN that the lease expires at the end of December 2024 pursuant to a lease extension dated December 31, 2015 (the “East Lease Extension”), which Mr. Diena provided to KSV; and
 - b) according to the copy of the lease in the possession of the E/W Landlord, the lease for Pharmacy West expires on December 1, 2021, whereas Mr. Diena provided KSV with a copy of a lease amendment (the “West Lease Amendment”) that has an expiry date of December 1, 2024 (the “West Expiry”).
4. Pharmacy East and Pharmacy West were marketed for sale by KSV in the RSP based on the leases provided by Mr. Diena to KSV.
5. Following the termination of the RSP, the Receiver had several discussions with the E/W Landlord and its counsel regarding the leases. The Receiver reviewed the leases for Pharmacy East and Pharmacy West that had been provided to it by the E/W Landlord and compared them to the copies that had been provided by Mr. Diena. Mr. Diena subsequently conceded to the Receiver that he believes the East Lease Extension was a forgery but has suggested, without support, that he was defrauded (as to the term of the lease) by a third party who had assisted in the purchase of that location from the prior owner of Pharmacy East.
6. With respect to the West Expiry, it appears that the page of the Pharmacy West lease that had the correct termination date was replaced with a page that extended the term to 2024. The E/W Landlord advised that its copy of the Pharmacy West lease has a different “version code” in the footer of the Receiver’s copy of the West Expiry than the one provided to the Receiver by Mr. Diena. Mr. Diena denies changing these pages.

⁵ Mr. Diena appears to have consented to this notice by signing it as of October 22, 2019, although he did not initially acknowledge to KSV that he had done so.

7. Based on, among other things, the issues concerning the validity and termination dates of the leases, the Receiver concluded that it would need to negotiate a consensual solution with the E/W Landlord for Pharmacy West and Pharmacy East if it intended to sell these pharmacies to 2258. Accordingly, with the consent of 2258 and ECN, the Receiver approached the E/W Landlord with an offer to lease the premises. The discussions with the E/W Landlord were protracted; however, the E/W Landlord ultimately advised the Receiver that it was not interested in the Receiver's offer, it preferred its own tenant for the two pharmacies and that it expected the Receiver to vacate Pharmacy East by June 30, 2020.
8. On March 24, 2020, counsel to the E/W Landlord purported to serve the Receiver with a Notice of Application returnable in the Windsor Court, to among other things, obtain declarations that the versions of the Pharmacy West and Pharmacy East leases provided by Mr. Diena to the Receiver were invalid (the "Application"). Subsequently, counsel to the E/W Landlord provided copies of affidavits sworn by representatives of the E/W Landlord in support of the Application. Attached as Appendix "H" is a copy of the Application.
9. The Receiver disputed the E/W Landlord's choice of venue and asserted the Application violated the stay in the receivership proceedings. The Application is still pending in Windsor, although the Receiver and E/W Landlord have resolved the issues in the Application and it will not proceed.
10. The evidence in the Application addresses the validity of the leases for Pharmacy East and Pharmacy West. The Receiver believes that the evidence in the Application (which primarily deals with the conduct of Mr. Diena as it relates to the Pharmacy East and Pharmacy West leases) is well supported and cannot be credibly refuted by the Receiver.
11. The inability to negotiate new leases for Pharmacy East and Pharmacy West limited the Receiver's options to sell Pharmacy East and Pharmacy West to 2258 and resulted in a material reduction in their selling prices. The proposed purchase prices in the 2258 APA assumed that the leases were valid, in good standing and could be extended for several more years.
12. As 2258 would not consider a transaction for the Pharmacy East and Pharmacy West businesses without lease extensions, the Receiver approached the Purchasers to determine if a transaction could be negotiated. The Receiver also considered selling the inventory and goodwill associated with these pharmacies (prescription lists, fixtures and furniture) in the event a deal could not be reached.
13. On July 24, 2020, the Receiver executed the E/W APA with the Purchasers, which is subject to Court approval.

4.0 The E/W Transaction⁶

1. The key terms of the E/W APA include:
 - a) Purchasers: 2769630 Ontario Limited and 2769637 Ontario Limited, as designated by Sri Etikala and Jasmeet Chawla.
 - b) Purchase price: The purchase price and the allocation of the purchase price among the two pharmacies is included in Confidential Appendix “1”.
 - c) Deposit: The Purchasers will pay 15% of the Purchase Price (the “Deposit”) upon the execution of the E/W APA, to be held by the Receiver in trust until Closing. Upon closing, the Deposit will be credited toward the Purchase Price. The Deposit was provided to the Receiver on July 30, 2020.
 - d) Assets to be purchased: All of the Company’s right, title and interest in and to substantially all of the business, assets and contracts of Pharmacy East and Pharmacy West, excluding accounts receivable, cash and cash equivalents, intercompany receivables, deposits, HST receivables, tax refunds, claims, insurance or insurance claims, and any contracts not specifically included in the Contracts.
 - e) Inventory: Inventory shall be calculated based on an inventory count one business day before the Closing Date. If the value of the Inventory deviates from the book values of the Inventory as of December 31, 2019 by more than 5%, the Purchase Price is to be adjusted on a dollar for dollar basis, either upwards or downwards, for that portion of the variance in excess of 5%. This adjustment provision excludes any inventory that is ordered prior to Closing but arrives after Closing as the Purchasers are to reimburse the Receiver on a dollar-for-dollar basis for such Inventory.
 - f) Assumed obligations: All obligations and liabilities of the Company under the Contracts and in respect of the Transferred Employees. Within at least two Business Days prior to the scheduled date for the hearing of this motion, the Purchasers are to provide to the Receiver a list of employees in respect of whom they will make offers of employment. The employees who accept the Purchasers’ employment offers shall be referred to as the Transferred Employees.
 - g) “As is, where is”: The agreement is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions.

⁶ Defined terms in this section of the Report have the meanings provided to them in the APA.

- h) Conditions in favour of the Purchasers: The following are the material conditions in favour of the Purchasers:
- i. New lease agreements – on or before July 31, 2020,⁷ the Purchasers will have obtained new leases with the E/W Landlord. The Purchasers’ lawyers have confirmed this condition had been satisfied;
 - ii. Ontario College of Pharmacists (“OCP”) – on or prior to the Time of Closing, the Purchasers will have obtained a new certificate of accreditation by the OCP;
 - iii. Ontario Drug Benefit Plan (“ODB”) – on or prior to the Time of Closing, the Purchasers will have obtained new billing privileges for the two locations under the ODB with the Ministry of Health (Ontario) and all third-party payors of the two locations; and
 - iv. Approval and Vesting Order – the obligations of the Receiver and the Purchasers to complete the E/W Transaction are subject to an order of the Court on or before August 7, 2020 approving the E/W APA and the E/W Transaction. This date was subsequently amended to September 3, 2020.
2. A redacted version of the E/W APA is provided in Appendix “I”. An unredacted version is provided in Confidential Appendix “1”. The reasons for including certain information in the confidential appendix are provided in Section 4.3 below.

4.1 Recommendation

1. The Receiver recommends that this Court approve the E/W Transaction for the following reasons:
 - a) as detailed in the Pre-filing Report, the RSP carried out by KSV in advance of these proceedings canvassed a large number of parties over a significant period of time. The process identified several strong offers; however, those offers assumed the leases for Pharmacy East and Pharmacy West were in good standing and that a purchaser would be able to enter into lease extensions for several more years. The saleability and value of these pharmacies are directly tied to their leases;
 - b) upon its appointment, the Receiver engaged with the E/W Landlord and 2258, which submitted the best offer in the RSP. Despite significant efforts by the Receiver and 2258 to reach an agreement with the E/W Landlord, the E/W Landlord would not consent to lease extensions, nor to 2258 as its tenant. Therefore, the transaction contemplated by the 2258 APA could not be completed;

⁷ Extended from the original deadline of July 30, 2020 which was reflected in the E/W APA.

- c) the costs to litigate the status of the Pharmacy East and Pharmacy West leases with the E/W Landlord would be significant and, based on the diligence performed by the Receiver and the Receiver's review of the evidence in the Application, the Receiver is of the view that the E/W Landlord's allegations are credible and likely to succeed;
- d) the value of the E/W Transaction is significantly lower than the offer submitted by 2258 as the E/W Landlord is in a position to determine the tenant for Pharmacy East and Pharmacy West. Accordingly, the E/W Transaction is the only acceptable option available in the circumstances;
- e) ECN, the Company's largest secured creditor, supports the E/W Transaction, notwithstanding that it will incur a shortfall on its advances to the Company;
- f) the E/W Transaction is expected to preserve employment for a substantial number of the Company's employees on terms similar to those currently in place; and
- g) absent a transaction with the Purchasers, the Receiver would have been required to liquidate the inventory and fixed assets in Pharmacy East and Pharmacy West. The realizable value of the purchased assets in such a scenario is likely to have been less than the E/W Transaction.

4.2 E/W Landlord Settlement

1. As a result of the E/W Transaction, there is no need for the Application to proceed.
2. As such, the Receiver and the E/W Landlord have agreed to the terms of a settlement and mutual release, effective upon completion of the E/W Transaction. Attached as Appendix "J" is a copy of the proposed minutes of settlement with the E/W Landlord (the "Minutes of Settlement"). The settlement contemplates, among other things, that:
 - a) the Receiver will provide vacant possession of Pharmacy East and Pharmacy West and surrender the leases effective as of the closing date of the E/W Transaction;
 - b) The E/W Landlord shall have the Application dismissed without costs;
 - c) The Receiver will seek approval of the E/W Settlement from this Court (and shall not seek any costs against the E/W Landlord); and
 - d) the parties will enter into a surrender of lease and mutual release.
3. Execution of the settlement and the mutual release is a condition of the E/W Transaction for the E/W Landlord. Accordingly, the Receiver recommends that the Court authorize the Receiver to enter into the Minutes of Settlement substantially in the form attached to this Report.

4.3 Sealing

1. The Receiver recommends that the unredacted version of the E/W APA be filed with the Court on a confidential basis and remain sealed pending further order of the Court. The redactions to the E/W APA are restricted to the purchase price as well as personal and private employee information.

5.0 Distributions

1. ECN is the Company's principal secured creditor. As at December 4, 2019, ECN was owed approximately \$4.1 million by the Company, plus accrued interest, enforcement costs and disbursements, which continue to accrue. Since the date of the Receivership Order, the Receiver has also borrowed \$150,000 from ECN pursuant to a Receiver's Certificate.
2. GSNH has provided opinions on ECN's security over the Company and Ms. Diena. Subject to standard qualifications and assumptions contained therein, GSNH is of the opinion that ECN's security constitutes a valid and enforceable charge against the Company's and Ms. Diena's Property. A copy of the security opinions will be made available to the Court should it wish to review them.

5.1 Proposed Distribution

1. The Receiver recommends that the Court issue an order authorizing and directing the Receiver to make distributions to ECN up to the amount of the Company's indebtedness owing to it. A statement of receipts and disbursements from December 4, 2019 to August 11, 2020 ("Rando R&D") is provided in Appendix "K". The Rando R&D reflects that there is approximately \$1.4 million in the Receiver's account, before accrued costs.
2. Other than the Receiver's Charge, and the \$150,000 amount referenced above that was funded by ECN under a Receiver's Certificate, the Receiver is not aware of any claim against the Property that ranks or may rank in priority to ECN over the proceeds from the sale of the Company's pharmacies. Additionally:
 - all PPSA registrants will be provided notice of this motion;
 - CEDV's and 2139's counsel will be provided notice of this motion – as noted above, they have previously been advised that their interests were vested out; and
 - based on the timing of registration alone, there are no creditors with registrations against the Company (other than TD in respect of Abira) that rank, or appear to rank, in priority to ECN. None of the distributions in these proceedings relate to Abira's business or assets.

6.0 Grace Diena

1. Ms. Diena is a secured guarantor of 2345's indebtedness under the ECN Facility.
2. Pursuant to an Order dated February 26, 2020, the Receivership Order was expanded to include Ms. Diena for the purposes of, among other things:
 - seeking a stay of proceedings applying against her;
 - preventing her from disposing, selling or encumbering any of her assets;
 - allowing the Receiver to investigate her financial situation, including the assets that she owns or owned, directly or indirectly; and
 - authorizing the Receiver to register the Receivership Order on title to any real property that she owns.
3. By letter dated February 27, 2020, KSV advised Ms. Diena of its appointment as Receiver and requested that she provide the disclosures referenced in the expanded Receivership Order.
4. Both Mr. Diena and Mr. Stanleigh, who advised that he also represents Ms. Diena, provided the Receiver with information about Ms. Diena's assets and liabilities, including bank statements, credit card statements and tax returns. They also provided information on the Grace Family Trust (the "Trust"), including its Trust Indenture Agreement. According to Mr. Stanleigh, Ms. Diena is the sole Trustee of the Trust and all of Ms. Diena's assets were transferred to the Trust in 2013. According to Mr. Stanleigh, Ms. Diena has virtually no personal assets.
5. In a letter dated March 23, 2020, Mr. Stanleigh advised that the Trust has "no minute book, share registry, and no resolutions". Mr. Stanleigh's letter also includes an email from Marciano Beckenstein LLP, also counsel to the Dianas, indicating that "if no activity in the trust for the entire year...then cra (administratively) does not require tax return or financial statements to be filed by the trust for that year".
6. Mr. Stanleigh listed several companies which he claims are owned by the Trust, including Rando. Mr. Stanleigh has not provided sufficient evidence to confirm the ownership of Rando by the Trust and the Receiver believes the preponderance of the evidence reflects that Rando is owned by 2345, a receivership entity. This is not the subject of this Report. The Receiver expects to address this issue at a later motion in these proceedings.
7. Pursuant to a letter dated April 21, 2020, Mr. Stanleigh advised that certain companies owned by the Trust are inactive, including Dedicated National Pharmacy Inc. ("DNPI"), Premium Canadian Pharmacy, CEDV, 2139152 and three recently incorporated numbered companies. Copies of Mr. Stanleigh's letters dated March 23, 2020 and April 21, 2020 are provided in Appendix "L", without appendices.
8. The Receiver continues to review the information provided by Mr. Stanleigh, Mr. Diena and Ms. Diena, including the assets allegedly owned by the Trust. There are numerous inconsistencies. At this time, the Receiver has continued to reserve its rights with respect to further steps in respect of the receivership of Ms. Diena.

7.0 Rando Charter

1. Once the E/W Transaction is closed, the most significant remaining asset of the Company will be the Rando “Charter”.
2. As referenced in Section 3 of this Report, Rando falls within the exemption provided under Section 142(4) of the Pharmacies Act (the “Exemption”), which allows it to own and operate pharmacies without it being majority owned by pharmacists. DNPI is also subject to the Exemption.
3. Companies with Exemptions are often referred to as having a “Charter” or being a “Charter Company”. There is no formal “charter” document. Rather, the person who owns the shares of a Company that has an Exemption owns the charter.
4. At the request of Mr. Diena, KSV marketed the DNPI charter as part of the RSP. Several offers were made for the DNPI charter. Mr. Diena did not pursue those offers. At the direction of Mr. Diena, the opportunity to acquire the Rando charter was not included in the RSP.
5. Subsequent to the commencement of the receivership proceedings, 2258 advised the Receiver that it was interested in acquiring Rando’s charter. Accordingly, Section 3 of the 2258 APA provides for a binding offer by 2258 to acquire the Rando Exemption to be implemented through a proposal or other form of restructuring so that the shares could be transferred free and clear of liabilities. The Receiver is currently holding a deposit from 2258 in respect of the Rando Exemption pursuant to the terms of the 2258 APA.
6. Negotiations with 2258 on the terms of a proposal sponsorship agreement were significantly advanced, but on the eve of signing, 2258 indicated it was not prepared to move forward. The Receiver has taken the view the deposit from 2258 has been forfeited. This matter may be the subject of a further motion.
7. The Receiver continues to engage in discussions with interested parties to monetize Rando’s charter. As set out above, the Receiver also continues to look into the ownership of DNPI. In the event that it is determined the DNPI shares are rightfully owned by the Company or Ms. Diena, the Receiver will also look to monetize those shares.

8.0 Abira

1. Abira operated a physiotherapy clinic from leased premises located at 4256 Bathurst Street, Suite 200, Toronto. The premises were also Rando’s head office. The Receiver understands that the tenant is another company owned, directly or indirectly, by Mr. Diena.
2. Abira’s principal source of revenue is funding under an agreement (the “MOH Agreement”) with the Minister of Health and Long-term Care (“MOH”). Monthly payments pursuant to the MOH Agreement are approximately \$12,000.

3. During the receivership proceedings, Abira's business generated monthly losses of approximately \$9,000, before professional costs. In January, 2020, Mr. Diena provided funding of \$26,000 to the Receiver on an unsecured basis so that the business could continue to operate during the receivership period.
4. The Abira business was suspended in mid-March, 2020 following guidance from the Ontario Physiotherapy Association related to Covid-19. Due to the losses generated by Abira, its lack of funding, and safety concerns related to the treatment of patients, the clinic has not reopened nor has rent been paid since that time.
5. The Receiver has engaged extensively with TD and Mr. Diena regarding Abira's business during these proceedings.
6. Pursuant to letters dated June 24 and 26, 2020 to TD and to the Receiver, Mr. Stanleigh suggested that, among other things, there is significant value to Abira, including claims for SR&ED tax credits. Mr. Stanleigh also requested that Mr. Diena be authorized to sign a two-year renewal of the MOH Agreement on behalf of Abira as the MOH Agreement expired on March 31, 2020. Copies of Mr. Stanleigh's letters are provided in Appendix "M".
7. The Receiver responded to Mr. Stanleigh pursuant to a letter dated June 30, 2020, a copy of which is provided in Appendix "N". The Receiver corrected inaccuracies in Mr. Stanleigh's letters, authorized Mr. Diena to sign the MOH Agreement and advised, among other things, that it would not consent to a resumption of Abira's operations unless the Receiver is prefunded for operating costs. On June 30, 2020, Mr. Diena signed the MOH Agreement but has not provided the funding required by the Receiver to restart Abira's operations. Accordingly, Abira is not presently operating.
8. A statement of receipts and disbursements related to Abira to August 11, 2020 ("Abira R&D") is provided in Appendix "O". As reflected in the Abira R&D, the Receiver held \$60,000 in its account⁸. Of the total balance in the account, \$49,000 reflects a payment received from the MOH on August 7, 2020. The Receiver understands that this payment was released pursuant to the MOH Agreement in respect of patient discharges recorded after the clinic was closed.
9. The Receiver has consulted with TD regarding the use of a portion of the funds on hand to file Abira's tax return for the year ended December 31, 2019 and to apply for a SR&ED refund. TD has consented for the Receiver to do so. TD has also requested that the Receiver seek Court approval to assign Abira into bankruptcy in due course.
10. It is the Receiver's view that the realizable value of Abira's business is presently nominal, other than, perhaps, the SR&ED refund. Absent funding from Mr. Diena, no funds are available to resume operations or to market it for sale. Mr. Diena has advised the Receiver that he may be able to return Abira to profitability if the receivership is terminated. The Receiver suggested that Mr. Diena and TD discuss whether there is an interest in continuing Abira and the terms to do so.

⁸ An invoice by the Receiver for \$12,000 was rendered and paid subsequent to the date of the Abira R&D.

8.1 Recommendation

1. The Receiver recommends that:
 - a) the scope of its powers set out in paragraph 3 of the Receivership Order be limited to the preparation and filing of the tax return for the year ended December 31, 2019 and application for the SR&ED tax credits; and
 - b) the Receiver be authorized and empowered but not obligated to file an assignment in bankruptcy on behalf of Abira.

9.0 Receiver's Activities

1. In addition to the activities summarized in this Report, the Receiver's activities since commencement of these proceedings have included:
 - Attending at each of the Pharmacies periodically and advising the pharmacists of the Receiver's appointment;
 - Meeting and/or corresponding regularly with Mr. Diena regarding the operations of the Pharmacies;
 - Corresponding regularly with the pharmacists regarding the operation of the Pharmacies;
 - Dealing with the Company's vendors and arranging terms to, among other things, purchase inventory for the Company's pharmacies;
 - Assisting the Company to prepare a response to an examination conducted by the OCP;
 - Reviewing daily transaction reports provided by the Pharmacies;
 - Reviewing pharmacist scheduling at the Pharmacies;
 - Dealing with the bi-weekly payroll and contractor payments related to the Pharmacies;
 - Corresponding with the Company's insurance agent to arrange coverage during these proceedings;
 - Providing rolling weekly financial and reporting to ECN thereon;
 - Corresponding with Canada Revenue Agency regarding the Company's payroll and sales tax accounts;
 - Arranging for the Company's obsolete computers to be replaced at each of the Pharmacies;
 - Assisting the Pharmacies to prepare job postings and dealing with new hires;

- Responding to a claim from Almas Mahmood, a former purchaser of the Pharmacies, for the return of a deposit;
- Assisting the Pharmacies to purchase personal protective equipment and modify their premises in the context of the Covid-19 pandemic;
- Reviewing information related to an agreement to lease entered into by Rando (“Second East Location”) prior to commencement of these proceedings;
- Dealing with the landlord’s counsel of the Second East Location and arranging terms for month-to-month occupancy of that location;
- Reviewing Rando’s historical financial statements and its fiscal 2018 tax return;
- Preparing and filing Rando’s fiscal 2019 tax return;
- Attending at Abira’s premises;
- Reviewing historical financial information related to Abira;
- Meeting with Mr. Diena to discuss recent changes to Abira’s business and the loss of certain contracts;
- Dealing with TD concerning the Abira business and receivership;
- Corresponding with the Ministry of Health (Ontario) regarding Abira’s account and monthly payments subject to a garnishment order by a judgment creditor;
- Arranging for a judgement creditor of Abira to pay to the Receiver certain amounts the judgement creditor received following the date of the Receivership Order as such payments were subject to the stay of proceedings;
- Providing updates to ECN on, among other things, the status of these proceedings;
- Preparing the Receiver’s First Report to Court dated January 16, 2020;
- Preparing the Receiver’s Confidential Update dated January 30, 2020;
- Preparing the Second Report; and
- Preparing this Report.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(i) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, slightly slanted script.

**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”



Court File No. CV-19-00632106

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) WEDNESDAY, THE 4TH
)
 JUSTICE HAINEY) DAY OF DECEMBER, 2019
)

BETWEEN

ECN FINANCIAL INC.

Applicant

- and -

2345760 ONTARIO INC., RANDO DRUGS LTD, 2275518 ONTARIO INC., FAMILY HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD., 2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC. and 2527475 ONTARIO INC.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant 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 KSV Kofman Inc. ("KSV") as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of 2345760 Ontario Inc., ("234") Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("227"), Family Health Pharmacy West Inc. Formerly known as M. Blacher Drugs Ltd. ("West Inc."), 2501380 Ontario Inc. ("250"), 2527218 Ontario Inc. ("25272"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("25274") (together, the

“Debtors”) acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adam Flomen sworn December 3, 2019, the pre-filing report filed by KSV dated December 3, 2019 (the “Report”), and on hearing the submissions of counsel for the Applicant and the Respondent, and on reading the Consent executed by the Defendants to the appointment of a receiver, the Consent executed by KSV to act as the Receiver and the Affidavit of Service of Maureen McLaren sworn December 3, 2019,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record and the Report is hereby abridged and validated so that this motion 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, KSV is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, 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;

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- (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 Debtors, 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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors, and 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 Debtors;
- (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 Debtors, for any purpose pursuant to this Order;

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- (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 Debtors, 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 pursuant to the Sale Process (defined below), 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 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; 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.

- (l) 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;
- (m) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value;

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- (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 Debtors;
- (q) to enter into agreements with any licensed insolvency trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to inquire into and report to the Applicant and the Court on the financial condition of the Debtors and the Property and any material adverse developments relating to the financial condition of the Debtors and/or the Property; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (u) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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 records and prescription information ("**Client Records**"), books, documents, securities, contracts, orders, billing privileges, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, 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 Debtors, 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 in respect to the Client Records, the Receiver shall: (i) take all steps reasonably necessary to maintain the integrity of the confidential aspect of the Client 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 Client Records; (iii) not allow anyone other than the Receiver or the Custodian to have access to the Client Records; (iv) allow the Debtors supervised access to the Client 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 Debtors, 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 DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors, 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 Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, claims processing services, payment processing services, payroll services, insurance, transportation services, utility or other services to the Debtors 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 Debtors' 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 Debtors 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 Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' 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*.

SALE PROCESS

14A. THIS COURT ORDERS that sale process as described in Section 5 of the Report (the “Sale Process”) be and is hereby approved provided that the approval of the Sale Process shall not preclude the Receiver from entering into one or more sale transactions without conducting the Sale Process.

14B. THIS COURT ORDERS that Confidential Appendix E to the Report be and is hereby sealed pending further Order of this Court.

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 Debtors, 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 Debtors (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: www.ksvadvisory.com/insolvency-cases/rando/.

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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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.

GENERAL

28. 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.

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

30. 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.

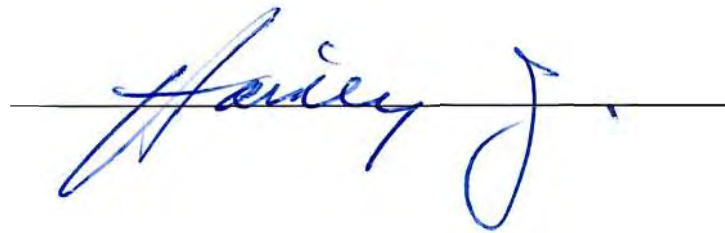
31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized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

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, 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 Debtors' estate with such priority and at such time as this Court may determine.

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33. 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.

34. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Kofman Inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties 2345760 Ontario Inc., Rando Drugs Ltd., 2275518 Ontario Inc., Family Health Pharmacy West Inc. Formerly known as M. Blacher Drugs Ltd., 2501380 Ontario Inc., 2527218 Ontario Inc., Dumopharm Inc. and 2527475 Ontario Inc. (collectively the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 4th day of December, 2019 (the "**Order**") made in an action having Court file number CV-19-00632106, 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 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 ____ day of _____, 2019.

KSV Kofman Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per
:

Name:

Title:

ECN FINANCIAL INC.
Applicant

2345760 ONTARIO INC., et al.
Respondents

Court File No: CV-19-00632106

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**ORDER
(APPOINTING RECEIVER)**

MILLER THOMSON LLP
Scotia Plaza
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Toronto, ON Canada M5H 3S1

Craig A. Mills LSUC#: 40947B
Tel: 416.595.8596
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Solicitors for the Applicant

Appendix “B”



**Report of
KSV Kofman Inc.
as Proposed Receiver of Rando Drugs Ltd.
and Related Companies**

December 3, 2019

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COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF s. 243 (1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

BETWEEN:

ECN FINANCIAL INC.

APPLICANT

- AND -

2345760 ONTARIO INC., RANDO DRUGS LTD., GRACE DIENA, 2275518 ONTARIO INC.,
FAMILY HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS
LTD., 2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC. and 2527475
ONTARIO INC.

RESPONDENT

REPORT OF
KSV KOFMAN INC.
AS PROPOSED RECEIVER

DECEMBER 3, 2019

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") as proposed receiver and manager of the property, assets and undertaking of 2345760 Ontario Inc ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd¹. ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company"). Although Grace Diena is listed as a respondent above, KSV understands no order is being sought against her at this time.

¹ Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

2. As of the date of this Report, 2345 was indebted to ECN Financial Inc. (“ECN”) in the amount of approximately \$4.1 million (the “ECN Facility”). Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm and 2527475 are secured guarantors of 2345’s indebtedness under the ECN Facility.
3. Of the borrowers and guarantors under the ECN Facility, the only business is carried on by Rando, which operates four pharmacies in Southwestern Ontario under the PharmaChoice banner (the “Pharmacies”). Each pharmacy is an unincorporated division of Rando.
4. On July 17, 2019, the Company and ECN entered into a Forbearance Agreement (the “Forbearance Agreement”). ECN’s application materials will provide further background about the events of default leading up to the entry into the Forbearance Agreement. Specifically, as it pertains to KSV, pursuant to the Forbearance Agreement:
 - a) the Company agreed to retain KSV Advisory Inc.² to act as its advisor (the “Advisor”) to conduct a refinancing and sale process for the Pharmacies (the “RSP”) [section 5.1(a)]. The Forbearance Agreement originally contemplated the retention of a different advisory firm; however, 2345 and ECN agreed to retain KSV for the mandate;
 - b) the Company agreed that KSV’s appointment as Advisor did not preclude it from being appointed as receiver [section 6.2(f)]; and
 - c) the Company consented to the appointment of a receiver which consent was to be held in escrow pending the termination of the Forbearance Agreement or an “intervening event” (as defined therein) [Section 3.2(c) and Schedule G].
5. The Company entered into an engagement letter with KSV dated July 31, 2019 (the “Engagement Letter”) appointing it as Advisor as contemplated by the Forbearance Agreement. Pursuant to Section 7 of the Engagement Letter, the Company specifically consented to KSV or its affiliates acting as a court-appointed officer in any formal insolvency proceeding involving the Company.
6. Copies of the Forbearance Agreement and the Engagement Letter are attached as Appendices “A” and “B” respectively.
7. The principal purpose of the receivership proceedings is to allow the Company’s business to continue to operate on a going-concern basis while a Court-supervised sale process for the Company’s business and assets is carried out by a receiver. In its role as Advisor, KSV has already conducted an extensive RSP with respect to the Pharmacies including preparing teaser letters, confidential information memoranda and the like.

² KSV Kofman Inc. carries out all of KSV’s formal insolvency appointments. Consulting services are provided by KSV Advisory Inc.

8. KSV has consented to act as receiver. A copy of KSV's consent is attached as Appendix "C". KSV is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). KSV is not the auditor of the Company. KSV is not subject to any of the restrictions on who may be appointed as receiver set out in section 13.3 of the BIA.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) summarize the RSP carried out by KSV as Advisor;
 - c) summarize the proposed process pursuant to which the Company's business and assets would be marketed for sale by KSV, as receiver, during the receivership proceedings (the "Sale Process"); and
 - d) recommend that the Court issue an order, among other things:
 - i. appointing KSV as receiver and manager of the Company; and
 - ii. approving the Sale Process.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information prepared by the Company, the books and records of the Company and discussions with representatives of the Company. KSV has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Company's representative's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV accepts no reliance for any financial disclosure provided in this Report and any party interested in the Company is encouraged to perform its own due diligence.

2.0 Company Background

1. The Pharmacies (all of which are owned by Rando) are located in Southwestern, Ontario. Each pharmacy is a separate division of Rando. Dani Diena is the President of Rando and of every other Company subject to the Application. A corporate chart is provided in Appendix "D".
2. The Pharmacies are located at the following addresses:
 - a) Family Health Pharmacy West located at 1604 Tecumseh Road West, Windsor ("Pharmacy West");

- b) Family Health Pharmacy East located at 6720 Hawthorne Drive, Windsor (“Pharmacy East”);
 - c) Novacare Pharmacy located at 3A-1275 Walker Road, Windsor; and
 - d) Family Health Pharmacy Walpole located at 785 Tecumseh Road, Walpole Island.
2. The Pharmacies largely operate independently, with minimal support from Rando. Rando provides some administrative head office functions for the Pharmacies.
 3. Excluding Mr. Diena, Rando has approximately 19 employees and 11 contractors who work in the Pharmacies. The business is also supported by a controller who works at Rando’s head office in North York, Ontario. The controller is not exclusively dedicated to Rando’s business. Rando’s workforce is not unionized, and Rando does not provide a pension plan.

