Court File No.: CV-24-00000000-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

HOHS DRUGS LIMITED and HUAN DANG

Respondents

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

APPLICATION RECORD
(Returnable June 11, 2024)

May 31, 2024

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Lawyers for the Applicant,
Bank of Montreal

Court File No.: CV-24-00000000-00CL

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TAB 1

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BANK OF MONTREAL

Applicant

-and-

HOHS DRUGS LIMITED and HUAN DANG

Respondents

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

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing on Tuesday June 11, 2024, at 10:00 a.m. at 330 University Avenue, Toronto, Ontario, via zoom video conference.

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 applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, 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 applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, 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.

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: May 30, 2024

Issued by _____
Local registrar

Address of court office: 330 University Avenue, 9th Floor
Toronto, ON M5G 1R7

TO: **SERVICE LIST**

APPLICATION

1. The Applicant, Bank of Montreal ("**BMO**" or the "**Bank**") makes an application for the following orders:

(a) an Order substantially in the form at **Tab "3"** to the Application Record (the "**Appointment Order**"), *inter alia*:

(i) if necessary, abridging the time for and validating service of this application and dispensing with further service of same;

(ii) appointing Grant Thornton Limited as receiver and manager ("**GTL**" or the "**Receiver**") of all of the issued and outstanding shares (the "**Shares**") in the capital of the Respondent, HOHS Drugs Limited (the "**Debtor**"), and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor (together with the Shares, the "**Property**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) 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**");

(iii) granting charges over the Property on the terms set out in the proposed Appointment Order (i) in favour of the proposed Receiver and counsel to the Receiver to secure their fees and disbursements in respect of these proceedings, and (ii) for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by the Appointment Order, including interim expenditures; and

(iv) sealing the confidential exhibits to the Affidavit of Leo Chun sworn May 29, 2024 ("**Chun Affidavit**") and the confidential appendices to the Pre-Filing Report to the Court of GTL (the "**Pre-Filing Report**"), as proposed Receiver (collectively, the "**Confidential Documents**").

(b) an Order substantially in the form at **Tab "4"** to the Application Record (the "**Manning AVO**"), among other things:

(i) approving a share purchase agreement dated April 4, 2024 between the Receiver, as Vendor, and Frank Murgic Pharmacist Professional Corporation (the "**Manning Purchaser**"), as Purchaser (the "**Manning SPA**") and the transaction contemplated thereby;

(ii) authorizing and directing the Receiver to execute the Manning SPA and to perform its obligations thereunder and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction;

(iii) transferring and vesting all of the Debtor's right, title, and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (as defined in the Manning SPA) to and in a newly incorporated entity ("**ResidualCo**");

(iv) adding ResidualCo as a respondent to this proceeding in order to effect the transaction contemplated by the Manning SPA; and

(v) vesting in the Manning Purchaser, or its nominee, all of the right, title and interest in and to the Shares, free and clear of all Encumbrances, other than Permitted Encumbrances (as defined in the Manning SPA), upon the filing of a certificate substantially in the form attached as Schedule "A" to the draft Manning AVO.

(c) an Order substantially in the form at **Tab "5"** to the Application Record (the "**Regency AVO**"), among other things:

(i) approving an asset purchase agreement dated April 17, 2024 between the Receiver, as Vendor, and 1000801194 Ontario Inc. (the "**Regency Purchaser**"), as Purchaser (the "**Regency APA**")

(ii) authorizing and directing the Receiver to execute the Regency APA and to perform its obligations thereunder and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction;

(iii) vesting in the Regency Purchaser, or its nominee, all of the right, title and interest of the Debtor in and to the Purchased Assets, free and clear of all claims and Encumbrances, other than Permitted Encumbrances (as defined in the Regency APA), upon the filing of a certificate substantially in the form attached as Schedule "A" to the draft Regency AVO; and

(d) granting such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

Overview

2. The Debtor owns and operates two pharmacies in the City of Toronto: a pharmacy located at 260 Spadina Avenue, Toronto, Ontario ("**Toronto Manning Drug Mart**") and a pharmacy located at 2737 Keele Street, Suite 1-8, Toronto, Ontario ("**Regency Pharmacy**").

3. Huan Dang ("**Mr. Dang**") is the sole shareholder of the Debtor.

4. HOHS is a "Pre-1954 Charter Company" as contemplated under section 142(4) of the *Drug and Pharmacies Regulations Act* (Ontario). This means that, unlike pharmacies incorporated after May 14, 1954, the owner of the pharmacy is not required to be a pharmacist. A consequence of this is that the Debtor's charter and articles of incorporation (the "**Charter**") have commercial value.

5. The Debtor's assets consist primarily of pharmacy assets (inventory, accounts receivable, and service contracts), as well as the Charter.

6. As of May 23, 2024, the total indebtedness owing to BMO by the Debtor is CAD $5,363,687.18 (the "**Indebtedness**"). The Indebtedness remains outstanding and is continuing to accrue interest and fees.

Credit Facilities, Security and Defaults

7. HOHS and BMO entered into a letter of agreement dated December 14, 2018, as amended and restated on May 9, 2019 (the "**Credit Agreement**").

8. As security for the Indebtedness, BMO holds security (the "**Security**") over all of the assets, undertakings and property of the Debtor.

9. Mr. Dang guaranteed payment of HOHS' indebtedness to BMO and pledged the Shares to BMO as security for his guarantee.

10. Subject to any government priority claims and any prior ranking purchase money security interest in respect of the assets of the Debtor, BMO has a first ranking security interest over the assets of the Debtor and the Shares.

11. Commencing in 2021, the Debtor has been in default of its obligations under the Credit Agreement.

12. In the summer of 2022, Mr. Dang advised BMO of his intention to sell the Regency Pharmacy and Toronto Manning Drug Mart and thereafter, the Charter. In the fall of 2022, it became clear that the Debtor did not have sufficient cash flow to operate its business and to service its loans with BMO.

13. In November 2022 the Debtor entered into two non-binding letters of intent for the sale of the Toronto Manning Drug Mart and Regency Pharmacy, but the sales did not materialize.

14. The Bank lost confidence in the financial viability of the Debtor's business and the Debtor's ability to consummate a transaction for the sale of the business. On February 6, 2023, BMO:

(a) issued a letter to the Debtor and the guarantors declaring the occurrence of an event of default and demanding repayment of the indebtedness; and

(b) delivered a notice to the Debtor pursuant to s. 244 of the BIA of the Bank's intention to enforce the Security ("**NITES**").

15. On June 19, 2023, the Bank delivered a NITES to Mr. Dang with respect to its security over the Shares.

Engagement of GTL, MC2 and Pre-Filing Sale Process

16. In March, 2023, BMO engaged MC2 Business Advisors Inc. ("**MC2**") to develop and implement with HOHS and Mr. Dang a sale process for the assets of HOHS and the Charter. MC2 is a boutique advisory firm which provides a full range of mergers and acquisitions, corporate finance and advisory services and is a recognized leader in the pharmacy sector.

17. BMO, the Debtor, and the Guarantors entered into a Sale Process Agreement dated April 28, 2023 ("**Sale Process Agreement**"). Pursuant to the terms of the Sale Process Agreement, the Debtor and the Guarantors agreed to:

(a) consent to the engagement by BMO of MC2 and to cooperate with MC2 in carrying out a process for the marketing and sale of the assets and/or the Charter (the "**Sale Process**");

(b) continue operating in the ordinary course;

(c) cooperate with the Bank and take all necessary steps to complete any transaction(s) arising out of the Sale Process; and

(d) consent to any enforcement by the Bank of its security, including a receivership application in respect of the Debtor's business.

Appointment of Receiver

18. The Debtors are insolvent and are unable to fulfil their obligations to BMO.

19. BMO has worked diligently with the Debtor for almost two years to stabilize its business, and ultimately conduct the Sale Process and identify purchasers for the Debtor's assets and business.

20. It is reasonable and prudent for BMO to begin the enforcement of its security in an effort to recover the outstanding indebtedness and it is within the Applicant's right to do so.

21. The Bank has demanded from the Debtor repayment of the total indebtedness. The Bank has issued NITES to each of the Respondents. The 10-day notice period has expired. No payments have been made on the BMO loans since January 2023.

22. In the circumstances, it is just and equitable that a receiver and manager be appointed.

23. A receiver and manager is necessary for the protection of the Debtors' estates, the interests of the Applicant, and, perhaps, other stakeholders.

24. GTL is a licensed trustee-in-bankruptcy and is familiar with the circumstances of the Debtor and its arrangements with the Applicant. GTL has consented to being appointed as receiver and manager, without security, of the Property, if appointed.

Funding of Receivership and Charges

25. BMO seeks a charge in favour of the Receiver, if appointed, and its counsel, as security for payment of their respective fees and disbursements, in each case at their standard rate and charges, which is proposed to form a first-charge in priority to the claims of BMO as secured creditor.

26. If appointed, the Receiver will also be empowered to borrow funds to finance the costs of the receivership and the costs associated with each of the proposed transactions.

The Transactions

27. The Applicant seeks this Court's approval of both the Regency APA and the Manning SPA, and the transactions contemplated thereunder. Each of these transactions are a product of the comprehensive pre-filing Sale Process conducted by MC2.

28. The market was thoroughly canvassed over an extended period, initially by the Debtor and thereafter by MC2 through the Sale Process.

29. Details of the pre-filing Sale Process are set out in the Pre-Filing Report. Financial and operational information was made available to potential purchasers via a virtual data room ("**VDR**"). A total of 19 potential purchasers and 6 industry intermediaries with a significant base of clients/contacts in the pharmacy sector were contacted by MC2. Ten potential purchasers executed a non-disclosure agreement and were provided with access to the VDR.

30. The opportunity was not advertised in industry magazines or newspapers due to concerns of disrupting the Debtor's business and, in particular the potential risk of Cantonese speaking employees at the Toronto Drug Mart location exiting.

31. The poor state of the Debtor's books and records and the location and certain operational risks of the Toronto Drug Mart store tempered interest from potential purchasers.

32. The proposed transactions materially exceed the liquidation value of the Debtor's business and assets, and are fair and commercially reasonable in the circumstances.

33. The proposed transactions would result in the repayment of a significant portion of the indebtedness owing to BMO, a continuation of the Debtor's business, the preservation of customer and supplier relationships and the preservation of employment for the majority of the Debtor's employees.

34. A condition of each respective purchase agreement is that the assets be transferred to the Purchaser through a receivership and pursuant to an approval and vesting order.

35. If appointed as the Receiver, GTL can take the steps to implement the transactions on the terms and conditions set out in the Regency APA and the Manning SPA.

Regency APA

36. On April 17, 2024, the Regency Purchaser made an irrevocable offer to enter into the Regency APA whereby the Regency Purchaser agreed to purchase all of the Debtor's (and Receiver's) right, title and interest, if any, in, to and under certain Purchased Assets (as defined in the Regency APA).

37. The conditions to closing this transaction include (a) the issuance of an order appointing GTL as the Receiver; (b) the issuance of an approval and vesting order approving the transaction and vesting the Regency Assets in the Regency Purchaser free and clear of all claims and encumbrances; and (c) the approval of an application for accreditation as a community pharmacy by the Regency Purchaser to the Ontario College of Pharmacists, which requires 45-days' notice.

Manning SPA

38. On April 4, 2024, the Manning Purchaser made an irrevocable offer to enter into the Manning SPA, pursuant to which the Manning Purchaser agreed to purchase the Shares.

39. The Manning SPA is conditional upon, among other things:

(a) the Court's issuance of an order appointing GTL as the Receiver;

(b) the Court's issuance of an approval and vesting order, among other things, approving the Manning SPA and vesting the Shares in the Manning Purchaser free and clear of all claims and encumbrances;

(c) the approval and completion of the transaction contemplated by the Regency APA; and

(d) The assignment of the lease in respect of Toronto Manning Drug Mart.

40. It is contemplated that the transaction under the Manning SPA will be completed by way of approval and "reverse" vesting order.

41. A "reverse" vesting order structure is necessary to maximize and preserve the value of the Charter. It will allow for the monetization of the Charter free of liabilities (as required by the Manning Purchaser) and is the only viable alternative to a wind down and liquidation of the Debtor's business.

42. The proposed transaction structure will permit the continuation of the company as a "Charter" pharmacy which has significant commercial value, and will permit the seamless continuation of the Toronto Manning Drug Mart's pharmacy operation which will preserve existing economic relationships, including customer and supply arrangements.

43. In addition to seeking approval of the Manning SPA and the transaction through the Manning AVO, the Applicant is seeking the approval of other relief critical to the completion of the transaction, including (i) adding ResidualCo as a respondent in the proposed receivership proceeding, and (ii) transferring and vesting all of the Debtor's right title and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (as defined in the Manning SPA) to ResidualCo.

44. There is no stakeholder that will be prejudice by the Manning AVO relative to their treatment and outcome under any other viable alternative.

Sealing Order

45. The Confidential Documents contain commercially sensitive information which if disclosed could undermine the integrity of any future marketing and sale process should the transactions not be completed.

46. The sealing of the Confidential Documents meets the *Sherman Estate* test.

Additional Grounds

47. The grounds set out in the Chun Affidavit.

48. Section 243(1) of the BIA.

49. Section 101and 137(2) of the CJA.

50. Rules 1.04, 2.03, 3.02, 16, 38 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg.194, as amended.

51. Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

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

52. The Chun Affidavit.

53. The Pre-Filing Report.

54. The consent of GTL to act as Receiver.

55. Such further evidence as the lawyers may advise and this Honourable Court may permit.

May 30, 2024

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40 King Street West, Suite 5800
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Toronto, ON Canada M5H 3S1

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Monica Faheim LSO#82213R
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Tel: 416.597.6087

Lawyers for the Applicant, Bank of Montreal

TO: The Service List Attached hereto as Schedule "A"

Schedule "A"

GRANT THORNTON LIMITED 11th Floor, 200 King Street West Toronto, ON M5H 3T4 *Proposed Receiver*	**Bruce Bando** Email: Bruce.Bando@ca.gt.com Tel: 416-369-6418 **Roman Konovalov** Email : Roman.Konovalov@ca.gt.com Tel : 416-360-2367
CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9 *Lawyers for the proposed Receiver*	**Harvey G. Chaiton** Email: Harvey@chaitons.com Tel: 416-218-1129 **Danish Afroz** Email: DAfroz@chaitons.com Tel: 416-218-1137
MKLAW 400 Applewood Crescent, Suite 100 Vaughan, Ontario, L4K 0C3 *Lawyers for proposed Purchaser (Regency)*	**Marianne Keriakos** Email: mkeriakos@pharmacistlawyers.ca Tel: 416.512.7400
HARRISON PENSA LLP 130 Dufferin Ave., Suite 1101 London, Ontario N6A 5R2 *Lawyers for proposed Purchaser (Manning)*	**Peter Spence** Email: pspence@harrisonpensa.com Tel: 519.675.4101 **Tim Hogan** Email: thogan@harrisonpensa.com Tel: 519.661.6743
HOHS DRUGS LIMITED 2737 Keele St. #101 North York, ON M3M 2E9 *Respondent*	**Huan Dang** Email: Huan@modernmeds.ca
HUAN DANG 14578 Warden Avenue Stouffville, ON L4A 4L6 *Respondent*	Email: Huan@modernmeds.ca

LERNERS LLP 225 King St W #1600 Toronto, ON M5V 3M2 *Lawyers for the Respondents*	**Domenico Magisano** Email: dmagisano@lerners.ca Tel: 416.601.4121
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DEPARTMENT OF JUSTICE Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto ON M5H 1T1 *Lawyers for Canada Revenue Agency*	Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
ONTARIO MINISTRY OF FINANCE INSOLVENCY UNIT Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5	Email: insolvency.unit@ontario.ca
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7	Email: osbservice-bsfservice@ised-isde.gc.ca
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BANK OF MONTREAL and HOHS DRUGS LIMITED and HUAN DANG

Applicant Respondents

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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Lawyers for the Applicant, Bank of Montreal

TAB 2

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BANK OF MONTREAL

Applicant

-and-

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

AFFIDAVIT OF LEO CHUN

I, Leo Chun, of the City of Toronto, in the Province of Ontario, Canada, **MAKE OATH AND SAYS AS FOLLOWS**:

INTRODUCTION

1. I am an account manager with the Special Accounts Management Unit of the Applicant, Bank of Montreal ("**BMO**", or the "**Bank**"). I am primarily responsible for monitoring the credit facilities provided by the Bank to the debtor described in this affidavit.

2. As such, I have knowledge of the matters to which I hereinafter depose. Where the source of my information is other than myself I have set out the source and do verily believe it to be true.

3. This Affidavit is sworn in support of an application for the following:

(a) an order in the form attached at **Tab** "**3**" of the Application Record, appointing Grant Thornton Limited ("**GT**" or the "**Receiver**") as receiver and manager of all of the issued and outstanding shares (the "**Shares**") in the capital of the Respondent,

HOHS Drugs Limited (also referred to as the "**Debtor**" or "**HOHS**"), and all of the assets, undertakings, and properties (collectively, the "**Property**") of the Debtor pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and section 101 of the *Courts of Justice Act* ("**CJA**"), as amended;

(b) an Order substantially in the form at **Tab "4"** to the Application Record (the "**Manning AVO**"), among other things:

(i) approving a share purchase agreement dated April 4, 2024 between the Receiver, as Vendor, and Frank Murgic Pharmacist Professional Corporation, as Purchaser (the "**Manning SPA**") and the transaction contemplated thereby;

(ii) authorizing and directing the Receiver to execute the Manning SPA and to perform its obligations under the Manning SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction;

(iii) transferring and vesting all of the Debtors' right, title, and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (as defined in the Manning SPA) to and in a newly incorporated entity ("**ResidualCo**");

(iv) adding ResidualCo as a Debtor to this proceeding in order to effect the transaction contemplated by the Manning SPA;

(v) vesting in the Purchaser or its nominee all of the right, title and interest in and to the Shares (as defined in the Manning SPA), free and clear of all Encumbrances, other than Permitted Encumbrances (as defined in the Manning SPA), upon the filing of a certificate substantially in the form attached as Schedule "A" to the draft Manning AVO;

(c) an Order substantially in the form at **Tab "5"** to the Application Record (the "**Regency AVO**"), among other things:

(i) approving an asset purchase agreement dated April 17, 2024 between the Receiver, as Vendor, and 1000801194 Ontario Inc., as Purchaser (the "**Regency APA**");

(ii) authorizing and directing the Receiver to execute the Regency APA and to perform its obligations under the Regency APA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction;

(iii) vesting in the Purchaser under the Regency APA all of the Debtor's right, title and interest in and to the Purchased Assets, free and clear of all claims and Encumbrances, other than Permitted Encumbrances (as defined in the Regency APA), upon the filing of a certificate substantially in the form attached as Schedule "A" to the draft Regency AVO; and

(d) granting such further and other relief as this Honourable Court may deem just.

OVERVIEW

4. The Debtor owns and operates two pharmacies in the City of Toronto: a pharmacy located at 260 Spadina Avenue, Toronto, Ontario ("**Toronto Manning Drug Mart**") and a pharmacy located at 2737 Keele Street, Suite 1-8, Toronto, Ontario ("**Regency Pharmacy**").

5. HOHS is considered to be a "Pre-1954 Charter Company" as contemplated under section 142(4) of the *Drug and Pharmacies Regulations Act* (Ontario). This means that, unlike pharmacies incorporated after May 14, 1954, the owner of the pharmacy is not required to be a pharmacist. A consequence of this is that the Debtor's charter and articles of incorporation (the "**Charter**") have commercial value.

6. The Debtor's assets consist primarily of pharmacy assets (inventory, accounts receivable, and service contracts), as well as the Charter.

7. The principal objective of these proceedings is to seek the appointment of GT as the Receiver with the goal of consummating transactions for the purchase and sale of substantially all of the assets and business of the Debtor immediately following the appointment of GT. The "reverse" vesting order for the Shares is necessary to maximize the value of the Charter which would otherwise not be achieved through a traditional vesting order.

8. As at May 23, 2024, the Debtor is indebted to BMO in the amount of CAD $5,363,687.18 (which includes principal, interest and legal costs) on a secured basis pursuant to a credit agreement between the Debtor and BMO.

9. The Debtor is in default of its obligations under that agreement and BMO is in a position to enforce its security. Interest and costs continue to accrue on the amounts owing. BMO has first

ranking security on substantially all of the Debtor's property, assets and undertakings, and the Shares.

10. As described in further detail below, after the Debtor made unsuccessful attempts over many months to find a buyer or buyers for the pharmacies, BMO, with the assistance of the Debtor and MC2 Business Advisors Inc. ("**MC2**"), has conducted a sale process ("**Sale Process**") whereby the market for purchasers of the Debtor's assets and/or the Charter was thoroughly canvassed over an extended period. The Sale Process has resulted in two purchasers being identified for substantially all of the Debtor's business and assets pursuant to two purchase agreements, both of which are subject to court approval:

(a) the Regency APA in respect of the assets of the Regency Pharmacy; and

(b) the Manning SPA in respect of the Shares.

11. The proposed transactions would result in the repayment of a significant portion of the indebtedness owing to BMO, a continuation of the Debtor's business, the preservation of customer and supplier relationships and the preservation of employment for the majority of the Debtor's employees.

12. A condition of each respective purchase agreement is that the assets be transferred to the Purchaser through a receivership and pursuant to an approval and vesting order.

13. This affidavit should be read in conjunction with the pre-filing report of GT as proposed Receiver of the Debtor.

THE DEBTOR AND ITS BUSINESS

14. HOHS is a private corporation incorporated on January 7, 1954 pursuant to the law of Ontario with its registered head office and principal place of business in North York, Ontario.

15. A copy of a corporate profile report for HOHS is attached as **Exhibit "A"**.

16. HOHS owns and operates two pharmaceutical drug stores from the following leased premises:

(a) the Regency Pharmacy, which is located at 2737 Keele Street – 101, North York, Ontario; and

(b) the Toronto Manning Drug Mart, which is located at 260 Spadina Avenue, Toronto, Ontario.

17. HOHS does not own any real property. Its head office is located at 2737 Keele Street – 101, North York, Ontario. Both the Regency Pharmacy and the Toronto Manning Drug Mart operate out of leased premises. The head landlords under the leases are Keele Medical Properties Ltd. for the Regency Pharmacy, and Lodestone Investments Limited for the Toronto Manning Drug Mart.

18. HOHS employs approximately 19 individuals, comprised of 17 hourly employees and 2 salaried employees. Payroll is paid on a bi-weekly basis.

19. Importantly, HOHS is a "charter" pharmacy company. Under section 142 of the *Drug and Pharmacies Regulations Act*, no corporation may own or operate a pharmacy unless the majority of the directors are licensed pharmacists. That restriction, however, does not apply to any company that was operating a pharmacy on May 14, 1954. Pharmacies operating prior to May 14, 1954 are referred to as "charter" companies and are known to have considerable value relative to non-charter pharmacies because of the greater flexibility in the ownership structure.

20. Huan Dang ("**Mr. Dang**") is the sole shareholder of the Debtor. Mr. Dang's mother, a licensed pharmacist, Chi Thi Hoang, is the sole director.

THE BMO CREDIT FACILITIES AND SECURITY

21. HOHS and BMO entered into a letter of agreement dated December 14, 2018, as amended and restated on May 9, 2019 (the "**Credit Agreement**"). A copy of the Credit Agreement is attached as **Exhibit** "**B**".

22. Pursuant to the Credit Agreement, BMO provided the following credit facilities (collectively, the "**Credit Facilities**") to the Debtor:

(a) a demand, non-revolving loan in the amount of $1,462,400.00 CAD;

(b) a demand, non-revolving loan in the amount of $3,800,000 CAD;

(c) a demand operating loan in the amount of $305,0000 CAD;

(d) a demand operating loan in the amount of $695,000 CAD; and

(e) a corporate MasterCard with authorization up to $50,000 CAD.

23. As security for its obligations under the Credit Facilities, HOHS entered into the following agreements ("**Security Documents**"):

(a) a general security agreement in favour of BMO dated December 21, 2018 (the "**BMO GSA**") granting BMO a security interest in all present and after-acquired personal property of the Debtor; and

(b) Notice for Registration Under Sec. 427 of the *Bank Act* and related agreements ("**Bank Act Security**").

24. Copies of the BMO GSA and Bank Act Security are attached hereto as **Exhibit** "**C**" and **Exhibit** "**D**", respectively.

25. Pursuant to the Security Documents, HOHS granted BMO a security interest in all of its present and after acquired personal property, assets and undertakings. The Security Documents provide that upon the occurrence of an event of default under the Credit Agreement, BMO may, among other things, initiate proceedings for the appointment of a receiver over such collateral.

26. Mr. Dang and 2670120 Ontario Inc. (together, the **"Guarantors"**) each guaranteed payment to BMO of all indebtedness and liabilities owing to BMO by HOHS.

27. As security for his obligations as guarantor, Mr. Dang provided BMO with security over the Shares pursuant to a Hypothecation of Negotiable Collateral for All Loans dated May 23, 2019 and a Power of Attorney to Transfer Stock or Bonds ("**Shares Security Documents**"), a copy of which is attached as **Exhibit** "**E**".

28. The Bank registered financing statements against HOHS and Mr. Dang pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**"). A copy of the Enquiry Response Certificates, current as of May 26, 2024, for the Debtor and Mr. Dang (the "**PPSA Searches**") are attached as **Exhibit** "**F**" and **Exhibit** "**G**", respectively.

29. As shown on the PPSA Searches, BMO holds the first in time registration against the Debtor. There is a prior registration against Mr. Dang but that registration does not include the Shares.

30. Subject to any government priority claims and any prior ranking purchase money security interest in respect of the assets of the Debtor, it is my understanding that BMO has a first ranking security interest over the assets of the Debtor and the Shares.