3.0 ECN and the Forbearance Agreement

1. ECN is the Company’s most significant secured creditor. As at the date of this Report, ECN was owed approximately \$4.1 million. The ECN application materials provide details concerning the defaults under the ECN Facility, the circumstances of the Forbearance Agreement and the subsequent defaults leading to this Application.
2. Pursuant to the Forbearance Agreement, the Company was required to retain an advisor to conduct a process that, by November 30, 2019, would result in either:
 - a) an executed and verifiable commitment letter for a refinancing of all the ECN debt with a transaction closing date on or before December 31, 2019; or
 - b) an executed and verifiable agreement of purchase and sale in respect of the Pharmacies in an amount sufficient to pay the ECN Facility in full, with a closing date on or before December 31, 2019.

4.0 RSP

1. KSV’s mandate, as detailed in the Engagement Letter, was as follows:
 - a) identifying prospective buyers, lenders and/or investors;
 - b) assisting in preparing financial information to support due diligence and drive value;
 - c) preparing marketing materials, in cooperation with the Company, including a teaser (high-level anonymous information), and Confidential Information Memorandum (“CIM”) (more in depth based on confidential information);
 - d) preparing instructions to potential interested parties regarding the process (including draft Asset Purchase Agreement (“APA”), sale approval order, etc., as determined to be appropriate in the circumstances);

- e) marketing the Pharmacies;
- f) maintaining the virtual data room (“VDR”), as populated with the assistance of the Company;
- g) reviewing, analyzing, and recommending offers received;
- h) assisting in negotiating, finalizing and closing an offer; and
- i) performing other services as may be informed by the RSP terms agreed between the Company and ECN pursuant to the Forbearance Agreement.

2. The table below summarizes the RSP timelines:

	Date
Commencement of RSP	August 22, 2019
Preliminary Letter of Intent (“LOI”) deadline	September 20, 2019
Final LOI deadline	October 4, 2019
Target closing date deadline	October 18, 2019

3. The Engagement Letter permits KSV to report directly to ECN and to act as a court officer in any formal insolvency proceedings involving the Company. At the introductory meeting between representatives of KSV (Robert Kofman and Eli Brenner) and Mr. Diena, Mr. Kofman made specific reference to these provisions of the Engagement Letter.
4. The details of the steps taken by KSV in the RSP are outlined on Confidential Appendix “1”. KSV believes that the information set out in the confidential appendix should be sealed pending the earlier of the negotiation of a successful sale transaction or further order of the Court as it could potentially prejudice subsequent negotiations or re-engagement with potential buyers.
5. On November 29, 2019, KSV learned that the landlord for Pharmacy East sent a letter to Mr. Diena dated September 25, 2019 purporting to terminate the lease for Pharmacy East effective November 30, 2019. The landlord has since extended the purported termination to December 31, 2019. If this lease is terminated, it will materially affect the value of any transaction for the Pharmacies. The landlord of Pharmacy East is also the landlord of Pharmacy West. KSV was extremely surprised that Mr. Diena did not disclose to it the purported Pharmacy East lease termination at the time it occurred given the materiality of this development on the RSP. If appointed receiver, KSV intends to engage with the Pharmacy East landlord immediately following its appointment.

5.0 Sale Process

1. If appointed Receiver, KSV intends to immediately re-engage with the parties that submitted offers in the RSP. If one or more of those parties continue to have an interest in the opportunity, KSV intends to attempt to complete a binding agreement of purchase and sale with one of those parties as soon as possible. KSV will also engage with parties who expressed an interest in the opportunity during the RSP but opted not to participate in it due to their concerns about the Company's management.
2. KSV intends to have all parties requiring further due diligence sign a new confidentiality agreement, even if it signed one during the RSP process.
3. If re-engaging with the interested parties from the RSP process does not generate, or appears that it will not generate, an acceptable transaction, KSV intends to launch a new sale process commencing forthwith with offers to be submitted on or about January 17, 2020. All new offers will be required to be submitted in the form of a standard asset purchase agreement which will be prepared by the Receiver and made available in the data room. Changes to the agreement will be required to be blacklined or otherwise clearly marked. The proposed timeline is provided in the table below.

Summary of Sale Process (To be commenced after re-engaging with RSP parties.)		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Finalize materials</i>		
Update marketing materials	<ul style="list-style-type: none"> ➤ KSV to update Teaser, CIM, confidentiality agreement ("CA") and VDR used in the RSP. 	Week 1
<i>Phase 2 – Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ➤ Teaser to be sent to identified prospects, including investors that own similar retail pharmacies; ➤ publication of the acquisition opportunity in <i>The Globe and Mail</i> (National Edition); ➤ telephone canvass of leading prospects; and ➤ meet with and interview bidders. 	Week of December 9 and December 16

Summary of Sale Process (To be commenced after re-engaging with RSP parties.)		
Milestone	Description of Activities	Timeline
Stage 2	<ul style="list-style-type: none"> ➤ KSV to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the VDR; ➤ KSV to facilitate diligence by interested parties; ➤ KSV will prepare draft APA. 	Week of January 6
Stage 3	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit APAs or other proposals. 	On or about January 17
<i>Phase 3 – Offer Review and Negotiations</i>		
	<ul style="list-style-type: none"> ➤ 2nd Round Bids and further bidding - Prospective purchasers may be asked to re-submit APAs on one or more occasions. 	Week of January 20
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	Week of January 20
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction. 	Approximately mid-February, subject to delays resulting from regulatory approvals/consents

2. Additional attributes of the Sale Process include:
 - a) the business and assets will be marketed on an “as is, where is” basis;
 - b) KSV will have the right to reject all offers, including the highest offer; and
 - c) any transaction will be subject to Court-approval.

3. KSV will also require flexibility in the timelines as regulatory approvals are required when selling pharmacies. KSV does not have the ability to control those timelines.

5.1 Sale Process Recommendation

1. KSV recommends that the Court issue an order approving the Sale Process for the following reasons:
 - a) KSV as Advisor has already conducted an extensive marketing of Rando's business and assets. Given the breadth of the RSP and the offers received, KSV is of the view that it may not be necessary to commence a fresh RSP. KSV only intends to conduct such a process if an acceptable transaction cannot be completed, or it appears that one may not be completed, from the bidders who participated in the RSP, or from the parties who were interested in the opportunity but opted not to participate;
 - b) the contemplated Sale Process, if required, is fair, open and transparent and will allow KSV to canvass the market broadly on an orderly basis in order to obtain the highest and best price;
 - c) there will be no delay commencing the Sale Process – KSV has significant knowledge from its role as Advisor and has already prepared marketing materials that can be quickly updated for a fresh RSP, if necessary;
 - d) the Sale Process is flexible and will allow KSV to establish procedures it believes necessary to maximize value; and
 - e) ECN supports the Sale Process.

6.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that the Court make an order granting the relief detailed in Section 1.1(1)(d) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS PROPOSED RECEIVER OF
THE PROPERTIES, ASSETS AND UNDERTAKINGS OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “C”



**Second Report of
KSV Kofman Inc.
as Receiver of
Rando Drugs Ltd.
and Related Companies**

February 19, 2020

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COURT FILE NO.: CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ECN FINANCIAL INC.

APPLICANT

- AND -

2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY
HEALTH PHARMACY WEST INC. FORMERLY KNOWN AS M. BLACHER DRUGS LTD.,
2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC. AND 2527475
ONTARIO INC.

RESPONDENTS

SECOND REPORT OF KSV KOFMAN INC.
AS RECEIVER OF THE ASSETS, PROPERTY AND UNDERTAKING OF
RANDO DRUGS LTD. AND RELATED COMPANIES

FEBRUARY 19, 2020

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as receiver (the "Receiver") of the property, assets and undertaking of 2345760 Ontario Inc ("2345"), Rando Drugs Ltd. ("Rando"), 2275518 Ontario Inc. ("2275"), M. Blacher Drugs Ltd.¹ ("Blacher"), 2501380 Ontario Inc. ("2501"), 2527218 Ontario Inc. ("2527218"), Dumopharm Inc. ("Dumopharm") and 2527475 Ontario Inc. ("2527475") (collectively, the "Company").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on December 4, 2019 (the "Receivership Order"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".
3. The principal purpose of the receivership proceedings is to allow the Company's four pharmacies (the "Pharmacies") (which are believed to be owned by Rando) and its physiotherapy clinic (which is believed to be owned by 2275 and operates as "Abira") to continue to operate while the Receiver works to complete a sale of some or all of these businesses on a going-concern basis.

¹ Now known as Family Health Pharmacy West Inc. This should not be confused with Family Health Pharmacy West, which is an unincorporated division of Rando.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company;
 - b) summarize the marketing process for the Pharmacies and the Court-approved process pursuant to which the opportunity to acquire the Pharmacies was carried out during these proceedings (the “Sale Process”);
 - c) summarize the terms of an asset purchase agreement dated December 18, 2019 (the “Original APA”), as amended on January 31, 2020 (the “Amendment” and together with the Original APA, the “APA”), between the Receiver and 2258156 Ontario Inc. (the “Purchaser”) for substantially all the business and assets of the Debtors²;
 - d) set out the reasons that the Receiver is only seeking approval at this time of the sale of the Company’s pharmacies located at 785 Tecumseh Road, Unit #16, Walpole Island (“Walpole”) and 3A-1275 Walker Road, Windsor (“Novacare”);
 - e) summarize the Receiver’s rationale for: i) seeking an assignment to the Purchaser of the lease held jointly by Dumopharm and CEDV Inc. (“CEDV”), a company not subject to these receivership proceedings but related to Rando’s principal; and ii) vesting out, on closing, any interest in respect of CEDV from the Novacare Lease (as defined in Section 4.1.1 below);
 - f) summarize certain of the buyer’s conditions which must be completed in order to close the sale of the pharmacies subject to the APA;
 - g) provide the Receiver’s rationale for sealing certain confidential information, including a portion of the APA that does not deal with the sale of the Pharmacies;
 - h) set out the reasons that ECN (as defined below) is seeking to expand the Receivership Order to include Grace Diena, the spouse of the Company’s principal; and
 - i) recommend that the Court issue an order:
 - i. approving the execution by the Receiver of the APA;
 - ii. approving only the portion of the transactions in the APA relating to Walpole and Novacare (the “Transactions”);
 - iii. assigning the Novacare Lease to the Purchaser free and clear of any interest of CEDV;

² “Debtors” as defined in the APA means Rando and Dumopharm.

- iv. authorizing the Receiver to enter into any other ancillary documents and agreements required to complete the Transactions;
- v. vesting the Debtors' right, title and interest in and to the Purchased Assets (as defined in the APA) in the Purchaser, free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances, for the Novacare and Walpole locations;
- vi. sealing the confidential appendices to this Report on the terms set out below;
- vii. expanding the Receivership Order to include Ms. Diena; and
- viii. approving this Report and the Receiver's activities described herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company, the books and records of the Company and discussions with representatives of the Company. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. The Receiver accepts no reliance for any financial disclosure provided in this Report and any party interested in the Company is encouraged to perform its own due diligence.

2.0 Background

1. As of the date of the Receivership Order, 2345 was indebted to ECN Financial Inc. ("ECN") in the amount of approximately \$4.3 million (the "ECN Facility"), plus interest, fees and costs which continue to accrue. Each of Rando, 2275, Blacher, 2501, 2527218, Dumopharm and 2527475 are secured guarantors of 2345's indebtedness under the ECN Facility. As discussed in Section 5 below, Ms. Diena is also a secured guarantor although she presently is not subject to the Receivership Order.
2. The Company owns and operates the following four pharmacies in Southwestern Ontario under the PharmaChoice banner:
 - a) Family Health Pharmacy West, located at 1604 Tecumseh Road West, Windsor ("Family Health West");
 - b) Family Health Pharmacy East, located at 6720 Hawthorne Drive, Windsor ("Family Health East");

- c) Walpole; and
 - d) Novacare.
3. Each pharmacy operates as a separate division of Rando. Dani Diena is the President of Rando and every other Company subject to the Receivership Order. To the Receiver's knowledge, Mr. Diena is an undischarged bankrupt. Mr. Diena's trustee, MSI Spergel Inc. ("Spergel") has not contacted the Receiver since the commencement of these proceedings nor has it taken any positions within these receivership proceedings.
 4. Of the remaining borrowers and guarantors under the ECN Facility, the only other business is carried on by Abira. The Toronto-Dominion Bank ("TD") and ECN are secured creditors of Abira. Pursuant to a priorities agreement between TD and ECN dated March 4, 2016, Abira's indebtedness to TD appears to have priority over its indebtedness to ECN, which is pursuant to a secured guarantee. Abira's indebtedness to TD totalled approximately \$980,000 at the commencement of the receivership proceedings. The Abira business continues to operate.
 5. Additional information about the Company is provided in KSV's report to Court as proposed receiver dated December 3, 2019 (the "Pre-filing Report"). A copy of the Pre-filing Report is provided in Appendix "B", without appendices.
 6. The Court materials filed in these proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/rando-drugs-ltd>.

3.0 Sale Process

1. As set out in Section 4 of the Pre-filing Report, KSV was retained by the Company on July 31, 2019 to conduct a refinancing and sale process ("RSP") for the Pharmacies. Several strong offers were submitted in that process. Details of the RSP and a summary of the offers received are provided in Confidential Appendix "1"³. At the time, KSV believed the strongest offer had been submitted by Bidder Two (as referenced in the confidential appendix). Ultimately, Mr. Diena chose to pursue the offer submitted by Bidder One, which was not recommended by KSV and never closed.
2. As set out in the Pre-Filing Report, given the wide canvassing and orderly marketing of the Company already performed by KSV under the RSP, the Receiver intended to re-approach the parties that submitted the best offers in the RSP. The Receiver intended to re-market the business and assets if parties did not express a continuing interest. The Court approved this approach pursuant to the Receivership Order.
3. Upon its appointment, the Receiver contacted the Purchaser. The Purchaser is referred to as "Bidder Two" in Confidential Appendix "1". As set out above, the Receiver believed Bidder Two's offer was the strongest submitted in the RSP.

³ This appendix was also included with the Pre-Filing Report.

4. The Purchaser advised the Receiver that it continued to have an interest; however, due to issues which came to light subsequent to the RSP that may affect a transaction, the Purchaser advised that it would only continue to have an interest at a lower price than its bid in the RSP. The Purchaser also advised that the structure of its bid would also have to reflect the risks in the transaction. Certain of the issues giving rise to these changes are discussed in Confidential Appendix “2”.
5. Notwithstanding the reduction in the value of the Purchaser’s offer, the Receiver believes that the Purchaser’s offer remained attractive for the following reasons:
 - a) it was not subject to a financing condition;
 - b) the Purchaser represented that it had completed substantially all its due diligence;
 - c) the principal of the Purchaser is an experienced pharmacist who operates multiple pharmacies;
 - d) the Purchaser is interested in all four Pharmacies and other assets;
 - e) the total value of the Purchaser’s offer exceeds the ECN debt; and
 - f) the issues which caused the Purchaser to reduce the value of its offer would also cause all other bidders to also reduce their offer.
6. The Receiver, with the assistance of its counsel, Goldman, Sloan, Nash and Haber LLP (“GSNH”), worked with the Purchaser and its counsel to finalize the terms of the Original APA. The offer was finalized and accepted on December 18, 2019.

4.0 The APA⁴

1. The APA is structured to allow the Receiver to close the sale of each Pharmacy individually. This structure was necessary as there are issues unique to the sale of each location.
2. The key terms of the APA include:
 - a) Purchaser: 2258156 Ontario Inc.
 - b) Purchase price: The purchase price and the allocation of the purchase price among the Pharmacies is included in Confidential Appendix “3”.

⁴ Defined terms in this section of the Report have the meanings provided to them in the APA.

- c) Deposit:
- i. The Purchaser will pay 10% of the Purchase Price (net of the Inventory Amount) (the “Initial Deposit”) upon the execution of the Original APA, to be held by the Receiver in trust until Closing. Upon closing, the Initial Deposit will be credited toward the Purchase Price. The Initial Deposit was provided to the Receiver on December 19, 2019;
 - ii. An additional sum of 5% of the Purchase Price (net of the Inventory Amount) (the “Additional Deposit”) was to be paid to the Receiver, in trust, upon the earlier of (a) January 31, 2020; and (b) obtaining Landlord Approval (discussed in paragraph “h” below). The deadline to pay the Additional Deposit was extended to March 13, 2020 pursuant to the Amendment.
- d) Assets to be purchased: All of the Debtors’ right, title and interest in and to substantially all of the business, assets and contracts of the Pharmacies, excluding accounts receivable, cash and cash equivalents, intercompany receivables, deposits, HST receivables, tax refunds, claims, insurance or insurance claims, and any contracts not specifically included in the Contracts.
- e) Inventory: The Purchaser shall pay the following amounts for Inventory upon completion of the sale of each Pharmacy:
- i. ●% of the cost for generic prescription drugs;
 - ii. ●% of the cost for brand name prescription drugs; and
 - iii. ●% of the cost for all over-the-counter medicine and sundry items.

A redacted version of the APA is provided in Appendix “C”. An unredacted version is provided in Confidential Appendix “3”. The above amounts are provided in the unredacted APA. The reasons for including certain information in confidential appendices are provided in Section 4.5 below.

The Receiver has also redacted certain sections of the APA which have nothing to do with the Transactions and for which approval is not being sought at this time.

- f) Assumed obligations: All obligations and liabilities of the Company under the Contracts and in respect of the Transferred Employees. Within ten (10) Business Days of the Purchaser advising the Receiver it has obtained a Landlord Approval for a Leased Location, the Purchaser shall provide a list to the Receiver of those employees of the Debtor at the Leased Location it wishes to offer employment. The employees who accept the Purchaser’s employment offer shall be referred to as the Transferred Employees.

- g) “As is, where is”: The agreement is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions.
- h) Conditions in favour of the Purchaser: The following are the material conditions in favour of the Purchaser:
- i. Landlord Approval – pursuant to the Amendment, on or before March 13, 2020, the Purchaser will have obtained consents by the landlords of the Leased Locations to assignments of the applicable leases, including options to extend for up to 10 years⁵ or new leases for the Leased Locations. In the event that Landlord Approval is obtained for some of the Leased Locations but not all of the Leased Locations, the Parties may, but are not obligated to, close the sale of those Leased Locations for which the Landlord Approval has been received.
 - ii. Ontario College of Pharmacists (“OCP”) – on or before February 28, 2020, the Purchaser will have obtained a new certificate of accreditation by the OCP. Pursuant to the Amendment, this has been extended to April 17, 2020.
 - iii. Ontario Drug Benefit Plan (“ODB”) - on or before February 28, 2020, the Purchaser will have obtained new billing privileges for all Leased Locations under the ODB with the Ministry of Health (Ontario) and all third-party payors of the Leased Locations. Pursuant to the Amendment, this was extended to April 17, 2020; and
 - iv. Approval and Vesting Order – the obligations of the Receiver and Purchaser to complete the Transactions are subject to an order of the Court on or before March 13, 2020 approving the APA and the Transactions. Pursuant to the Amendment, this was extended to May 8, 2020.
3. As of the date of this Report, the Purchaser and the Walpole landlord are finalizing the terms of a new lease. The Receiver understands that the lease should be completed by the return of this motion.
4. As discussed in Section 4.1 below, Landlord approval has not been obtained for the Novacare location. This lease is to be assigned to the Purchaser.

⁵ Based on discussions with certain landlords, this term may need to be amended. The Purchaser has advised that there is some flexibility in this regard.

4.1 Novacare Lease

1. Rando occupies the Novacare pharmacy pursuant to a lease (together with all renewals, the “Novacare Lease”) between Dumopharm, a non-operating entity subject to the Receivership Order, and Walker Plaza 1200 Inc. (the “Novacare Landlord”). Pursuant to a co-tenancy agreement dated February 12, 2017, CEDV was added to the lease as a co-tenant. CEDV is believed to be owned or controlled by Mr. Diena.
2. A copy of the Novacare Lease (which is undated) is provided in Appendix “D”. The Novacare Lease expired on December 31, 2019 but was renewed by Rando prior to the receivership. The Novacare Landlord’s counsel has yet to provide a draft renewal but the assignment of the Novacare Lease would include all renewals including the current one. The Company provided the Receiver with an email confirming that it had exercised the renewal. The Company is continuing to occupy the Novacare premises.
3. Mr. Diena advised the Receiver that CEDV is an entity that financed certain leasehold improvements for the Novacare location with a loan from an entity other than ECN and that CEDV’s addition as a tenant to the lease was obtained in connection with this transaction. Mr. Diena has advised that CEDV has not and does not occupy that location and that the structure was purely financial in nature.
4. Shortly after entering into the Original APA, the Receiver reached out to the Novacare Landlord’s counsel, Gatti Law Professional Corporation (“Gatti”), to discuss assignment of the Novacare Lease to the Purchaser (or the entering into of a new lease). Gatti indicated that it was only prepared to enter into a new lease (or assignment) and deal with the Purchaser if the issues concerning CEDV were addressed with no doubt as to which entity (Dumopharm and/or CEDV) could deal with the Novacare Lease.
5. To provide such certainty to Gatti and in order to complete a transaction for the Novacare location, Mr. Diena provided a co-tenant acknowledgement on behalf of CEDV on January 11, 2020 (the “Co-tenancy Acknowledgement”), attached as Appendix “E”, that provides:

“the Co-tenant will consent to any lease assignment recommended by the Receiver as part of a transaction and release any rights it may have as a Co-tenant and/or allow its interest to be vested out by a vesting order”.
6. Gatti did not accept the Co-Tenancy Acknowledgment as sufficient evidence that it could discuss the lease assignment or new lease term with the Receiver and/or the Purchaser.
7. A summary of the Receiver’s and GSNH’s correspondence with the Novacare Landlord and Gatti is as follows:
 - a) on January 2, 2020, Gatti advised the Receiver and GSNH that CEDV’s interest in the Novacare lease restricts it from negotiating a new or assigned lease in favour of the Purchaser;

- b) on January 13, 2020, the Receiver and GSNH provided a copy of the Co-Tenancy Acknowledgement to Gatti;
 - c) on January 22, 2020, Gatti advised the Receiver that, notwithstanding the Co-Tenancy Acknowledgment, it would only commence discussions regarding the terms of a new lease after the Receiver obtains a Court order vesting out the interest of CEDV from the Novacare lease; and
 - d) on January 24, 2020, Gatti advised the Receiver and GSNH that until such time as the Novacare Landlord has full control of the lease, it will not enter any form of negotiation with the Purchaser.
8. A copy of the Receiver's correspondence with Gatti is provided in Appendix "F".
9. Given the above, the Receiver is seeking to assign the Company's existing Novacare Lease to the Purchaser. This is acceptable to the Purchaser. The Purchaser and the Novacare Landlord can negotiate a new lease thereafter if that is what they decide to do. The Receiver believes this assignment is appropriate for the following reasons:
- a) The Purchaser is a pharmacist operating approximately 30 locations, the majority of which have been operating for ten years and more;
 - b) The Purchaser satisfied due diligence performed by the Walpole landlord;
 - c) The Receiver has no reason to believe the Purchaser cannot or will not perform its obligations under the Novacare Lease;
 - d) Neither the Novacare Landlord nor Gatti have indicated they have any concerns with the Purchaser itself and in fact have indicated they are "happy" to discuss the Novacare location with the Purchaser once the certainty of the tenant/co-tenant arrangement is addressed;
 - e) There are no outstanding monetary defaults under the Novacare Lease of which the Receiver is aware; and
 - f) The assignment of the Novacare Lease is a key condition for that sale – without the Novacare Lease, the Transaction for that location will not close.

4.2 Family Health East and Family Health West Lease

- 1. The status of these leases is discussed in Confidential Appendix "2".

4.3 Regulatory Approval

- 1. The sale of any pharmacy in Ontario is conditional on obtaining approval from the OCP and the Ministry of Health, as described above in Section 4.

2. The Receiver has been advised that to obtain approval from the OCP, OCP requires evidence of a new lease, or an assignment of an existing lease. The application for such approval can therefore only be made if this Court approves the Transactions and the Purchaser secures leases for the Novacare and Walpole locations.
3. The Receiver understands that the OCP approval process takes approximately one month.

4.4 Notice to Stakeholders

1. In addition to the parties on the service list, the Receiver intends to provide notice of this motion to:
 - a) all landlords or landlord's counsel;
 - b) PharmaChoice – pursuant to various “membership agreements”, PharmaChoice has a contractual right of first refusal for the sale of the assets or shares of the Debtor. Mr. Diena has advised the Receiver that PharmaChoice has waived its right to exercise its right of first refusal;
 - c) Spergel; and
 - d) All personal property security registrants.

4.5 Recommendation

1. The Receiver recommends that this Court approve the Transactions for the following reasons:
 - a) as detailed in the Pre-filing Report, the RSP carried out by KSV in advance of these proceedings canvassed a large number of parties on an orderly basis over a significant period of time. The process identified several strong offers;
 - b) upon its appointment, the Receiver re-engaged with certain interested parties on the basis set out in the Pre-filing Report. In the Receiver's opinion, the Purchaser submitted the best offer in the RSP;
 - c) ECN, the Company's largest secured creditor, supports the Transactions;
 - d) the value of the offer is significant – the APA needs to be closed in stages due largely to issues related to the Company's leases;
 - e) the Purchaser's Principal is knowledgeable about the pharmacy business. The Receiver understands that he directly or indirectly owns approximately 30 pharmacies and medical centers;
 - f) the reduction in the value of the Transactions versus the offer submitted by the Purchaser in the RSP is justified due to the issues that have been identified since the completion of the RSP;

- g) the Transactions are expected to preserve employment for a substantial number of the Company's employees on terms similar to those currently in place;
 - h) completion of the sale of Walpole and Novacare will reduce receivership costs and professional fees and can be completed outside of the transactions for Family Health East and Family Health West; and
 - i) the Receiver does not believe that further time spent marketing the Company's business and assets will result in a superior transaction.
2. The Receiver also recommends that the Court issue an Order assigning the Novacare lease to the Purchaser as it is integral to completing the sale of that location.

4.6 Sealing

1. The Receiver recommends that the details regarding the marketing process undertaken by KSV in the RSP, the unredacted version of the APA and the confidential appendix related to the two other leases be filed with the Court on a confidential basis and remain sealed pending further order of the Court. The availability of this information to other parties may negatively impact any future sale process for the Company's business and assets if the transactions do not close. The information in the appendices also contains confidential information concerning certain of the Company's business and assets that are not related to the Transactions. The Receiver is concerned that if this information is made public at this time, that portion of the APA may be put at risk. The Receiver does not believe that any stakeholder will be prejudiced if the information is sealed.

5.0 Grace Diena

1. Ms. Diena is a secured guarantor of 2345's indebtedness under the ECN Facility.
2. Pursuant to a forbearance agreement dated July 17, 2019 (the "Forbearance Agreement"), Ms. Diena acknowledged, among other things, the Notices of Intention to Enforce Security issued by ECN pursuant to section 244 of the *Bankruptcy and Insolvency Act* and consented to the appointment of a receiver over the Company and herself. A copy of the Forbearance Agreement is provided in Appendix "G".
3. Ms. Diena is also a guarantor of Abira's indebtedness to TD, which is unsecured. Pursuant to a letter dated February 13, 2020, TD demanded repayment from Ms. Diena of the amounts owing by Abira.
4. ECN has advised the Receiver that it will be bringing a motion to expand the Receivership Order to include Ms. Diena for the purposes of, among other things:
 - seeking a stay of proceedings applying against her;
 - preventing her from disposing, selling or encumbering any of her assets;

- allowing the Receiver to investigate her financial situation, including the assets that she owns or owned, directly or indirectly⁶; and
 - authorizing the Receiver to register the Receivership Order on title to any real property that she owns.
5. If appointed over Ms. Diena, the Receiver would require that within ten business days she disclose all assets she owns and list any assets that she has disposed of within the last five years.
 6. The Receiver believes that the relief being sought by ECN is appropriate in light of Ms. Diena's secured guarantee of the amounts owing to ECN, as described in this Report. Accordingly, the Receiver recommends that this Court expand the Receivership Order to include Ms. Diena.

6.0 Receiver's Activities

1. In addition to the activities summarized in this Report, the Receiver's activities since commencement of these proceedings have included:
 - Attending at each of the Pharmacies and advising the pharmacists of the Receiver's appointment;
 - Meeting and corresponding regularly with Mr. Diena regarding the operations of the Pharmacies;
 - Corresponding on a near-daily basis with the pharmacists regarding the operation of the Pharmacies;
 - Dealing with the Company's vendors and arranging terms to, among other things, purchase inventory;
 - Assisting the Company to prepare a response to an examination conducted by the OCP;
 - Reviewing daily transaction reports provided by the Pharmacies;
 - Reviewing pharmacist scheduling at the Pharmacies;
 - Dealing with the bi-weekly payroll and contractor payments related to the Pharmacies;
 - Corresponding with the Company's insurance agent regarding the Company's policies;
 - Preparing rolling four-week projected cash flow forecasts;

⁶ This may include the Grace Family Trust (the "Trust"). The Receiver presently has limited information on the ownership and structure of the Trust, including the assets it holds and its beneficiaries.

- Comparing weekly budget-to-actual results;
- Corresponding with Canada Revenue Agency regarding the Company's payroll and sales tax accounts;
- Arranging for the Company's obsolete computers to be replaced at each of the Pharmacies;
- Assisting the Pharmacies to prepare job postings and deal with new hires;
- Attending at Abira's location;
- Reviewing historical financial information related to Abira;
- Meeting with Mr. Diena to discuss recent changes to Abira's business and the loss of certain contracts;
- Dealing with TD concerning the Abira business and receivership;
- Corresponding with the Ministry of Health (Ontario) regarding Abira's account and monthly payments subject to a garnishment order by a judgment creditor;
- Arranging for Abira's judgment creditor to pay to the Receiver certain amounts the judgement creditor received following the date of the Receivership Order;
- Providing updates to ECN on, among other things, the status of these proceedings;
- Preparing the Receiver's First Report dated January 16, 2020;
- Preparing the Receiver's Confidential Update dated January 30, 2020; and
- Preparing this Report.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(i) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
THE PROPERTIES, ASSETS AND UNDERTAKINGS OF
RANDO DRUGS LTD. AND RELATED COMPANIES
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “D”

AGREEMENT OF PURCHASE AND SALE**BETWEEN**

**KSV KOFMAN INC., solely in its capacity as
receiver of the property, assets and undertaking of
Rando Drugs Ltd. and related companies
and not in its personal capacity**

– and –

**2258156 ONTARIO INC.
as Buyer**

DECEMBER 18, 2019

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is dated as of December 18, 2019

B E T W E E N :

KSV KOFMAN INC., solely in its capacity as receiver of the property, assets and undertaking of Rando Drugs Ltd. and related companies and not in its personal capacity

(the "**Receiver**")

- and -

2258156 ONTARIO INC., a corporation existing under the laws of Ontario

(the "**Buyer**")

CONTEXT:

- A.** On December 4, 2019, the Ontario Superior Court of Justice (the "**Court**") granted an order (the "**Appointment Order**") appointing KSV Kofman Inc. as the Receiver of the property, assets and undertaking of the Debtor (defined below).
- B.** Pursuant to the Appointment Order, the Court approved a sale process to be conducted by the Receiver for the sale of the Purchased Assets (defined below).
- C.** The Receiver wishes to sell and the Buyer wishes to purchase the Purchased Assets (as defined below) upon and subject to the terms and conditions of this Agreement.

THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties (as defined below), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement the following terms have the following meanings:

- 1.1.1 "**Agreement**" means this agreement of purchase and sale, including all Schedules and Exhibits, as it may be supplemented, amended, restated or replaced from time to time by written agreement between the Parties.

- 1.1.2 “**Applicable Law**” means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, order and policies of any Governmental Authority having authority over that Person, property, transaction or event.
- 1.1.3 “**Appointment Order**” has the meaning given to it in the Recitals.
- 1.1.4 “**Approval and Vesting Order**” has the meaning given in Section 6.3.1.
- 1.1.5 “**Assumed Obligations**” means all obligations and liabilities of the Debtor under the Contracts and in respect of the Transferred Employees.
- 1.1.6 “**Books and Records**” means all business and financial records and files of the Business including patient files, in hard and soft copy, including the general ledger and accounting records relating to the Business, marketing materials, market research, all customer lists and lists of suppliers, customer records and databases, leases, sub-leases and leasing records, Contracts records, information relating to any tax imposed on the Purchased Assets, patient records, prescription information, and all of the right, interest and benefit, if any, thereunder and to and in the domain names, telephone numbers and facsimile numbers used by the Debtor in the conduct of the Business; provided, however, that the Receiver may retain copies of all books and records included in the Purchased Assets to the extent necessary or useful for the administration of the receivership proceedings or any other proceedings in respect of any of the Debtor or the filing of any tax return or compliance with any Applicable Law or the terms of this Agreement or related to the Excluded Assets.
- 1.1.7 “**Business**” means each of the pharmacy Stores business of the Debtor.
- 1.1.8 “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- 1.1.9 “**Canadian Dollars**” or “**CAD \$**” each means the currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment or determination of public or private debts.
- 1.1.10 “**Closing**” means the successful completion of the Transaction.
- 1.1.11 “**Closing Date**” means March 31, 2020 or such earlier date as the Parties may agree in writing.
- 1.1.12 “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.

- 1.1.13 “**Confidentiality Agreements**” means the confidentiality agreements entered into between the Receiver (or its affiliate) and the Buyer dated as of August 28, 2019 and December 4, 2019, as each may be amended, restated, amended and restated, modified, supplemented or replaced from time to time.
- 1.1.14 “**Contracts**” means the agreements and licenses identified by the Buyer to be included as Purchased Assets no later than January 31, 2020 or such later date as the Receiver may agree to.
- 1.1.15 “**Court**” means the Ontario Superior Court of Justice (Commercial List).
- 1.1.16 “**Debtor**” means Rando Drugs Ltd.
- 1.1.17 “**Deposit**” has the meaning given to it in Section 2.8.2.
- 1.1.18 “**Excluded Assets**” means any assets of the Debtor not included as part of this Transaction including, without limitation, any entitlement to the shares of the Pre-1954 Charter Company or right to take advantage of the Pre-54 Exemption, any accounts receivable and cash or cash equivalents, intercompany receivables, deposits, HST receivables, tax refunds, claims, insurance or insurance claims under any of the Debtor’s insurance policies, any contracts not included in the Contracts.
- 1.1.19 “**Family Health East**” means the Debtor’s store located at 6720 Hawthorne Drive, Windsor, ON N8T 1J9.
- 1.1.20 “**Family Health West**” means the Debtor’s store located at 1604 Tecumseh Road West, Windsor, ON N9B 1T8.
- 1.1.21 “**Fixed Assets**” means all fixed assets, machinery, equipment, computers, furniture, furnishings and vehicles owned by the Debtor and currently located at the Leased Locations other than any Excluded Assets.
- 1.1.22 “**Governmental Authority**” means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled or purporting to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
- 1.1.23 “**Information**” has the meaning given to that term in the Confidentiality Agreements.
- 1.1.24 “**Initial Deposit**” has the meaning given in Section 2.8.1.
- 1.1.25 “**Inventory**” means the inventory, including without limitation all generic and brand name prescription drugs, over the counter drugs and other sundries sold at the Leased

Locations, which have been acquired from licensed providers registered under the laws of Canada.

- 1.1.26 “**Inventory Amount**” has the meaning given to it in Section 2.7.
- 1.1.27 “**Landlord Approvals**” has the meaning given to it in Section 6.1.2.
- 1.1.28 “**Leased Locations**” means the Debtor’s leased locations for Family Health East, Family Health West, Novacare and Walpole or any one or more of them.
- 1.1.29 “**Location Allocations**” has the meaning given to it in Section 2.6.
- 1.1.30 “**Novacare**” means the Debtor’s store located at 3A-1275 Walker Rd., Windsor, ON N8Y 2N9.
- 1.1.31 “**Purchased Assets**” has the meaning given to it in Section 2.1.
- 1.1.32 “**Parties**” means the Receiver and the Buyer, and “**Party**” means either one of them.
- 1.1.33 “**Permitted Encumbrances**” means:
- 1.1.33.1 unregistered liens for municipal taxes, assessments or similar charges incurred by the Debtor in the ordinary course of its business that are not yet due and payable or, if due and payable, are to be adjusted between the Receiver and the Buyer on Closing;
 - 1.1.33.2 inchoate mechanic’s, construction and carrier’s liens and other similar liens arising by operation of law or statute in the ordinary course of the Debtor’s business for obligations which are not delinquent and will be paid or discharged in the ordinary course of the Debtor’s business.
- 1.1.34 “**Person**” means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority.
- 1.1.35 “**Pre-54 Exemption**” means the exemption under Section 142(4) of the Ontario *Drug and Pharmacies Regulation Act*.
- 1.1.36 “**Pre-1954 Charter Company**” means Rando Drugs Ltd. or such other company subject to the Receivership that was incorporated prior to 1954 and is able to take advantage of the Pre-54 Exemption.
- 1.1.37 “**Purchase Price**” means has the meaning given to it in Section 2.6.
- 1.1.38 “**Purchased Assets**” means the Debtor’s right, title and interest in and to:

- 1.1.38.1 all machinery, equipment, furniture, furnishings, computers, accessories and supplies of the Business;
 - 1.1.38.2 all patient records;
 - 1.1.38.3 Contracts;
 - 1.1.38.4 Books and Records;
 - 1.1.38.5 all Inventory;
 - 1.1.38.6 all leasehold improvements;
 - 1.1.38.7 all goodwill of the Leased Locations including all trade-marks, trade names whether registered or unregistered, copyright, artwork, designs, licenses, customer lists and records, prescription files, software, franchises and processes used in connection with the Business together with the exclusive right of the Purchaser to represent itself as carrying on business in succession to the Debtor, and including the continuous right to use the business name currently in place at the Leased Locations;
 - 1.1.38.8 the full benefit of all unfilled orders received by the Debtor in connection with the Business and all other contracts, engagements, and commitments to which the Receiver and the Business are entitled, including the full benefit of all forward commitments by the Debtor and the Business for supplies or materials;
 - 1.1.38.9 the exclusive right to the continuing use of the Debtor's existing telephone and facsimile numbers and any domain and internet websites and email addresses; and
 - 1.1.38.10 the benefit of all warranties and warranty rights (implied, express or otherwise) against manufacturers or sellers which apply to any of the assets being purchased hereunder.
- 1.1.39 "**Receiver**" has the meaning given to it in the Introduction.
 - 1.1.40 "**Receiver's Certificate**" means the Receiver's Certificate attached to the Approval and Vesting Order to be delivered as evidence of Closing.
 - 1.1.41 "**Shares**" has the meaning given to it in Section 3.1.1.
 - 1.1.42 "**Stores**" means the pharmacy stores located at the Leased Locations.
 - 1.1.43 "**Time of Closing**" means the time on which the Transaction or Transactions closes on the Closing Date or such other time on the Closing Date as the Parties may mutually agree.

- 1.1.44 “**Transaction**” means the transaction or transactions of purchase and sale contemplated by this Agreement.
- 1.1.45 “**Transferred Employees**” has the meaning given to it in Section 4.1.
- 1.1.46 “**Walpole**” means the Debtor’s store located at 785 Tecumseh Road #16, Walpole Island, N8A 4K9.

1.2 Entire Agreement

This Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, other than the provisions of the Confidentiality Agreements, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or the other agreements and documents delivered pursuant to this Agreement. This Agreement may not be amended or modified in any respect, except by written instrument signed by the Parties.

1.3 Time of Day

Unless otherwise specified, references to time of day or date mean the local time or date in the City of Toronto, Province of Ontario.

1.4 Business Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.

1.5 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

1.6 Certain Rules of Interpretation

- 1.6.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.
- 1.6.2 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

- 1.6.3 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless the context requires otherwise.
- 1.6.4 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- 1.6.5 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute, and is to be construed as a reference to that statute as amended, supplemented or replaced.
- 1.6.6 Whenever an amount of money is referred to in this Agreement, that amount will, unless otherwise expressly stated, be in Canadian Dollars.

1.7 Schedules and Exhibits

The following is a list of Schedules and Exhibits:

Schedule	Subject Matter	Section Reference
A.	Allocation of Purchase Price	2.10
Exhibit 1	Approval and Vesting Order	6.3.1

ARTICLE 2 SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Assets

Subject to the terms and conditions of this Agreement, and relying upon the representations and warranties herein, at the Closing Time upon the Closing Date, the Receiver hereby agrees to sell, assign, convey and transfer to the Buyer and the Buyer hereby agrees to purchase all right, title and interest of the Debtor in and to all of the Purchased Assets.

The Buyer acknowledges that it is not purchasing any other assets, property or undertaking of the Debtor other than the Purchased Assets including, without limitation, the Excluded Assets.

2.2 Assignment and Assumption of Contracts

Subject to the conditions and terms of this Agreement, the Receiver will assign to the Buyer all of the Debtor's rights, benefits and interests in and to the Contracts and the Buyer will assume the Assumed Obligations. This Agreement and any document delivered under this Agreement will not

constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Buyer under this Agreement which is not assignable without the consent of a third party if that consent has not been obtained and that assignment or attempted assignment would constitute a breach of such Contract or, in the alternative, if an order of the Court authorizing and approving the assignment of the Contracts to the Buyer has not been obtained.

The Buyer covenants and agrees to use its best efforts to obtain all necessary consents, to its sole and unfettered satisfaction, including, in particular, obtaining all necessary Landlord Approvals and any and all regulatory approvals as quickly as possible after the execution of this Agreement but in any event no later than the dates provided for in Sections 6.1.2 and 6.1.3.

2.3 Assumed Obligations

In connection with its acquisition of the Purchased Assets, the Buyer will assume the Assumed Obligations, on Closing. On Closing, to the extent necessary, the Buyer will enter into an assumption agreement in form and substance satisfactory to the Receiver. The Buyer agrees to pay all necessary costs for curing any defaults, paying any arrears, or performing any obligations under or with respect to the assignment of Contracts and Assumed Obligations.

2.4 Excluded Obligations

Other than the Assumed Obligations, the Buyer will not assume and will not be liable for any other liabilities or obligations of the Debtor.

2.5 “As is, Where is”

The Buyer acknowledges that the Receiver is selling the Purchased Assets on an “as is, where is” basis as they exist on the Closing Date, and that as of the Closing Date, the Receiver will have no further liability to the Buyer. The Buyer further acknowledges that it has entered into this Agreement on the basis that the Receiver does not guarantee title to the Purchased Assets and that the Buyer has conducted any inspections of the condition of and title to the Purchased Assets that it deemed appropriate, and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality, assignability or in respect of any other matter or thing concerning the Purchased Assets or the right of the Receiver to sell them, save as expressly represented or warranted in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply to this transaction of purchase and sale and have been waived by the Buyer. The description of the Purchased Assets contained in the Schedules is for purposes of identification only. No representation, warranty or condition has or will be given by the Receiver concerning the completeness or accuracy of those descriptions.

2.6 Purchase Price

Subject to adjustments, the purchase price for the Purchased Assets shall be \$5 million broken down as follows (“**Location Allocations**”):

- 2.6.1.1 \$ [REDACTED] in respect of Family Health East;
- 2.6.1.2 \$ [REDACTED] in respect of Family Health West;
- 2.6.1.3 \$1.1 million in respect of Novacare; and
- 2.6.1.4 \$500,000 in respect of Walpole,

PLUS the Inventory Amount (the "**Purchase Price**").

2.7 Inventory

The Buyer shall pay the following amounts for Inventory (the "**Inventory Amount**"):

- 2.7.1.1 50% of cost for generic prescription drugs;
- 2.7.1.2 96% of cost for brand name prescription drugs; and
- 2.7.1.3 100% of cost for all over the counter medicine and sundry items.

2.8 Payment of the Purchase Price

The Buyer will pay the Purchase Price to the Receiver as follows:

- 2.8.1 the sum of \$ [REDACTED], representing 10% of the Purchase Price (net of the Inventory Amount), the receipt of which the Receiver acknowledges, will be paid by the Buyer upon execution of this Agreement as a deposit (the "**Initial Deposit**") to be held by the Receiver in trust until the Closing and will be credited toward the Purchase Price upon Closing;
- 2.8.2 an additional sum of \$ [REDACTED], representing 5% of the Purchase Price (net of the Inventory Amount), which shall be paid by the Buyer upon the earlier of (a) January 31, 2020 and (b) obtaining Landlord Approvals, unless the Buyer advises the Receiver it no longer intends to pursue a Closing for a particular Leased Location, as an additional deposit (the "**Additional Deposit**" and together with the Initial Deposit, the "**Deposit**") to be held by the Receiver in trust until the Closing and will be credited toward the Purchase Price upon Closing; and
- 2.8.3 with respect to the Closing of any or all Leased Locations, the balance of the Location Allocation and Inventory Amount will be paid on Closing after applying that portion of the Deposit that is 15% of the Location Allocation and the remainder of the Deposit shall continue to be held by the Receiver in accordance with the terms of this Agreement.

The Receiver agrees to cause the Deposit to be placed into a non-interest bearing account or certificate of deposit. All amounts payable to the Receiver shall be by way of wire transfer (to a bank account specified by the Receiver) or such other form of deposit as is acceptable to the

Receiver. The Buyer acknowledges and agrees that the Deposit is non-refundable except as provided under Section 7.7.

2.9 Calculation of the Inventory Amount

2.9.1 The Buyer agrees that Inventory Amount shall be calculated based on an inventory count as existing at one (1) Business Day prior to the Closing Date and adjusted by no later than fifteen (15) days following closing for sales and receipts of Inventory, if any, between the date of the inventory count and the Closing Date.

2.9.2 In arriving at the Inventory valuation, the Receiver agrees to use the services of a qualified independent inventory counting firm, acceptable to the Buyer acting reasonably.

2.9.3 It is expressly acknowledged and agreed that both the Receiver and the Buyer are entitled to participate in the Inventory valuation conducted by such independent inventory counting firm, provided that the cost of the firm shall be shared equally by the Receiver and the Buyer.

2.10 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets in accordance with Schedule B.

2.11 Taxes

2.11.1 The Buyer will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes eligible in connection with the purchase and sale of the Purchased Assets, including harmonized sales tax and any other provincial sales tax, and shall provide the Receiver with proof of payment of such taxes. Alternatively, where applicable, the Buyer will have the option to furnish the Receiver with appropriate exemption certificates.

2.11.2 The Buyer agrees to indemnify and save the Receiver harmless from and against all claims and demands for payment of all applicable taxes in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

ARTICLE 3 THE CHARTER

3.1 Conveyance of the Charter

3.1.1 The Buyer, or its assign, hereby agrees and hereby makes this binding offer to purchase the shares of the Pre-1954 Charter Company (the "Shares"). For greater certainty, reference to the "Shares" may include the issuance of new shares in the Pre-1954

Charter Company and do not necessarily mean the currently existing and outstanding shares of the Pre-1954 Charter Company provided that if such shares are not transferred to the Buyer, they will be cancelled upon the issuance of new shares in the Pre-1954 Charter Company.

- 3.1.2 The purchase price for the Shares is \$ [REDACTED].
- 3.1.3 The Buyer acknowledges that the sale of the Shares shall be subject to the Receiver's determination that a proposal is appropriate in accordance with applicable law and may be a separate transaction than the sale of the Purchased Assets hereunder effected through a proposal or other restructuring of the Pre-1954 Charter Company.
- 3.1.4 The Buyer hereby agrees as follows:
- 3.1.4.1 Upon the Closing of the sale of the Purchased Assets, the Buyer will provide a deposit of \$ [REDACTED] (the "**Charter Sale Deposit**") to the Receiver to be held in trust on the same terms as provided for in Section 2.8 in respect of the Deposit;
- 3.1.4.2 The Deposit shall be applied to the final purchase price for the Pre-1954 Charter Company on the closing of such sale;
- 3.1.4.3 The Deposit shall be refundable only if closing does not occur due to the breach by the Receiver of its obligations to complete the sale;
- 3.1.4.4 The Buyer and the Receiver will negotiate the applicable sale documents for the sale of the Shares in good faith;
- 3.1.4.5 The Pre-1954 Charter Company shall be conveyed free and clear of all encumbrances other than Permitted Encumbrances and the Buyer shall have received confirmation from the Ontario College of Pharmacist that the Pre-1954 Charter Company continues to qualify for the Pre-54 Exemption; and
- 3.1.4.6 The Buyer and the Receiver will work to complete a transfer of the Pre-1954 Charter Company within 90 days of the Closing Date.

ARTICLE 4 EMPLOYEES

4.1 Employees

Within ten (10) Business Days of the Buyer advising the Receiver it has obtained a Landlord Approval for a particular Leased Location, the Buyer shall provide a list to the Receiver of those employees of the Debtor at that Leased Location it wishes to offer employment on terms and conditions that are substantially similar and no less favourable to those that they currently enjoy. The employees who accept the Buyer's offer shall be referred to as the "**Transferred Employees**".

The Buyer shall assume and be responsible for all liabilities and obligations with respect to the Transferred Employees following the Closing Date, including, but not limited to, any required notice of termination, termination or severance pay (required under Applicable Law or under any Contract), employment insurance, workplace safety and insurance/workers' compensation, Canada Pension Plan, salary or wages, vacation pay, overtime pay, payroll or employer health Taxes, commissions, bonuses or vacation entitlements and accruals. The Buyer shall also assume and be responsible for any vacation pay or wage liability with respect to the Transferred Employees, whether accruing or arising prior to or following the Closing Date.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Buyer's Representations and Warranties

The Buyer represents and warrants to the Receiver that:

- 5.1.1 the Buyer is a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario;
- 5.1.2 the Buyer has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Buyer;
- 5.1.3 the Buyer is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained in this Agreement;
- 5.1.4 to the best of the Buyer's knowledge, no actions or proceedings are pending or have been threatened to restrain or prohibit the completion of the Transaction;
- 5.1.5 this Agreement and each of the other documents contemplated under this Agreement to which the Buyer is or will be a Party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Buyer and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Buyer, as the case may be, enforceable in accordance with their terms;
- 5.1.6 the Buyer is not a non-Canadian person as defined in the *Investment Canada Act*; and
- 5.1.7 the Buyer is or will be registered under Part IX of the *Excise Tax Act* (Canada) on or before the Time of Closing.

5.2 Receiver's Representations and Warranties

The Receiver represents and warrants to the Buyer that:

- 5.2.1 the Receiver has the right to enter into this Agreement and complete the Transaction;
- 5.2.2 the Receiver is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- 5.2.3 the Receiver has done no act to encumber the Purchased Assets other than allowing charges created pursuant to Permitted Encumbrances to exist or be formed in the ordinary course;
- 5.2.4 the Receiver has not previously sold or done any act to encumber the Purchased Assets; and
- 5.2.5 to the best of the Receiver's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

ARTICLE 6 CONDITIONS

6.1 Conditions in favour of the Buyer

The obligation of the Buyer to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or prior to the Time of Closing:

- 6.1.1 all representations and warranties of the Receiver contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;
- 6.1.2 on or before January 31, 2020, the Buyer will have obtained consents by the landlords of the Leased Locations to assignment of the applicable leases including options to extend for up to 10 years or new leases for the Leased Locations ("**Landlord Approvals**") to the Buyer's sole and unfettered satisfaction. Landlord Approvals for all Leased Locations is a requirement for the Buyer;
- 6.1.3 on or before February 28, 2020, the Buyer will have obtained a new certificate of accreditation by the Ontario College of Pharmacists for the Leased Locations;
- 6.1.4 on or before January 31, 2020, the Buyer shall have had access to the Purchased Assets in accordance with the provisions of Section 7.5 to review and conduct its due diligence investigation, including but not limited to financial review, of the Purchased Assets to its sole and unfettered satisfaction;
- 6.1.5 on or before January 31, 2020, the Buyer shall have had access in accordance with the provisions of Section 7.5 to observe the operations during business hours to the Buyer's sole and unfettered satisfaction;

- 6.1.6 on or before February 28, 2020, the Buyer will have obtained new billing privileges for all Leased Locations under the Ontario Drug Benefit Plan with the Ministry of Health (Ontario) and all third party payors of the Leased Locations;
- 6.1.7 on or before February 28, 2020, the Buyer will have obtained new wholesale accounts to purchase Inventory after the Closing Date;
- 6.1.8 no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- 6.1.9 the Receiver will have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- 6.1.10 the Receiver shall provide confirmation that effective on closing the Purchased Assets are not subject to any banner agreement or future purchasing obligations;
- 6.1.11 upon waiver of the conditions above, the Receiver and the Buyer will work together to allow the Business to operate in the normal course until the Closing Date to ensure the preservation of the Purchased Assets; and
- 6.1.12 no material loss or damage to the Purchased Assets when taken as a whole will have occurred on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Buyer. Any condition may be waived by the Buyer in whole or in part. Any such waiver will be binding on the Buyer only if made in writing.

6.2 Conditions in favour of the Receiver

The obligation of the Receiver to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or prior to the Time of Closing:

- 6.2.1 all representations and warranties of the Buyer contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;
- 6.2.2 no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- 6.2.3 the Landlord Approvals and certificate of accreditation by the Ontario College of Pharmacists shall have been obtained by the Buyer by the dates set out in Sections 6.1.2 and 6.1.3 above;
- 6.2.4 the Buyer will have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- 6.2.5 no material loss or damage to the Purchased Assets when taken as a whole will have occurred on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Receiver. Any condition may be waived by the Receiver in whole or in part. Any such waiver will be binding on the Receiver only if made in writing.

6.3 Conditions—Approval and Vesting Order

The obligations of the Receiver and Buyer to complete the Transaction are subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- 6.3.1 an order will have been made by the Court on or before March 13, 2020 approving this Agreement and the Transaction and vesting in the Buyer all the right, title and interest of the Debtor in the Purchased Assets free and clear of all liens, security interests and other encumbrances, such order to be substantially in the form of the order attached as Exhibit 1 (the “**Approval and Vesting Order**”); and
- 6.3.2 the Approval and Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction.

For greater certainty, the Receiver shall have no obligation to bring a motion or motions for the Approval and Vesting Order until such time as the conditions in Section 6.1.2 and 6.1.3 have been satisfied by the Buyer for any of the Leased Locations. The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Receiver and the Buyer.

6.4 Non-Satisfaction of Conditions

Subject to the right of the Buyer to request an extension in Section 7.8, if any condition set out in this Article is not satisfied or performed prior to the time specified therefor, a Party for whose benefit the condition is inserted may in writing:

- 6.4.1 waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part;
- 6.4.2 without limiting the generality of the Section 6.4.1, in the event that the consents or new leases are obtained for some but not all Leased Locations as provided for in Section 6.1.2 and 6.2.3, the Parties may but are not obliged to close the sale of those Leased Locations only for the Location Allocation for the Leased Locations set out in Section 2.6 plus the applicable Inventory Amount; or
- 6.4.3 elect on written notice to the other Party to terminate this Agreement before Closing.

ARTICLE 7 CLOSING

7.1 Closing

The completion of the Transaction will take place on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing. If an in person closing is required it will take place at the offices of Goldman Sloan Nash & Haber LLP or as otherwise mutually agreed by the Parties.

7.2 Buyer's Deliveries on Closing

At or before the Time of Closing, the Buyer will execute and deliver to the Debtor the following, each of which will be in form and substance satisfactory to the Debtor, acting reasonably:

- 7.2.1 payment of the balance of the Purchase Price as contemplated in Section 2.8.3;
- 7.2.2 one or more bills of sale;
- 7.2.3 a certificate dated the Closing Date, confirming that all of the representations and warranties of the Buyer contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- 7.2.4 a certificate dated the Closing Date, confirming that each of the conditions precedent in Section 6.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date and all other confirmations required by the Receiver's Certificate;
- 7.2.5 if necessary, payment or evidence of payment of applicable taxes or, if applicable, appropriate tax exemption certificates in accordance with Section 2.11;
- 7.2.6 an assumption agreement as contemplated by Section 2.2 and 2.3; and
- 7.2.7 any other documentation as is referred in this Agreement or as the Receiver may reasonably require to give effect to this Agreement or required by Applicable Law or any Governmental Authority.

7.3 Receiver's Deliveries on Closing

At or before the Time of Closing, the Receiver will execute and deliver to the Buyer the following, each of which will be in form and substance satisfactory to the Buyer, acting reasonably:

- 7.3.1 One or more bills of sale;
- 7.3.2 the Approval and Vesting Order;

- 7.3.3 a certificate dated the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- 7.3.4 a certificate dated the Closing Date confirming that each of the conditions precedent in Section 6.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- 7.3.5 any other documentation as is referred in this Agreement or as the Buyer may reasonably require to give effect to this Agreement.

7.4 Possession of Assets

The Receiver and/or the Debtor will remain in possession of the Purchased Assets until the Time of Closing. On Closing of one or more of the Leased Locations, the Buyer will take possession of the Purchased Assets (or portion thereof it is purchasing) where situate at the Time of Closing. The Buyer acknowledges that the Receiver has no obligation to deliver physical possession of the Purchased Assets to the Buyer. In no event will the Purchased Assets be sold, assigned, transferred or set over to the Buyer until the Buyer has satisfied all delivery requirements outlined in Section 7.2.

7.5 Access to Assets

- 7.5.1 The Buyer may have reasonable access to the Purchased Assets including to the Leased Locations, employees and Books and Records during normal business hours prior to the Time of Closing for the purpose of enabling the Buyer to conduct any inspections of the Purchased Assets as it deems appropriate. Those inspections will only be conducted in the presence of a representative of the Receiver if so required at the discretion of the Receiver. For greater certainty, all communications and approvals to obtain access shall go through the Receiver, in advance.
- 7.5.2 The Buyer agrees to indemnify and save the Receiver harmless from and against all claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the inspection of the Purchased Assets or the attendance of the Buyer, its employees contractors or agents.

7.6 Risk

The Purchased Assets will be and remain at the risk of the Receiver until Closing and at the risk of the Buyer from and after Closing. If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Buyer may decline to complete the Transaction. This option will be exercised by way of written notification, in accordance with Section 8.6, within 10 days after notification to the Buyer by the Receiver of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this Agreement will be terminated automatically and the Buyer will be entitled only to a return of the Deposit paid under Section 2.8.1

but without any other compensation. If the Buyer does not exercise this option, it will complete the Transaction and will be entitled to an assignment of the proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, as determined by the Receiver in its sole opinion, acting reasonably, the Buyer will complete the Transaction and will be entitled to an assignment of the proceeds of insurance referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement.

7.7 Termination

If either the Receiver or the Buyer validly terminates this Agreement under the provisions of Sections 6.4 or 7.6:

- 7.7.1 all the obligations of both the Receiver and Buyer under this Agreement will be at an end; and
- 7.7.2 neither Party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

The Deposit will be forfeited to the Receiver unless termination results from the Buyer not waiving the conditions set out in Section 6.1 or the Receiver not satisfying the conditions in Sections 6.2.3 or 6.3 in which case the Deposit shall be refunded to the Buyer upon termination of the Agreement.

7.8 Closing of the Transaction

For greater certainty, in the event that the Parties agree to proceed with the Closing of some but not all of the Leased Locations in accordance with Section 6.4.2, then this Agreement shall be interpreted in a manner consistent with that fashion provided that so long as the Buyer intends to pursue Transactions for the remaining Leased Locations, the Receiver shall always hold a Deposit equal to 15% of the Location Allocations for pending Closings. The Parties agree upon request from the Buyer in writing, the Receiver shall agree to extend the Closing Date for any Leased Locations for which the Buyer has received Landlord Approval to allow the Buyer to satisfy the balance of the conditions in Section 6.1 provided that the Receiver shall not be obligated to extend the deadline for the Buyer to satisfy such conditions beyond March 31, 2020.

7.9 Structure of Transaction

The Parties agree that in the event that in the discretion of the Receiver, any or all of this Transaction may be structured through a proposal made by the Receiver to the creditors of the Debtor so long as the financial obligation of the Buyer with respect to the Deposit and the Purchase Price and the conditions set out in Article 6 shall continue to apply.

7.10 Breach by Buyer

If the Buyer fails to comply with its obligations under this Agreement, the Receiver may by notice to the Buyer elect to treat this Agreement as having been repudiated by the Buyer. In that event, other than as provided for in Section 7.7, the Deposit and any other payments made by the Buyer will be forfeited to the Receiver on account of its liquidated damages, and the Purchased Assets may be resold by the Receiver. In addition, the Buyer will pay to the Receiver, on demand, the deficiency, if any, arising upon such resale (after deducting the Deposit, the Interest on the Deposit and the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Buyer.

ARTICLE 8 GENERAL

8.1 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 by the Receiver in connection with this Transaction or this Agreement, the provisions of this Agreement will prevail to the extent of that conflict or inconsistency.

8.2 Commission

The Buyer acknowledges that it has not entered into any agreement with any party resulting in an obligation by the Receiver to pay agent fees, broker fees, commissions or other amount payable on the Purchase Price or otherwise in connection with the Transaction, and the Buyer agrees to indemnify the Receiver against any claim for compensation or commission by any third party or agent retained by the Buyer in connection with, or in contemplation of, the Transaction.

8.3 Confidentiality

All information exchanged between the Receiver and the Buyer in connection with the Transaction will be considered Information. For certainty, the Confidentiality Agreements will continue to be in effect until Closing. Any publicity relating to the Transaction and the manner of releasing any information regarding the Transaction will be mutually agreed upon by the Receiver and the Buyer, both Parties acting reasonably provided that the Receiver shall be entitled to disclose information regarding the Transaction for the purposed of seeking the Approval and Vesting Order.

8.4 Costs and Expenses

Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, legal counsel and other professional advisers) incurred in connection with this Agreement and the completion of the Transaction are to be paid by the Party incurring those costs and expenses.

8.5 Time of Essence

Time is of the essence in all respects of this Agreement.

8.6 Notices

Any Communication must be in writing and either:

- 8.6.1 personally delivered;
- 8.6.2 sent by prepaid registered mail; or
- 8.6.3 sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Receiver at:

KSV Kofman Inc. in its capacity as receiver of
the property, assets and undertaking of
Rando Drugs Ltd., et. al.
150 King Street West
Suite 2308, Box 42
Toronto, Ontario, M5H 1J9

Attention: Bobby Kofman/ Eli Brenner
Email: bkofman@ksvadvisory.com/ ebrenner@ksvadvisory.com

with a copy to:

Goldman Sloan Nash & Haber LLP
480 University Ave., Suite 1600
Toronto, ON M5G 1V2

Attention: Jennifer Stam
Email: stam@gsnh.com

to the Buyer at:

Hesham Abdel Sayed
1619 Dundas Street
London, ON M5W 4P5
Email: heshamabdelsayed@gmail.com

with a copy to:

Saad Law Professional Corporation

4 Robert Speck Parkway, Suite 1210
Mississauga, Ontario L4Z 1S1

Attention: Peter Saad
Email: peter.saad@saadlaw.com

or at any other address that any Party may from time to time advise the other by Communication given in accordance with this Section 8.6. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication transmitted by PDF or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a day which is not a Business Day or after 3:00 p.m. (local time in the City of Toronto, Province of Ontario), the Communication will be deemed to have been received on the next Business Day). Any Communication given by registered mail will be deemed to have been received on the fifth (5th) Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be effected by personal delivery or by PDF or other form of electronic communication.