OTHER CREDITORS

31. In addition to the registrations in favour of BMO, the PPSA Search in respect of HOHS shows registered security interests against HOHS in favour of the following parties, each of which were registered subsequent to BMO's registration:

(a) McKesson Canada Corporation ("**McKesson**"); and

(b) Jennifer Mortensen ("**Mortensen**")[1] and David Barrett Medicine Professional Corporation ("**Barrett MPC**").

McKesson

32. My understanding is that McKesson is a supplier of pharmaceutical drugs, and they typically hold security in the inventory that they supply to pharmacies. I also understand that the Debtor is party to a "Banner Agreement" with McKesson and that approximately $275,000 is owing by the Debtor to McKesson under the Banner Agreement.

Barrett MPC and Jennifer Mortenson

33. Mr. Dang purchased the Shares from Mortensen in 2018 for $2,600,000, plus an inventory adjustment, pursuant to the terms of a Share Purchase Agreement made as of 2018 ("**Share Purchase Agreement**"), a true copy of which is attached as **Exhibit** "**H**".

34. Based on information provided by Mr. Dang, it is my understanding that Mr. Dang and HOHS remain indebted to Barrett MPC and Mortensen for amounts which remain unpaid from Mr. Dang's purchase of the Shares.

35. In connection with the purchase of the Shares, Mr. Dang signed two promissory notes:

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[1] The registration in favour of Mortensen was assigned to David Barrett on December 28, 2023.

(a) a promissory note in favour of Mortensen dated December 21, 2018 ("**Mortensen PN**") in the principal amount of $896,863.46 due on or before the earlier of December 21, 2023, or upon a sale by the Debtor of the Shares or assets of the Debtor. A copy of the Mortensen PN is attached as **Exhibit** "**I**"; and

(b) a promissory note in favour of Barrett MPC dated December 21, 2018 in the principal amount of $316,742.65 (the "**Barrett MPC PN**" and together with the Mortenson PN, collectively, the "**Promissory Notes**"). A copy of the Barrett MPC PN is attached as **Exhibit** "**J**"

36. HOHS guaranteed payment of the Promissory Notes under a Guarantee dated December 21, 2018, a true copy of which is attached as **Exhibit** "**K**".

37. As security for its Guarantee, HOHS entered into a General Security Agreement dated December 21, 2018 with Mortensen and Barrett MPC, a true copy of which is attached as **Exhibit** "**L**".

38. Based on information provided by Mr. Dang, I understand that the full amount of the Mortensen PN remains unpaid and that the amount owing under the Barrett MPC PN was reduced by agreement to $228,687. I further understand from Mr. Dang that he claims an additional $139,981 of reductions to the amount owing on the Barrett MPC PN which are disputed by Barrett MPC.

UNSECURED CREDITORS

39. Based on information provided by Mr. Dang, the Debtor has unsecured obligations to creditors in the aggregate amount of approximately $240,000, including:

(a) $60,000 owed to the federal government on account of a Canada Emergency Business Account (CEBA) loan;

(b) $52,894.27 owed to MNP Ltd. for unpaid invoices for accounting services;

(c) $12,656 owed to 100325516 Ontario Limited for pharmacy manager contractor services; and

(d) $115,000 owed to BRMC Pharmacy Ltd. (a company owned by Mr. Dang's mother) for loans made to the Debtor.

DEFAULT OF LOAN AND SECURITY DOCUMENTS

40. Commencing in 2021, the Debtor has been in default of its obligations under the Credit Agreement. These defaults have included breaches of the Debtor's debt service coverage ratio covenant, failure to provide required financial reporting, and payment defaults under the Credit Facilities (collectively, the "**Defaults**").

41. In the summer of 2022, Mr. Dang advised BMO of his intention to sell the Regency Pharmacy and Toronto Manning Drug Mart and thereafter, the Charter. In the fall of 2022, it became clear that the Debtor did not have sufficient cash flow to operate its business and to service its loans with BMO. To assist the Debtor with its cash flow while it made efforts to sell the pharmacies, commencing in October, 2022, BMO reduced the monthly principal payments on the Credit Facilities from approximately $44,000 to $20,000. The principal payments remained at the reduced amount until January, 2023 when all payments ceased.

42. In late November, 2022, Mr. Dang provided BMO with copies of letters of intent dated November 20, 2022 ("**Letters of Intent**") for the sale of the Regency Pharmacy and Toronto Manning Drug Mart. Because of the sensitive commercial information contained in the Letters of

Intent, the Letters of Intent are being filed with the Court on a confidential basis as **Confidential Exhibit "1"** and **Confidential Exhibit "2"**. The Letters of Intent were a culmination of the efforts made by Mr. Dang over a period of several months to find a buyer for the pharmacies.

43. Ultimately, the Letters of Intent did not result in a transaction. On or about January 27, 2023, Mr. Dang advised me by e-mail that he was unable to come to terms with the buyer. In an e-mail dated January 29, 2023 ("**January 29 E-mail**"), Mr. Dang provided additional detail regarding his discussions with the prospective buyer and their decision to not proceed with the transactions, including a verbal offer made for the Toronto Manning Drug Mart store at a reduced price. A copy of the January 29 E-mail is being filed with the Court on a confidential basis as **Confidential Exhibit "3"**.

44. With HOHS unable to service the Credit Facilities, the continuing Defaults and the Letters of Intent having terminated, the Bank lost confidence in the financial viability of the Debtor's business and its ability to consummate a transaction for the sale of the business.

45. On February 6, 2023, BMO issued a letter to the Debtor and the Guarantors, declaring the occurrence of an event of default and demanding repayment of the indebtedness (the "**Demand Letters**"). On that date, the Bank also issued a notice to the Debtor pursuant to s. 244 of the BIA of the Bank's intention to enforce the Security Documents. On June 19, 2023, the Bank issued a notice to Mr. Dang pursuant to s. 244 of the BIA of the Bank's intention to enforce the Shares Security Documents (the notice issued by the Bank to the Debtor and the notice issued by the Bank to Mr. Dang, collectively the "**NITES**").

46. A copy of the Demand Letters and NITES are attached as **Exhibit** "**M**".

ENGAGEMENT OF GT, MC2 AND PRE-FILING SALE PROCESS

47. MC2 provides merger & acquisition advisory services and has specialized expertise in the pharmacy business. BMO originally engaged MC2 in July 2022 as a consultant for the purpose of assisting BMO in its review of the financial affairs of the Debtor.

48. In March, 2023, it became clear that the Debtor would be unable to complete a sale of its business for an amount sufficient to retire the BMO indebtedness and that an insolvency process would be needed. BMO engaged GT to develop and implement with HOHS and Mr. Dang a sale process for the assets of HOHS and the Charter.

49. Given MC2's familiarity with the Debtor's business from its engagement in the summer to 2022, MC2 was engaged by BMO to identify prospective purchasers and to manage the marketing and due diligence process.

50. BMO, the Debtor, and the Guarantors entered into a Sale Process Agreement dated April 28, 2023 ("**Sale Process Agreement**"), a copy of which is attached hereto as **Exhibit** "**N**". Pursuant to the terms of the Sale Process Agreement, the Debtor and the Guarantors agreed to:

(a) consent to the engagement by BMO of MC2 and to cooperate with MC2 in carrying out the Sale Process;

(b) continue operating in the ordinary course;

(c) cooperate with the Bank and take all necessary steps to complete any transaction(s) arising out of the Sale Process; and

(d) consent to any enforcement by the Bank of its security, including a receivership application in respect of the Debtor's business.

51. Details of the Sale Process undertaken by MC2 will be provided to the Court in GT's pre-filing report.

THE TRANSACTIONS

Letters of Intent

52. On or about November 24, 2023, BMO signed non-binding letters of intent for the sale of the assets of the Regency Pharmacy and the sale of the Shares (the "**Letters of Intent**"). The Letters of Intent provide that both transactions are to be completed through an insolvency process. Because of the sensitive commercial information contained in the Letters of Intent, the Letters of Intent are being filed with the Court as **Confidential Exhibit "4"** and **Confidential Exhibit "5"**.

53. In the weeks that followed, BMO engaged with counsel for GT in its capacity as the proposed Receiver, and GT, to negotiate and settle the terms of a definitive asset purchase agreement for the Regency Pharmacy assets and a definitive share purchase agreement for the Shares.

Regency APA

54. On April 17, 2024, 1000801194 Ontario Inc. (the "**Regency Purchaser**") made an irrevocable offer to enter into the APA whereby the Regency Purchaser agreed to purchase all of the Debtor's (and Receiver's) right, title and interest, if any, in, to and under certain Purchased Assets (as defined in the Regency APA).

55. The Regency APA will be filed separately with this Court by GT.

56. The conditions to closing this transaction include (a) the issuance of an order appointing GT as the Receiver; (b) the issuance of an approval and vesting order approving the transaction and vesting the Regency Assets in the Regency Purchaser free and clear of all claims and

encumbrances; and (c) the approval of an application for accreditation as a community pharmacy by the Regency Purchaser to the Ontario College of Pharmacists ("**OCP**"), which requires 45-days' notice.

57. The proposed transaction is intended to close within ten (10) days of the satisfaction or waiver of all closing conditions, including the issuance of the proposed receivership order, the approval and vesting order, and the approval of the OCP application.

Manning SPA

58. On April 4, 2024, Frank Murgic Pharmacist Professional Corporation (the "**Manning Purchaser**") made an irrevocable offer to enter into the Manning SPA, pursuant to which the Manning Purchaser agreed to purchase the Shares of the Debtor.

59. The Manning SPA is conditional upon, among other things:

(a) the Court's issuance of an order appointing GT as the Receiver;

(b) the Court's issuance of an approval and vesting order, among other things, approving the Manning SPA and vesting the Shares in the Manning Purchaser free and clear of all claims and encumbrances;

(c) the approval and completion of the transaction contemplated by the Regency APA; and

(d) the assignment of the lease in respect of Toronto Manning Drug Mart to HOHS or the Manning Purchaser.

60. It is contemplated that the transaction under the Manning SPA will be completed by way of approval and "reverse" vesting order.

61. The Manning SPA will be filed separately by GT.

62. If appointed by the Court as Receiver and approved by the Court, the Receiver will accept the offers made and sign the Regency APA and Manning SPA.

DISCLOSURE TO BARRETT MPC

63. In January/February 2024, the Bank's legal counsel communicated with Barrett MPC and its legal counsel regarding the Letters of Intent and the Regency APA and Manning SPA. Dr. Barrett and Barrett MPC signed a Confidentiality Undertaking (the "**CA**"), a copy of which is attached as **Exhibit** "**O**". Copies of the Letters of Intent and drafts of the Regency APA and Manning SPA were provided to the legal counsel for Barrett MPC by e-mail on February 13, 2024. A copy of that e-mail with the dollar values redacted is attached as **Exhibit** "**P**".

64. Dr. Barrett and Barrett MPC has not advised of any objection or concerns regarding the proposed transactions.

NEED FOR A RECEIVER

65. The Debtor has defaulted under the terms of each of the Security Documents and Mr. Dang has defaulted under the terms of the Shares Security Documents.

66. As of May 23, 2024, the total indebtedness owing to BMO is CAD $5,363,687.18. The indebtedness remains outstanding and is continuing to accrue interest and fees.

67. The Debtor is unable to service the Credit Facilities. No principal payments have been made by the Debtor on the Credit Facilities since January 31, 2023.

68. As described above, BMO has worked diligently with the Debtor for almost two years to stabilize its business, and ultimately conduct the Sale Process and identify purchasers for the Debtor's assets and business.

69. The Bank has demanded from the Debtor repayment of the total indebtedness. The Bank has issued NITES. The 10-day notice period has expired.

70. The Bank is entitled to appoint a receiver under the Security Documents and to realize upon the Shares pursuant to the Shares Security Documents.

71. Given the quantum of the outstanding liabilities owing to the creditors, the Debtor is unable to complete a sale of the assets or the Shares with clear title. The Regency APA and the Manning SPA each require the applicable transaction to be completed through a receivership. BMO seeks to appoint GT as Receiver so that the Receiver can take the steps to implement the transactions on the terms and conditions set out in the Regency APA and the Manning SPA.

72. A "reverse" vesting order structure is necessary to maximize and preserve the value of the Charter. It will allow for the monetization of the Charter free of liabilities (as required by the Manning Purchaser).

73. Given the quantum of the indebtedness owing to BMO, I am not aware of any prejudice to the subordinate ranking creditors or other stakeholders. In the event of a bankruptcy, no funds would be available for those creditors.

74. After the Letters of Intent were signed, BMO was advised that the doctor in the Regency Pharmacy has departed, which compromises the long-term viability of the business and impacts the Debtor's prescription count (and consequently, the Debtor's cash flow). This resulted in a decrease in the sale price being offered under the Regency APA. I have concerns that if the applicable transaction is not completed, the Debtor's revenues will continue to deteriorate and the value of the Regency Pharmacy business and assets will continue to decline, further increasing BMO's projected losses under the Credit Facilities.