8.7 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide all assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

8.8 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

8.9 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter

have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province or that the subject matter of this Agreement may not be enforced in the courts and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 8.9, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

8.10 Capacity of Receiver

The Buyer acknowledges and agrees that the Receiver 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 circumstance shall have any personal liability hereunder.

8.11 Assignment and Enurement

Neither this Agreement nor any right or obligation under this Agreement may be assigned by either Party without the prior consent of the other Party. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, the Buyer may assign each of Family Health East, Family Health West, Novacare and Walpole to designated affiliates provided notice if given to the Receiver in advance of the motion for the Approval and Vesting Order.

8.12 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: the legality, validity or enforceability of the remaining provisions of this Agreement; or the legality, validity or enforceability of that provision in any other jurisdiction.

8.13 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement.

**KSV KOFMAN INC., solely in its capacity as
Receiver of the property, assets and undertaking
of RANDO DRUGS LTD. and related companies
and not in its personal capacity**

Per



Name: Mitch Vininsky
Title: Managing Director

2258156 ONTARIO INC.

Per

Name: Hesham Abdel Sayed
Title: President

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement.

**KSV KOFMAN INC., solely in its capacity as
Receiver of the property, assets and undertaking
of RANDO DRUGS LTD. and related companies
and not in its personal capacity**

Per _____
Name: Bobby Kofman
Title: President

2258156 ONTARIO INC.

Per _____
Name: Hesham Abdel Sayed
Title: President

SCHEDULE A – ALLOCATION OF PURCHASE PRICE

Buyer to propose initial proposal for allocation of purchase price prior to Closing

EXHIBIT 1 – APPROVAL AND VESTING ORDER

Attached.

Court File No. CV-19-00632106-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)	WEEKDAY, THE #
)	
JUSTICE HAINEY)	DAY OF MONTH, 2020

B E T W E E N:

ECN FINANCIAL INC.

Applicant

- and -

2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD., 2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC. and 2527475 ONTARIO INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Kofman Inc. ("**KSV**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the property, assets and undertaking of Rando Drugs Ltd. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and [NAME OF PURCHASER] (the "**Purchaser**") dated [DATE] and appended to the First Report of the Receiver dated [DATE] (the "**First Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver and those other parties present no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] 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 AND DECLARES** 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 Mr. Justice Hainey dated December 4, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule [B] hereto (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 *Bankruptcy and Insolvency Act (Canada)* 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 *Bankruptcy and Insolvency Act (Canada)* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

- 4 -

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.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-19-00632106

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ECN FINANCIAL INC.

Applicant

- and -

2345760 ONTARIO INC., RANDO DRUGS LTD., 2275518 ONTARIO INC., FAMILY HEALTH PHARMACY WEST INC. formerly known as M. BLACHER DRUGS LTD., 2501380 ONTARIO INC., 2527218 ONTARIO INC., DUMOPHARM INC. and 2527475 ONTARIO INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (the “**Court**”) dated December 4, 2019, KSV Kofman Inc. was appointed as the receiver (in such capacity, the “**Receiver**”) of the property, assets and undertaking of Rando Drugs Ltd. (the “**Debtor**”) and related companies.

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the “**Sale Agreement**”) between the Receiver and [NAME OF PURCHASER] (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

- 2 -

the Purchased Assets; (ii) that the conditions to Closing as set out in section • 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 section • 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 _____ [DATE].

**KSV KOFMAN INC., in its capacity as
Receiver, of the property, assets and
undertaking of Rando Drugs Ltd. and not in
its personal capacity**

Per: _____

Name:

Title:

ECN FINANCIAL INC. and

Respondents

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Proceeding commenced TORONTO

APPROVAL OF VESTING ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2
Fax: 416-597-3370

Jennifer Stam (LSO #46735J)
Tel: 416-597-5017
Email: stam@gsnh.com

Lawyers for the Receiver, KSV Kofman Inc.

AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS AMENDMENT dated as of January 31, 2020 to the **AGREEMENT OF PURCHASE AND SALE DATED** as of December 18, 2019

B E T W E E N :

KSV KOFMAN INC., solely in its capacity as receiver of the property, assets and undertaking of Rando Drugs Ltd. and related companies and not in its personal capacity

(the “**Receiver**”)

- and -

2258156 ONTARIO INC., a corporation existing under the laws of Ontario

(the “**Buyer**”)

CONTEXT:

- A.** On December 4, 2019, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Appointment Order**”) appointing KSV Kofman Inc. as the Receiver of the property, assets and undertaking of the Debtor.
- B.** Pursuant to the Appointment Order, the Court approved a sale process to be conducted by the Receiver for the sale of the Purchased Assets.
- C.** The Receiver and the Buyer entered into an agreement of purchase and sale dated as of December 18, 2019 (the “**Agreement**”) for the purchase and sale of the Purchased Assets (as defined therein).
- D.** The parties wish to agree to certain amendments to the Agreement as set out below.
- E.** Capitalized terms used herein and not otherwise defined have the meaning given to them in the Agreement.

THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties (as defined below), the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Amendments to Agreement

- 2 -

The Agreement is hereby amended as follows:

- (a) Section 1.1.11 – Closing Date – reference to “March 31, 2020” is hereby replaced with “May 15, 2020”;
- (b) Section 2.8.2 - Additional Deposit – reference to “January 31, 2020” is hereby replaced with “March 13, 2020”
- (c) Section 6.1.2 – Landlord Approvals - reference to “January 31, 2020” is hereby replaced with “March 13, 2020”;
- (d) Section 6.1.3 – Ontario College of Pharmacists accreditation – reference to “February 28, 2020” is hereby replaced with “April 17, 2020”;
- (e) Section 6.1.6 – Ministry of Health Billing Privileges – reference to “February 28, 2020” is hereby replaced with “April 17, 2020”;
- (f) Section 6.1.7 - New Wholesale Accounts to Purchase Inventory – reference to “February 28, 2020” is hereby replaced with “April 17, 2020”;
- (g) Section 6.3.1 – Approval and Vesting Order - reference to “March 13, 2020” is hereby replaced with May 8, 2020; and
- (h) Section 7.8 – Outside Date for Condition Extension – reference to “March 31, 2020” is hereby replaced with “April 30, 2020”.

1.2 Pharmacy East and Pharmacy West

Notwithstanding the foregoing, the Buyer acknowledges the Receiver may provide notice of termination with respect to Pharmacy East and/or Pharmacy West in the event that it reaches an agreement with a different buyer prior to the condition date set out above.

1.3 Remainder of Agreement

Other than as set out herein, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

1.4 Counterparts

This Amendment may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.


[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Each of the Parties has executed and delivered this Amendment, as of the date noted at the beginning of the Amendment.

KSV KOFMAN INC., solely in its capacity as Receiver of the property, assets and undertaking of RANDO DRUGS LTD. and related companies and not in its personal capacity

Per _____
Name: Bobby Kofman
Title: President

2258156 ONTARIO INC.

Per  _____
Name: Hesham Abdel Sayed
Title: President

SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS SECOND AMENDMENT dated as of March 13, 2020 to the **AGREEMENT OF PURCHASE AND SALE DATED** as of December 18, 2019 as amended by the First Amendment to the Agreement of Purchase and Sale Dated January 31, 2020

B E T W E E N :

KSV KOFMAN INC., solely in its capacity as receiver of the property, assets and undertaking of Rando Drugs Ltd. and related companies and not in its personal capacity

(the “**Receiver**”)

- and -

2258156 ONTARIO INC., a corporation existing under the laws of Ontario

(the “**Buyer**”)

CONTEXT:

- A.** On December 4, 2019, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Appointment Order**”) appointing KSV Kofman Inc. as the Receiver of the property, assets and undertaking of the Debtor.
- B.** Pursuant to the Appointment Order, the Court approved a sale process to be conducted by the Receiver for the sale of the Purchased Assets.
- C.** The Receiver and the Buyer entered into an agreement of purchase and sale dated as of December 18, 2019 (the “**Agreement**”) for the purchase and sale of the Purchased Assets (as defined therein).
- D.** The Agreement was amended pursuant to a first amendment dated as of January 31, 2020.
- E.** The parties wish to agree to certain further amendments to the Agreement as set out below.
- F.** Capitalized terms used herein and not otherwise defined have the meaning given to them in the Agreement.

THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties (as defined below), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Amendments to Agreement

The Agreement is hereby amended as follows:

- (a) Section 1.1.16 – Debtor – the definition of “Debtor” is hereby deleted and replaced with the following ““**Debtors**” shall mean Rando Drugs Ltd., Dumopharm Inc., 2345760 Ontario Inc., Family Health Pharmacy West Inc., 2501380 Ontario Inc., 2527218 Ontario Inc. and 2527475 Ontario Inc. and “**Debtor**” shall mean either one of them”;
- (b) Section 6.1.2 – Landlord Approvals - with respect to the Leased Locations for Family Health East and Family Health West, reference to “March 13, 2020” is hereby replaced with “April 15, 2020”;
- (c) Section 6.1.3 – Ontario College of Pharmacists accreditation – with respect to the Leased Locations for Family Health East and Family Health West, reference to “April 17, 2020” is hereby replaced with “May 15, 2020”;
- (d) Section 6.1.6 – Ministry of Health Billing Privileges – with respect to the Leased Locations for Family Health East and Family Health West, reference to “April 17, 2020” is hereby replaced with “May 15, 2020”;
- (e) Section 6.1.7 - New Wholesale Accounts to Purchase Inventory – with respect to the Leased Locations for Family Health East and Family Health West, reference to “April 17, 2020” is hereby replaced with “May 15, 2020”; and
- (f) Section 7.8 – Outside Date for Condition Extension – with respect to the Leased Locations for Family Health East and Family Health West, reference to “April 30, 2020” is hereby replaced with “May 20, 2020”.

1.2 Deposit

The Parties agree that in the event that Landlord Consents have not been obtained for such locations before the Closing of Walpole and Novacare, the parties will discuss the appropriate application of the Initial Deposit to the Purchase Price and any Additional Deposit to be provided to the Receiver in respect of the Leased Locations for Family Health East and Family Health West.

1.3 Remainder of Agreement

Other than as set out herein, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

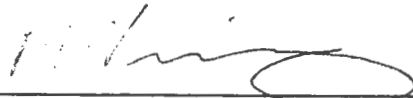
1.4 Counterparts

This Amendment may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.


[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Each of the Parties has executed and delivered this Second Amendment, as of the date noted at the beginning of the Amendment.

KSV KOFMAN INC., solely in its capacity as Receiver of the property, assets and undertaking of RANDO DRUGS LTD. and related companies and not in its personal capacity

Per 
Name: ~~Bobby Kofman~~ Mitch Vininsky
Title: President
Vice

2258156 ONTARIO INC.

Per 
Name: Hesham Abdel Sayed
Title: President

Appendix “E”

[Main Menu](#) [New Enquiry](#)

Enquiry Result

File Currency: 15DEC 2019

All Pages


**Note: All pages have been returned.**

Type of Search	Business Debtor								
Search Conducted On	CEDV INC.								
File Currency	15DEC 2019								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	725537358	1	1	1	1	10MAR 2022			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
725537358		01	001		20170310 1935 1531 0136	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CEDV INC.								
	Address			City	Province	Postal Code			
	4256 BATHURST ST SUITE 200			TORONTO	ON	M3H 5Y8			
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								
	THE TORONTO-DOMINION BANK - 18282								
	Address			City	Province	Postal Code			
	45 OVERLEA BOULEVARD			TORONTO	ON	M4H 1C3			
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			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D+H LIMITED PARTNERSHIP								
	Address			City	Province	Postal Code			
	SUITE 200, 4126 NORLAND AVENUE			BURNABY	BC	V5G 3S8			

LAST PAGE

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Appendix “F”

[Main Menu](#) [New Enquiry](#)

Enquiry Result

File Currency: 17DEC 2019

All Pages

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Type of Search	Business Debtor								
Search Conducted On	2139152 ONTARIO INC.								
File Currency	17DEC 2019								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	725537394	1	1	1	1	10MAR 2022			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
725537394		01	001		20170310 1935 1531 0140	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2139152 ONTARIO INC.								
	Address			City	Province	Postal Code			
	UNIT 16 - 785 TECUMSEH RD			WALPOLE ISLAND	ON	N8N 4K9			
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								
	THE TORONTO-DOMINION BANK - 18282								
	Address			City	Province	Postal Code			
	45 OVERLEA BOULEVARD			TORONTO	ON	M4H 1C3			
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			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D+H LIMITED PARTNERSHIP								
	Address			City	Province	Postal Code			
	SUITE 200, 4126 NORLAND AVENUE			BURNABY	BC	V5G 3S8			

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Appendix “G”

Mitch Vininsky

From: Jennifer Stam <IMCEAEX-_O=EXCHANGELABS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=C818568C76B849CC8595D6ED01071782-STAM@nortonrosefulbright.com>
Sent: April 28, 2020 3:20 PM
To: 'Jerome Stanleigh'
Cc: Mitch Vininsky; Bobby Kofman
Subject: Rando: Closing of Walpole and Novacare
Attachments: 21. Receiver's Certificate (Novacare) (executed and filed).pdf; 40. Receiver's Certificate (Walpole) (executed and filed).pdf

Jerome

As you may be aware, the closings for the sales of Walpole and Novacare closed on Friday. Attached are the Receiver's certificates evidencing the same.

We are sending this to you in your capacity as counsel for, among others, CEDV Inc. and 2139152 Ontario Inc. as their co-tenancy interests have now been vested out pursuant to the co-tenant acknowledgements that were signed in January.

Thanks.

Appendix “H”

Court File No.: CV-20-28863

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CHOPRA, JOSHI, KARNIK & LAMONT
MEDICINE PROFESSIONAL CORPORATION

Applicant

- and -

KSV KOFMAN INC. as receiver for RANDO DRUGS LTD.,
M. BLACHER DRUGS LTD. and FAMILY HEALTH PHARMACY WEST INC.

Respondent

APPLICATION RECORD

(Returnable Tuesday, October 20, 2020 at 10:00 AM)

Dated: June 29, 2020

DAVID M. SUNDIN
LSO # 60296N
McTAGUE LAW FIRM LLP
Barristers & Solicitors
455 Pelissier Street
Windsor, Ontario N9A 6Z9
(T) 519-255-4344
(F) 519-255-4384
(E) dsundin@mctaguelaw.com

LAWYERS FOR THE APPLICANT

**TO: KSV KOFMAN INC. as receiver for RANDO DRUGS LTD.,
M. BLACHER DRUGS LTD. and FAMILY HEALTH PHARMACY WEST INC.**
150 King Street West, Suite 2308
Toronto, Ontario
M5H 1J9

RESPONDENT

INDEX

1. Amended Notice of Application
2. Affidavit of Barry Lamont, sworn April 23, 2020
 - A. Exhibit "A" – Corporation Profile Report for the Applicant
 - B. Exhibit "B" – Parcel Registry Abstract for the East Property
 - C. Exhibit "C" – Corporation Profile Report for 813866 Ontario Limited
 - D. Exhibit "D" – Corporation Profile Report for Medilease Corporation Limited
 - E. Exhibit "E" – Corporation Profile Report for 1594138 Ontario Inc.
 - F. Exhibit "F" – Second East Lease, dated January 1, 2007
 - G. Exhibit "G" – Letter from Mr. Diena to the Applicant, dated April 28, 2013
 - H. Exhibit "H" – Corporation Profile Report for Rando Drugs Ltd.
 - I. Exhibit "I" – Third East Lease, dated December 11, 2013
 - J. Exhibit "J" – Parcel Registry Abstract for the West Property
 - K. Exhibit "K" – Original West Lease, dated November 5, 1991
 - L. Exhibit "L" – Renewal of the Original West Lease, dated December 1, 2009
 - M. Exhibit "M" – Second Renewal of the Original West Lease, dated December 1, 2015
 - N. Exhibit "N" – Corporation Profile Report for Family Health Pharmacy West Inc.
 - O. Exhibit "O" – Email from Ms. Ryan-Harrison to Mr. Diena, dated September 25, 2019
 - P. Exhibit "P" – Email from Mr. Diena to Ms. Ryan, with a copy going to Mr. MacKinnon, dated September 25, 2019
 - Q. Exhibit "Q" – Email from Mr. Diena to Ms. Ryan, with a copy going to Mr. MacKinnon, dated October 3, 2019
 - R. Exhibit "R" – Email from Mr. Diena to Ms. Ryan, with a copy going to Mr. MacKinnon, dated October 6, 2019

- S. Exhibit "S" – Email from Mr. Diena to Mr. MacKinnon, dated October 16, 2019
 - T. Exhibit "T" – Email enclosing Acknowledgment of Extension from Ms. Ryan to Mr. Diena, dated October 22, 2019
 - U. Exhibit "U" – Email from Mr. Diena to Ms. Ryan, dated October 23, 2019, enclosing the executed Acknowledgment of Extension
 - V. Exhibit "V" – Email and enclosure from Mr. Stanleigh to Mr. MacKinnon, dated December 4, 2019
 - W. Exhibit "W" – Email from Ms. Stam to Mr. MacKinnon, dated December 4, 2019, enclosing the Order appointing the Receiver, and the Purported Renewal of the Third East Lease, dated December 31, 2015
 - X. Exhibit "X" – Email from Mr. Diena to Ms. Santarossa, dated January 21, 2018
 - Y. Exhibit "Y" – Email from Dr. Lamont to Mr. Diena, dated December 15, 2018
 - Z. Exhibit "Z" – Email from Mr. Diena to Dr. Lamont, dated March 14, 2019
 - AA. Exhibit "AA" – Email exchange between Mr. Diena and Dr. Lamont, between April 9, 2019 and April 10, 2019
 - BB. Exhibit "BB" – Email exchange between Mr. Diena and Dr. Karnik, dated April 15, 2019
 - CC. Exhibit "CC" – Email from Ms. Stam to Mr. MacKinnon, dated February 4, 2020, enclosing the Purported Renewal of the West Lease, dated December 1, 2015
 - DD. Exhibit "DD" – Notice of Lease, dated July 20, 2010
3. Affidavit of Raj Kumar Chopra, sworn April 23, 2020
- A. Exhibit "A" – Third East Lease, dated December 11, 2013
 - B. Exhibit "B" – Purported Renewal of the Third East Lease, dated December 31, 2015
 - C. Exhibit "C" – Purported Renewal of the West Lease, dated December 1, 2015
4. Affidavit of Michael Blacher, sworn April 24, 2020
- A. Exhibit "A" – Purported Renewal of the West Lease

- B. Exhibit "B" – Second Renewal of the Original West Lease in the Shibley Righton LLP file
5. Affidavit of Robert J. Reynolds, sworn April 24, 2020
- A. Exhibit "A" – Third East Lease
 - B. Exhibit "B" – Purported Renewal of the Third East Lease

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CHOPRA, JOSHI, KARNIK & LAMONT
MEDICINE PROFESSIONAL CORPORATION

Applicant

- and -

KSV KOFMAN INC. as receiver for RANDO DRUGS LTD.,
M. BLACHER DRUGS LTD. and FAMILY HEALTH PHARMACY WEST INC.

Respondents

AMENDED
NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for hearing on **Tuesday, the 20th day of October, 2020, at 10:00 AM** at the Court House at 245 Windsor Avenue, Windsor, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

Amended this 29 day of June, 2020 pursuant

to the rule 26.02(A)

registrar at Windsor per Cherrien

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

DATE: March 23, 2020

Issued by: _____

245 Windsor Avenue
Windsor, Ontario N9A 1J2

TO: **KSV KOFMAN INC. as receiver for RANDO DRUGS LTD.,
M. BLACHER DRUGS LTD. and FAMILY HEALTH PHARMACY WEST INC.**
150 King Street West, Suite 2308
Toronto, Ontario
M5H 1J9

RESPONDENT

APPLICATION

1. The Applicant make application for:
 - (a) If necessary, an Order abridging the time for service, filing, and confirmation of the within Application;
 - (b) If necessary, leave to commence/continue the within Application *nunc pro tunc* to the date of issue of the Application;
 - (c) A Declaration that the lease between the Applicant and the tenant, Rando Drugs Ltd., for 6720 Hawthorne Drive, Windsor, Ontario, is terminated effective March 31, 2020, or to such further extension as the Applicant may provide;
 - (d) A Declaration that the purported lease renewal between the Applicant and the tenant, Rando Drugs Ltd., for 6720 Hawthorne Drive, Windsor, Ontario, is of no force and effect;
 - (e) An Order granting the Applicant leave to issue a Writ of Possession against 6720 Hawthorne Drive, Windsor, Ontario, upon the expiration of the subject tenancy;
 - (f) A Declaration that the lease between the Applicant and the tenant, M. Blacher Drugs Ltd./Family Health Pharmacy West Inc., for 1604 Tecumseh Road West, Windsor, Ontario, is terminated effective December 1, 2021;
 - (g) A Declaration that the purported lease renewal between the Applicant and the tenant, M. Blacher Drugs Ltd./ Family Health Pharmacy West Inc., for 1604 Tecumseh Road West, Windsor, Ontario, is of no force and effect;
 - (h) An Order granting the Applicant leave to issue a Writ of Possession against 1604 Tecumseh Road West, Windsor, Ontario, upon the termination of the subject lease;
 - (i) Any Declarations necessary to give effect to the relief sought above;

- (j) Costs and disbursements incurred in support of this Application on a substantial indemnity basis, or alternatively, on a basis that this Court may deem just; and
- (k) Such further and other relief as counsel may advise and this Court may deem just.

2. The grounds for the Application are:

- (a) The Applicant is the owner of the property municipally known as 6720 Hawthorne Drive, Windsor, Ontario (the “**East Property**”);
- (b) Rando Drugs Ltd. (“**Rando Drugs**”) occupies the East Property, operating a pharmacy, pursuant to a lease agreement between Applicant and Rando Drugs, dated December 11, 2013 (the “**Third East Lease**”);
- (c) As of January 1, 2019, the Third East Lease was a month-to-month tenancy, subject to 60-days notice of termination;
- (d) On September 25, 2019, the Applicant terminated the Third East Lease, effective November 30, 2019;
- (e) On October 23, 2018, at the request of the principal of Rando Drugs, Mr. Dani Diena, the effective date of the termination of the Third East Lease was extended to December 31, 2019;
- (f) At the request of the Mr. Diena, the effective date of the termination of the Third East Lease was further extended to January 31, 2020;
- (g) On December 4, 2019, a creditor of Rando Drugs obtained an Order appointing KSV Kofman Inc. as receiver (the “**Receiver**”) over Rando Drugs (and other entities controlled by Mr. Diena);

- (h) Later on December 4, 2019, the Receiver provided the Applicant with a purported lease renewal that purports to extend the tenancy at the East Property to December 31, 2024 (the “**Purported Renewal of the Third East Lease**”);
- (i) The Purported Renewal of the Third East Lease is a forgery/fraud;
- (j) The Applicant and the Receiver agreed to extend the effective date of the termination of the Third East Lease to March 31, 2020;
- (k) The Applicant is also the owner of the property municipally known as 1604 Tecumseh Road West, Windsor, Ontario (the “**West Property**”);
- (l) M. Blacher Drugs Ltd. (“**M. Blacher Drugs**”)/Family Health Pharmacy West Inc. (“**Family West**”) occupies the West Property, operating a pharmacy, pursuant to a lease agreement between the Applicant and M. Blacher Drugs, dated December 1, 2015 (the “**December 2015 Renewal of the Original West Lease**”);
- (m) Mr. Diena is also the principal of M. Blacher Drugs Ltd. and Family West;
- (n) On December 4, 2019, the Receiver was also appointed as receiver over M. Blacher Drugs and Family West (and other entities controlled by Mr. Diena);
- (o) On February 4, 2020, the Receiver provided the Applicant with a purported lease renewal that purports to extend the tenancy at the West Property to December 1, 2025 (the “**Purported Renewal of the West Lease**”);
- (p) The Purported Renewal of the West Lease is a forgery/fraud;
- (q) Rules 1.04, 2.03, 3.02, 14.05(3)(d), 38, 57, 60.10 of the *Rules of Civil Procedure*, RRO 1990, Reg 194;
- (r) Section 97 of the *Courts of Justice Act*, RSO 1990, c C.43; and
- (s) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the Application:
- (a) The Affidavit of Barry Lamont, and Exhibits thereto, to be sworn;
 - (b) The Affidavit of Raj Kumar Chopra, and Exhibits thereto, to be sworn;
 - (c) The Affidavit of Robert J. Reynolds, and Exhibits thereto, to be sworn;
 - (d) The Affidavit of Michael Blacher, and the Exhibits thereto, to be sworn; and
 - (e) Such further and other material as counsel may advise and this Honourable Court may permit.

DATE: March 23, 2020

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LAWYERS FOR THE APPLICANT

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION v. M. BLACHER DRUGS LTD. et al

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT WINDSOR

Amended

NOTICE OF APPLICATION

**DAVID M. SUNDIN
LSO # 60296N**

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LAWYERS FOR THE APPLICANT

FILE NO. 76188

TAB 2

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CHOPRA, JOSHI, KARNIK & LAMONT
MEDICINE PROFESSIONAL CORPORATION

Applicant

- and -

KSV KOFMAN INC. as receiver for RANDO DRUGS LTD.,
M. BLACHER DRUGS LTD. and FAMILY HEALTH PHARMACY WEST INC.

Respondent

AFFIDAVIT OF BARRY LAMONT

I, BARRY LAMONT, of the Town of Tecumseh, in the County of Essex and Province of Ontario, MAKE OATH AND SAY:

1. I am a director and an owner of the Applicant, and as such, I have knowledge of the matters to which I hereinafter depose to, except for such information that has been received from others in which case I have stated the source to the information and believe it to be true.

The Parties and the Leases

2. The Applicant, Chopra, Joshi, Karnik & Lamont Medicine Professional Corporation, is the professional corporation for Raj Chopra ("**Dr. Chopra**"), Harshad Joshi ("**Dr. Joshi**"), Vikas Karnik ("**Dr. Karnik**", and together with Dr. Chopra and Dr. Joshi, the "**Other Doctors**") and myself. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of the Corporation Profile Report for the Applicant.

3. The Other Doctors and I are family physicians operating a practice at the properties municipally known as 1608 Tecumseh Road West, Windsor and 6720 Hawthorne Drive, Windsor, under the name Windsor Medical Clinic.

The East Property

4. The Applicant owns the property municipally known as 6720 Hawthorne Drive, Windsor, Ontario (the "**East Property**"). Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a true copy of the Parcel Registry Abstract for the East Property.

5. The tenant in the East Property was initially 813866 Ontario Limited ("**813**"), who operated a pharmacy. At that time, 813 was operated by Parvez Sheikh. Attached hereto and marked as **Exhibit "C"** to this my Affidavit is a true copy of the Corporation Profile Report for 813866 Ontario Limited.

6. 813's tenancy began in late 1989 pursuant to a lease agreement, dated October 30, 1989 (the "**Original East Lease**"). The owner of the East Property at that time was Medilease Corporation Limited ("**Medilease**"). Medilease was purchased by myself and the Other Doctors in 1994. Attached hereto and marked as **Exhibit "D"** to this my Affidavit is a true copy of the Corporation Profile Report for Medilease Corporation Limited.

7. On December 17, 2004, the East Property was purchased by 1594138 Ontario Inc. ("**159**"), which was owned and operated by the Other Doctors and I. On January 1, 2005, 159 amalgamated with the Applicant, thus making the Applicant the owner of the East Property.

Attached hereto and marked as **Exhibit "E"** to this my Affidavit is a true copy of Corporation Profile Report for 1594138 Ontario Inc.

8. On January 1, 2007, the Applicant entered into another lease agreement with 813 (the "**Second East Lease**"). The Second East Lease was for a term of seven years from January 1, 2007 to December 31, 2013. Attached hereto and marked as **Exhibit "F"** to this my Affidavit is a true copy of the Second East Lease, dated January 1, 2007.

9. While I do not have a copy the Original East Lease referred to paragraphs 5 and 6 of this my Affidavit, I have obtained the information from my review of clause 1.03 of the Second East Lease contained at Exhibit "F" to this my Affidavit, and I verily believe the information to be true. In any event, there does not appear to be any dispute about the existence or terms of the Original East Lease.

10. In early 2013, 813 was purchased by Dani Diena, who also goes by the name Daniel Diena. On April 23, 2013, Mr. Diena advised the Applicant via letter that he was exercising his right to renew the Second East Lease. Attached hereto and marked as **Exhibit "G"** to this my Affidavit is a true copy of the letter from Mr. Diena to the Applicant, dated April 23, 2013.

11. On December 11, 2013, the Applicant entered into a new lease agreement, this time with another corporation of Mr. Diena's, namely Rando Drugs Ltd. ("**Rando Drugs**"), for a term of five years from January 1, 2014 to December 31, 2018 (the "**Third East Lease**"). Attached hereto and marked as **Exhibit "H"** to this my Affidavit is a true copy of the Corporation Profile

Report for Rando Drugs Ltd. Attached hereto and marked as **Exhibit "I"** to this my Affidavit is a true copy of the Third East Lease, dated December 11, 2013.

12. It is the position of the Applicant that it is the Third East Lease that is the operative and final lease, thus the Third East Lease became a month-to-month tenancy on January 1, 2019, subject to 60-days notice of termination.

The West Property

13. The Applicant is also the owner of the property municipally known as 1604 Tecumseh Road West, Windsor, Ontario (the "**West Property**"). Attached hereto and marked as **Exhibit "J"** to this my Affidavit is a true copy of the Parcel Registry Abstract for the West Property.

14. M. Blacher Drugs Ltd. ("**M. Blacher Drugs**") occupies the West Property, operating a pharmacy. During the time when the West Property was owned by Medilease, M. Blacher Drugs' tenancy began on January 1, 1991 pursuant to a lease agreement, dated November 5, 1991 (the "**Original West Lease**"). The Original West Lease was for a term of five years, ending on November 1, 1997. Attached hereto and marked as **Exhibit "K"** to this my Affidavit is a true copy of the Original West Lease, dated November 5, 1991.

15. By a renewal lease dated October 30, 1997, Medilease granted to M. Blacher Drugs, a renewal for a further term of six years. By a renewal lease dated November 2003, Medilease granted to M. Blacher Drugs, a subsequent renewal for a further term of six years.

16. On December 17, 2004, the West Property was purchased by 159. On January 1, 2005, 159 amalgamated with the Applicant, thus making the Applicant the owner of the West Property.

17. By a renewal lease dated December 1, 2009, the Applicant granted to M. Blacher Drugs, a renewal for a further six years commencing December 1, 2009 and ending December 1, 2015 (the "**Renewal of the Original West Lease**"). Attached hereto and marked as **Exhibit "L"** to this my Affidavit is a true copy of the Renewal of the Original West Lease, dated December 1, 2009.

18. While I do not have copies of the lease renewal documents relating to the renewals outlined in paragraph 15 of this my Affidavit, I have obtained the information from my review of the recitals in Renewal of the Original West Lease contained at Exhibit "L" to this my Affidavit, and I verily believe the information to be true. In any event, there does not appear to be any dispute about the existence or terms of the lease renewals outlined in paragraph 15 of this my Affidavit.

19. By a renewal lease dated December 1, 2015, the Applicant granted to M. Blacher Drugs, a renewal for a further six years commencing December 1, 2015 and ending December 1, 2021 (the "**Second Renewal of the Original West Lease**"). Attached hereto and marked as **Exhibit "M"** to this my Affidavit is a true copy of the Second Renewal of the Original West Lease, dated December 1, 2015. It is the position of the Applicant that the Second Renewal of the Original West Lease is the operative lease document in effect, and thus, the tenancy will come to an end on December 1, 2021.

20. On March 14, 2016, M. Blacher Drugs changed its name to Family Health Pharmacy West Inc. Attached hereto and marked as **Exhibit "N"** to this my Affidavit is a true copy of the Corporation Profile Report for Family Health Pharmacy West Inc.

21. Mr. Diena is the principal and operator of 813, Rando Drugs, M. Blacher Drugs, and Family Health Pharmacy West Inc.

Termination of the Third East Lease

22. On January 1, 2019, the Third East Lease became a month-to-month tenancy, subject to 60-days notice of termination.

23. Pursuant to the instructions of myself and the Other Doctors, the Applicant's lawyer, Jeffrey MacKinnon, had a notice of termination delivered to Rando Drugs on September 25, 2019, with an effective termination date of November 30, 2019 (the "**Notice of Termination**"). On September 25, 2019, Ms. Ryan-Harrison e-mailed the Notice of Termination to Mr. Diena. I am advised by Ms. Ryan-Harrison and verily believe that she also sent the Notice of Termination to Rando Drugs via regular mail. Attached hereto and marked as **Exhibit "O"** to this my Affidavit is true copy of the e-mail from Ms. Ryan-Harrison to Mr. Diena, dated September 25, 2019, enclosing the Notice of Termination, dated September 25, 2019.

24. The Notice of Termination states, *inter alia*, that:

Take notice that the Landlord does hereby terminate the above month to month tenancy.

25. I verily believe that Mr. Diena received the Notice of Termination because less than two hours later he responded to Ms. Ryan-Harrison's e-mail, with a copy to Mr. MacKinnon. Mr. Diena's e-mail does not dispute that the tenancy is month to month, nor does it make reference to the East Lease having been already renewed beyond December 31, 2018. Attached hereto and marked as **Exhibit "P"** to this my Affidavit is true copy of the e-mail from Mr. Diena to Ms. Ryan-Harrison, with a copy to Mr. MacKinnon, dated September 25, 2019.

26. On October 3, 2019, Ms. Ryan-Harrison received an e-mail from Mr. Diena that was copied to Mr. MacKinnon. Mr. Diena's e-mail does not dispute that the tenancy is month to month, nor does it make reference to the East Lease having been already renewed beyond December 31, 2018. Attached hereto and marked as **Exhibit "Q"** to this my Affidavit is true copy of the e-mail from Mr. Diena to Ms. Ryan-Harrison, with a copy to Mr. MacKinnon, dated October 3, 2019.

27. On October 6, 2019, Ms. Ryan-Harrison received an e-mail from Mr. Diena that was copied to Mr. MacKinnon. Mr. Diena's e-mail does not dispute that the tenancy is month to month, nor does it make reference to the East Lease having been already renewed beyond December 31, 2018. Attached hereto and marked as **Exhibit "R"** to this my Affidavit is true copy of the e-mail from Mr. Diena to Ms. Ryan-Harrison, with a copy to Mr. MacKinnon, dated October 6, 2019.

28. On October 16, 2019, Mr. MacKinnon, received an e-mail from Mr. Diena. Mr. Diena's e-mail does not dispute that the tenancy is month to month, nor does it make reference to the

East Lease having been already renewed beyond December 31, 2018. In his e-mail, Mr. Diena asks that the termination date of the East Lease be extended to December 31, 2019. Attached hereto and marked as **Exhibit "S"** to this my Affidavit is true copy of the e-mail from Mr. Diena to Mr. MacKinnon, dated October 16, 2019.

29. The Other Doctors and I agreed to Mr. Diena's request and instructed Mr. MacKinnon to communicate that to Mr. Diena. I am advised by Ms. Ryan-Harrison, and verily believe that on October 22, 2019, she sent an e-mail Mr. Diena which contained a letter requesting that Mr. Diena acknowledge the extension to December 31, 2019 (the "**Acknowledgment of Extension**"). Attached hereto and marked as **Exhibit "T"** to this my Affidavit is true copy of the e-mail from Ms. Ryan-Harrison to Mr. Diena, dated October 22, 2019, enclosing the Acknowledgment of Extension, dated October 22, 2019.

30. On October 23, 2019, Ms. Ryan-Harrison received an e-mail from Mr. Diena which enclosed the executed Acknowledgment of Extension. Attached hereto and marked as **Exhibit "U"** to this my Affidavit is true copy of the e-mail from Mr. Diena to Ms. Ryan-Harrison, dated October 23, 2019, enclosing the executed Acknowledgment of Extension.

31. At 1:15pm on December 4, 2019, Mr. MacKinnon received an e-mail from Jerome Stanleigh, lawyer for Mr. Diena, in which Mr. Stanleigh's letter confirms that the effective termination date of the East Lease had been extended, on agreement, to January 31, 2020, which is accurate. Mr. Stanleigh's letter then states, *inter alia*:

Would you be so kind as to confirm with me that the Lease was terminated on December 31, 2019 and that your client did not execute an extension to that lease to 2024? When

my client purchased this pharmacy, he was given a lease extension agreement which was purportedly executed by your client allowing for a termination date of 2024.

Your letter is needed for litigation purposes as the previous owner of Hawthorne Pharmacy gave my client a lease extension which he signed which purportedly was executed by the landlord allowing for the extension to 2024. The damages are substantial.

Kindly respond as soon as possible as I have an agent in Court at 2:00 p.m. this afternoon. If not, confirm at your earliest convenience.

Attached hereto and marked as **Exhibit "V"** to this my Affidavit is true copy of the e-mail from Mr. Stanleigh to Mr. MacKinnon, dated December 4, 2019, enclosing a letter dated December 4, 2019.

32. From my review of the following correspondence, I verily believe that the "litigation" that Mr. Stanleigh was referring to in his letter of December 4, 2019, was an Application by a creditor of Rando Drugs to appoint KSV Kofman Inc. as receiver (the "**Receiver**") over Rando Drugs, and other entities controlled by Mr. Diena. At 4:23 PM on December 4, 2019, Mr. MacKinnon received an e-mail from Jennifer Stam, lawyer for the Receiver, advising that the Receiver had been appointed and enclosing, *inter alia*, the Order appointing the Receiver, and a purported lease renewal that purports to extend the East Lease to December 31, 2024 (the "**Purported Renewal of the Third East Lease**"). The Purported Renewal of the Third East Lease is dated December 31, 2015. Attached hereto and marked as **Exhibit "W"** to this my Affidavit is true copy of the e-mail from Ms. Stam to Mr. MacKinnon, dated December 4, 2019, enclosing the Order appointing the Receiver, and the Purported Renewal of the Third East Lease, dated December 31, 2015.

33. On December 5, 2019, myself and the Other Doctors met with Mr. MacKinnon to review a copy the Purported Renewal of the Third East Lease. I had never seen said document before December 5, 2019. I did not agree to the terms contained in the said document. I did not agree to extend the Third East Lease beyond December 31, 2018. I am advised by Dr. Joshi, Dr. Karnik, and Dr. Chopra and verily believe that they did not agree to extend the Third East Lease beyond December 31, 2018 and that they had never seen said document before December 5, 2019.

34. The Purported Renewal of the Third East Lease indicates that Dr. Chopra signed it on behalf of the Applicant. I am advised by Dr. Chopra and verily believe that he has reviewed said signature and he has confirmed to me that he did not make said signature. Dr. Chopra will be swearing an Affidavit to confirm this information.

35. The purported creation date of the Purported Renewal of the Third East Lease is absurd. At the time that the Purported Renewal of the Third East Lease was purportedly created, there were still three years remaining on the Third East Lease. It is absurd to think that myself and the Other Doctors would agree to an extension of the Third East Lease with so much time left remaining. We did not and would not do that.

36. The Purported Renewal of the Third East Lease purports to maintain the current rent levels. It is absurd to think that myself and the Other Doctors would agree in 2013 to keep rent the same until the end of 2024. We did not and would not do that.

37. The existence of the Purported Renewal of the Third East Lease also is contrary to Mr. Diena's more recent attempts to negotiate an extension of the Third East Lease. Laura Santarossa is the Clinic Coordinator for the Windsor Medical Clinic. On January 21, 2018, she received an e-mail from Mr. Diena in which he states, *inter alia*:

...There was only a five year term left on the lease. The doctors told me that I should come back in 2018 at the beginning (as my financing expires in February and I will need a new lease) and negotiate a new lease.

I respectfully request that we begin asap the negotiations for the new lease....

Attached hereto and marked as **Exhibit "X"** to this my Affidavit is true copy of the e-mail from Mr. Diena to Ms. Santarossa, dated January 21, 2018.

38. In late 2018, Mr. Diena was inquiring into whether he could purchase the East Property and the West Property. On December 15, 2018, I sent an e-mail to Mr. Diena stating:

Before matters proceed further we need to meet with you. Two of the four partners are away for Christmas, so a practical meeting would have to be in early January. We realize the your East Clinic Pharmacy lease expires on December 31/2018. We will have to extend the lease on a monthly basis until we can resolve matters in possible sale of practices and buildings or a new lease.

Attached hereto and marked as **Exhibit "Y"** to this my Affidavit is true copy of the e-mail from Dr. Lamont to Mr. Diena, dated December 15, 2018.

39. On March 14, 2019, I received an e-mail from Mr. Diena stating, *inter alia*:

If we would do the lease extension, I propose the following. Today I pay a different amount for East and West. I propose to raise West a bit and raise East to match west. We would commence this April 1st, 2019. I also made a provisio at our meeting. If you want to retire and no-one would like to take over your real estate portion, I would buy it from you.

	6720		1608
Present rent	\$ 6,500.00		\$ 8,396.25
Proposed rent	\$ 8,500.00		\$ 8,500.00

Attached hereto and marked as **Exhibit "Z"** to this my Affidavit is true copy of the e-mail from Mr. Diena to myself, dated March 14, 2019.

40. On April 9, 2019, I received an e-mail from Mr. Diena asking "*Have you made a decision?*" On April 10, 2019, I replied to Mr. Diena stating "*Yes, we are not going to sell.*" Later on April 10, 2019, Mr. Diena replied with "*Can we organize the lease with the new terms I gave you?*" Attached hereto and marked as **Exhibit "AA"** to this my Affidavit is true copy of the e-mail exchange between Mr. Diena and myself, between April 9, 2019 and April 10, 2019.

41. On April 15, 2019, I received an e-mail from Mr. Diena, which was copied to the Other Doctors, stating *inter alia*, "*Can we sit and finalize a new lease?*" Later on April 15, 2019, Dr. Karnik responded stating *inter alia*, "*We, the partners have not been able to decide anything as of yet.*" Attached hereto and marked as **Exhibit "BB"** to this my Affidavit is true copy of the e-mail exchange between Mr. Diena and Dr. Karnik, dated April 15, 2019.

42. At no point during my communications with Mr. Diena regarding an extension of the Third East Lease did he ever mention the Purported Renewal of the Third East Lease. Whenever I told Mr. Diena that the Third East Lease was expiring or had expired on December 31, 2018, he never objected or suggested to me that the term of the tenancy was actually until December 31, 2024. After December 31, 2018, whenever I referred to the Third East Lease as

being month-to-month, Mr. Diena never objected or suggested to me that the tenancy was not month-to-month but was rather for a fixed term until December 31, 2024.

43. Robert Reynolds, a lawyer with Chodola Reynolds Binder drafted the Third East Lease on behalf of the Applicant. If myself and the Other Doctors had extended the Third East Lease beyond the term of December 31, 2018, we would have used Mr. Reynolds to draft the necessary documents. I am advised by Mr. Reynolds and verily believe that he was not involved in any extension of the Third East Lease beyond December 31, 2018. I am further advised by Mr. Reynolds and verily believe that he has been provided with the Purported Renewal of the Third East Lease to review and he does not have a copy of said document, and that he has reviewed his file as far back as 2014 and has not seen any reference to a renewal of the Third East Lease. Mr. Reynolds will be swearing an Affidavit to confirm this information.

44. On February 4, 2020, Mr. MacKinnon received an e-mail from Ms. Stam that enclosed a lease renewal that purports to extend the tenancy for the West Property to December 1, 2025 (the "**Purported Renewal of the West Lease**"). The Purported Renewal of the West Lease is dated December 1, 2015. Attached hereto and marked as **Exhibit "CC"** to this my Affidavit is true copy of the e-mail from Ms. Stam to Mr. MacKinnon, dated February 4, 2020, enclosing the Purported Renewal of the West Lease, dated December 1, 2015.

45. I had never seen the Purported Renewal of the West Lease before February 4, 2020. I did not agree to said document. I did not agree to extend the tenancy for the West Property beyond December 1, 2021. I am advised by the Other Doctors and verily believe that they did not agree

to extend the tenancy for the West Property beyond December 1, 2021 and that they had never seen the Purported Renewal of the West Lease before February 4, 2020.

46. The Purported Renewal of the West Lease indicates that Dr. Chopra signed it on behalf of the Applicant. I am advised by Dr. Chopra and verily believe that he has reviewed said signature and he has confirmed to me that he did not make said signature. Dr. Chopra will be swearing an Affidavit to confirm this information.

47. On the date of the Purported Renewal of the West Lease, Mr. Diena was not the owner of M. Blacher Drugs. Michael Blacher was the owner of M. Blacher Drugs. I am advised by Mr. Blacher and verily believe that he did not sign the Purported Renewal of the West Lease. I am further advised by Mr. Blacher and verily believe that the extension of the tenancy of the West Property is reflected in the Second Renewal of the Original West Lease which is contained at Exhibit "M" to this my Affidavit, and that he did not agree to extend the tenancy of the West Property beyond December 1, 2021. I am further advised by Mr. Blacher that he is currently out of the country, but that he expects to be back before the return date of this Application, and that he will swear an Affidavit confirming this information.

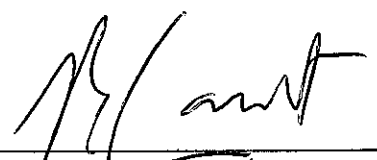
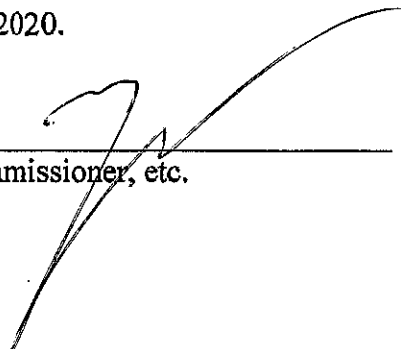
48. There is a Notice of Lease registered on title to the West Property with respect to the Renewal of the Original West Lease (the "**Notice of Lease**"). The Notice of Lease includes the statement that "*the Landlord hereby grants the Tenant with a right of renewal of lease for an additional six (6) years on the terms set out in the Original Lease.*" The six-year term of the Second Renewal of the Original West Lease is consistent with this statement. The ten-year term

of the Purported Renewal of the West Lease is inconsistent with this statement. Attached hereto and marked as **Exhibit "DD"** to this my Affidavit is true copy of the Notice of Lease registered on title to the West Property as instrument number CE433491 on July 20, 2017.

50. The Other Doctors and I have been more than cooperative in allowing the Respondent to remain in the East Property well past the previous deadlines provided. However, we require vacant possession so we can rent the East Property to a tenant of our choosing, who will complement our medical practice. To allow for the within Application to be heard, and given the present circumstances with COVID19, the Other Doctors and I have agreed to extend the termination date for the East Property until June 30, 2020.

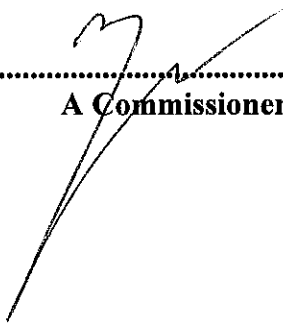
51. I make this Affidavit in support of the relief sought on this Application and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Windsor, in the County of Essex and)
Province of Ontario, this 23 day of)
April, 2020.)
_____)
A Commissioner, etc.)



BARRY LAMONT

THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.


.....
A Commissioner, etc.

Request ID: 024256116
 Transaction ID: 74757636
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/25
 Time Report Produced: 14:45:19
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1635697	CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION	2005/01/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
DR. RAJ CHOPRA 1608 TECUMSEH ROAD WEST		NOT APPLICABLE
		Amalgamation Ind.
		A
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
DR. RAJ CHOPRA 1608 TECUMSEH ROAD WEST		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00001 00009	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 024256116
Transaction ID: 74757636
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/02/25
Time Report Produced: 14:45:19
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CORPORATION PROFILE REPORT

Ontario Corp Number

1635697

Corporation Name

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
PROFESSIONAL CORPORATION

Corporate Name History

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
PROFESSIONAL CORPORATION

Effective Date

2005/01/01

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
PROFESSIONAL CORPORATION

1594138 ONTARIO INC.

Corporate Number

1544880

1594138

Request ID: 024256116
 Transaction ID: 74757636
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/25
 Time Report Produced: 14:45:19
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CORPORATION PROFILE REPORT

Ontario Corp Number

1635697

Corporation Name

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
 PROFESSIONAL CORPORATION

Administrator:

Name (Individual / Corporation)

RAJ
 CHOPRA

Address

3431 ANCASTER

 WINDSOR
 ONTARIO
 CANADA N9E 4J5

Date Began

2005/01/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

HARSHAD
 P.
 JOSHI

Address

309 TAYLOR DRIVE

 WINDSOR
 ONTARIO
 CANADA N8N 4K9

Date Began

2005/01/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024256116
 Transaction ID: 74757636
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/25
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CORPORATION PROFILE REPORT

Ontario Corp Number

1635697

Corporation Name

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
 PROFESSIONAL CORPORATION

**Administrator:
 Name (Individual / Corporation)**

VIKAS
 KARNIK

Address

442 ORCHARD PARK DRIVE

 TECUMSEH
 ONTARIO
 CANADA N8N 4Y2

Date Began

2005/01/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

BARRY
 LAMONT

Address

12660 KIMBERLY DRIVE

 TECUMSEH
 ONTARIO
 CANADA N8N 3H7

Date Began

2005/01/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024256116
Transaction ID: 74757636
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/02/25
Time Report Produced: 14:45:19
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CORPORATION PROFILE REPORT

Ontario Corp Number

1635697

Corporation Name

CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
PROFESSIONAL CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2019	1C	2019/07/21 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS EXHIBIT "B"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.





LAND REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #12

01379-0069 (LT)

PAGE 1 OF 2
PREPARED FOR Dianem12
ON 2020/02/25 AT 15:18:06

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT BLK A FL 1644 WINDSOR AS IN R819440; WINDSOR

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 01379-0265

PIN CREATION DATE:
2000/07/24

OWNERS' NAMES
CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
PROFESSIONAL CORPORATION

CAPACITY SHARE
TRST

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/01/08 ON THIS PIN				
WAS REPLACED WITH THE	"PIN CREATION DATE" OF 2000/07/24					
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/07/21 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO LAND TITLES: 2000/07/24 **						
R819440	1980/10/09	TRANSFER			MEDLEASE CORPORATION LIMITED	
R844423	1981/10/27	NOTICE			DEPARTMENT OF TRANSPORT	C
REMARKS: AMENDS 137437 & 459284 WINDSOR AIRPORT ZONING REGULATIONS						
CORRECTIONS: 'PARTY' CHANGED FROM 'DEPARTMENT OF TRANSPORT' TO 'DEPARTMENT OF TRANSPORT' ON 1996/11/14 BY LAND REGISTRAR #3. 'PARTY' CHANGED FROM 'DEPARTMENT OF TRANSPORT' TO 'SEE DOCUMENT' ON 1997/04/01 BY LAND REGISTRAR#19. 'PARTY: DEPARTMENT OF TRANSPORT' ADDED ON 1997/04/08 BY REGISTRAR 23.						
R844424	1981/10/27	NOTICE			DEPARTMENT OF TRANSPORT	C
CORRECTIONS: 'PARTY' CHANGED FROM 'DEPARTMENT OF TRANSPORT' TO 'SEE DOCUMENT' ON 1997/04/01 BY LAND REGISTRAR#19. 'PARTY: DEPARTMENT OF TRANSPORT' ADDED ON 1997/04/08 BY REGISTRAR 23.						
R1171135	1991/08/16	CHARGE	\$450,000		ROYAL BANK OF CANADA	C
CE122175	2004/12/17	TRANSFER	\$1	MEDLEASE CORPORATION LIMITED	1594138 ONTARIO INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #12

PAGE 2 OF 2
PREPARED FOR DianeM12
ON 2020/02/25 AT 15:18:06

01379-0069 (LT)

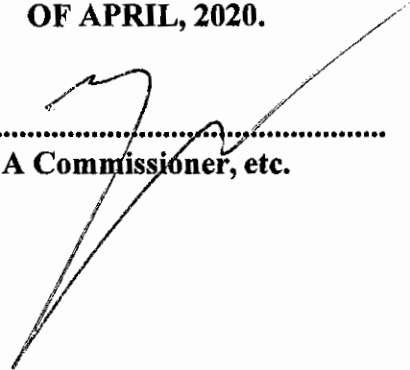
* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
CE181424	2005/11/04	APL CH NAME OWNER		1594138 ONTARIO INC. CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION	CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION 813866 ONTARIO LIMITED	C
CE190358	2005/12/21	NOTICE OF LEASE				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

THIS IS EXHIBIT "C"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 28th DAY
OF APRIL, 2020.

.....
A Commissioner, etc.



Request ID: 023913235
 Transaction ID: 73879461
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2019/12/02
 Time Report Produced: 15:33:51
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
813866	813866 ONTARIO LIMITED	1989/02/02
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
DANIEL DIENA 4256 BATHURST STREET		NOT APPLICABLE
Suite # 200		New Amal. Number
TORONTO		NOT APPLICABLE
ONTARIO		Notice Date
CANADA M3H 5Y8		NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
DANIEL DIENA 4256 BATHURST STREET		Revival Date
Suite # 200		NOT APPLICABLE
TORONTO		Continuation Date
ONTARIO		NOT APPLICABLE
CANADA M3H 5Y8		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	UNKNOWNUNKNOWN	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 023913235
 Transaction ID: 73879461
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2019/12/02
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
813866	813866 ONTARIO LIMITED

Corporate Name History	Effective Date
813866 ONTARIO LIMITED	1989/02/02

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
DANIEL DIENA	4256 BATHURST STREET Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8

Date Began	First Director	Resident Canadian
2013/02/28	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 023913235
 Transaction ID: 73879461
 Category ID: UNE

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2019/12/02
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
813866	813866 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
DANIEL DIENA	4256 BATHURST STREET Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8

Date Began	First Director	Resident Canadian
2013/02/28	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
GRACE DIENA	4256 BATHURST STREET Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8

Date Began	First Director	Resident Canadian
2013/02/28	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 023913235
Transaction ID: 73879461
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/12/02
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CORPORATION PROFILE REPORT

Ontario Corp Number

813866

Corporation Name

813866 ONTARIO LIMITED

**Administrator:
Name (Individual / Corporation)**

GRACE

DIENA

Address

4256 BATHURST STREET

Suite # 200
TORONTO
ONTARIO
CANADA M3H 5Y8

Date Began

2013/02/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 023913235
Transaction ID: 73879461
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/12/02
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

813866

813866 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2013/03/26

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS EXHIBIT "D"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 10:19:58
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
243248	MEDILEASE CORPORATION LIMITED	1971/05/17
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	VOLUNTARY DISSOLUTION	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1608 TECUMSEH ROAD WEST	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
WINDSOR	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		
CANADA N9B 1T8		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
1608 TECUMSEH ROAD WEST	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
WINDSOR	NOT APPLICABLE	2007/09/06
ONTARIO		
CANADA N9B 1T8	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Ceased
	Minimum Maximum	in Ontario
	UNKNOWN UNKNOWN	NOT APPLICABLE
Activity Classification	Date Commenced	Date Ceased
NOT AVAILABLE	in Ontario	in Ontario
	NOT APPLICABLE	NOT APPLICABLE

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

Corporate Name History

MEDILEASE CORPORATION LIMITED

Effective Date

1971/05/17

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

RAJ

CHOPRA

Address

3431 ANCASTER

WINDSOR
 ONTARIO
 CANADA N9E 4J5

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74786422
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Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

**Administrator:
 Name (Individual / Corporation)**

RAJ
 CHOPRA

Address

3431 ANCASTER

 WINDSOR
 ONTARIO
 CANADA N9E 4J5

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

RAJ
 CHOPRA

Address

3431 ANCASTER

 WINDSOR
 ONTARIO
 CANADA N9E 4J5

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

**Administrator:
 Name (Individual / Corporation)**

RAJ
 CHOPRA

Address

3431 ANCASTER

 WINDSOR
 ONTARIO
 CANADA N9E 4J5

Date Began

2001/02/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

HARSHAD
 JOSHI

Address

12164 ORCHARD DRIVE

 TECUMSEH
 ONTARIO
 CANADA N8N 4A3

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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 Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

**Administrator:
 Name (Individual / Corporation)**

HARSHAD
 JOSHI

Address

12164 ORCHARD DRIVE

 TECUMSEH
 ONTARIO
 CANADA N8N 4A3

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

HARSHAD
 P.
 JOSHI

Address

309 TAYLOR DRIVE

 WINDSOR
 ONTARIO
 CANADA N8N 4K9

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

Administrator:
 Name (Individual / Corporation)

HARSHAD
 P.
 JOSHI

Address

309 TAYLOR DRIVE

WINDSOR
 ONTARIO
 CANADA N8N 4K9

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

Administrator:
 Name (Individual / Corporation)

VIKAS
 KARNIK

Address

388 AMBERLY CRESCENT

TECUMSEH
 ONTARIO
 CANADA N8N 3M3

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

Administrator:

Name (Individual / Corporation)

VIKAS

KARNIK

Address

442 ORCHARD PARK DRIVE

TECUMSEH
 ONTARIO
 CANADA N8N 4Y2

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

VIKAS

KARNIK

Address

442 ORCHARD PARK DRIVE

TECUMSEH
 ONTARIO
 CANADA N8N 4Y2

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 10:19:58
 Page: 8

CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

**Administrator:
 Name (Individual / Corporation)**

BARRY
 LAMONT

Address

12660 KIMBERLY DRIVE
 TECUMSEH
 ONTARIO
 CANADA N8N 3H7

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

BARRY
 LAMONT

Address

12660 KIMBERLY DRIVE
 TECUMSEH
 ONTARIO
 CANADA N8N 3H7

Date Began

1994/09/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 10:19:58
 Page: 9

CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

Administrator:

Name (Individual / Corporation)

VERNON
 ROBERT
 MESSER

Address

RR#3 SHORT MALDEN RD.

WINDSOR

N9A 6Z6

Date Began

1966/11/06

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

VERNON
 ROBERT
 MESSER

Address

RR#3 SHORT MALDEN RD.

WINDSOR

N9A 6Z6

Date Began

1966/11/06

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 024259687
 Transaction ID: 74766422
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 10:19:58
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CORPORATION PROFILE REPORT

Ontario Corp Number

243248

Corporation Name

MEDILEASE CORPORATION LIMITED

**Administrator:
 Name (Individual / Corporation)**

VERNON
 ROBERT
 MESSER

Address

RR#3 SHORT MALDEN RD.

 WINDSOR
 N9A 6Z6

Date Began

1966/11/06

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

VERNON
 ROBERT
 MESSER

Address

RR#3 SHORT MALDEN RD.

 WINDSOR
 N9A 6Z6

Date Began

1966/11/06

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 024259687
Transaction ID: 74766422
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/02/26
Time Report Produced: 10:19:58
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

243248

MEDILEASE CORPORATION LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
BCA	ARTICLES OF DISSOLUTION	10	2007/09/06

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS EXHIBIT "E"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.



Request ID: 024258795
 Transaction ID: 74764132
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 09:09:26
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1594138	1594138 ONTARIO INC.	2003/12/31
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	AMALGAMATED	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
DR. RAJ CHOPRA 1608 TECUMSEH ROAD WEST	2005/01/01	NOT APPLICABLE
	New Amal. Number	Notice Date
	001635697	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
DR. RAJ CHOPRA 1608 TECUMSEH ROAD WEST	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00009	

Request ID: 024258795
 Transaction ID: 74764132
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1594138	1594138 ONTARIO INC.

Corporate Name History	Effective Date
1594138 ONTARIO INC.	2003/12/31

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
RAJ CHOPRA	3431 ANCASTER WINDSOR ONTARIO CANADA N9E 4J5

Date Began	First Director	
2004/06/30	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 024258795
 Transaction ID: 74764132
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 09:09:26
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1594138	1594138 ONTARIO INC.

Administrator:
Name (Individual / Corporation)

RAJ
 CHOPRA

Address

3431 ANCASTER

 WINDSOR
 ONTARIO
 CANADA N9E 4J5

Date Began
 2004/06/30

First Director
 NOT APPLICABLE

Designation
 OFFICER

Officer Type
 PRESIDENT

Resident Canadian
 Y

Administrator:
Name (Individual / Corporation)

HARSHAD
 P.
 JOSHI

Address

309 TAYLOR DRIVE

 WINDSOR
 ONTARIO
 CANADA N8N 4K9

Date Began
 2004/06/30

First Director
 NOT APPLICABLE

Designation
 DIRECTOR

Officer Type

Resident Canadian
 Y

Request ID: 024258795
 Transaction ID: 74764132
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 09:09:26
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CORPORATION PROFILE REPORT

Ontario Corp Number

1594138

Corporation Name

1594138 ONTARIO INC.

**Administrator:
 Name (Individual / Corporation)**

HARSHAD
 P.
 JOSHI

Address

309 TAYLOR DRIVE

 WINDSOR
 ONTARIO
 CANADA N8N 4K9

Date Began

2004/06/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

VIKAS
 KARNIK

Address

442 ORCHARD PARK DRIVE

 TECUMSEH
 ONTARIO
 CANADA N8N 4Y2

Date Began

2004/06/30

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024258795
Transaction ID: 74764132
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/02/26
Time Report Produced: 09:09:26
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1594138

Corporation Name

1594138 ONTARIO INC.

**Administrator:
Name (Individual / Corporation)**

VIKAS
KARNIK

Address

442 ORCHARD PARK DRIVE

TECUMSEH
ONTARIO
CANADA N8N 4Y2

Date Began

2004/06/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 024258795
Transaction ID: 74764132
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/02/26
Time Report Produced: 09:09:26
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1594138

1594138 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
BCA	AMALGAMATION MEMO TO FILE	4	2005/01/01

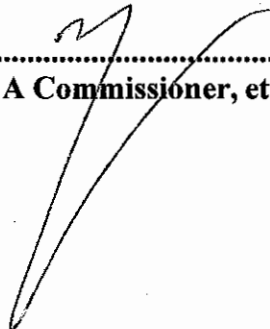
THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS EXHIBIT "F"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.



THIS INDENTURE made to take effect as and from the 1st day of January, 2007.

IN PURSUANCE OF THE SHORT FORM OF LEASES ACT.

BETWEEN:

**WINDSOR MEDICAL CLINIC, a division
of CHOPRA, JOSHI, KARNIK &
LAMONT MEDICINE PROFESSIONAL
CORPORATION, a medicine professional
corporation incorporated pursuant to the laws
of the province of Ontario**

Hereinafter called "Landlord",

OF THE FIRST PART,

- and -

**813866 ONTARIO LIMITED c.o.b. as
FAMILY HEALTH PHARMACY (East),
a company incorporated pursuant to the laws
of the province of Ontario**

Hereinafter called "Tenant",

OF THE SECOND PART.

ARTICLE I

TERM

1.01 Leased Premises

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, Landlord doth: (a) demise and lease unto the Tenant a portion of those certain premises, more particularly described in Schedule "A" attached hereto and forming part of the Lease (the "Leased

Premises") having an area of Five Hundred Forty (540) square feet more or less, and (b) grant a license granted by the Landlord to the Tenant for the occasional private use of the counselling room located in the building containing the premises.