75. If the contemplated transactions are not completed, the Debtor's business may be discontinued and its assets liquidated. The transactions allow the Debtor's business to continue as a going concern, and provide stability and certainty for the Debtor's stakeholders, including customers, suppliers, and employees.

76. GT has consented to act as Receiver in this proceeding.

FUNDING OF RECEIVERSHIP AND CHARGES

77. BMO has agreed to a charge in favour of the Receiver, if appointed, and its counsel, as security for payment of their respective fees and disbursements, in each case at their standard rate and charges, which shall form a first-charge in priority to the claims of BMO as secured creditor.

78. If appointed, the Receiver will also be empowered to borrow funds to finance the costs of the receivership and the costs associated with each of the proposed transactions.

79. I swear this affidavit in support of orders substantially in the form of the draft orders at **Tab** "**3**", **Tab "4"** and **Tab** "**5**" to this Application Record and for no other or improper purpose.

SWORN BEFORE ME via video-conference with the deponent in the City of Toronto, Ontario and the Commissioner in the Municipality of Thames Centre, Ontario this 29th day of May, 2024

A Commissioner for taking Affidavits *(or as may be)*

TONY VAN KLINK

LEO CHUN

Note: This affidavit was commissioned via simultaneous video-conference in accordance with the *Commissioners for taking Affidavits Act*, R.S.O. 1990, CHAPTER C.17, and Ontario Regulation 431/20 Administering Oath or Declaration Remotely, under which (i) the identity of the deponent was confirmed from government issued identification, (ii) the commissioner administered the oath or affirmation, (iii) the deponent affixed their electronic signature to the affidavit, (iv) the deponent confirmed their electronic signature to the commissioner, (v) the commissioner affixed their electronic signature to the affidavit including exhibits.

Attached are Exhibits “A” to “P” to the Affidavit of Leo Chun sworn the 29th day of May, 2024.

_____

A Commissioner, Etc.

EXHIBIT A

41

Ontario

Ministry of Government and Consumer Services

Profile Report

HOHS DRUGS LIMITED as of May 25, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	HOHS DRUGS LIMITED
Ontario Corporation Number (OCN)	71627
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation/Amalgamation	January 07, 1954
Registered or Head Office Address	2737 Keele St, 101, North York, Ontario, Canada, M3M 2E9

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

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Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	Chi Thi HOANG
Address for Service	[Not Provided], 2737 Keele Street, #101, North York, Ontario, Canada, M3M 2E9
Resident Canadian	Yes
Date Began	December 21, 2018

Name	Arthur L. LOVELL
Address for Service	110 Gardenia Court, Oshawa, Ontario, Canada, L1G 3G7
Resident Canadian	Yes
Date Began	July 04, 1984

Name	Wilma C. LOVELL
Address for Service	630 Brookside Drive, Oshawa, Ontario, Canada, L1G 1H1
Resident Canadian	Yes
Date Began	July 04, 1984

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Active Officer(s)

Name	Huan H. DANG
Position	President
Address for Service	14578 Warden Avenue, Stouffville, Ontario, Canada, L4A 4L6
Date Began	December 21, 2018

Name	Arthur L. LOVELL
Position	President
Address for Service	110 Gardenia Court, Oshawa, Ontario, Canada, L1G 3G7
Date Began	June 30, 2009

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Corporate Name History

Name	HOHS DRUGS LIMITED
Effective Date	August 31, 2016
Previous Name	RTK DRUGS LIMITED
Effective Date	February 03, 2011
Previous Name	KARN DRUGS LIMITED
Effective Date	Refer to Corporate Records

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Active Business Names

Name	HUI'S PHARMACY
Business Identification Number (BIN)	300462520
Registration Date	May 08, 2020
Expiry Date	May 07, 2025

Name	TORONTO MANNING DRUG MART
Business Identification Number (BIN)	290583954
Registration Date	May 23, 2019
Expiry Date	May 22, 2024

Name	REGENCY PHARMACY
Business Identification Number (BIN)	280489626
Registration Date	May 01, 2018
Expiry Date	April 30, 2023

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Expired or Cancelled Business Names

)

Name	REGENCY PHARMACY
Business Identification Number (BIN)	221115413
Status	Inactive - Expired
Registration Date	October 31, 2012
Expired Date	October 30, 2017

)

Name	EAST LIBERTY VILLAGE PHARMACY
Business Identification Number (BIN)	290744705
Status	Inactive - Cancelled
Registration Date	July 05, 2019
Cancelled Date	December 15, 2021

)

Name	MESA'S COMPOUNDING PHARMACY
Business Identification Number (BIN)	300462512
Status	Inactive - Cancelled
Registration Date	May 08, 2020
Cancelled Date	June 17, 2021

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Document List

Filing Name	Effective Date
BCA - Articles of Amendment	January 18, 2021
BCA - Articles of Amendment	September 25, 2020
Annual Return - 2018 PAF: JENNIFER MORTENSEN - OTHER	July 21, 2019
Annual Return - 2018 PAF: JENNIFER MORTENSEN - OTHER	July 14, 2019
Annual Return - 2017 PAF: JENNIFER MORTENSEN - OTHER	July 14, 2019
Annual Return - 2016 PAF: JENNIFER MORTENSEN - OTHER	July 14, 2019
CIA - Notice of Change PAF: HUAN H. DANG - OFFICER	July 05, 2019
CIA - Notice of Change PAF: HUAN H. DANG - OFFICER	December 21, 2018
Annual Return - 2015 PAF: JENNIFER MORTENSEN - OTHER	October 14, 2018
Annual Return - 2014 PAF: JENNIFER MORTENSEN - OTHER	October 14, 2018
Annual Return - 2013 PAF: JENNIFER MORTENSEN - OTHER	October 14, 2018
Annual Return - 2012 PAF: JENNIFER MORTENSEN - OTHER	October 14, 2018
Annual Return - 2011 PAF: JENNIFER MORTENSEN - OTHER	October 14, 2018
Annual Return - 2010	October 14, 2018

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Director/Registrar
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PAF: JENNIFER MORTENSEN - OTHER	
CIA - Notice of Change PAF: JENNIFER MORTENSEN - OFFICER	July 06, 2018
CIA - Notice of Change PAF: JENNIFER MORTENSEN - OFFICER	May 28, 2018
CIA - Notice of Change PAF: JENNIFER MORTENSEN - DIRECTOR	April 11, 2018
CIA - Notice of Change PAF: PAUL-MARK KALDAS - OTHER	March 27, 2018
CIA - Notice of Change PAF: JENNIFER MORTENSEN - DIRECTOR	March 27, 2018
CIA - Notice of Change PAF: ROCHELLE PERERA - OTHER	November 24, 2017
CIA - Notice of Change PAF: ROCHELLE PERERA - OTHER	November 01, 2017
BCA - Articles of Amendment	August 31, 2016
CIA - Notice of Change PAF: JENNIFER MORTENSEN - OFFICER	June 02, 2016
CIA - Notice of Change PAF: ROGER BARRETT - OFFICER	January 26, 2016
CIA - Notice of Change PAF: ROGER BARRETT - OTHER	November 06, 2014
CIA - Notice of Change PAF: ROGER BARRETT - OFFICER	October 27, 2014
CIA - Notice of Change PAF: ROGER BARRETT - OFFICER	October 31, 2012
BCA - Articles of Amendment	February 03, 2011
CIA - Notice of Change PAF: ROGER BARRETT - DIRECTOR	December 20, 2010

Certified a true copy of the record of the Ministry of Government and Consumer Services.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

CIA - Notice of Change PAF: EDGAR H. HELM - OFFICER	November 30, 2009
Annual Return - 2008 PAF: EDGAR HELM - DIRECTOR	August 22, 2009
Annual Return - 2007 PAF: EDGAR HELM - DIRECTOR	July 19, 2008
Annual Return - 2006 PAF: EDGAR HELM - DIRECTOR	July 07, 2007
Annual Return - 2005 PAF: EDGAR HELM - DIRECTOR	August 05, 2006
Annual Return - 2004 PAF: EDGAR HELM - DIRECTOR	January 28, 2006
Annual Return - 2004 PAF: KAREN SMITH - OTHER	January 05, 2006
Annual Return - 2000 PAF: URSULA T. STANISLAUS - OTHER	February 28, 2005
Annual Return - 2003 PAF: EDGAR HELM - DIRECTOR	July 10, 2004
Annual Return - 2002 PAF: EDGAR HELM - DIRECTOR	November 02, 2003
Annual Return - 2002 PAF: EDGAR HELM - DIRECTOR	September 21, 2003
Other - SPECIAL NOTICE 3 PAF: E. H. HELM - OFFICER	March 01, 1995
Other - SPECIAL NOTICE 2 PAF: S. E. LOVELL - OFFICER	February 16, 1994
Other - SPECIAL NOTICE PAF: EDGAR HELM - Officer	February 05, 1993
CPCV - Corporate Conversion ADD	June 27, 1992

Certified a true copy of the record of the Ministry of Government and Consumer Services.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the “as of” date indicated on the report. Additional historical information may exist in paper or microfiche format.

EXHIBIT B

Letter of Agreement – Amendment & Restatement

BMO Bank of Montreal

20 Erb Street, W
Waterloo Ontario
N2L 1T2

May 09, 2019

HOHS DRUGS LIMITED
14578 WARDEN AVE,
STOUFFVILLE, ONTARIO L4A 4L6

Attention: Mr. Huan Dang

LETTER OF AGREEMENT – AMENDMENT & RESTATEMENT

Bank of Montreal ("**BMO**") is pleased to provide this amended and restated Letter of Agreement with respect to the credit Facilities (each a "**Facility**" and collectively, the "**Facilities**") described herein. The letter (the "**Letter of Agreement**") amends and restates the existing Letter of Agreement dated December 14th,2018 (the "**Prior Letter**"). The Facilities are offered (or continue to be offered, as applicable) on the terms and conditions set out in this Letter of Agreement. The Schedules listed below and attached form part of this Letter of Agreement.

Notwithstanding any other provision of this Letter of Agreement or in any applicable agreements, any Advance under any Facility hereunder will be made at BMO's sole discretion. Any unutilized portion of any Facility hereunder may be cancelled by BMO at any time without prior notice.

Borrower(s):	HOHS DRUGS LIMITED **(the "Borrower")**
Guarantor(s):	2670120 ONTARIO INC.,HUAN DANG, **(the "Guarantor(s)")**
Total Facility Limit:	The total approved amount of all facilities shall not exceed $6,312,500.00 at any time.

Facility # 1

Facility Authorization:	$1,462,500.00 CAD
Type of Loan:	Term Financing
Purpose:	Take-over/Acquisition Financing
Maximum Amortization:	117 months

Advance Options(each a "Loan" and collectively the "Loans")	**Cap Amount**	**Additional Details**
Demand Loan Non Revolving		**Interest Rate:** Prime Rate plus .75%. Interest is calculated monthly in arrears, and payable monthly. The Prime Rate in effect as of May 09, 2019 is 3.95%. **Repayment Terms:** Repayable on demand, provided that until demand is made by BMO: Blended monthly payments comprising principal and interest to be paid in arrears, on the last day of each month. The amount of the payment will be initially determined based on the Loan amount, amortization and the interest rate in effect at the time of the Advance. Subject to review at BMO's sole discretion. OR Equal monthly principal payments and monthly interest, to be collected separately on the last day of each month. The amount of the payments will be determined based on the Loan amount, amortization and the interest rate in effect at the time of the Advance, as applicable. Prepayments of principal in whole or in part are permitted, without penalty **Other:**
Fixed Rate Term Loan		**Type of Loan:** Closed Term Loan **Interest Rate:** To be determined at time of Advance. By way of reference only, the rate in effect as of May 9th, 2019 for a 5 year term is 5.25% per annum; and the rate is valid for 14 days, and thereafter subject to change at BMO's sole discretion from time to time.

Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest at the Maturity Date, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full.

Repayment Terms: Equal monthly principal payments and monthly interest, to be collected separately on the last day of each month. The amount of the payments will be determined based on the Loan amount, payment frequency, amortization, and term.

OR

Blended monthly payments comprising principal and interest to be paid monthly in arrears, on the last day of each month. The amount of the payment will be determined based on the Loan amount, term, amortization and the interest rate in effect at the time of the Advance.

The balance of the Loan then outstanding, together with all accrued and unpaid interest, shall be due and payable at the end of the term of the Loan.

Prepayment Terms: *Closed Term Loan Only*

May not be prepaid, in whole or in part, prior to the maturity date.

Prepayment Option Term Loan Only

When not in default, the Borrower may prepay an amount of principal up to 10% of the original loan amount once every calendar year without prior notice. These prepayment privileges are not cumulative.

Maximum Term: 5 years

Maturity Date: The last day of the month determined based on the term selected and the date of advance.

Other:

The aggregate of all outstanding Advances under this Facility shall at no time exceed the Facility Authorization for this Facility.

Each Loan under this Facility shall be a separate Loan, shall be non-revolving and shall be permanently reduced by any repayments or payments by the Borrower.

The Borrower shall give to BMO 5 Business Days notice with respect to any request for a Loan under this Facility.