1.02 Term

TO HAVE AND TO HOLD the Leased Premises unless such term shall be sooner terminated as hereinafter provided, for and during the term of seven (7) years to be computed from the 1st day of January, 2007 (the "Lease Commencement Date") and from thenceforth next ensuing and fully to be completed and ended on the 31st day of December, 2013 (hereinafter referred to as the "Term").

1.03 Termination of Original Lease

It is the intention of the parties hereto that Lease shall succeed the existing lease for the Leased Premises dated the 30th day of October, 1989 (the "Original Lease"). Upon execution of this Lease Agreement, the Original Lease shall be terminated as of the commencement date of the Term of this Lease.

ARTICLE II

RENT

2.01 Gross Rent

The Tenant covenants and agrees to pay unto the Landlord commencing upon the Lease Commencement Date and during the initial Term, a fixed rent for the Leased Premises (herein referred to as "Gross Rent") in the aggregate amount of SIXTY THOUSAND (\$60,000.00) DOLLARS per annum to be paid in equal monthly instalments in advance of FIVE THOUSAND (\$5,000.00) DOLLARS, inclusive of Goods and Services Tax ("GST") and any other taxes imposed upon rents by governmental authority.

2.02 Bonus Rent

The Tenant shall pay, in addition to the Gross Rent, the following sums as bonus rent hereunder:

(a) a one time payment in the amount of TWENTY-NINE THOUSAND (\$29,000.00) DOLLARS, inclusive of GST, to be paid to the Landlord via the Landlord's solicitor, Chadola Reynolds Binder, in trust, no later than thirty (30) days of the execution of this Lease Agreement;

(b) commencing on December 23, 2008, and on December 23rd of each calendar year thereafter during the initial Term of this Lease, the Tenant shall pay the amount of FIVE THOUSAND (\$5,000.00) DOLLARS inclusive of GST to the Landlord.

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Within thirty (30) days of the date of execution of this Lease, the Tenant deliver to the Landlord, a post-dated cheque in the amount of FIVE THOUSAND (\$5,000.00) DOLLARS representing the first bonus payment cheque pursuant to this subsection (b), which will become due on December 23, 2008.

2.03 Additional Rent

(a) ALL RENT PAYABLE hereunder shall be paid without any prior demand therefor to the said Landlord at the address of the Landlord hereinafter specified or at such other place or places as the Landlord shall designate from time to time in writing and without any deduction, abatement or set-off whatsoever, it being the intention of the Landlord and the Tenant that the rent herein provided shall be gross rent and that (unless hereinafter specifically set forth as a responsibility of the Tenant), all costs, expenses and obligations of every nature and kind whatsoever relating to the Leased Premises which may arise or become due during the term of this Lease shall be paid by the Landlord and that the Tenant shall be indemnified and saved harmless by the Landlord from and against the same.

(b) The Parties hereto agree that any money required to be paid in addition to Gross Rent other than expressly set out herein to be paid by the Tenant, shall be the responsibility of the Landlord.

2.04 Past Due Rent

If the Tenant shall fail to pay, when the same is due and payable, any rent or amounts or charges of the kind described in Article II hereof, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the rate of ten (10%) per cent per annum.

2.05 Place of Payment

All payments required to be made by Tenant under or in respect of this Lease shall be made to the Landlord or to such agent or agents of Landlord or at such other place as Landlord shall hereafter from time to time, direct in writing to Tenant.

ARTICLE III

TAXES

3.01 Property Taxes

The Landlord covenants to pay upon the day which they become due and payable:

- (a) all realty taxes, charges, rates, duties and assessments levied, rated, imposed,

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charged or assessed against the Leased Premises;

(b) all taxes, charges, rates, duties and assessments which are attributable to the fixtures, improvements, installations, alterations, additions and equipment from time to time made, erected or installed by the Landlord on the Leased Premises; and any taxes resulting from the use by the Landlord for its own business from the Leased Premises, if applicable;

(c) The Landlord shall indemnify and keep indemnified the Tenant from and against any payment of all loss, cost, charges and expenses occasioned by or arising from any and all the aforementioned taxes, rates, duties, assessments and any and all taxes.

3.02 Tax on Rents

In the event that any Federal, Provincial, municipal or other governmental authority shall impose or assess any tax, levy or other charge on or against all or any part of the rentals paid or to be paid by Tenant under the terms of this Lease, (including but not limited to Goods and Services Tax), such rent payable hereunder shall be automatically adjusted so that the aggregate amount of the rent and the taxes thereon shall not exceed the amount of the rent so payable as specified herein.

3.03 Land Tax

Landlord, shall, in each and every year during the said Term, and any Renewal Term pay and discharge as the same become due and payable all taxes, (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the lands and buildings containing the Leased Premises or any part thereof including without being limited to every other tax, charge, rate, assessment or payment which may become a charge or encumbrance or levied upon or collected in respect of the lands and buildings containing the Leased Premises or any part thereof, whether charged by any municipal, school, parliamentary or other body (herein collectively called "land taxes").

ARTICLE IV

USE, WASTE, NUISANCE, GOVERNMENTAL REGULATIONS

4.01 Use of Leased Premises

The Leased Premises shall be used for the operation of a retail drug store, pharmacy, and dispensary, and a medical laboratory, and for no other purpose whatsoever.

The Tenant shall conduct its business as set out herein continuously on the whole of the Leased Premises. The Tenant shall not use or permit or suffer the use of the Leased Premises for any other business or purpose than is hereinbefore provided in this Section 4.01. The Tenant further agrees not to carry on any business or sell any item or

service on the Leased Premises which may be illegal or in violation of any zoning or licensing by-law of the City of Windsor, or breach any restrictive covenant applicable to the lands and buildings containing the Leased Premises. The Tenant acknowledges that the Landlord does not in any way warrant the permissibility or legality of the use as herein defined.

The Tenant shall operate its business throughout the Term and any Renewal Terms in accordance with all municipal, provincial and federal by-laws and statutes.

The Tenant shall satisfy itself that its use of the Leased Premises will comply with all zoning and licensing requirements of any municipal, governmental or regulatory authority and, in this regard the Landlord makes no warranty with respect to zoning or licensing matters or the permissibility of the aforementioned uses.

4.02 Waste or Nuisance

Tenant shall not use or permit the Leased Premises to be used or occupied for any unlawful purpose, or commit or suffer to be committed any waste upon the Leased Premises.

4.03 Governmental Regulations

Tenant shall, at Tenant's expense, faithfully observe and promptly comply with all the requirements of all Federal, Provincial, municipal and other applicable governmental authority and all applicable orders, rules and regulations of the Canadian Fire Underwriters Association, or any other body having similar functions, now in force, or which may hereafter be in force, pertaining to the Leased Premises and likewise to observe and comply with the requirements of all policies of public liability, fire and other insurance now in force, or which may hereafter be in force with respect to the Leased Premises and any equipment used in connection therewith.

4.04 Operation of Business

The Tenant covenants to operate and conduct its business upon the whole of the Leased Premises during the entire Term of this Lease and any Renewal Term in an up-to-date, clean, high class and reputable manner. The Tenant also covenants that the Leased Premises, during the Term of the Lease, shall be actively and diligently operated, fully fixtured, stocked and staffed on such days and during such hours as required. The Tenant shall conduct its business in the Leased Premises during the regular customary days and hours for such type of business in the City of Windsor.

4.05 Restrictive Covenant

So long as the Tenant is not in default of any of the terms, covenants and conditions contained in this Lease, the Landlord shall not lease or license the use of any space on the lands or buildings containing the Leased Premises to any other tenant or licensee for use as a retail drug store, pharmacy or dispensary, or medical laboratory. Notwithstanding the

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foregoing, as of June 1, 2008, the Landlord has requested, and the Tenant has consented to, the Landlord commencing the provision of medical laboratory services in the building containing the Premises, and the Tenant ceasing the use of medical laboratory services in the Leased Premises, and the Landlord shall not be in default of its covenants under this Section 4.05. In consideration of the Tenant ceasing to carry on the use of a medical laboratory in the Leased Premises and for releasing the Landlord from the above noted restricted covenant as it applied to a medical laboratory, from and after the month of June, 2008, the Gross Rent shall be reduced by the amount of FIVE HUNDRED (\$500.00) DOLLARS per month, inclusive of all taxes, including GST.

4.06 No Relocation of Premises

During the Term and any Renewal Term, the Landlord shall not be permitted to relocate any of the Leased Premises without the written consent of the Tenant, which consent may be arbitrarily withheld.

ARTICLE V

UTILITIES AND TELEPHONE

5.01 Utilities

Landlord shall be solely responsible for and pay as the same become due respectively all charges for hydro/electricity or any other utility used or consumed for the Leased Premises. Landlord shall not be liable for any interruption or failure in the supply of any such utilities to the Leased Premises, unless the Landlord fails to make such payment(s) when due. In such even, the tenant may make the required payments after which the payment shall be deducted from the Gross Rent.

5.01 Telephone and Internet

The Tenant shall pay its costs for telephone and Internet service to the Leased Premises.

ARTICLE VI

MAINTENANCE AND REPAIRS

6.01 Tenant's Maintenance

Save as otherwise being an obligation of the Landlord as set out in Section 6.05, the Tenant shall, at the Tenant's expense, clean, repair, maintain or replace and keep the interior of the Leased Premises and every part or portion thereof, (including the exterior entrances and all glass and show windows and frames) and all fixtures and equipment therein in good order, first class condition and repair as determined by the Landlord, acting

reasonably, reasonable wear and tear, damage by fire, lightning and tempest only excepted.

6.02 Surrender of Leased Premises at End of Term

Upon the expiration of this Lease, Tenant shall surrender the Leased Premises to Landlord in the same condition in which they were delivered to Tenant at the commencement of the Term hereof, save and except for reasonable wear and tear only.

6.03 Condition of Premises

The Tenant acknowledges that it has inspected the Leased Premises and conducted such examinations and tests as it deems desirable. The Landlord does not warrant or represent the condition of the Leased Premises to the Tenant, and the Tenant accepts the Leased Premises in its present condition.

6.04 Fixtures

All fixtures installed by the Tenant shall be new or completely reconditioned. The Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any trade fixtures, exterior signs, window lettering, floor covering, interior or exterior lighting, plumbing fixtures, shades, curtains, drapes or other window covering or awnings or make any changes to the store front or the exterior of the Leased Premises without first obtaining the Landlord's written consent, which consent may not be arbitrarily withheld. The Tenant shall present to the Landlord plans and specifications in form, content and such detail as the Landlord may reasonably require for such work at the time approval is sought. The Tenant shall obtain all requisite permits, licenses and inspections in respect of any such work done by or on the Tenant's behalf. The Tenant further agrees to install and maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times and in conforming with laws and regulations of governmental authority.

ARTICLE VII

ACCESS BY LANDLORD

7.01 Right of Entry

On reasonable notice (and without notice in the event of a bona-fide perceived emergency), the Landlord or its agents shall have the right to enter upon the Leased Premises during regular business hours of the tenant (or at any time in the event of a bona fide perceived emergency) to make such repairs, alterations, improvements or additions as it may deem advisable and the Landlord or its agents shall be allowed to take all material into and upon the Leased Premises that may be required therefore without the same constituting any eviction of the Tenant.

ARTICLE VIII

INSURANCE AND INDEMNITY

8.01 Fire Insurance and Other Risks

Tenant shall, at Tenant's expense, keep all buildings, improvements, equipment, fixtures and machinery in or upon the Leased Premises (other than Tenant's trade fixtures and equipment) insured against loss or damage by fire and such other perils as Landlord may reasonably require to be insured against (limited to perils which similar properties are usually insured against in the Province of Ontario by prudent owners but which shall be deemed to include without being limited to windstorm, hail, explosion, riot, civil commotion, damage from air-craft and vehicles and smoke damage) in the joint names of the Landlord, all mortgagees as directed by the Landlord, and the Tenant (and with loss payable to Mortgagees, if any) in an amount equal to the full insurable value thereof (exclusive of the cost of foundations) so as to prevent Landlord and Tenant from becoming co-insurers under the provisions of all applicable policies of insurance. The insurance shall be with an insurance company approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to the Landlord. The insurance shall be in an amount of not less than one hundred (100%) percent of the full replacement cost of the Leased Premises.

8.02 Liability Insurance

Tenant shall also, at Tenant's expense, keep in full force and effect a policy of general liability insurance with respect to the Leased Premises and the business conducted by Tenant protecting against claims for personal injury, death, loss of rental income, and property damage in which the limits shall be not less than TWO MILLION (\$2,000,000.00) DOLLARS per occurrence and with severability of interests and cross-liability clauses. The policy shall name Landlord and Tenant and any mortgagee as directed by the Landlord, as the insured. The insurance shall be with an insurance company approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to Landlord.

8.03 Loss Payable to Mortgagees (if any)

All policies of insurance shall provide that the proceeds thereof shall be payable to the mortgagees of the Leased Premises, if any, and shall contain such mortgagee's usual form of mortgage clause or the standard mortgage clause used by the insurance company, as such mortgage may require.

8.04 Indemnification of Landlord

The Tenant will indemnify Landlord and save Landlord harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon

or at the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, or Tenant's agents, contractors, employees, servants, licensees, invitees or due to any increased demolition costs due to application of the Ontario Environmental Protection Act to any of the Tenant's activities upon or at the Leased Premises. The Tenant shall obtain any other form of insurance and such higher limits as the Landlord may reasonably require.

8.05 Insurance Policies

The policies of insurance mentioned in this Article VIII will contain any standard Mortgage Claims required by a mortgagee; and will contain a waiver of any subrogation rights which the insurer may have against any or all of the Landlord, or those for whom all or any of them are responsible.

ARTICLE IX

DAMAGE AND DESTRUCTION

9.01 Total or Partial Destruction

Provided and it is hereby expressly agreed that if, during the Term, or any Renewal Term, the Leased Premises are totally or partially destroyed or damaged by fire or the elements, explosion, riot, impact by aircraft or vehicles, smoke damage, sprinkler leakage, malicious damage, acts of God or the Queen's enemies or other perils in respect of which the Landlord is insured, the following provisions shall have effect:

(a) If the Leased Premises are rendered partially unfit for occupancy by the Tenant, the Rent hereby reserved shall abate in part only in the proportion that the part of the Leased Premises rendered unfit for occupancy by the Tenant bears to the whole of the Leased Premises or if the Leased Premises are rendered wholly unfit for occupancy by the Tenant the rent hereby reserved shall abate in each case until the Leased Premises have been rebuilt and repaired or restored;

(b) Notwithstanding the provisions of sub-clause (a) immediately preceding, if the Leased Premises in the opinion of the Landlord's architect shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within one hundred and eighty (180) days of the happening of such destruction or damage, then either the Landlord or the Tenant may terminate this Lease at its option by notice in writing to the other given within thirty (30) days of the receipt of such opinion and in the event of such notice being so given this Lease shall cease and become null and void from the date of such destruction or damage and the Tenant shall immediately surrender the Leased Premises and all interest therein to the Landlord and the Rent shall be apportioned and shall be payable by the Tenant only to the date of such destruction or damage and the Landlord may re-enter and repossess the Leased Premises discharged of this Lease but if within the said period of thirty (30) days neither the Tenant nor the Landlord shall give notice terminating this Lease as aforesaid or if within the

- 10 -

said period the Landlord and Tenant shall agree not to give such notice then upon the expiration of the said period of days or upon the Landlord and Tenant having agreed as aforesaid, whichever shall be the sooner, the Landlord shall with reasonable promptitude proceed to repair or restore the Leased Premises;

(c) If the Leased Premises shall be capable with reasonable diligence of being completely rebuilt or fully repaired and restored within one hundred and eighty (180) days of the happening of such destruction or damage then, subject to paragraph 9.01(d), the Landlord shall rebuild and/or restore or repair the Leased Premises with all speed within the aforesaid one hundred and eighty (180) days;

(d) If the proceeds of the insurance are insufficient to pay the entire cost of rebuilding or repairing and restoring the Leased Premises then the Landlord at its option may terminate this Lease within a thirty (30) day period, in the manner aforesaid; and

(e) The certificates of the Landlord's architect or contractor shall bind the parties and to the due completion of repairs.

9.02 Proceeds of Insurance

The proceeds of all insurance recovered on account of such damage or destruction, less the cost, if any, to the Landlord of such recovery, shall be the absolute property of the Landlord.

9.03 Rebuilding

The Landlord shall not be required to rebuild or restore the Leased Premises during the last year of the initial Term or during the last year of the Renewal Term.

ARTICLE X

ADDITIONS, ALTERATIONS, FIXTURES & SIGNAGE

10.01 Consent of Landlord

The Tenant may not make any structural alterations or additions to the Leased Premises without the prior written consent of the Landlord, which the Landlord, acting reasonably, may withhold.

10.02 Removal

(a) Tenant may remove its trade fixtures so long as all rent and other sums due or to become due hereunder are fully paid and so long as Tenant does not remove or carry away from the Leased Premises any part of the building or any plumbing, heating, light bulbs, electrical or ventilating plant or equipment or other building services and so long as Tenant

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repairs any damage caused by such removal. Provided however, that all electrical light fixtures, alterations, additions and improvements to the Leased Premises which in any manner are or shall be attached to the walls, floors or ceilings, or any linoleum tile, carpet or similar floor covering which may be cemented or otherwise affixed to the floor of the Leased Premises or any panelling or other covering affixed to the walls thereof shall remain upon the Leased Premises and become the property of Landlord at the expiration or other termination of this Lease.

(b) All alterations, additions and improvements made by the Tenant or made by the Landlord on the Tenant's behalf by agreement or under this Lease shall remain the property of the Tenant for the Term hereof, and the Renewal Term; provided that during the Term of the Lease including the Renewal Term, such alterations, additions and improvements shall not be removed from the Leased Premises without prior consent in writing from the Landlord. Upon expiration for the Term of this Lease, the Tenant shall remove all such alterations, decorations, additions and improvements and restore the Leased Premises as provided in Section 6.02 hereof, failing which all such alterations, decorations, additions, and improvements shall, at the option of the Landlord, become the property of the Landlord or be removed by the Landlord at the expense of the Tenant.

10.03 Construction Liens

Tenant shall not suffer or permit any construction lien for work, labour, services or materials ordered by Tenant or for the cost of which Tenant may be in any way obligated, to attach to the building or the Leased Premises, and whenever any such lien shall attach or claim therefor shall be registered, Tenant shall, within five (5) days after Tenant has notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

In the event that the Tenant fails to promptly remove or contest any such lien within five (5) days of having received notice of it, the Landlord at its option may pay and discharge the same and all amounts paid by or on behalf of the Landlord, together with all expenses incurred in connection therewith and interest from the date of payment in full, shall be chargeable to and paid by the Tenant as rent due and shall be due and payable on the next ensuing rent date.

3.02 Parking Areas

(a) The Tenant acknowledges that the parking areas located on the lands containing the Leased Premises are provided to the Tenant in common with the other tenants or their customers and patients, and as such, the Tenant has no exclusive right to any parking spaces on or near the Leased Premises.

(b) The Landlord will be responsible for the policing and/or supervision of the parking spaces.

ARTICLE XI**DEFAULT OF TENANT****11.01 Proviso for Re-entry**

Proviso for re-entry by Landlord on non-payment of rent or non-performance of covenants; provided that the Landlord shall give the Tenant written notice of non-performance of covenants and the Tenant shall have five (5) days from the date the written notice is received by the Tenant to perform the covenants hereunder before the Landlord can exercise its rights hereunder; and in case, during the Term hereby granted (i) any of the goods and chattels or Tenant shall be at any time seized or taken in execution or in attachment by any creditors of Tenant or (ii) Tenant shall make any assignment for the benefit of any creditor, or (iii) any order shall be made for the winding-up of the Tenant then and in every such case the then current month's rent and the next ensuing six (6) month's rent shall immediately become due and payable and, at the option of Landlord, this Lease shall cease and determine and the said term shall immediately become forfeited and void, in which event, Landlord may re-enter and take possession of the Leased Premises as though Tenant or any occupant or occupants of the Leased Premises was or were holding over after the expiration of the Term without any right whatever.

11.02 Right to Relet

Should the Landlord elect to re-enter, as herein provided or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Leased Premises, or any part thereof as agent for the Tenant for such term or terms (which may be for a term extending beyond the Term of this Lease) and at such rental or rentals and upon such other terms and conditions as the Landlord in its sole discretion may deem advisable; upon such reletting all rentals received by the Landlord from such reletting shall be applied, first, to the payment of the indebtedness other than rent due hereunder from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and solicitors' fees and for the costs of such alterations and repairs; third, to the payment of rent due and unpaid hereunder and the residue, if any, shall be held by the Landlord and applied in payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month shall be less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency to the Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Leased Premises by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to the Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, the Landlord may at any time thereafter elect to terminate this Lease for such previous breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it may incur by reason of such breach, including the cost

of recovering the Leased Premises, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the Term hereof over the then reasonable rental value of the Leased Premises for the remainder of the Term hereof, all of which amounts shall be immediately due and payable from the Tenant to the Landlord. In determining the rent which would be payable by the Tenant hereunder, subsequent to default the annual rent for each year of the unexpired term shall be equal to the average Rent paid by the Tenant from the Lease Commencement Date to the time of default or during the preceding one (1) year, whichever period is shorter.

11.03 Bankruptcy or Receivership

The Tenant covenants and agrees that if the goods and chattels of the Tenant on the Leased Premises shall, at any time during the said Term, or Renewal Term, be seized or taken in execution or attachment by a creditor of the Tenant, or if the Tenant shall make any assignment for the benefit of creditors or any bulk sale or shall become bankrupt or insolvent, or if the Tenant shall take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or if a private or duly Court appointed Receiver, Receiver-Manager-Agent is appointed to take Receiver-Manager or Tenant's property or assets or if any order shall be made for possession of the winding up of the Tenant, then and in every such case the then current month's Rent and the next ensuing three (3) months' Rent shall immediately become due and be paid and the Landlord may re-enter and take possession of the Leased Premises as though the Tenant or the servants of the Tenant or any other occupant of the Leased Premises were holding over after the expiration of the said Term and the said Term shall, at the option of the Landlord, forthwith become forfeited and determined, and in every one of the cases above such accelerated rent shall be recoverable by the Landlord in the same manner as the rent hereby reserved and as if the rent were in arrears and the said option shall be deemed to have been exercised if the Landlord or its agents have given notice to the Tenant as provided for herein.

11.04 The Landlord May Perform Covenants

If the Tenant shall fail to perform any of its covenants or obligations under or in respect of this Lease, the Landlord may from time to time at its discretion, perform or cause to be performed any of such covenants or obligations, or any part thereof and for such purpose may do such things upon or in respect of the Leased Premises or any part thereof as the Landlord may consider requisite or necessary. All expenses incurred and expenditures made by or on behalf of the Landlord under this Article shall be forthwith paid by the Tenant and if the Tenant fails to pay the same, the Landlord may add the same to the Rent and recover the same by all remedies available to the Landlord for the recovery of rent in arrears.

11.05 Landlord May Follow Chattels

Provided that in case of removal by the Tenant of the goods and chattels of the Tenant from the Leased Premises, the Landlord may follow the same for thirty (30) days in the same manner as is provided for in the Commercial Tenancies Act, R.S.O. 1990, C-L.7, as

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amended.

ARTICLE XII

ASSIGNMENT

12.01 Assignment

Tenant shall not assign this Lease without the prior written consent of the Landlord, which consent shall not be unreasonably or arbitrarily withheld.

ARTICLE XIII

OVERHOLDING AND RENEWAL

13.01 Overholding

If at the end of the Term of the Lease whether by effluxion of time or any other reason, the Landlord permits Tenant to remain in possession of the Leased Premises and accepts rent in respect thereto, a tenancy from year to year shall not be created by implication of law but the Tenant shall be deemed to be a monthly Tenant only subject in all respects to the provision of this Lease.

13.02 Renewal

(a) So long as the Tenant is not in default of any of the terms, covenants and conditions contained in this Lease, the Tenant shall have the right, and upon giving to the Landlord, notice in writing not less than three (3) months prior to the expiration of the Lease to renew the Lease for one (1) further term of five (5) years ("Renewal Term"), upon the same terms and conditions as contained in this Lease, except that the Gross Rent shall be fixed by mutual agreement and there shall be no further right of renewal, except as provided herein. Provided, however, that if the Landlord and Tenant do not agree in writing to the rent for such Renewal Term on or before the date one (1) month prior to the date of termination of the Lease, then the rent for such Renewal Term shall be determined in accordance with subparagraph (b) hereof.

(b) If the parties hereto are unable to agree to the Gross Rent for a Renewal Term within the time limits set forth, either party, may by written notice to the other given at least fifteen (15) days prior to the expiry of the Term, name an arbitrator and the party receiving such notice shall within five (5) days of receipt of such notice name an arbitrator, and the two (2) arbitrators so named shall name a third arbitrator, and the arbitrators thus named shall determine the rent for the Renewal Term and their decision or award shall be made prior to the expiration of the Lease, and such award, or the award of the majority of the arbitrators shall be binding upon the parties. The expense of the arbitration shall be borne equally between the parties hereto. If either party shall neglect or refuse to name its arbitrator within the time hereinbefore limited or to proceed with the arbitration, the arbitrator named by the

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other party shall proceed and fix the said rent to be paid for the Renewal Term, and his award shall be final;

(c) The parties hereto agree that in the event that the rent for the Renewal Term shall not be established before the commencement of the Renewal Term, the Tenant shall continue to pay the Gross Rent until such time as the rental is established for the Renewal Term, at which time the rental for the Renewal Term shall be retroactively adjusted to the date of commencement of the Renewal Term, and any deficiency of rental shall immediately be paid by the Tenant to the Landlord failing which the Landlord shall be entitled to all remedies granted hereunder for breach of the Lease;

(d) Notwithstanding the ruling of the Arbitrators, the said rent for the Renewal Term shall not be less than the rent for the last year of the original Term of the Lease.

ARTICLE XIV

LANDLORD'S COVENANTS

14.01 Outlet Enjoyment

Provided that the Tenant is not in default hereunder, the Landlord covenants with Tenant that the Tenant shall and may peaceably possess and enjoy the Leased Premises for the Term hereby granted without hindrance, interruption or disturbance from the Landlord.

14.02 Operation as a Medical Clinic

The Landlord covenants and agrees that the lands and buildings containing the Leased Premises shall be continued to be used for the purpose of a medical clinic and that in the event that the number of physicians maintaining full-time practices in the Medical Clinic falls below three (3), this Lease and the obligations herein (at the option of the Tenant) shall be terminated upon thirty (30) days notice by the Tenant.

ARTICLE XV

ACKNOWLEDGEMENT OF TENANCY, ATTORNMENT, SUBORDINATION

15.01 Acknowledgement of Tenancy

If any acknowledgement of tenancy shall be required by the Tenant or Landlord, the other party agrees to execute and deliver, within ten (10) business days of the request of the other, a certificate certifying (if such be the case) that this Lease is in full force and effect, that this Lease is unamended, or if amended the particulars thereof, the amount of the Rent, and that such rent is paid currently without any defences or offsets thereto; that the

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Tenant is in possession; that there are no prepaid rents or security deposits other than those set out in this Lease; that there are no uncured defaults by either party or stating those claimed; that the Leased Premises are completed and are in good condition and repair, or such other information as the Landlord may request; and such other matters as the parties may reasonably require. If within seven (7) days after the request of the Landlord for the said certificate, the Tenant fails to deliver the same, the Tenant irrevocably appoints the Landlord as the Tenant's attorney in accordance with the Powers of Attorney Act (exercisable as well during any subsequent incapacity of the Tenant) to execute and deliver the said certificate in the name of the Tenant, and the Landlord shall be held harmless and indemnified by the Tenant for so doing.

15.02 Subordination

It is a condition of this Lease and the Tenant's rights granted hereunder that this Lease is subordinate only to any and all mortgages, or other instruments of financing, refinancing or collateral financing, from time to time in existence against the Leased Premises.

Upon request of the Landlord, the Tenant will subordinate or postpone its rights hereunder to the lien of any mortgagee or the lien resulting from any other method of financing or refinancing, now or hereafter in force against Leased Premises, and to all advances made or hereafter to be made upon the security thereof or will acknowledge the subordination or postponement of the rights hereunder in favour of such mortgage or lien.

If requested, the Tenant shall attorn to the holder of any such mortgage or other lien resulting from any method of financing or refinancing or to the registered owners of the Leased Premises as the case may be. If within ten (10) days after request by the Landlord to the Tenant to execute the instruments or certificates to give effect to the foregoing the Tenant has not executed the same, the Tenant irrevocably appoints the Landlord as the Tenant's attorney in accordance with the Powers of Attorney Act, (exercisable as well during any subsequent incapacity of the Tenant) with full power and authority to execute and deliver in the name of the Tenant any such instruments or certificates, or the Landlord may at its option terminate this Lease without liability on account thereof.

ARTICLE XVI

GROSS LEASE

16.01 Gross Lease

The parties hereto acknowledge and agree that it is intended that subject to express provisions hereof, that the rent paid by the Tenant pursuant to this Lease shall be a gross rent to the Landlord and the Tenant shall not be responsible during the Term of this Lease for any claim, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises except as may be otherwise expressly set out herein. For

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greater certainty, it shall be the obligation of the Landlord, to install, provide, maintain, repair, and replace, as applicable, the following:

- (a) drains, pipes, electrical wiring, heating and plumbing fixtures
- (b) electrical, mechanical, plumbing, drainage, heating, ventilation, and air-conditioning systems;
- (c) outside maintenance, lawn and garden maintenance, landscaping;
- (d) building insurance;
- (e) heat, hydro and water rates that pertain to the Leased Premises or to the lands and buildings containing the Leased Premises;
- (f) garbage disposal;
- (g) snow/ice removal, parking lot maintenance and operation;
- (h) security services;
- (i) cleaning and janitorial costs, save as those costs relate to the cleaning and maintenance of the interior of the Leased Premises; and
- (j) structural repairs to the building including roof, floor, walls, foundation.

ARTICLE XVII

MISCELLANEOUS

17.01 Waiver

The waiver of either party of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent or payment of rent hereunder shall not be deemed to be a waiver of any preceding breach of any term, covenant or condition of this Lease, other than failure of Tenant to pay the particular rent so accepted, regardless of Landlord's acceptance or Tenant's payment of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord or Tenant, unless such waiver be in writing and signed by Landlord.

17.02 Accord and Satisfaction

No payment by Tenant or receipt by Landlord of a lesser amount than the

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monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any cheque or any payment of rent be deemed an accord and satisfaction, and Landlord may accept such cheque or payment with prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

17.03 Entire Agreement

This Lease sets forth all covenants, promises, agreements, representations, warranties, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, agreements, representations, warranties, conditions and understandings that are 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 Landlord or Tenant unless reduced to writing and signed by them.

17.04 Notices

Any notice to be given under the terms of this Lease shall be sufficiently given if delivered to the party for whom it is intended or if mailed, postage prepaid, by registered mail, facsimile transmission or personal service, addressed to the party for whom it is intended:

- (a) in the case of notice to the Landlord, addressed to the Landlord at:

1608 Tecumseh Road West
Windsor, Ontario
N9B 1T8

or such other address as may be specified by the Landlord in writing;

- (b) in the case of notice to the Tenant, addressed to the Tenant at the Leased Premises, or such other address as may be specified by the Tenant in writing;

Any notice or document so given shall be deemed to have been received on the third business day following the date of mailing, if sent by registered mail or certified mail, but shall be deemed to have been received on the same day if transmitted by facsimile or telegram. Any party may from time to time by notice given as provided above, change its address for the purpose of this Section 17.04.

17.05 Captions and Section Numbers

The captions, section numbers and article numbers 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.

17.06 Partial Invalidity

If any term, covenant or condition of this Lease or the application thereof to any person or circumstances shall to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

17.07 Environmental Issues and Contaminants

The Tenant shall not do or permit anything to be done on, around or in relation to the Leased Premises, or bring or keep anything thereon which may in any way increase or cause environmental contamination, adverse environmental effects, or which may be in contravention with the Environmental Protection Act, R.S.O. 1990, C-E.19 as amended, or any other federal, provincial or municipal legislation, regulation, ordinances or rules regarding environmental protection which are currently existing or which are enacted during the currency of this Lease. The Tenant shall not cause, and shall not permit to be caused, the escape, discharge, leaching, disposal, maintenance and/or the storage of any contaminants, pollutants, radioactive material, PCB, or other hazardous material on, around, or in relation to the Leased Premises. The Tenant shall be solely and totally responsible for the clean-up and repair of any environmental damage, or adverse effects arising as a result of the breach of the covenants herein contained. The Tenant hereby agrees to indemnify, defend and save the Landlord and any mortgagee harmless from any and all liability, claims, damage, expense, causes of action, suits or judgments arising from the Tenant's breach of this covenant, and all payments arising pursuant to this or the preceding paragraph shall be deemed to be additional rent and recoverable as such. The indemnity referred to herein shall include, but not be limited to, claims made by third parties arising out of common law. The Tenant herein covenants to provide immediate notice to the Landlord of any breach of the covenants contained herein. The Tenant acknowledges that the Landlord, or its agents, shall be permitted to enter onto the Leased Premises at any time to inspect the Leased Premises, if it has reason to believe that the Tenant has breached its covenant contained herein this section. The Landlord shall also be entitled to take corrective action regarding any breach of the Tenant's covenants contained herein, at the Tenant's expense.

17.08 Successors and Assigns

This Lease shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns; and the parties hereto agree for themselves and their heirs, executors, administrators, successors and assigns to execute any instruments which may be necessary or proper to carry out the purposes and intent of this Agreement.

17.09 Governing Law

This Lease is to be governed by and construed according to the laws of the

Province of Ontario.

17.10 Overdue Amounts

In the event that any payments required to be made by the Tenant to the Landlord hereunder are not paid when due then interest at the prime rate of interest charged by the Landlord's bankers to its commercial customers at Windsor, Ontario, plus two (2.0%) percent per annum from the date when such overdue amounts were due to the date when such overdue amounts are paid, and such interest shall be collectable as Rent with the next instalment of rent thereafter falling due hereunder, or at the time the overdue amounts are paid, whichever is the earlier, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

17.11 Captions and Section Numbers

The index, captions, section numbers, and article numbers 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.

17.12 Construction

The use of the neuter singular pronoun to refer to the Landlord or the Tenant shall be deemed a proper reference even though the Landlord or the Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals 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 corporation, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. The words "herein, "hereof" and like words shall refer to the whole of this Lease unless the contrary is indicated.

17.13 The Planning Act

This Lease is entered into subject to the condition that it is to be effective only on obtaining the consent required under the Planning Act, R.S.O. 1990, c.P.13, as amended, if such consent is required. If any such consent is required it shall be obtained by the Landlord at the expense of the Tenant and until such consent is obtained and term hereof, including options, if any, shall be read as not exceeding twenty-one (21) years less one day and in the event such consent is not obtained, the Term hereof, including options, if any, shall not exceed twenty-one (21) years less one day.

17.14 No Abatement

Subject to the other provisions of this Lease all rent required to be paid by the Tenant hereunder shall be paid without any deduction, abatement or set-off whatsoever, it

being the intention of this Lease that all expenses, costs, payments and outgoings incurred in respect of the lands, the building and any other improvements on the lands or for any other matter or thing affecting the lands, shall (unless otherwise expressly stipulated herein to the contrary) be borne by the Tenant, that the rent herein provided shall be absolutely net to the Landlord and free of all abatement, set-off, or deduction or realty taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature arising from or related to the lands or any improvements thereon, and that the Tenant shall pay all such taxes, charges, rates, expenses, costs, assessments, payments and outgoings.

17.15 Landlord to Include Representatives

Wherever the word "Landlord" is used in the present Lease, it shall be deemed to include the Landlord and its duly authorized representatives and managers and successors and assigns.

17.16 Counterparts of this Agreement

This Agreement may be executed in counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

17.17 Time of Essence

Time shall be of the essence of this Lease and every part hereof.

17.18 Force Majeure

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labour disputes, inability to procure materials, failure of power, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything herein contained, the provisions of this Section 17.18 shall not operate to excuse the Tenant from the prompt and timely payment of Fixed Minimum Rent, Additional Rent or any other payments required by the terms of this Lease, nor entitle the Tenant to compensation for any inconvenience, nuisance or discomfort thereby occasioned, except as set out herein.

17.19 Right of First Refusal

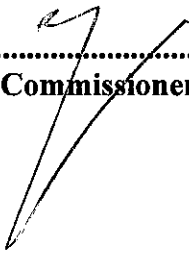
(a) During the Renewal Term of this Lease, if the Landlord receives a bona fide Offer which includes an offer to purchase all the lands and buildings described on Schedule "A" (the "Entire Lands") which the Landlord is willing to accept, the Landlord shall give written notice of the Offer to the Tenant by sending to it a true copy of the Offer and the Tenant shall have the right, during the next four (4) business days after giving of

Schedule "A"DESCRIPTION

Part of Block A, Plan 1644, as in instrument number R819440, Windsor, and municipally known as 6720 Hawthorne Drive, Windsor, Ontario.

THIS IS EXHIBIT "G"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.



813866 Ontario Limited
c.o.b Family Health Pharmacy
6720 Hawthorne Dr. Windsor, Ontario N8T 1J9

Sunday, April 28, 2013

Windsor Medical Clinic
Chopra, Joshi, Karnik & Lamont Medicine Professional Corporation
1608 Tecumseh Road West
Windsor, Ontario N9B 1T8

Pursuant to clause 13.02 I am exercising my right to renew the lease.

I would like to meet with the doctors as I understand that there were some issues in the past and I am prepared to rectify those issues.

I would prepared to come down to Windsor at any time to meet with the doctors.

Thank you

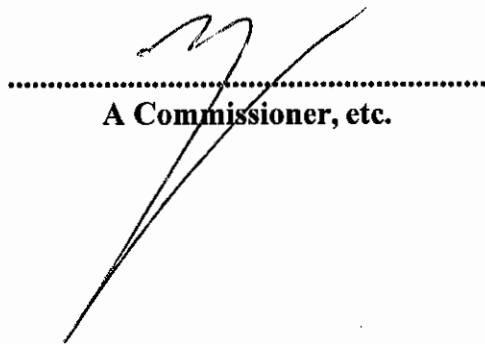


Dani Diena

*Received from Dani Diena renewal
of the lease agreement.*

*Wally Lyking
May 6, 2013*

THIS IS EXHIBIT "H"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.


.....
A Commissioner, etc.

Request ID: 024260906
 Transaction ID: 74769895
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
 Time Report Produced: 11:52:59
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
65016	RANDO DRUGS LTD.	1951/10/29
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
RANDO DRUGS 4256 BATHURST ST		NOT APPLICABLE
Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
4256 BATHURST ST		NOT APPLICABLE
Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced in Ontario
	Minimum Maximum	NOT APPLICABLE
	00001 00010	
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 024260906
 Transaction ID: 74769895
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
65016	RANDO DRUGS LTD.

Corporate Name History	Effective Date
RANDO DRUGS LTD.	1987/07/14
JACK ADAM DRUGS LIMITED	1951/10/29

Current Business Name(s) Exist:	YES
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
DANIEL DIENA	4256 BATHURST STREET Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8

Date Began	First Director	
2013/03/25	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	

Request ID: 024260906
 Transaction ID: 74769895
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	
65016	RANDO DRUGS LTD.	
Administrator: Name (Individual / Corporation)	Address	
DANIEL DIENA	4256 BATHURST STREET Suite # 200 TORONTO ONTARIO CANADA M3H 5Y8	
Date Began	First Director	
2013/03/25	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	
Administrator: Name (Individual / Corporation)	Address	
MAJID MARK HAPITAGHI	27 ARDMORE CR RICHMOND HILL ONTARIO CANADA L4B 2H8	
Date Began	First Director	
2019/08/21	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 024260906
Transaction ID: 74769895
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/02/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

65016

Corporation Name

RANDO DRUGS LTD.

Last Document Recorded

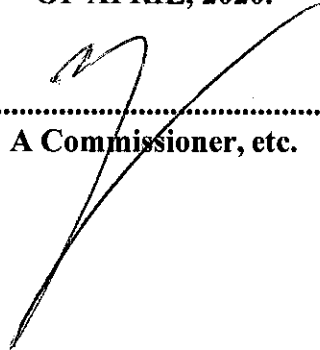
Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2019/11/05 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS EXHIBIT "I"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.


.....
A Commissioner, etc.

Dr Lamont
copy

THIS INDENTURE made this 11th day of December, 2013.

Pursuant to the *Short Form of Leases Act*.

BETWEEN:

**WINDSOR MEDICAL CLINIC, A DIVISION OF CHOPRA, JOSHI,
KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION,**
residing in the City of Windsor, in the County of Essex

herein called "Landlord",

OF THE FIRST PART

-AND-

RANDO DRUGS LTD., a corporation incorporated under the laws of the
Province of Ontario

herein called "Tenant",

OF THE SECOND PART

WITNESSETH:

ARTICLE 1
GRANT AND TERM

DEMISED PREMISES

1.1 In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be paid, observed and performed, Landlord leases to the Tenant those certain lands and premises consisting of the ground floor of a building, upon the lands described in Schedule "A" annexed hereto consisting of approximately 540 square feet and known municipally as 6720 Hawthorne Drive, Windsor (herein called the "Demised Premises"). The boundaries and location of the Demised Premises are outlined in red on the site plan of the building which is annexed as Schedule "B" hereto. The exterior faces of the exterior walls of the building are expressly excluded from the Demised Premises.

TERM

1.2 To have and to hold the Demised Premises, unless such term shall be sooner terminated as hereinafter provided, for and during the term of five (5) years to be computed from and inclusive of the 1st day of January, 2014 and from thenceforth next ensuing and fully to be complete and ended on the 31st day of December, 2018 (herein called the "Term").

\$88,140 / yr

ARTICLE 2
RENT

AMOUNT OF RENT

2.1 Yielding and Paying Therefor yearly and every year during the Term the sum of Seventy-Eight Thousand Dollars (\$78,000.00) of lawful money of Canada, plus HST, to be paid in advance in equal, consecutive, monthly instalments of Six Thousand Five Hundred Dollars (\$6,500.00) each plus HST on the first day of each month in each year during the Term, the first of such payments to become due and be paid in advance on the 1st day of January, 2014 and the last payment to become due and be paid in advance on the 1st day of December, 2018.

ADDITIONAL CHARGES

2.2 Tenant covenants to pay rent and to pay as additional charges all other sums of money or charges required to be paid by Tenant under this lease, whether or not the same are designated "additional charges". If such amounts or charges are not paid at the time provided in this lease they shall become due and payable with the next instalment of rent thereafter falling due hereunder as if such additional charges were rent, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder or limit any other remedy of the Landlord.

PAST DUE RENT AND ADDITIONAL CHARGES

2.3 If Tenant shall fail to pay, when the same are due and payable, any rent or any additional charges or amounts of the kind described in Section 2.2 hereof, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the rate of eighteen percent (18%) per annum.

ARTICLE 3
TAXES

BUSINESS AND PERSONAL PROPERTY TAX

3.1 Tenant shall pay all taxes, rates, charges and licence fees assessed, levied or imposed in respect of the personal property, business or income of Tenant as and when the same become due and payable.

TAX ON RENTS

3.2 In the event that any Federal, Provincial, Municipal or other governmental authority shall impose or assess any tax, levy or other charge on or against all or any part of the rentals and/or charges paid or to be paid by Tenant under the terms of this lease, and Landlord is required to collect from Tenant and/or pay such tax, levy or charge to such authority, Tenant shall, within ten (10) days from

written demand therefor, pay to or reimburse Landlord (as the case may be) all such charges as may be imposed or assessed, which, for the purposes of this lease shall be deemed to be due from Tenant as additional charges; it being the intention of the parties hereto that the rents payable hereunder, shall be paid to the Landlord absolutely net, without deduction of any nature whatsoever, except as is in this lease otherwise expressly provided; provided, the Tenant shall not be required to pay any estate, inheritance, succession, transfer, income or similar taxes which may be payable by the Landlord.

LAND TAXES

3.3 Landlord shall, in the first instance, pay and discharge as the same become due and payable, all taxes including local improvement rates, rates, duties and assessments that may be levied, rated charged or assessed against the land and building of which the Demised Premises form a part including without being limited to every tax, charge, rate, assessment or payment which may become a charge or encumbrance or levied upon or collected in respect thereof, whether charged by any municipal, school, parliamentary or other body (herein collectively called "Land Taxes"). Tenant shall, forthwith upon demand therefor by Landlord, pay to Landlord that portion of the Land Taxes equal to the product obtained by multiplying the amount of the Land Taxes by a fraction, the numerator of which shall be the square foot area of the Demised Premises are situated. The tax year of any lawful authority commencing during any lease year shall be deemed to correspond to such lease year, but if the last year of the term hereof is a period of which part only is included with any such tax year any such increase for such period shall be reduced proportionately. The additional rent provided for in this Section shall be paid within twenty (20) days after demand therefor by Landlord.

ARTICLE 4

USE, WASTE, NUISANCE, GOVERNMENTAL REGULATIONS

USE OF DEMISED PREMISES

4.1 The Demised Premises shall be used solely for the purpose of a Pharmacy.

PROHIBITIONS

4.2 Tenant shall not under any circumstances whatsoever:

- (a) use or permit the Demised Premises to be used or occupied for any unlawful purpose or contrary to any Laws;
- (b) commit or allow to be committed any waste upon the Demised Premises;
- (c) do or permit to be done anything which shall be or result in a nuisance or which may disturb the quiet enjoyment of any neighbouring properties or which may give any other person, firm or corporation any lawful reason to bring an action for damages against Landlord;
- (d) discharge or spill any Contaminant or Pollutant upon the Demised Premises or into the Natural Environment that causes or is likely to cause an Adverse Effect;

- (e) use or permit anything to be done which would make void or voidable any insurance upon the Demised Premises or which would constitute a nuisance; or
- (f) use or permit the Demised Premises to be used contrary to any of the provisions of this Agreement.

COMMENCEMENT OF WORK

4.3 Tenant shall not commence any work whatsoever upon the Demised Premises at any time, except in cases of emergency, unless the following provisions have been complied with:

- (a) Tenant has complied with all Laws, Regulations and Orders respecting such work and has obtained all the Permits required to permit such work to be performed;
- (b) Tenant has given prior written notice to Landlord containing:
 - (i) a description of the work to be performed and all the plans, drawings and specifications related to such work;
 - (ii) the dates and times when all such work shall be performed;
 - (iii) Tenant's certificate that all Permits needed by Tenant to permit such work to be performed have been obtained; and
 - (iv) a list and copies of all such Permits; and
- (c) Landlord has given its consent to Tenant to commence the work described in the notice on the dates and at the times set forth therein which consent may be unilaterally and arbitrarily withheld.

COMPLIANCE WITH LAWS

4.4 Tenant shall abide by and comply with all Laws, Regulations and Orders and all applicable orders, rules and regulations of the Canadian Fire Underwriters Association, or any other body having similar functions, and the provisions of all policies of public liability, fire and other insurance now in force, or which may hereafter be in force with respect to the Demised Premises and any equipment used in connection therewith.

MECHANICS' LIENS

4.5 Tenant shall not suffer or permit any construction liens for work, labour, services or materials ordered by Tenant or for the cost of which Tenant may be in any way obligated, to attach to the building or the Demised Premises, and whenever any such lien shall attach or a claim therefor shall be registered, Tenant shall, within twenty (20) days after Tenant has notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

ARTICLE 5
UTILITIES

UTILITY CHARGES

5.1 Tenant shall be solely responsible for and pay as the same become due respectively all charges for telephone, heat, air-conditioning, water, gas, electricity or any other utility used or consumed in the Demised Premises. Landlord shall not be liable for any interruption or failure in the supply of any such utilities to the Demised Premises.

ARTICLE 6
MAINTENANCE AND REPAIRS

CONDITION OF THE DEMISED PREMISES

6.1 Tenant acknowledges that Tenant has inspected and is familiar with the physical attributes and condition of the Demised Premises at the date hereof and that Landlord has made no representations or warranties of whatsoever nature or kind with respect to the same other than those which are expressly set forth in this lease and that Landlord shall not be liable for any latent or patent defects in the building or for the existence of any other circumstance or condition not expressly represented or warranted and expressly set forth in this lease, and in particular, Landlord shall not be responsible for any want of repair of the building.

TENANT'S OBLIGATIONS TO MAINTAIN AND REPAIR

6.2 Tenant shall maintain and keep the Demised Premises and every part thereof in good, substantial repair and condition and promptly make all needed repairs and replacements of a quality and kind at least equal to the original, subject to reasonable wear and tear and damage by fire, lightning, tempest, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect or by reason of any explosion, accident or other agency not the result of some negligent act or omission of Tenant, Tenant's employees, invitees or contractors only excepted; but notwithstanding the foregoing covenant to repair Tenant shall not be responsible to repair the roof, foundations, outside walls, down pipes, drains, pipes, plumbing, electrical wiring, heating or air-conditioning plant and equipment except where the want of such repairs is the result of improper use thereof by Tenants, or Tenant's employees, invitees, licensees or contractors.

SURRENDER OF DEMISED PREMISES AT END OF TERM

6.3 Upon the expiration of the Term Tenant shall surrender the Demised Premises to Landlord in the same condition in which they were delivered to Tenant at the commencement of the Term, subject to any changes made with the Landlord's prior written consent, reasonable wear and tear and damages by fire, lightning, tempest, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect or by reasons of any explosion, accident or agency not the result of some negligent act or omission of Tenant, Tenant's employees, invitees or contractors only excepted.

TENANT'S FURTHER OBLIGATION TO REPAIR

6.4 Tenant, at Tenant's expense, shall keep and maintain any curbs, sidewalks and parking areas, in, on or adjoining the same clean and free of dirt, rubbish, ice and snow and at the expiration of the Term Tenant shall leave the same in a clean and tidy condition as aforesaid.

LANDLORD NOT RESPONSIBLE

6.5 Tenant, except as herein otherwise specifically provide, assumes the entire responsibility for the condition, operation, maintenance and management of the Demised Premises and the building situated thereon and Landlord shall have no responsibility whatsoever for same nor shall Landlord be responsible for damage to the Tenant's property in and upon the Demised Premises under any circumstances whatsoever except damages caused by the negligent act or omission of Landlord or Landlord's employees or contractors.

ARTICLE 7 ACCESS BY LANDLORD

RIGHT OF ENTRY

7.1 Landlord and Landlord's agents shall have the right to enter the Demised Premises at all reasonable times to inspect the same and in the event an inspection reveals any maintenance work or repairs are necessary and required by this lease to be done by Tenant, Landlord shall give Tenant notice in writing and thereupon Tenant shall within a reasonable time after receipt thereof, do such maintenance work or make the necessary repairs or replacements in a good and workmanlike manner and if Tenant shall fail to do so the Landlord, and its contractors, agents or workmen shall be allowed to take all material into and upon the Demised Premises and do such maintenance work or make such repairs or replacements and the rent reserved shall in no way abate while said maintenance work, repairs or replacements are being made and the Landlord shall not be liable for any inconvenience, disturbance, loss of business or other damage resulting therefrom and Tenant shall pay Landlord, as an additional charge, the cost of same plus twenty (20%) percent for overhead and supervision. During the three months prior to the expiration of the Term or any renewal term Landlord may exhibit the Demised Premises to prospective tenants or purchasers and place upon the Demised Premises the usual notice "To Let" or "For Sale" which notices Tenant shall permit to remain thereon without molestation. The additional charges provided for in this section shall be paid within twenty (20) days after demand therefor by Landlord.

ARTICLE 8 INSURANCE AND INDEMNITY

FIRE INSURANCE AND OTHER RISKS

8.1 Tenant shall, at Tenant's expense, keep all buildings, improvements, equipment, fixtures, motors and machinery in or upon the Demised Premises (other than Tenant's trade fixtures and

equipment) insured against loss or damage by fire and such other perils as Landlord may reasonably require to be insured against (limited to perils which similar properties are usually insured against in the Province of Ontario by prudent owners but which shall be deemed to include without being limited to windstorm, hail, explosion, riot, civil commotion, damage from air-craft and vehicles and smoke damage) in the joint names of Landlord and Tenant (and with the loss payable to Mortgagees, if any) in an amount equal to the full insurable value thereof (exclusive of the cost of foundations) so as to prevent Landlord and Tenant from becoming co-insurers under the provisions of all applicable policies of insurance. The insurance shall be in an insurance company approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to Landlord.

LIABILITY INSURANCE

8.2 Tenant shall also, at Tenant's expense, keep in full force and effect a policy of general liability insurance with respect to the Demised Premises and the business conducted by Tenant protecting against claims for personal injury, death and property damage in which the limits shall be not less than Two Million Dollars (\$2,000,000.00) in respect of injury or death to a single person, and not less than Two Million Dollars (\$2,000,000.00) in respect of property damage. The policy shall name Landlord and Tenant as insured. The insurance shall be in an insurance company approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to Landlord.

INDEMNIFICATION OF LANDLORD

8.3 Tenant will indemnify and save Landlord harmless from and against any and all:

- (a) liabilities, losses, claims, actions, damages (including, without limitation, lost profits, consequential damages, interest, penalties, fines and monetary sanctions) and costs; and
- (b) lawyers, on a solicitor and his own client basis, accountants and engineering fees and expenses, court costs and all other out-of-pocket expenses, incurred or suffered by Landlord;

by reason of, resulting from, in connection with or arising in any manner whatever out of the breach of any term, covenant or provision of this Agreement, loss of life, personal injury and/or damage to property or the Natural Environment arising from or out of any occurrence in, upon or at the Demised Premises or any adjacent lands or any part thereof, or occasioned wholly or in part by any act or omission of Tenant or Tenant's agents, contractors, employees or servants. Tenant shall also pay all costs, expenses and reasonable counsel fees that may be incurred or paid by Landlord in enforcing the covenants and agreements contained in this Agreement.

ARTICLE 9 **DAMAGE AND DESTRUCTION**

TOTAL OR PARTIAL DESTRUCTION

9.1 If the Demised Premises are wholly or partly damaged or destroyed by fire or any other cause this Lease shall remain in full force and effect without abatement of rent and Tenant shall promptly repair, restore and rebuild the same as nearly as possible to the condition they were in immediately prior to such damage or destruction.

PROCEEDS OF INSURANCE

9.2 Subject to the provisions of any mortgage of the Demised Premises the proceeds of all insurance recovered on account of such damage or destruction, less the cost, if any, to Landlord of such recovery, shall be applied to payment of the cost of repairing, restoring and rebuilding (herein referred to as the "work") and shall be paid to Tenant as the work progresses upon the written request of Tenant which shall be accompanied by a certificate of the architect or engineer in charge of the work, stating:

- (a) that the sum requested is justly due to the contractors, material men, labourers, engineers, architects or other persons, rendering services or providing materials for the work, or is justly required to reimburse Tenant for expenditure made by Tenant in connection with such work, and when added to all sums previously paid out by Landlord does not exceed the value of the work done to the date of such certificate less then required hold-back, and
- (b) that the insurance money remaining in the hands of Landlord, together with the other sums or financing held by or available and secured to Tenant, will be sufficient upon the completion of the work to pay for the same in full.

INSUFFICIENCY OF INSURANCE

9.3 In case the insurance money in the hands of Landlord and said other sums or financing are insufficient to pay the entire cost of the work Tenant shall pay the deficiency. Upon completion of the work and payment in full thereof by Tenant, Landlord shall turn over to Tenant any insurance money then remaining in the hands of Landlord.

TERMINATION OF LEASE

9.4 Provided that if during the last year of the Term the Demised Premises are totally destroyed by fire or any other cause or are partially destroyed so as to render the building wholly unfit for occupancy then at the written option of Tenant exercised within ten (10) days thereafter this Lease shall cease and become null and void from the date of receipt of such notice by Landlord and in that event all proceeds from said insurance shall belong absolutely to Landlord and Tenant shall forthwith execute all necessary releases in respect of the insurance monies.

ARTICLE 10
FIXTURES**FIXTURES**

10.1 Tenant may remove its fixtures so long as all rent and other sums due or to become due hereunder are fully paid and so long as Tenant does not remove or carry away from the Demised Premises any part of the building or any plumbing, heating, electrical or ventilating plant or equipment or other building services and so long as Tenant repairs any damage caused by such removal, provided however that all electric light fixtures, alterations, additions and improvements to the Demised Premises

which in any manner are or shall be attached to the walls, floors or ceilings, or any linoleum tile, carpet, or similar floor covering which may be cemented or otherwise affixed to the floor of the Demised Premises or any paneling or other covering affixed to the walls thereof shall remain upon the premises and become the property of Landlord at the expiration or other termination of this lease.

ARTICLE 11

DEFAULT OF TENANT

PROVISO FOR RE-ENTRY

11.1 Provided that in the event of on non-payment of rent or non-performance of covenant; and in case, without the written consent of Landlord, the Demised Premises shall become and remain vacant or not used for a period of thirty (30) days while the same are suitable for use by Tenant or be used by any other persons than Tenant; or in case the Term or any of the goods and chattels of Tenant shall be at any time seized or taken in execution or in attachment by any creditor of the Tenant or the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any Act now or hereinafter in force for bankrupt or insolvent debtors or any order shall be made for the winding-up of Tenant, then in every such case the then current month's rent and the next ensuing three (3) month's rent shall immediately become due and payable and, at the option of Landlord, this lease shall cease and determine and the Term shall immediately become forfeited and void, in which event Landlord may at any time re-enter and take possession of the Demised Premises as though Tenant or any occupant or occupants of the Demised Premises was or were holding over after the expiration of the Term without any right whatever, but without prejudice to the rights of the Landlord in respect of breaches of the Tenant's covenants in this lease.

DISTRESS

11.2 Notwithstanding the benefit of any present or future statute taking away or limiting Landlord's right of distress none of the goods and chattels of Tenant on the Demised Premises at any time during the Term shall be exempt from levy by distress for rent in arrears.

TENANT'S CHATELS

11.3 Provided that in the case of removal by Tenant of the goods and chattels of Tenant from off the Demised Premises, Landlord may follow the same and seize and sell the Tenant's goods and chattels at any place to which they may have been removed from the Premises.

RIGHT OF RE-ENTRY

11.4 On the Landlord's becoming entitled to re-enter the Demised Premises under any of the provisions of this lease, the Landlord, in addition to all other rights, may do so as the agent of the Tenant, using force if necessary, without being liable for prosecution therefor, and may relet the Demised Premises as agent of the Tenant, and receive the rent therefor, and as agent of the Tenant may take possession of furniture or other property on the Premises and sell it at public or private sale without notice and apply the proceeds of sale and rent derived from reletting the Demised Premises upon account of the rent under this lease, and the Tenant is liable to the Landlord for any deficiency.

ARTICLE 12
ASSIGNMENT AND SUBLETTING

CONSENT REQUIRED

12.1 Tenant shall not assign this lease or sublet or part with possession of the whole or any part of the Demised Premises save for the purposes herein permitted and then only with the proper written consent of Landlord in each instance, which will not be unreasonably withheld. The Tenant hereby waives his right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Tenant to assign this Lease or sublet the Premises without the Landlord's consent.

IF CONSENT GRANTED

12.2 Any consent given by the Landlord to any assignment or other disposition of the Tenant's interest in this Lease or in the Demised Premises shall not relieve the Tenant from his obligations under this lease, including the obligation to pay Rent and Additional Rent as provided for herein.

ARTICLE 13
OVER-HOLDING

OVER-HOLDING

13.1 Provided that if upon the determination of this Lease or any renewal thereof for any reason whatsoever the Tenant continues to occupy the Demised Premises with or without the consent of the Landlord, a tenancy from year to year shall not be created by implication of law but the Tenant shall be deemed to be a monthly Tenant only subject in all respects to the provisions of this Lease.

ARTICLE 14
QUIET ENJOYMENT

LANDLORD'S COVENANT

14.1 Landlord covenants with Tenant that upon Tenant duly paying the rent hereby reserved together with all additional charges herein secured and duly keeping, observing and performing the covenants, agreements and conditions herein on Tenant's part to be kept, observed and performed, Tenant shall and may peaceably possess and enjoy the Demised Premises for the Term without hindrance, interruption or disturbance from Landlord.

ARTICLE 15
MISCELLANEOUS

WAIVER

15.1 The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent

breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this lease shall be deemed to have been waived by Landlord, unless such waiver be in writing and signed by Landlord.

ENTIRE AGREEMENT

15.2 This lease sets forth all the covenants, premises, agreements, representations, warranties, conditions and understandings between Landlord and Tenant concerning the Demised Premises and there are no covenants, promises, agreements, representations, warranties, conditions and understandings, that are oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alterations, amendment, change or addition to this lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

PARTIAL INVALIDITY

15.3 If any term, covenant, or condition of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this lease shall be valid and be enforced to the fullest extent permitted by law.

SUCCESSORS AND ASSIGNS

15.4 This lease shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns; and the parties hereto agree for themselves, and their heirs, executors, administrators, successors, and assigns, to execute any instruments which may be necessary or proper to carry out the purposes and intent of this lease.

RIGHT OF FIRST REFUSAL

15.5 During the term of this Lease, if the Landlord receives a bona fide offer ("Offer") which includes an offer to purchase all the lands and buildings described in Schedule "A" (the "Entire Lands") which the Landlord is willing to accept, the Landlord shall give written notice of the Offer to the Tenant by sending to it a true copy of the Offer and the Tenant shall have the right, during the next four (4) business days after giving of such notice, by written notice to the Landlord, to elect to purchase the same items as listed in the Offer, including the Entire Lands for the price and upon the terms and conditions contained in the Offer, with a closing to take place on the later of fifteen (15) days after the date set for closing in the Offer to purchase or a date mutually convenient to the Landlord and Tenant.

If the Tenant does so elect, the notice given by it shall constitute a binding Agreement of Purchase and Sale. If the Tenant does not elect, the Landlord shall be free to sell the Entire Lands on the terms and conditions set forth in the Offer. If the Entire Lands are not sold under the terms of the Offer the Landlord shall be obliged to submit any further offer to the Tenant by giving written notice of it to the Tenant in the manner provided in this section.

SCHEDULE "A"

to Lease made between:

**WINDSOR MEDICAL CLINIC, A DIVISION OF
CHOPRA, JOSHI, KARNIK & LAMONT
MEDICINE PROFESSIONAL CORPORATION**

(LANDLORD)

- and -

RANDO DRUGS LTD.

(TENANT)

The following is a description of the demised premises:

Part of Block A, Plan 1644, as in Instrument R819440, Windsor and municipally known as:
6720 Hawthorne Drive, Windsor.