Facility # 2

Facility Authorization:	$3,800,000.00 CAD
Type of Loan:	Term Financing
Purpose:	Takeover/Acquisition Financing
Maximum Amortization:	120 months

Advance Options(each a "Loan" and collectively the "Loans")	**Cap Amount**	**Additional Details**
Demand Loan Non Revolving		**Interest Rate:** Prime Rate plus .75%. Interest is calculated monthly in arrears, and payable monthly. The Prime Rate in effect as of May 09, 2019 is 3.95%. **Repayment Terms:** Repayable on demand, provided that until demand is made by BMO: Blended monthly payments comprising principal and interest to be paid in arrears, on the last day of each month. The amount of the payment will be initially determined based on the Loan amount, amortization and the interest rate in effect at the time of the Advance. Subject to review at BMO's sole discretion. OR Equal monthly principal payments and monthly interest, to be collected separately on the last day of each month. The amount of the payments will be determined based on the Loan amount, amortization and the interest rate in effect at the time of the Advance, as applicable. Prepayments of principal in whole or in part are permitted, without penalty **Other:**
Fixed Rate Term Loan		**Type of Loan:** Closed Term Loan **Interest Rate:** To be determined at time of Advance. By way of reference only, the rate in effect as of May 9th, 2019 for a 5 year term is 5.25% per

annum; and the rate is valid for 14 days, and thereafter subject to change at BMO's sole discretion from time to time.

Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest at the Maturity Date, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full.

Repayment Terms: Equal monthly principal payments and monthly interest, to be collected separately on the last day of each month. The amount of the payments will be determined based on the Loan amount, payment frequency, amortization, and term.

OR

Blended monthly payments comprising principal and interest to be paid monthly in arrears, on the last day of each month. The amount of the payment will be determined based on the Loan amount, term, amortization and the interest rate in effect at the time of the Advance.

The balance of the Loan then outstanding, together with all accrued and unpaid interest, shall be due and payable at the end of the term of the Loan.

Prepayment Terms: *Closed Term Loan Only*

May not be prepaid, in whole or in part, prior to the maturity date.

Prepayment Option Term Loan Only

When not in default, the Borrower may prepay an amount of principal up to 10% of the original loan amount once every calendar year without prior notice. These prepayment privileges are not cumulative.

Maximum Term: 5 years

Maturity Date: The last day of the month determined based on the term selected and the date of advance.

Other:

The aggregate of all outstanding Advances under this Facility shall at no time exceed the Facility Authorization for this Facility.

Each Loan under this Facility shall be a separate Loan, shall be non-revolving and shall be permanently reduced by any repayments or payments by the Borrower.

The Borrower shall give to BMO 5 Business Days notice with respect to any request for a Loan under this Facility.

Facility # 3

Facility Authorization:	$305,000.00 CAD
Type of Loan:	Operating Demand Loan
Purpose:	Operating Financing
Interest Rate:	Prime Rate plus 0.75%. Interest is calculated monthly in arrears, and payable monthly on the last day of each month. The Prime Rate in effect as of May 09, 2019 is 3.95%.
Repayments:	Repayable on demand
Facility Fee:	$35.00 per month. This is the fee for the loan and does not include other account fees. Refer to our Better Banking Guide for other applicable fees.
Other Costs:	BMO is not obliged to permit the Advances under this Facility to exceed the Facility Authorization. In the event the Advances under this Facility exceeds the Facility Authorization, the excess will bear interest at the Overdraft Rate, which is currently 21% per annum. BMO shall also be entitled to charge the Borrower a fee of 1% calculated on the amount of excess over the Facility Authorization or $100, whichever is greater and a $5 overdraft handling charge per item that creates or increases the excess.

Facility # 4

Facility Authorization:	$695,000.00 CAD
Type of Loan:	Operating Demand Loan
Purpose:	Operating Financing
Interest Rate:	Prime Rate plus .75%. Interest is calculated monthly in arrears, and payable monthly on the last day of each month. The Prime Rate in effect as of May 09, 2019 is 3.95%.

Repayments:	Repayable on demand
Facility Fee:	$35 per month. This is the fee for the loan and does not include other account fees. Refer to our Better Banking Guide for other applicable fees.
Other Costs:	BMO is not obliged to permit the Advances under this Facility to exceed the Facility Authorization. In the event the Advances under this Facility exceeds the Facility Authorization, the excess will bear interest at the Overdraft Rate, which is currently 21% per annum. BMO shall also be entitled to charge the Borrower a fee of 1% calculated on the amount of excess over the Facility Authorization or $100, whichever is greater and a $5 overdraft handling charge per item that creates or increases the excess.

Facility # 5

Facility Authorization:	$50,000.00 CAD
Type of Loan:	Corporate MasterCard®*
Purpose:	Operating Financing
Interest Rate:	As determined by Corporate MasterCard Agreement.
Repayments:	As determined by Corporate MasterCard Agreement.
Facility Fee:	As determined by Corporate MasterCard Agreement.

Â®* MasterCard is a registered trademark of MasterCard International Incorporated. Used under license.

Conditions Precedent to Advances:

BMO will have no obligation to make any advance to the Borrower unless and until each of the conditions set out below and in Schedule C has been completed to BMO's satisfaction

1. Completion of all loan and account documents and all Security as outlined below.
2. Compliance with all covenants, representations and warranties in all loan documents and Security.
3. Receipt of all information necessary for BMO to comply with all legal and internal requirements in respect of money laundering and proceeds of crime legislation, and "know your customer" requirements.
4. Satisfactory review by BMO of insurance policies issued to the Borrower and each Guarantor, if any, and compliance with any changes required to satisfy BMO's insurance requirements.
5. Confirmation of no material adverse change to the Borrower and the Guarantor and their respective property and assets since the latest financial statements provided to BMO.
6. Confirmation that no default or breach under this Letter of Agreement, any of the loan documents or the Security has occurred.
7. Satisfactory Enviornmental & Compliance Certificate
8. Solicitor to Confirm the purchaser has a valid billing account entitling the Borrower to receive payment under the provincial drug benefit plan
9. Copy of premises lease agreement

10. Evidence of disability, professional liability and business interruption insurance.
11. Confirmation/evidence that the borrower has formally assumed the premises lease from the previous operator
12. PPSA amendmend registration to capture Toronto Manning Drug Mart location at 260 Spadina Ave., Toronto.
13. Master Business Lic / Tradename registrations for both pharmacies: 1. Regency Pharmacy 2. Toronto Manning Drug Mart
14. Legal opinion To Be Obtained confirming BMO can facilitate/control/transfer the sale of the pre 1954 Charter (shares) and the Pharmacies in the event of default

Covenants

As long as any Advance remains outstanding under or in connection with this Letter of Agreement, or so long as any commitment under this Letter of Agreement remains in effect, the Borrower and any Guarantor will perform and comply with the covenants set out in Schedule A.

Financial Covenants:

In addition, the Borrower and each Guarantor, as applicable, will perform and comply with the following financial covenants, based on financial statements of the Borrower or applicable Guarantor:

1. **Maintain a Debt Service Coverage (DSC) ratio greater than or equal to 1.25:1**

$$DSC = \frac{\text{(Net Income + Interest + Depreciation + Amortization)}}{\text{(Current Portion of Long Term Debt + Interest + Non-Discretionary Dividend)}}$$

Additional Covenants:

In addition, the Borrower and each Guarantor, as applicable, will perform and comply with the following covenants:

Security:

Each of the following documents, instruments, agreements and other assurances (collectively, the "**Security**") shall be delivered to BMO prior to any advance of funds, in form and substance acceptable to BMO and its solicitors, acting reasonably:

1. $1,805,000.00 Personal guarantee from HUAN DANG,**ON HAND**
2. $1,805,000.00 Corporate guarantee from 2670120 ONTARIO INC. **ON HAND**
3. $4,545,000.00 Personal guarantee from HUAN DANG,
4. $4,545,000.00 Corporate guarantee from 2670120 ONTARIO INC. with enabling resolution
5. Registered General Security Agreement ("GSA")/Moveable Hypothec ("Hypothec") providing BMO with a security interest/hypothec over all present and after-acquired personal/movable property of the Borrower with a First ranking for Machinery and Equipment, CDN Accounts Receivable, with Second ranking on Inventory/Warehouse Receipts **ON HAND**
6. Fire Insurance listing BMO as first loss payee over 260 Spadina Ave, Toronto
7. Hypothecation of Negotiable Collateral– pledge / assignment of the Borrower's Limited Share Certificate, C-30, for 10,103 issued to Huan Dang
8. Power of Attourney to Transfer Stock or Bonds - Collateral– pledge / assignment of the Borrower's Limited Share Certificate, C-30, for 10,103 issued to Huan Dang
9. Section 427 of Bank Act – Letter of Agreement
   - Notice of registration under Section 417 of the Bank Act
   - Application for Credit & Promise to Give Bills of Lading Warehouse
   - Security under Section 417 of the Bank Act

Any other documents, instruments or agreements as may be required by BMO, acting reasonably

Reporting Requirements:

Annual	1. Annual accountant prepared review engagement level financial statements from the Borrower within 120 days of fiscal year end. 2. Updated personal net worth statement from the personal guarantors to include confirmation of assets, liabilities and income declared - to be provided at annual review if requested by the Bank. 3. Prior Claims Declaration.
Other	1. It is expected that the Borrower and/or guarantors will provide accountant prepared financial statements and/or in-house financial statements for other related companies (i.e. pharmacies or real estate holding companies) from time to time as requested by the Bank. 2. Inventory buy-back agreement from McKesson Canada to be obtained within 30 days of funding

A $50 per month fee will be applied for non compliance with reporting requirements. The application of this fee does not waive the default condition.

Prompt notification of management letters, default notices, litigation, and any other material events

Satisfactory evidence that all taxes (including, without limitation, GST, HST, sales tax, withholdings, etc.) have been paid to date

Representations and Warranties:

The Borrower and each Guarantor, as applicable, makes the representations and warranties set out in Schedule B. All representations and warranties of the Borrower and any Guarantor, in addition to any representation or warranty provided in any document executed in connection with a Facility or any Security, shall be true and correct on the date of this Letter of Agreement and on the date of any Advance under a Facility.

Noteless Advances:

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Facilities, and interest, fees and other amounts due in connection with the Facilities, in an account of the Borrower maintained by BMO, shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the Facilities set out in this Letter of Agreement shall not be affected by the failure of BMO to make such recording. The Borrower also hereby acknowledges being indebted to BMO for principal amounts shown as outstanding from time to time in BMO's account records, and all accrued and unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to BMO in accordance with the terms and conditions applicable to the Facilities as set out in this Letter of Agreement.

Fees:

All costs and expense incurred by BMO in connection with this Letter of Agreement and the Facilities (including without limitation all legal, appraisal and consulting fees),and the enforcement of the Security are

for the account of the Borrower.

A one-time fee ("Fee") of $5,000 is payable by the Borrower to BMO upon acceptance of this Letter of Agreement. This fee is deemed to be earned by BMO upon acceptance of this Letter of Agreement, to compensate for time, effort and expense incurred by BMO in authorizing these Facilities.

Credit renewal fees will be payable as advised by BMO annually; at the date of this letter such fees are estimated to be $ 2,000.

All fees payable under this Letter of Agreement shall be paid to BMO on the dates due, in immediately available funds. Fees paid shall not be refundable except in the case of manifest error in the calculation of any fee payment.

Banking Services:

The Borrower shall maintain its Bank Accounts, solely with the BMO. Borrower acknowledges that the pricing (including interest, fees and charges) contained in this Letter of Agreement is contingent on the Borrower maintaining all of its operating accounts with BMO. In the event the Borrower does not do so, BMO may, at any time, in its sole discretion and without any requirement to obtain the agreement of, or provide prior notice to the Borrower, increase such pricing.

Treasury & Payment Solutions:

BMO will provide Non-Credit and treasury & payment solutions to the Borrower. A Treasury & Payment Specialist will contact the Borrower to implement BMO's On-Line Banking for Business platform (OLBB) and discuss additional treasury & payment features such as Electronic Funds Transfer (EFT), Wire Payments, BMO DepositEdge® and Moneris® Payment Processing Solutions. BMO's objective is to provide a package of services that are tailored to meet both the current and future needs of the Borrower in a cost efficient operating environment.

Commercial Loan Insurance Plan:

You understand that unless you submit an Application for Commercial Loan Insurance Plan ("Application"), and it has been approved by Canada Life as the insurer, you will not be covered under the Commercial Loan Insurance Plan for any facilities under this Letter of Agreement and would be ineligible to submit a claim should you undergo an insurable event.

Counterparts; Electronic Transmissions:

This agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. Any counterpart of this Agreement may be executed and circulated by facsimile, PDF or other electronic means and any counterpart executed and circulated in such a manner shall be deemed to be an original counterpart of this Agreement. All counterparts shall be construed together and shall constitute one and the same original agreement.

Governing Law:

Ontario and the federal laws of Canada applicable therein.

Schedules:

The following Schedules are attached to and form part of this letter of agreement:
Schedule A – Covenants
Schedule B – Representations and Warranties
Schedule C – Conditions Precedent to Advances

BMO's Legal Counsel:
Paul-Mark Kaldas Professional Corporation
pkaldas@ktlaw.ca

This Letter of Agreement amends and restates, without novation, the Prior Letter, as of December 14th, 2019, without prejudice to the effect of the terms of the Prior Letter or to any actions taken under or

pursuant to the Prior Letter prior to such date. The entry into effect of this Letter of Agreement shall not be deemed to waive or limit any of BMO's rights in respect of any Event of Default then existing under the Prior Letter or any Event of Default under this Letter of Agreement which exists because of matters occurring prior to such effective date, whether or not known to BMO.

In accepting this agreement you acknowledge that if, in the opinion of BMO, a material adverse change in risk occurs including, without limitation, any material adverse change in the financial condition, business, property or prospects of the Borrower or any Guarantor, the rights and remedies of BMO, or the ability of the Borrower or any Guarantor to perform its obligations to BMO, any obligation to advance some or all of the above Facilities may be withdrawn or cancelled.

Please indicate your acceptance of the terms and conditions hereof by signing and returning one copy of this Letter of Agreement (and making payment of the above noted fee, if applicable) to BMO no later than May 20th, 2019. If your acceptance of this Letter of Agreement is not received by BMO by that date, BMO shall have no obligation to proceed with any of the Facilities.

Yours truly,
BANK OF MONTREAL

By: Brad Altenhoff
Name: BRAD ALTENHOFF
Title: Relationship Manager

Accepted and agreed to this 13th day of May, 2019

BORROWER(S)

HOHS DRUGS LIMITED

Signature: Huan Dang

Name: Huan Dang

Title: Owner

GUARANTOR(S)

2670120 ONTARIO INC.

Signature: Huan Dang

Name: Huan Dang

Title: Owner

HUAN DANG

Witness: Brad Altenhoff

Name: BRAD ALTENHOFF

Signature: Huan Dang

Name: Huan Dang

SCHEDULE A

COVENANTS

1. Payment of all indebtedness due to BMO in connection with this Letter of Agreement or any Facility
2. Maintenance of corporate existence and status, if applicable
3. Payment of all taxes when due (including, without limitation, corporate, GST, HST, sales tax and withholdings)
4. Compliance with all material laws, regulations and applicable permits or approvals (including health, safety and employment standards, labour codes and environmental laws)
5. Compliance with all material agreements
6. Use of proceeds to be consistent with the approved purpose
7. Notices of death of Borrower or Guarantor, default, material litigation, and regulatory proceedings to be provided to BMO on a timely basis
8. Access by BMO to books and records; BMO to have right to inspect property to which its security applies
9. No assumption of additional indebtedness or guarantee obligations by Borrower without prior written consent of BMO
10. No liens or encumbrances on any assets except with the prior written consent of BMO
11. No change of control or ownership of the Borrower without the prior written consent of BMO
12. No disposition of property or assets (except in the ordinary course of business) without the prior written consent of BMO
13. No material acquisitions, hostile takeovers, mergers or amalgamations without BMO's prior written approval
14. [For multiple currencies]:

    If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Letter of Agreement, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Letter of Agreement in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which BMO is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its principal office in Toronto, Ontario. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of receipt by BMO of the amount due, the Borrower will, on the date of receipt by BMO, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by BMO on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by BMO is the amount then due under this Letter of Agreement in the Currency Due. If the amount of the Currency Due which BMO is so able to purchase is less than the amount of the Currency Due originally due to it, the Borrower and each Guarantor jointly and severally (solidarily) agree to indemnify BMO from and against any and all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Letter of Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by BMO from time to time and shall continue in full force and effect notwithstanding any judgment or order in respect of an amount due under this Letter of Agreement or under any judgment or order.

SCHEDULE B

REPRESENTATIONS AND WARRANTIES

1. It has the corporate status, power and authority to enter into this Letter of Agreement and any agreement executed in connection with a Facility or any Security to which it is a party, and to performs its obligations hereunder and thereunder
2. It is in compliance with all applicable laws (including environmental laws) and its existing agreements
3. Except as otherwise disclosed to BMO in writing, no consent or approval of, registration or filing with, or any other action by, any governmental authority is required in connection with the execution, delivery and performance by it of this Letter of Agreement and any agreement executed in connection with a Facility or any Security to which it is a party
4. All factual information that has been provided to BMO for purposes of or in connection with this Letter of Agreement or any transaction contemplated herein is true and complete in all material respects on the date as of which such information is dated or certified
5. No event, development or circumstance has occurred that has had or could reasonably be expected to have a material adverse effect on the business, assets, operations or condition, financial or otherwise, of the Borrower or any Guarantor
6. There is no material litigation pending against it or, to its knowledge, threatened against or affecting it
7. It has timely filed or caused to be filed all required tax returns and reports and has paid or caused to be paid all required taxes
8. It has good and marketable title to its properties and assets including ownership of and/or sufficient rights in any material intellectual property.
9. It has complied with all obligations in connection with any pension plan which it has sponsored, administered or contributed to, or is required to contribute to including, without limitation, registration in accordance with applicable laws, timely payment of all required contributions or premiums, and performance of all fiduciary and administration obligations
10. It maintains insurance policies and coverage that provides sufficient insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons in the same or a similar business
11. It is not in default nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a default under any loan, credit or security agreement, or under any material instrument or agreement, to which it is a party.

SCHEDULE C

CONDITIONS PRECEDENT TO ADVANCES

1. Evidence of corporate (or other) status and authority
2. Completion and registration (as applicable) of all Security (defined herein) and other supporting documents
3. Completion of all facility documentation and account agreements and authorities, as applicable
4. Compliance with all representations and warranties contained herein
5. Compliance with all covenants (financial and non-financial) contained herein
6. No Event of Default (defined herein) shall have occurred and be continuing
7. Compliance with all laws (including environmental)
8. Payment of all fees and expenses
9. Receipt of all necessary material governmental, regulatory and other third party approvals including environmental approvals and certificates
10. Satisfactory due diligence (including, without limitation, anti-money laundering, proceeds of crime and "know your customer" requirements and procedures, environmental and insurance due diligence)
11. Repayment of all existing indebtedness (excluding permitted indebtedness), as applicable.
12. Satisfactory review of material contracts, as applicable
13. Satisfactory review by BMO (or, at BMO's option and the Borrower's expense, an insurance consultant) of insurance policies issued to the Borrower(s) and/or the Guarantor(s) and compliance with any changes required to satisfy BMO's insurance requirements
14. Disclosure of all material contingent obligations
15. Confirmation that no shares of the Borrower held by the principal shareholders have been pledged as security for any financial or other indebtedness
16. Corporate taxes of the Borrower and corporate/personal taxes of the Guarantor(s) are to be confirmed current and up-to-date
17. Satisfactory evidence that all other taxes payable by the Borrower and Guarantor(s) (including, without limitation, GST, HST, sales tax, and withholdings) have been paid to date
18. No material judgments or material legal action initiated against the Borrower and/or any Guarantor(s)
19. Any other document or action which BMO may reasonably require

EXHIBIT C

BMO Bank of Montreal

Ontario Personal Property Security Act Security Agreement

SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
2737 Keele Street, Toronto, Ontario M3M 2E9

List all premises and asset locations, by schedule, if necessary

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on

Insert date of execution

21st day of December, 2018. (year

HOHS DRUGS LIMITED
(Name of Entity)

By: _____
Name: Huan Dang
Title: President
I have authority to bind the corporation.

By: _____
Name: _____
Title: _____

CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

CERTIFICATE

To be completed by Secretary or other authorized officer, insert name of

I am the President of EAGLE PHARMACEUTICALS INC. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 21st day of December, 2018;(year)

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and

Use applicable clause

3. the resolution was passed at a meeting duly called and held on the date aforesaid and at which a quorum of the directors was present throughout the meeting, all the directors having received proper notice of the meeting or waiving such notice in accordance with the by-laws of the Company

(or where applicable – the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.)

To be signed by Secretary or other authorized officer; affix corporate seal

seal

By:

Name: Huan Dang

Title: President

® Registered trade-marks of Bank of Montreal

EXHIBIT D

BMO Bank of Montreal

Notice for Registration Under Sec. 427 of the Bank Act

Note

Branch

34252-001
Transit

Notice of Intention

(1) Name(s) in full, including initials
(2) Do not use abbreviations, except where they appear in Company's registered name.

To Whom It May Concern: HOHS Drugs Limited

Name of Person (1), Firm (2) or Company
14578 Warden Avneue, Stouffville, Ontario L4A 4L6
P.O. Address

hereby gives notice that it is 15 intention to give security under Sec. 427 of the Bank Act to the Bank of Montreal.

Dated at Mississauga, this 23rd day of May 2019 (year)

#: 0132174
NOTICE RECEIVED / PRÉAVIS REÇU
05 27 2019 6:44AM
mm dd yyyy time PDT
TERANET COLLATERAL MANAGEMENT SOLUTIONS CORPORATION
Authorized Section 427 Bank Act
Registrar for Bank of Canada
Bureau d'enregistrement autorisé de la
Banque du Canada conformément à
l'article 427 de la loi sur les banques
PROVINCE OF ONTARIO
Pour / For Registrar

If signed by corporation or other entity (e.g. partnership):

HOHS Drugs Limited
(Name of Entity)

By:
Name: Huan Dang
Title: President

By:
Name:
Title:

If signed by natural person (e.g. sole proprietor):

Witness
Name

Name:

PRINT

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BMO Bank of Montreal

Agreement as to Loans and Advances and Security therefor

To the

BANK OF MONTREAL:

In consideration of the loan(s) or advance(s) being made and/or to be made hereafter by the BANK OF MONTREAL (hereinafter called "the Bank") to the undersigned (hereinafter called "the Customer") the Customer agrees with the Bank as follows:

1. All security now or at any time hereafter held by the Bank for the payment of any debt or liability of the Customer (the said security being hereinafter called "the security"), including, without limiting the generality of the foregoing, security by way of warehouse receipt or bill of lading or under Section 427 of the Bank Act, together with all property covered by or comprised in the security (the said property being hereinafter called "the property"), and all proceeds of the security and of the property, shall be continuing collateral security for the payment of such debt or liability and also for the payment of interest thereon and of all costs, charges and expenses of or incurred by the Bank in connection therewith, including solicitor and his own client legal costs, whether in protecting, preserving, possessing, preparing for disposition, disposing of, realizing or collecting the security or the property or attempting so to do or otherwise, and interest thereon at the rate and calculated in the manner agreed upon by the Customer and the Bank, all of which the Customer agrees to pay to the Bank.

2. The Customer shall keep the property insured to its full insurable value against loss or damage by fire, and, if requested by the Bank, against loss or damage from any other cause, with insurers approved by the Bank, and shall assign to the Bank the policies evidencing such insurance or all claims thereunder and/or have the loss made payable to the Bank as the Bank may require and shall deliver the policies to the Bank, and in the event of failure so to do the Bank may but shall not be bound to effect such insurance on the property as it sees fit and the Customer will on demand repay to the Bank the amount of any premiums paid by it with interest thereon at the rate and calculated in the manner agreed upon by the Customer and the Bank.

3. If the Bank surrenders to the Customer the security or the property or any part of either of them, the Customer shall receive the same in trust for and on behalf of the Bank and from time to time shall deal therewith as the Bank may direct and, at the request of the Bank, shall give to the Bank security on the property so surrendered, or covered by the security so surrendered, to the satisfaction of the Bank.

4. Until default by the Customer in payment of all or any part of the indebtedness and liability of the Customer to the Bank, or until notice by the Bank to the Customer to cease so doing, the Customer may sell such property from time to time in the ordinary course of business and remove the same for the purpose of delivery to purchasers thereof. The proceeds of all sales by the Customer of the property or any part thereof, including, without limiting the generality of the foregoing, cash, debts arising from such sales or otherwise, evidences of title, instruments, documents and securities, which the Customer may receive or be entitled to receive in respect thereof, are hereby assigned to the Bank and shall be paid or transferred to the Bank forthwith, and until so paid or transferred shall be held by the Customer in trust for the Bank. Execution by the Customer and acceptance by the Bank of an assignment of book debts or any additional assignment of any of such proceeds shall be deemed to be in furtherance hereof and not an acknowledgement by the Bank of any right or title on the part of the Customer to such book debts or proceeds.

5. The Customer shall at all times duly and seasonably pay and discharge all claims whatsoever in any way secured by or constituting a charge upon the property or any part thereof and particularly, but without limiting the generality of the foregoing, all wages, salaries and other remuneration of all employees employed by the Customer in connection with the business or farm of the Customer in respect of which any property covered by the security is held or acquired by the Customer, and shall from time to time at the request of the Bank exhibit to the Bank evidence of such payment and discharge and obtain and deliver to the Bank such waivers or releases as the Bank may deem necessary to secure to the Bank the priority of its rights in the property.