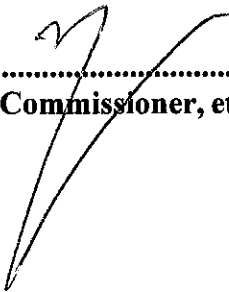
SCHEDULE "C"

RULES AND REGULATIONS

1. All garbage and refuse shall be kept in the kind of container specified by the Landlord, and shall be placed outside of the premises prepared for collection in the manner and at the times and places specified by the Landlord. If municipal garbage and refuse removal services are not provided by the municipality and if, under such circumstances, the Landlord shall provide or designate a service for picking up garbage and refuse, the Tenant shall use the same at the Tenant's cost so long as the person provided or designated by the Landlord carries out such duties in a good and workmanlike manner and the costs thereof are competitive with those of other persons providing such service.
2. No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the premises without the prior written consent of the Landlord.
3. The Tenant shall not place or permit any obstructions or goods in outside areas.
4. The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by the Tenant who shall, or whose employees, agents or invitees shall have caused it.
5. The Tenant shall keep the demised premises clear and free from rodents, bugs, and vermin and, if necessary, join with the Landlord and other tenants of the building and bear its part of the expense for a general extermination. The Tenant shall not be obligated to bear any expense of a general extermination if the Landlord or another Tenant has been responsible for the cause of the general extermination of which the Landlord shall be the sole judge.
6. The Tenant shall not use or permit the use of any portion of the demised premises as sleeping apartments, lodging rooms or for any unlawful purpose or purposes.

THIS IS EXHIBIT "J"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.





Ontario ServiceOntario

LAND REGISTRY OFFICE #12

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

01207-0181 (LT)

PAGE 1 OF 1
PREPARED FOR DianeM12
ON 2020/02/25 AT 15:18:45

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 4 PL 64 WINDSOR; PT LT 5 PL 64 WINDSOR AS IN R697636; WINDSOR

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 01207-0456

EIN CREATION DATE:
2000/02/25

OWNERS' NAMES
CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE
PROFESSIONAL CORPORATION

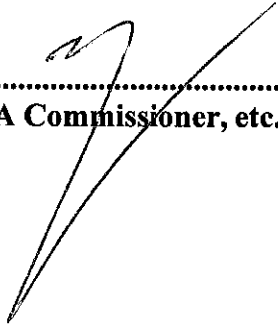
CAPACITY SHARE
TRST

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/01/08 ON THIS PIN				
WAS REPLACED WITH THE	"PIN CREATION DATE" OF 2000/02/25					
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/02/25 **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO	LAND TITLES: 2000/02/28 **					
R697636	1977/05/25	TRANSFER		*** COMPLETELY DELETED ***	MEDILEASE CORPORATION LIMITED 1594138 ONTARIO INC.	C
CE122174	2004/12/17	TRANSFER	\$1	MEDILEASE CORPORATION LIMITED	1594138 ONTARIO INC.	C
CE181425	2005/11/04	APL CH NAME OWNER		1594138 ONTARIO INC.	CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION	C
CE433491	2010/07/20	NOTICE OF LEASE	\$1	CHOPRA, JOSHI, KARNIK & LAMONT MEDICINE PROFESSIONAL CORPORATION	M. BLACHER DRUGS LTD.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

THIS IS EXHIBIT "K"
REFERRED TO IN THE AFFIDAVIT OF
BARRY LAMONT
SWORN BEFORE ME THIS 23rd DAY
OF APRIL, 2020.

.....
A Commissioner, etc.



copy

LEASE (COMMERCIAL)

Made the 5th day of November 1991

BETWEEN

MEDILEASE CORPORATION

(the "Landlord")

-and-

M. BLACHER DRUGS LTD.

(the "Tenant")

In consideration of the rents, covenants and obligations stipulated herein the Landlord and the Tenant have agreed to enter into a Lease of the premises known municipally as

1604 Tecumseh Road West, Windsor, Ontario

and more particularly described in Schedule A attached (the "Premises").

1. GRANT OF LEASE

- (1) The Landlord leases the Premises to the Tenant:
 - (a) at the Rent set forth in Section 2;
 - (b) for the Term set forth in Section 3; and
 - (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.
- (2) The Landlord covenants that he has the right to grant the leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. RENT

(1) Rent means the amounts payable by the Tenant to the Landlord pursuant to this Section and includes Additional Rent.

(2) The Tenant covenants to pay to the Landlord, during the Term of this Lease rent as follows:

- (a) during the first _____ years of the Term, the sum of \$ 18,000.00 per annum, payable monthly in advance in equal instalments of \$ 1,500.00 on the _____ day of each and every month, commencing on the first day of the Term;
- (b) during the next five (5) years of the Term, the sum of \$ 24,000.00 per annum payable monthly in advance in equal instalments of \$ 2,000.00 on the first day of each and every month, commencing on the first day of January, 1992; and concluding November 1, 1997

(c) OPTIONAL TERMS:

If and so long as the Lessee duly and regularly pays the said rent and observes and performs the covenants contained in the lease, the Lessee shall have the right to renew the lease for two further consecutive terms of (6) six years each upon delivery to the Lessor of a written request for such renewal at least three (3) months prior to the expiration date of the lease or renewal term, such renewal to be granted on the following term: The rental will be as mutually agreed upon both parties but not less than the existing rent and/or increases in the cost of living published by Statistics Canada for Ontario (all items) as adjusted by index between the beginning date of lease and the last date for exercise of the option.

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3. TERM AND POSSESSION

(1) The Tenant shall have possession of the Premises for a period of six (6) years, commencing on the 1st day of December 19 91 and ending on the 30th day of November 1997, (the "Term").

(2) Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing the Landlord covenants that the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord.

(3) If the Tenant fails to take possession of the Premises or to open for business on or before the date specified for commencement of the Term of this Lease, the Landlord shall, in addition to any other remedies, have the right to terminate this Lease upon 24 hours written notice to the Tenant, and to recover from the Tenant the cost of all work done by the Landlord on behalf of the Tenant.

(4) If for reasons beyond the Landlord's control, vacant possession of the Premises cannot be given to the Tenant on the commencement date of the Term of the Lease, the Lease shall remain in effect but the Tenant shall not be required to pay Rent until the date when possession is actually given to the Tenant;

- (a) but if possession is not given within ninety (90) clear days from the commencement date of this Lease either party may terminate this Lease by written notice to the other;
- (b) and any delay in the actual occupation by the Tenant of the Premises shall not extend the Term of the Lease.

4. ASSIGNMENT

(1) The Tenant shall not assign this Lease or sublet the whole or any part of the Premises unless he first obtains the consent of the Landlord in writing, which consent shall not unreasonably be withheld:

- (a) and the Tenant hereby waives his right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Tenant to assign this Lease or sublet the Premises without the Landlord's consent.

(2) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.

(3) Any consent granted by the Landlord shall be conditional upon the assignee, sublessee or occupant executing a written agreement directly with the Landlord agreeing to be bound by all the terms of this Lease as if the assignee, sublessee or occupant had originally executed this Lease as Tenant.

(4) Any consent given by the Landlord to any assignment or other disposition of the Tenant's interest in this Lease or in the Premises shall not relieve the Tenant from his obligations under this Lease, including the obligation to pay Rent and Additional Rent as provided for herein.

(5) If the party originally entering into this Lease as Tenant, or any party who subsequently becomes the Tenant by way of assignment or sublease or otherwise as provided for in this Lease, is a corporation then:

- (a) the Tenant shall not be entitled to deal with its authorized or issued capital or that of an affiliated company in any way that results in a change in the effective voting control of the Tenant unless the Landlord first consents in writing to the proposed change;
- (b) if any change is made in the control of the Tenant corporation without the written consent of the Landlord then the Landlord shall be entitled to treat the Tenant as being in default and to exercise the remedies stipulated in paragraph 10 (2) of this Lease and any other remedies available in law;
- (c) the Tenant agrees to make available to the Landlord or his authorized representatives the corporate books and records of the Tenant for inspection at reasonable times.

5. USE

(1) During the Term of this Lease the Premises shall not be used for any purpose other than a pharmacy, dispensary of prescription, non-prescription, or other medications, personal hygiene products or items ancillary to pharmaceutical services or products.

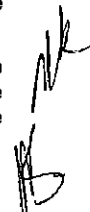
without the express consent of the Landlord given in writing.

- (2) The Tenant shall not do or permit to be done at the Premises anything which may:
- (a) constitute a nuisance;
 - (b) cause damage to the Premises;
 - (c) cause injury or annoyance to occupants of neighbouring premises;
 - (d) make void or voidable any insurance upon the Premises;
 - (e) constitute a breach of any by-law, statute, order or regulation of any municipal, provincial or other competent authority relating to the Premises.

6. REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the term of this Lease and any renewal thereof the Tenant shall keep in good condition the Premises including all alterations and additions made thereto, and shall, with or without notice, promptly make all needed repairs and all necessary replacements as would a prudent owner:
- (a) but the Tenant shall not be liable to effect repairs attributable to reasonable wear and tear, or to damage caused by fire, lightning or storm.
- (2) The Tenant shall permit the Landlord or a person authorized by the Landlord to enter the Premises to examine the condition thereof and view the state of repair at reasonable times:
- (a) and if upon such examination repairs are found to be necessary, written notice of the repairs required shall be given to the Tenant by or on behalf of the Landlord and the Tenant shall make the necessary repairs within the time specified in the notice;
 - (b) and if the Tenant refuses or neglects to keep the Premises in good repair the Landlord may, but shall not be obliged to, make any necessary repairs, and shall be permitted to enter the Premises, by himself or his servants or agents, for the purpose of effecting the repairs without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the Landlord's entry and repairs;
 - (i) and if the Landlord makes repairs the Tenant shall pay the cost of them immediately as Additional Rent.
- (3) Upon the expiry of the Term or other determination of this Lease the Tenant agrees peaceably to surrender the Premises, including any alterations or additions made thereto, to the Landlord in a state of good repair, reasonable wear and tear and damage by fire, lightning and storm only excepted.
- (4) The Tenant shall immediately give written notice to the Landlord of any substantial damage that occurs to the Premises from any cause.

7. ALTERATIONS AND ADDITIONS

- (1) If the Tenant, during the Term of this Lease or any renewal of it, desires to make any alterations or additions to the Premises, including but not limited to: erecting partitions, attaching equipment, and installing necessary furnishings or additional equipment of the Tenant's business, the Tenant may do so at his own expense, at any time and from time to time, if the following conditions are met:
- (a) before undertaking any alteration or addition the Tenant shall submit to the Landlord a plan showing the proposed alterations or additions and the Tenant shall not proceed to make any alteration or addition unless the Landlord has approved the plan, and the Landlord shall not unreasonably or arbitrarily withhold his approval;
 - (i) and items included in the plan which are regarded by the Tenant as "Trade Fixtures" shall be designated as such on the plan;
 - (b) any and all alterations or additions to the Premises made by the Tenant must comply with all applicable building code standards and by-laws of the municipality in which the Premises are located.
- (2) The Tenant shall be responsible for and pay the cost of any alterations, additions, installations or improvements that any governing authority, municipal, provincial or otherwise, may require to be made in, on or to the Premises.
- (3) No sign, advertisement or notice shall be inscribed, painted or affixed by the Tenant, or any other person on the Tenant's behalf, on any part of the inside or outside of the building in which the Premises are located unless the sign, advertisement or notice has been approved in every respect by the Landlord.
- (4) All alterations and additions to the Premises made by or on behalf of the Tenant, other than the Tenant's Trade Fixtures, shall immediately become the property of the Landlord without compensation to the Tenant.
- (5) The Tenant agrees, at his own expense and by whatever means may be necessary, immediately to obtain the release or discharge of any encumbrance that may be registered against the Landlord's property in connection with any additions or alterations to the Premises made by the Tenant or in connection with any other activity of the Tenant.
- (6) If the Tenant has complied with his obligations according to the provisions of this Lease, the Tenant may remove his Trade Fixtures at the end of the Term or other termination of this Lease and the Tenant covenants that he will make good and repair or replace as necessary any damage caused to the Premises by the removal of the Tenant's Trade Fixtures.
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(7) Other than as provided in paragraph 7 (6) above, the Tenant shall not, during the Term of this Lease or anytime thereafter remove from the Premises any Trade Fixtures or other goods and chattels of the Tenant except in the following circumstances:

- (a) the removal is in the ordinary course of business;
- (b) the Trade Fixture has become unnecessary for the Tenant's business or is being replaced by a new or similar Trade Fixture; or
- (c) the Landlord has consented in writing to the removal;

but in any case the Tenant shall make good any damage caused to the Premises by the installation or removal of any Trade Fixtures, equipment, partitions, furnishings and any other objects whatsoever brought onto the Premises by the Tenant.

(8) The Tenant shall, at his own expense, if requested by the Landlord, remove any or all additions or improvements made by the Tenant to the Premises during the Term and shall repair all damage caused by the installation or the removal or both.

(9) The Tenant shall not bring onto the Premises or any part of the Premises any machinery, equipment or any other thing that might in the opinion of the Landlord, by reason of its weight, size or use, damage the Premises or overload the floors of the Premises;

- (a) and if the Premises are damaged or overloaded the Tenant shall restore the Premises immediately or pay to the Landlord the cost of restoring the Premises.

8. INSURANCE

(1) During the Term of this Lease and any renewal thereof the Landlord shall maintain with respect to the Premises, insurance coverage insuring against:

- (a) loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located as are commonly provided for as extended perils coverage or as may be reasonably required and obtained by the Landlord;
 - (i) and the insurance policy shall provide coverage on a replacement cost basis in an amount sufficient to cover the cost of all signs and leasehold improvements;
- (b) liability for bodily injury or death or property damage sustained by third parties up to such limits as the Landlord in his sole discretion deems advisable;
- (c) rental income protection insurance with respect to fire and other perils to the extent of one year's Rent payable under this Lease;
 - (i) but such insurance and any payment of the proceeds thereof to the Landlord shall not relieve the Tenant of its obligations to continue to pay rent during any period of rebuilding, replacement, repairing or restoration of the Premises except as provided in Section 9.

(2) The Tenant covenants to keep the Landlord indemnified against all claims and demands whatsoever by any person, whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or the subletting or assignment of same or any part thereof. And the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees:

- (a) and the Tenant agrees that the foregoing indemnity shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

(3) The Tenant shall carry insurance in his own name to provide coverage with respect to the risk of business interruption to an extent sufficient to allow the Tenant to meet his ongoing obligations to the Landlord and to protect the Tenant against loss of revenues.

(4) The Tenant shall carry insurance in his own name insuring against the risk of damage to the Tenant's property within the Premises caused by fire or other perils and the policy shall provide for coverage on a replacement cost basis to protect the Tenant's stock-in-trade, equipment, Trade Fixtures, decorations and improvements.

(5) The Tenant shall carry public liability and property damage insurance in which policy the Landlord shall be a named insured and the policy shall include a cross-liability endorsement;

- (a) and the Tenant shall provide the Landlord with a copy of the policy.

9. DAMAGE TO THE PREMISES

(1) If the Premises or the building in which the Premises are located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:

- (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 120 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the

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MK
RB

Landlord, and the Rent from the time of the surrender shall abate;

- (b) If the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 120 days from the happening of the damage or destruction, but the damage renders the Premises wholly unfit for occupancy, then the rent hereby reserved shall not accrue after the day that such damage occurred, or while the process of repair is going on, and the Landlord shall repair the Premises with all reasonable speed, and the Tenant's obligation to pay Rent shall resume immediately after the necessary repairs have been completed;
- (c) If the leased Premises can be repaired within 120 days as aforesaid, but the damage is such that the leased Premises are capable of being partially used, then until such damage has been repaired, the Tenant shall continue in possession and the Rent shall abate proportionately.

(2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the Landlord.

(3) Apart from the provisions of Section 8 (1) there shall be no abatement from or reduction of the Rent payable by the Tenant, nor shall the Tenant be entitled to claim against the Landlord for any damages, general or special, caused by fire, water, sprinkler systems, partial or temporary failure or stoppage of services or utilities which the Landlord is obliged to provide according to this Lease, from any cause whatsoever.

10. ACTS OF DEFAULT AND LANDLORD'S REMEDIES

(1) An Act of Default has occurred when:

- (a) the Tenant has failed to pay Rent for a period of 15 consecutive days, regardless of whether demand for payment has been made or not;
- (b) The Tenant has breached his covenants or failed to perform any of his obligations under this Lease; and
 - (i) the Landlord has given notice specifying the nature of the default and the steps required to correct it; and
 - (ii) the Tenant has failed to correct the default as required by the notice;
- (c) the Tenant has;
 - (i) become bankrupt or insolvent or made an assignment for the benefit of Creditors;
 - (ii) had its property seized or attached in satisfaction of a judgment;
 - (iii) had a receiver appointed;
 - (iv) committed any act or neglected to do anything with the result that a Construction Lien or other encumbrance is registered against the Landlord's property;
 - (v) without the consent of the Landlord, made or entered into an agreement to make a sale of its assets to which the Bulk Sales Act applies;
 - (vi) taken action if the Tenant is a corporation, with a view to winding up, dissolution or liquidation;
- (d) any insurance policy is cancelled or not renewed by reason of the use or occupation of the Premises, or by reason of non-payment of premiums;
- (e) the Premises;
 - (i) become vacant or remain unoccupied for a period of 30 consecutive days; or
 - (ii) are not open for business on more than thirty (30) business days in any twelve (12) month period or on any twelve (12) consecutive business days;
 - (iii) are used by any other person or persons, or for any other purpose than as provided for in this Lease without the written consent of the Landlord.

(2) When an Act of Default on the part of the Tenant has occurred:

- (a) the current month's rent together with the next three months' rent shall become due and payable immediately; and
- (b) the Landlord shall have the right to terminate this Lease and to re-enter the Premises and deal with them as he may choose.

(3) If, because an Act of Default has occurred, the Landlord exercises his right to terminate this Lease and re-enter the Premises prior to the end of the Term, the Tenant shall nevertheless be liable for payment of Rent and all other amounts payable by the Tenant in accordance with the provisions of this Lease until the Landlord has re-let the Premises or otherwise dealt with the Premises in such manner that the cessation of payments by the Tenant will not result in loss to the Landlord:

- (a) and the Tenant agrees to be liable to the Landlord, until the end of the Term of this Lease for payment of any difference between the amount of Rent hereby agreed to be paid for the Term hereby granted and the Rent any new tenant pays to the Landlord.

(4) The Tenant covenants that notwithstanding any present or future Act of the Legislature of the Province of Ontario, the personal property of the Tenant during the term of this Lease shall not be exempt from levy by distress for Rent in arrears:

(a) and the Tenant acknowledges that it is upon the express understanding that there should be no such exemption that this Lease is entered into, and by executing this Lease:

- (i) the Tenant waives the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this agreement; and
- (ii) the Tenant agrees that the Landlord may plead this covenant as an estoppel against the Tenant if an action is brought to test the Landlord's right to levy distress against the Tenant's property.

(5) If, when an Act of Default has occurred, the Landlord chooses not to terminate the Lease and re-enter the Premises, the Landlord shall have the right to take any and all necessary steps to rectify any or all Acts of Default of the Tenant and to charge the costs of such rectification to the Tenant and to recover the costs as Rent.

(6) If, when an Act of Default has occurred, the Landlord chooses to waive his right to exercise the remedies available to him under this Lease or at law the waiver shall not constitute condonation of the Act of Default, nor shall the waiver be pleaded as an estoppel against the Landlord to prevent his exercising his remedies with respect to a subsequent Act of Default:

- (a) No covenant, term, or condition of this Lease shall be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

11. TERMINATION UPON NOTICE AND AT END OF TERM

(1) If the Landlord desires at any time to remodel or demolish the Premises or any part thereof, to an extent that renders continued possession by the Tenant impracticable, the Tenant shall, upon receiving one hundred and eighty (180) clear days' written notice from the Landlord:

- (a) surrender this Lease, including any unexpired remainder of the Term; and
- (b) vacate the Premises and give the Landlord possession.

(2) If the Premises are subject to an Agreement of Purchase and Sale or if the Premises are expropriated or condemned by any competent authority:

- (a) the Landlord shall have the right to terminate this Lease by giving ninety (90) clear days' notice in writing to the Tenant; or
- (b) the Landlord may require the Tenant to vacate the Premises within thirty (30) days from payment by the Landlord to the Tenant of a bonus equal to three months' rent.
 - (i) but payment of the said bonus shall be accompanied or preceded by written notice from the Landlord to the Tenant advising of the Landlord's intent to exercise this option.

(3) The Tenant agrees to permit the Landlord during the last three months of the Term of this Lease to display "For Rent" or "For Sale" signs or both at the Premises and to show the Premises to prospective new tenants or purchasers and to permit anyone having written authority of the Landlord to view the Premises at reasonable hours.

(4) If the Tenant remains in possession of the Premises after termination of this Lease as aforesaid and if the Landlord then accepts rent for the Premises from the Tenant, it is agreed that such overholding by the Tenant and acceptance of Rent by the Landlord shall create a monthly tenancy only but the tenancy shall remain subject to all the terms and conditions of this Lease except those regarding the Term.

12. ACKNOWLEDGEMENT BY TENANT

The Tenant agrees that he will at any time or times during the Term, upon being given at least forty-eight (48) hours prior written notice, execute and deliver to the Landlord a statement in writing certifying:

- (a) that this Lease is unmodified and is in full force and effect (or if modified stating the modifications and confirming that the Lease is in full force and effect as modified);
- (b) the amount of Rent being paid;
- (c) the dates to which Rent has been paid;
- (d) other charges payable under this Lease which have been paid;
- (e) particulars of any prepayment of Rent or security deposits; and
- (f) particulars of any subtenancies.

13. SUBORDINATION AND POSTPONEMENT

(1) This Lease and all the rights of the Tenant under this Lease are subject and subordinate to any and all charges against the land, buildings or improvements of which the Premises form part, whether the charge is in the nature of a mortgage, trust deed, lien or any other form of charge arising from the financing or re-financing, including extensions or renewals, of the Landlord's interest in the property.

(2) Upon the request of the Landlord the Tenant will execute any form required to subordinate this Lease and the Tenant's rights to any such charge, and will, if required, attorn to the holder of the charge.

(3) No subordination by the Tenant shall have the effect of permitting the holder of any charge to disturb the occupation and possession of the Premises by the Tenant as long as the Tenant performs his obligations under this Lease.

14. RULES AND REGULATIONS

The Tenant agrees on behalf of itself and all persons entering the Premises with the Tenant's authority or permission to abide by such reasonable rules and regulations that form part of this Lease and as the Landlord may make from time to time.

15. NOTICE

(1) Any notice required or permitted to be given by one party to the other pursuant to the terms of this Lease may be given

To the Landlord at:

1604 Tecumseh Road West
Windsor, Ontario

To the Tenant at the Premises or at:

Pharmacy
1604 Tecumseh Road West
Windsor, Ontario

(2) The above addresses may be changed at any time by giving ten (10) days written notice.

(3) Any notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered if the notice is served personally or seventy-two (72) hours after mailing if the notice is mailed.

16. REGISTRATION

The Tenant shall not at any time register notice of or a copy of this Lease on title to the property of which the premises form part without consent of the Landlord.

17. INTERPRETATION

(1) The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.

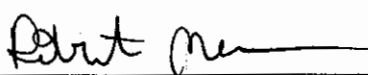
(2) Unless the context otherwise requires, the word "Landlord" and the word "Tenant" wherever used herein shall be construed to include the executors, administrators, successors and assigns of the Landlord and Tenant, respectively.

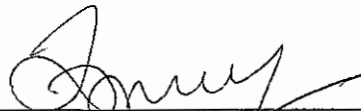
(3) When there are two or more Tenants bound by the same covenants herein contained, their obligations shall be joint and several.


18. The Parties hereto agree and acknowledge that Schedules "A" and "B" and the Rules and Regulations which are attached hereto form part of this Lease.

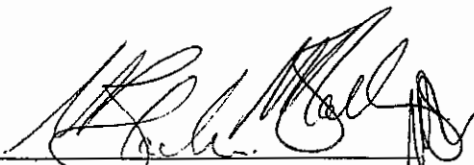
In Witness of the foregoing covenants the Landlord and the Tenant have executed this Lease.

Witness




_____ Medilease Corporation Landlord




_____ M. Blacher Drugs Ltd. Tenant
PRESIDENT
M. BLACHER

SCHEDULE A

to Lease made between

MEDILEASE CORPORATION

the Landlord

and

M. BLACHER DRUGS LTD.

the Tenant

All those certain premises, excluding exterior walls known and described as one hundred and twenty square feet (120sq.ft.) in the southwest corner of the first floor of the building known as 1604 Tecumseh Road West, Windsor, Ontario and a further room of not less than eighty square feet (80Sq.ft.) of the second floor of 1604 Tecumseh Road West, Windsor, Ontario.

CONDITIONS

It is understood between the Lessor and Lessee that the Lessee shall be the only pharmacy, dispensary or retail vendor on the premises described as 1604 Tecumseh Road West, Windsor, Ontario. No other vendor of retail goods or medications shall be permitted during the term and/or terms of this lease.

This lease is further conditional upon the Lessor engaging the services of at least three (3) full time physicians consulting continuously with patients for not less than forty (40) hours per week and at fifty (50) weeks per year for each practising physician and that should this condition fall into breach that, at the sole discretion of the Lessee, this lease may be voided without penalty or interest.

The parties hereto agree and acknowledge that the option of the Lessee to exercise its rights as hereinbefore set forth shall only be exercisable by the Lessee if the breach remains outstanding after the Tenant has provided the Lessor with four (4) weeks notice to remedy the default.

SCHEDULE "B"

1. All taxes levied, rated, charged or assessed, from time to time, against the Rent, paid or payable by the Tenant to the Landlord, including but not limited to Goods and Services Tax, shall be paid by the Tenant within five (5) days of the due date for payment, and the Tenant shall provide evidence of such payment to the Landlord upon request. The Tenant herein acknowledges and agrees that it shall pay Goods and Services Tax together with monthly Rent.

2. If the parties hereto are unable to agree as to the Rent for the renewal term, either party may, by written notice to the other, name an arbitrator and the receiving party shall, within ten (10) days of receipt of such notice, name an arbitrator, and the two arbitrators so named shall name a third arbitrator, and the arbitrators thus named shall determine the rent for the renewal term. Any decision or award, or the award of the majority of the arbitrators shall be binding upon the parties. The expense of the arbitration shall be borne equally by the parties hereto. If either party shall neglect or refuse to name an arbitrator within the time limits set forth herein, or to proceed with the arbitration, the arbitrator named by the remaining party shall proceed and fix the said Rent to be paid during the renewal term. Notwithstanding the ruling of the arbitrators, the Rent for the renewal term shall not be less than the Rent for the original term of the Lease.

3. The Tenant hereto agrees and acknowledges that it shall conduct its use of the Leased Premises as set out in the Lease, continuously on the whole of the Leased Premises. The Tenant shall satisfy itself that the use of the Leased Premises as set forth in the Lease will comply with all licensing requirements of the municipality and all regulatory authorities. The Tenant acknowledges and agrees that the Landlord makes no warranty with respect to licensing matters. The Tenant covenants to operate and conduct its business in a clean, up-to-date and reputable manner. The Tenant also covenants that the Leased Premises shall be actively and diligently operated, fully fixtured and stocked, and shall be staffed and open for business on such days and during such hours as are customary for a pharmacy located in a Medical Center in the City of Windsor.

4. The Tenants hereby deliver to the Landlord a deposit equivalent to two (2) months' Rent, which deposit shall be applied against the Rent for the first and last months of the Lease Term. No interest shall be added onto the said deposit for the benefit of the Tenant. In the event that the Tenant defaults on any of its covenants pursuant to this Lease, the Landlord shall keep the said deposit.

5. The Landlord hereby reserves the right at any time to construct additions to the buildings located at 1604 Tecumseh Road West, and to make alterations or renovations to the existing building in which the Leased Premises are contained and to relocate the existing parking areas or to diminish the number of parking spaces providing the Landlord does not breach any municipal requirements. In the event that the Landlord exercises its rights hereunder, the Tenant shall not be entitled to any abatement of Rent.

6. The Tenant acknowledges and agrees that the Landlord shall not be responsible for the policing or supervisions of any parking spaces available to the Tenant, its employees, agents, clients or customers at or adjacent to the Leased Premises.

~~7. The Landlord may, at its option and expense, install separate utility meters for the Leased Premises, in which event the Tenant shall pay all charges for heat, water, gas, electricity or any other utility used or consumed in the Leased Premises. The Tenant agrees and acknowledges that it shall make such payment within fifteen (15) days of receipt of notice for payment. In the event that the Tenant fails to make such payments within the time limits set forth herein, the Landlord shall have the right to make these payments on behalf of the Tenant and such amount shall be owing to the Landlord by the Tenant and collectible the same as Rent.~~

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7. The Parties agree that the rent for the entire month of December, 1991, shall be abated in the amount of \$1,500.00.

(7) Other than as provided in paragraph 7 (6) above, the Tenant shall not, during the Term of this Lease or anytime thereafter remove from the Premises any Trade Fixtures or other goods and chattels of the Tenant except in the following circumstances:

- (a) the removal is in the ordinary course of business;
- (b) the Trade Fixture has become unnecessary for the Tenant's business or is being replaced by a new or similar Trade Fixture; or
- (c) the Landlord has consented in writing to the removal;

but in any case the Tenant shall make good any damage caused to the Premises by the installation or removal of any Trade Fixtures, equipment, partitions, furnishings and any other objects whatsoever brought onto the Premises by the Tenant.

(8) The Tenant shall, at his own expense, if requested by the Landlord, remove any or all additions or improvements made by the Tenant to the Premises during the Term and shall repair all damage caused by the installation or the removal or both.

(9) The Tenant shall not bring onto the Premises or any part of the Premises any machinery, equipment or any other thing that might in the opinion of the Landlord, by reason of its weight, size or use, damage the Premises or overload the floors of the Premises;

- (a) and if the Premises are damaged or overloaded the Tenant shall restore the Premises immediately or pay to the Landlord the cost of restoring the Premises.

8. INSURANCE

(1) During the Term of this Lease and any renewal thereof the Landlord shall maintain with respect to the Premises, insurance coverage insuring against:

- (a) loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located as are commonly provided for as extended perils coverage or as may be reasonably required and obtained by the Landlord;
 - (i) and the insurance policy shall provide coverage on a replacement cost basis in an amount sufficient to cover the cost of all signs and leasehold improvements;
- (b) liability for bodily injury or death or property damage sustained by third parties up to such limits as the Landlord in his sole discretion deems advisable;
- (c) rental income protection insurance with respect to fire and other perils to the extent of one year's Rent payable under this Lease;
 - (i) but such insurance and any payment of the proceeds thereof to the Landlord shall not relieve the Tenant of its obligations to continue to pay rent during any period of rebuilding, replacement, repairing or restoration of the Premises except as provided in Section 9.

(2) The Tenant covenants to keep the Landlord indemnified against all claims and demands whatsoever by any person, whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or the subletting or assignment of same or any part thereof. And the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees:

- (a) and the Tenant agrees that the foregoing indemnity shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

(3) The Tenant shall carry insurance in his own name to provide coverage with respect to the risk of business interruption to an extent sufficient to allow the Tenant to meet his ongoing obligations to the Landlord and to protect the Tenant against loss of revenues.

(4) The Tenant shall carry insurance in his own name insuring against the risk of damage to the Tenant's property within the Premises caused by fire or other perils and the policy shall provide for coverage on a replacement cost basis to protect the Tenant's stock-in-trade, equipment, Trade Fixtures, decorations and improvements.

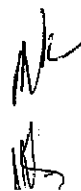
(5) The Tenant shall carry public liability and property damage insurance in which policy the Landlord shall be a named insured and the policy shall include a cross-liability endorsement;

- (a) and the Tenant shall provide the Landlord with a copy of the policy.

9. DAMAGE TO THE PREMISES

(1) If the Premises or the building in which the Premises are located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:

- (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 120 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the



ECN FINANCIAL INC. and 2345760 ONTARIO INC., et al.
Applicant Respondents

Court File No.: CV-19-632106-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**MOTION RECORD OF THE COURT-
APPOINTED RECEIVER, KSV KOFMAN INC.**
(Motion returnable September 3, 2020)

VOLUME 1 OF 2

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