6. The Customer shall from time to time on demand and to the satisfaction of the Bank deliver to the Bank additional security, and in the event of failure by the Customer so to do or to make due payment to the Bank of any debt or liability or part thereof or to observe any provision of this agreement, the Bank may in its discretion cease or refrain from making loans or advances to the Customer whether under any credit extended by the Bank or otherwise, and all debts and liabilities of the Customer to the Bank shall at the option of the Bank be payable forthwith and without any demand, and the Bank is hereby authorized from time to time to sell at public or private sale or otherwise realize upon the security or any part thereof and all or any of the property whenever and wherever and for such price in money or other consideration and in such manner and upon such terms and conditions as the Bank deems best, the whole without advertisement or notice to the Customer or others and to deal with the proceeds as in this agreement provided or as otherwise agreed, without prejudice to its claim for any deficiency and free from any right of redemption on the part of the Customer which is hereby waived and released, the Customer expressly waiving all and every formality prescribed by custom or by law in relation to any such sale or other realization.

7. The Bank may from time to time, enter upon or into and occupy and use, enjoy and exercise free of charge and to the exclusion of all others, including the Customer, any and all premises and property (real and personal, immovable and movable) and rights, powers and privileges of or used, enjoyed or exercised by the Customer in connection with the property or any part thereof or in or upon which the same may be (not being the premises of a warehouseman or carrier) until the property shall be fully realized upon, and may from time to time appoint a receiver, receiver-manager or agent to act for the Customer, for whose acts the Customer alone shall be responsible, and the Customer shall have no power to revoke such appointment or determine such agency. Such receiver, receiver-manager or agent shall have and may exercise all the powers, rights and discretions granted to the Bank by this agreement and the Bank and any such receiver, receiver-manager or agent shall have the right from time to time in the name of the Customer to exercise any and all of the Customer's rights, powers and privileges of every kind and to do all acts and things which the Customer could do if acting, for the purpose of completing, selling, shipping or otherwise dealing with the property in such manner as the Bank may deem best for the purpose of realizing upon the security.

8. Any promissory note or bill of exchange received by the Bank together with any securities or documents attached thereto or received therewith shall be subject to the terms of this agreement and the Bank and holders for the time being of any such bill or note may at any time before or after its maturity and whether or not it has been dishonoured accept payment and deliver the securities or documents or accept partial payment from time to time and thereupon release part of the securities or of the property covered by the documents or any of them.

9. The Bank may from time to time apply
   (a) all payments which it receives,
   (b) the proceeds of sales by the Customer of the property or any part thereof, and
   (c) the proceeds of realization of any part of the security or of the property which are applicable generally to the debts and liabilities of the Customer to the Bank,

against, or as the Bank deems best, hold the same with all the powers, rights and discretions conferred on it by this agreement or otherwise, as continuing collateral security for the fulfilment of any or all obligations, present or future, direct or indirect, absolute or contingent, matured or not, of the Customer to the Bank whether arising from agreement or dealings between the Bank and the Customer or from any agreement or dealings with any third person by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety, and any such application by the Bank may, in whole or in part, be changed by the Bank from time to time as it deems best.

The proceeds of realization of any part of the security or of the property which are applicable only to part of the debts and liabilities of the Customer to the Bank shall first be applied to such part of the debts and liabilities, and any surplus remaining after payment of such part may from time to time be held or applied by the Bank for the purposes set out in and in accordance with the preceding paragraph of this Clause 9.

10. The Bank may release, compromise, settle and adjust any claim, dispute or difference which may arise in respect of the security or of the property or the proceeds of either of them and may grant extensions of time and indulgences. The Bank may use any Clearing Houses established by The Canadian Bankers' Association and in all dealings with the Customer's accounts and with instruments may act pursuant to the rules and regulations under which such Clearing Houses are operated.

11. The Customer shall from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the Bank may deem necessary or desirable for the purpose of perfecting the title of the Bank to the security of the property or the proceeds of either of them or of carrying into effect any or all of the provisions of this agreement or of securing the fulfilment of such obligations as aforesaid of the Customer to the Bank. The Customer hereby appoints the Bank and its Vice-Presidents, Inspectors, Managers and persons for the time being acting as managers of branches of the Bank where an account of the Customer may be kept and any person or persons from time to time named by the Bank for the purposes hereinafter mentioned, and any one of them acting alone, the Attorneys and Attorney of the Customer with full power of substitution from time to time for and in the name of the Customer to do whatsoever the said Attorneys or Attorney may deem expedient for the purpose of carrying into effect any or all of the provisions of this agreement, and this appointment being made in consideration of a loan or loans, advance or advances, by the Bank to the Customer shall be irrevocable and shall be of full force and effect whenever and so often as any loan or advance by the Bank to the Customer is unpaid or any such obligation as aforesaid to the Bank is unfulfilled and notwithstanding any occurrence or event which would otherwise terminate such agency. Every power, right and discretion vested by law in the Bank or conferred upon it by this agreement may be exercised on its behalf by the said officers or acting officers of the Bank or any person from time to time named by the Bank for such purpose, and any one of them acting alone.

12. The Bank shall not be responsible for any failure to exercise or enforce or for any delay in the exercise or enforcement of any powers, rights or discretions of the Bank, including the failure to take steps to preserve rights against other persons nor for any act, default or misconduct of any agent, officer, employee or servant of the Bank and the Bank shall be accountable only for such moneys as it shall actually receive. The Bank shall not be responsible for any loss or damage to the property while in the possession of the Bank, a receiver or a sheriff, whether due to the negligence or other default of any of them or otherwise, and specifically the Bank shall not be obligated to preserve, repair, process, or prepare for disposition any of the property.

13. Any notice to or demand upon the Customer shall be sufficiently given if despatched by post addressed to the Customer at the address of the Customer as shown by the books kept in relation to the account of the Customer at the branch of the Bank from which notice or demand is despatched and shall be deemed to have been received by the Customer at the time when in the ordinary course of post it would be expected to reach the said address.

14. The benefit of all rules of law or equity and compliance with any statutory provisions now or hereafter in force inconsistent with any of the provisions of this agreement are hereby waived by the Customer.

15. The provisions hereof shall be in addition to all other remedies of the Bank existing in law and to all rights under agreements heretofore given and no sale or delivery by the customer of the property or any part thereof shall prejudice or affect the rights however arising of the Bank in or with respect to property so sold or delivered, and this shall be a continuing agreement and all its provisions shall extend to all loans and advances to the Customer by the Bank and all obligations of the Customer to the Bank at any time outstanding and to the security and the property as they may exist from time to time and all proceeds thereof; and every loan and advance heretofore, now or hereafter made shall be deemed to have been made upon the agreements herein contained.

16. This agreement shall be binding upon and enure to the benefit of the Customer and the Bank and the heirs, executors and administrators or successors and assigns, as the case may be, of each of them.

Note

It is the express wish of the Parties that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

Note

Dated at MSS, this 28 day of May, 2019

If signed by corporation or other entity (e.g. partnership):

HOHS Drugs Limited
(Name of Entity)

By: _____
Name: Huan Dang
Title: President

By: _____
Name: _____
Title: _____

If signed by natural person (e.g. sole proprietor):

Witness: _____ _____
Name: _____ Name: _____

® Registered trade-marks of Bank of Montreal

PRINT

BMO Bank of Montreal

Application for Credit and Promise to Give Bills of Lading, Warehouse Receipts, or Security under Section 427 of the Bank Act.

To the
Bank of Montreal
20 Erb Street West, Suite 101
Waterloo, Ontario, N2L 1T2

The Bank is hereby requested by the undersigned to grant and continue certain credit facilities (whether by loans, the acceptance of our bills of exchange, or otherwise) and to make loans or advances to the undersigned thereunder on the security of all property of the kind(s) hereinafter described of which the undersigned is now or may thereafter become the owner or in respect of which the undersigned does now have or hereafter may acquire rights, to wit

Note The chattels, fixtures and inventory of Toronto Manning Drug Mart Ltd.

and/or on the security of warehouse receipts and/or bills of lading covering such property.

And the undersigned promise(s) and agree(s) to give the Bank security for all loans and advances by the Bank to the undersigned pursuant to this application for credit and promise to give security and any application(s) for credit and promise(s) to give security supplemental hereto, by way of assignment under Section 427 of the Bank Act covering all the property aforesaid which is now or may hereafter be in the place or places hereinafter designated, to wit

Note 260 Spadina Avenue, Ground Floor, Toronto, Ontario

or in transit thereto or therefrom or in any other place or places in Canada in which any of the said property may be located.

The undersigned promise(s) and agree(s) to give the Bank from time to time and as often as requested by the Bank warehouse receipts and/or bills of lading covering all the property aforesaid or any part thereof which is now or may hereafter be covered by warehouse receipts or bills of lading, as security for all the said loans and advances.

And the undersigned will pay the Bank all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of the sums of money due to the Bank from the undersigned or in attempting so to do.

The undersigned hereby appoint(s) the person for the time being acting as manager of the above-mentioned branch of the Bank the attorney of the undersigned, on behalf of the undersigned to give from time to time to the Bank any and all security mentioned above and to sign or endorse and deliver any and all instruments and documents in connection therewith.

The Bank may from time to time take from the undersigned notes representing the said loans and advances or any part thereof; and any notes so taken shall not extinguish or pay the indebtedness created by such loans and advances but shall represent the same only.

No security acquired by the Bank shall be merged in any subsequent security or be taken to be substituted for any security previously acquired.

Note

It is the express wish of the Parties that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

Note

DATED at Mississauga the 28 day of May, 2019.

If signed by corporation or other entity (e.g. partnership):

HOHS Drugs Limited
(Name of Entity)

By: _____
Name: Huan Dang
Title: President

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

If signed by natural person (e.g. sole proprietor):

Witness _____ _____
Name _____ Name: _____

Witness _____ _____
Name _____ Name: _____

Witness _____ _____
Name _____ Name: _____

® Registered trade-marks of Bank of Montreal

PRINT

BMO Bank of Montreal

Security under Section 427 of the Bank Act
(Continuing security on all property of specified kinds)

FOR GOOD AND VALUABLE CONSIDERATION, the undersigned hereby assigns to the BANK OF MONTREAL (hereinafter called "the Bank") as continuing security for the payment of all loans and advances made or that may be made by the Bank to the undersigned pursuant to the application for credit and promise to give security made by the undersigned to the Bank and dated the 28 day of May, 2019, and any application(s) for credit and promise(s) to give security supplemental thereto made or that may be made by the undersigned to the Bank or renewals of such loans and advances or substitutions therefor and interest on such loans and advances and on any such renewals and substitutions, all property and classes of property of the kind(s) hereinafter described of which the undersigned is now or may hereafter become the owner or in respect of which the undersigned does now have or hereafter may acquire rights, to wit, - (*description of property or classes of property, and if for fishing property, include a description of fishing equipment, supplies and products assigned, and the number, name and port of registry of any registered or recorded vessels*)

the chattels, fixtures and inventory of Toronto Manning Drug Mart Ltd.

and that is now or may hereafter be in the place or places hereinafter, designated, to wit, - (*designate the place or places*)

260 Spadina Avenue, Ground Floor, Toronto, Ontario

or in transit thereto or therefrom or in any other place or places in Canada in which any of the said property may be located or, where the property consists in whole or in part of fishing vessels, fishing equipment and supplies or products of the sea, lakes and rivers, wherever such property may be.

This security is given under the provisions of section 427 of the Bank Act.

The property now owned by the undersigned or in respect of which the undersigned now has or may hereafter acquire rights and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the Bank, and the undersigned warrants that the property that may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the Bank.

It is the express wish of the Parties that this agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

DATED at Miss the 28 day of May, 2019.

If signed by corporation or other entity (e.g. partnership):

HOHS Drugs Limited
(Name of Entity)

By: Huan Dang
Name: Huan Dang
Title: President

By: _____
Name: _____
Title: _____

If signed by natural person (e.g. sole proprietor):

Witness: _____ _____
Name: _____ Name: _____

® Registered trade-marks of Bank of Montreal

PRINT

EXHIBIT E

BMO Bank of Montreal

Hypothecation of Negotiable Collateral for All Loans

Date 23/May/2019

To the

Bank of Montreal:

In consideration of financial assistance presently extended or to be extended by you and/or advances presently made and/or which may at any time hereafter be made to* HOHS Drugs Limited (hereinafter called 'the Borrower") or to the Undersigned by the Bank of Montreal (hereinafter called "the Bank"):

* Insert Name of Borrower

If securities pledged against advances to others, fill in blanks as indicated

1) The Undersigned herewith hand(s) the Bank the securities enumerated herein, and agree(s) that the said securities and such other additional securities as may hereinafter be delivered to the Bank (other than any securities which on written instructions of the Undersigned are to be held in safekeeping) shall be held by the Bank together with all renewals thereof, substitutions therefor, accretions thereto, all income therefrom and all proceeds thereof and therefrom (the whole hereinafter called "the securities"), as general and continuing collateral security and

* the Borrower or * the Borrower or * the Borrower or

as a pledge to secure all advances presently made or which at any time hereafter may be made to * HOHS Drugs Limited the Undersigned, and to cover any indebtedness which is now or may at any time be due by * HOHS Drugs Limited the Undersigned to the Bank, and as general and continuing collateral security for the fulfilment of all obligations present or future, direct or indirect, absolute or contingent, matured or not of * HOHS Drugs Limited the Undersigned to the Bank, it being understood and agreed that the Bank's responsibility is limited to exercising in regard to the securities the same degree of care which it gives to valuable property of the Bank as the branch where the securities are held.

2) The Undersigned hereby further agree(s) that:

a) on default being made in repaying any such advance(s) or the interest thereon, or any part thereof, when due or when any note representing the same becomes due, or on failure to comply with any demand for payment, or on default in fulfilling any such obligation, or if any security shall in the opinion of the Bank depreciate in value, the Bank may forthwith, without any notice, without demand for payment, without advertisement, and without any other formality, all of which are hereby waived, sell the securities or any of them on any recognized exchange dealing in such securities or by public or private sale, and enforce payment and realize upon the security of any bonds or debentures comprised amongst the securities as fully and effectually as if the Bank were the absolute owner thereof;

* the Borrower or

b) the records of the Bank as to * HOHS Drugs Limited the Undersigned being in default or of any demand having been made shall be final and conclusive without further or other proof;

c) the Bank shall not be bound under any circumstances to realize upon any securities or allow any securities to be sold, and shall not be responsible for any loss occasioned by any sale of any collateral or by the retention of or refusal to sell the same; nor shall the Bank be obliged to collect or see to the payment of interest or dividends thereon, but all such interest or dividends, if and when received by the Undersigned, shall be forthwith paid to the Bank;

Clause (c.1) applicable only to the Province of Alberta

c.1) the Bank may realize on the securities by any method not prohibited by law, including sale for deferred payment or redemption before maturity with or without penalty, and the Bank shall not be responsible for any loss or damage to the securities whether caused by the negligence or fault of the Bank, its servants or agents, or a sheriff or receiver, and the Bank shall not be obliged to preserve rights against other persons or keep the securities identifiable or protect the securities or prepare the securities for disposition, and shall only be liable to account for funds (net of costs of collection, realization and sale, including solicitor and his/her own client legal costs), actually received by the Bank;

* the Borrower or

d) the securities or any excess thereof or proceeds of sale of the same may be retained as a security for or applied upon any other indebtedness direct or indirect of * HOHS Drugs Limited the Undersigned to the Bank;

e) the Bank or any Manager thereof, as the attorney irrevocable of the Undersigned and each of them (if more than one), may transfer, endorse, negotiate and sign on behalf of the Undersigned and each of them (if more than one) all or any of the securities and may fill in all blanks in any transfers of stocks, bonds or debentures or any Power of Attorney or other documents delivered to it, and the Bank may delegate its powers and any delegate may sub-delegate the same and any of the powers hereby given may be exercised in the name and on the behalf of the heirs or devisees, executors or administrators of the Undersigned or (if more than one) of such of them as may be dead, and none of the powers hereby given shall be revoked by the death of the Undersigned or any of them (if more than one);

f) at the request of the Bank the Undersigned will, at his/her or their own expense, execute all such transfers and documents as may be reasonably required with all such powers of sale and other necessary powers as may be expedient for vesting in the Bank, or such person or persons as it may appoint, all and every such securities;

g) all costs and charges incurred by the Bank with reference to the securities or the realization thereof (including therein all solicitor and counsel and court costs paid and also including expenses of taking possession of, protecting and realizing upon any property comprised in such securities) shall be added to the indebtedness and shall be a first charge upon the moneys received; any substituted securities shall be held by the Bank subject to the same terms and conditions and with the same powers and authorities as are hereby declared and conferred; if any payment on account of the advance(s) be made, the Bank shall not by reason thereof be required to surrender any of the securities pledged;

h) any written notice to the Undersigned shall be sufficiently given if transmitted by ordinary post to the last known address of such person, or persons, as shown by the records of the Bank;

i) the receipt of any clerk or other person producing a cheque of the Undersigned be way of payment of the advance, in whole or in part, shall be sufficient authority for the delivery to such clerk or other person of such securities as the Bank may see fit to relinquish;

j) the Bank shall have the options and rights but shall neither be bound nor required to exercise any option or right which the holder of any of the securities may at any time have, and any advance made for such purpose shall be added to the loan and all the provisions hereof shall apply thereto;

k) the Bank shall be entitled to vote upon such securities at any meeting whether special or general at which the holder of such securities is entitled to vote, and is also hereby authorized to give and grant to such person or persons as it may deem best power to vote upon the said securities; and

l) the Bank shall have the right to hold and to transfer any such securities to another office, branch, agency, depository or representative of the Bank subject to the terms and authorities as are hereby declared and conferred.

3) This agreement shall be a continuing agreement and the securities hereunder are in addition to and not in substitution for any other security held by the Bank and shall not operate as a merger of any simple contract debt or suspend the fulfillment of, or affect the rights, remedies and powers of the Bank in respect of the said indebtedness and the said obligations or any securities held by the Bank hereunder. All claims, present or future, of the Undersigned against any person liable upon or for payment of any of the securities are hereby assigned to the Bank, and the Undersigned covenant(s) not to substitute or modify or allow to be substituted or modified any of the Undersigned's rights under the securities without the written consent of the Bank, and any substitution or modification not consented to may, at the option of the Bank, be treated as an act of default hereunder and under any other agreement between the Undersigned and the Bank.

*Clause (4) and (5) are not applicable if the securities are pledged only against advances to the undersigned

4) *It is further agreed that the Bank shall not be obliged to exhaust its recourse against the Borrower or any other party or parties or against any other security or securities it may hold before realizing on or otherwise dealing with the securities pledged hereunder to the Bank in such manner as the Bank considers desirable, and the Bank may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise deal with, the Borrower and all other persons (including the Undersigned or any one of them) and securities, (including part of the securities hereby pledged), as the Bank may see fit, without prejudice to the right of the Bank to hold, deal with and realize on the securities pledged hereunder to the Bank, in any manner which the Bank considers desirable.

*Clause (4) and (5) are not applicable if the securities are pledged only against advances to the undersigned

5) *All debts and liabilities present and future of the Borrower to the Undersigned or any of them (if more than one) are hereby postponed to the debts and liabilities of the Borrower to the Bank and all moneys received thereon by the Undersigned or any of them (if more than one) or by his/her or their assigns, shall be received as trustee(s) for the Bank and shall be paid over to the Bank.

6) It is understood and agreed that all securities held by the Bank as collateral may be at the option of the Bank registered in the name of the Bank's nominees. The Bank reserves the right to waive this option.

7) This agreement shall be binding upon the Undersigned and the heirs, executors, administrators, successors and assigns of the Undersigned and shall enure to the benefit of the Bank and its successors and assigns.

8) In connection with the securities mentioned in the foregoing, the Bank is hereby authorized to sign on behalf of and as agent for the Undersigned such Income Tax Ownership Certificate(s) as may be required.

Clause (9) applicable only in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Northwest Territories, Nunavut, Newfoundland, Prince Edward Island and Saskatchewan.

9) The Undersigned hereby waive(s) receipt of any financing statement registered by the Bank and any confirmation of registration received by the Bank with respect to this security agreement.

10) The Undersigned acknowledges receipt of a copy of this agreement.

N.B. - If securities lodged are not the property of the customer, the owner shall sign this form.

Schedule of Securities

Share Certificate C-30 for 10,103 Common shares in HOHS Drugs Limited

Signature

14578 Warden Avenue, Stouffville, Ontario, L4A 4L6
Mailing Address

Signature

Mailing Address

INTENTIONALLY BLANK

BMO Bank of Montreal

Power of Attorney to Transfer Stock or Bonds

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Name & address of transferee)

Bank of Montreal

To Be Used for Stock

(Number) 10,103 share(s) of the (Class) Common Capital Stock of

(Name of Corporation) HOHS Drugs Limited

represented by Certificate(s) No(s): C-30

To Be Used for Bonds or Debentures

(Description of Bonds, Debentures etc.) _____

_____ _____% due _____ _____

_____ and amounting to $_____

Numbers(s): _____

registered in the name of the undersigned on the books of the said Corporation, and hereby irrevocably constitutes and appoints _____ the Attorney of the undersigned to transfer the said Stocks/Bonds/Debentures on the books of the said Corporation, with full power of substitution in the premises.

DATED AT_____ the _____ day of_____

(year)_____.

SIGNED in the presence of _____	HOHS DRUGS LIMITED Company name Huan H. Dang, President Name
SIGNED in the presence of _____	Huan Dang Name Huan Dang, President

SPACE FOR GUARANTEE OF SIGNATURES

IMPORTANT
Sign exactly as the registration appearing on the certificate(s), bond(s) or debenture(s) without any alteration

_____
_____
_____
_____

Certificate No. C-30
For: 10,103 Common Shares
Issued to
Huan H. Dang

Dated: December 21st, 2018

From whom transferred
Jennifer Mortensen

Dated:
No. Original Certificate C-27, C-28, C-29
No. Original Shares 10,003, 100, 10,103
No. of Shares Transferred 10,103

Received Certificate No. C-27, C-28, C-29
for 10,103 Common Shares

This 21 day of December, 2018

No. C-30 **10,103 Shares**

INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO

HOHS DRUGS LIMITED

COPY

This is to certify that **HUAN H. DANG**
is the registered holder of **--- Ten Thousand One Hundred and Three (10,103) ---** Common Shares
of **HOHS DRUGS LIMITED** (the "Corporation").

The class or series of shares represented by this certificate has rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to the holder, on demand and without charge, a full copy of the text of,

(i) the rights, privileges, restrictions and conditions attaching to the said shares and to each class authorized to be issued and to each series insofar as the same have been fixed by the directors, and
(ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.

LIEN ON SHARES. The Corporation has a lien on the shares represented by this certificate for any debt of the shareholder to the Corporation.
RESTRICTIONS ON TRANSFER. There are restrictions on the right to transfer the shares represented by this certificate.
IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by its duly authorized signing officers this 21 day of December 2018.

President – HUAN H. DANG

markmaker

EXHIBIT F

Enquiry Result

File Currency: **26MAY 2024**

Show All Pages

All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	HOHS DRUGS LIMITED								
File Currency	26MAY 2024								
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**		**Status**	
	747042777	1	4	1	9	21DEC 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**		**Registration Number**		**Registered Under**	**Registration Period**
747042777		001	001			20181221 0946 1862 9421		P PPSA	5
Individual Debtor	**Date of Birth**		**First Given Name**				**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**							**Ontario Corporation Number**	
	HOHS DRUGS LIMITED							71627	
	Address						**City**	**Province**	**Postal Code**
	2737 KEELE STREET, #101						NORTH YORK	ON	M3M 2E9
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**								
	BANK OF MONTREAL								
	Address						**City**	**Province**	**Postal Code**
	20 ERB STREET WEST, SUITE 101						WATERLOO	ON	N2L 1T2
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**								
	SECURITY AGREEMENT								

Registering Agent	Registering Agent			
	PAUL-MARK KALDAS PROFESSIONAL CORPORATION			
	Address	**City**	**Province**	**Postal Code**
	295 MATHESON BOULEVARD EAST	MISSISSAUGA	ON	L5Z X8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	HOHS DRUGS LIMITED				93
File Currency	26MAY 2024				
	File Number	Family	of Families	Page	of Pages
	747042777	1	4	2	9

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	001		20190523 1648 1862 9935	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	747042777		X	A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	HOHS DRUGS LIMITED		

Other Change	Other Change

Reason / Description	Reason / Description
	TO INCLUDE ASSEST OF TORONTO MANNING DRUG MART LTD, LOCATED AT 260
	SPADINA AVENUE, GROUND FLOOR, TORONTO, ONTARIO

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname

	Business Debtor Name	Ontario Corporation Number

	Address	City	Province	Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee

	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	AMENDED TO INCLUDE THE ASSETS OF TORONTO MANNING DRUG MART LTD
	LOCATED AT 260 SPADINA AVENUE, GROUND FLOOR, TORONTO, ONTARIO

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	MILES BACKHOUSE PROFESSIONAL CORPORATION

	Address	City	Province	Postal Code
	25 WATLINE AVENUE, SUITE 401	MISSISSAUGA	ON	L4Z 2Z1

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	HOHS DRUGS LIMITED				95
File Currency	26MAY 2024				
	File Number	Family	of Families	Page	of Pages
	747042777	1	4	3	9

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20230921 1333 1532 1108	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	747042777			B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname

	Business Debtor Name
	HOHS DRUGS LIMITED

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname

	Business Debtor Name	Ontario Corporation Number

	Address	City	Province	Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee

	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	D + H LIMITED PARTNERSHIP

	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	HOHS DRUGS LIMITED						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	747367416	2	4	4	9	07JAN 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
747367416		001	2		20190107 1324 1590 7052	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	HOHS DRUGS LIMITED			71627
	Address		City	Province	Postal Code
	101-2737 KEELE ST.		TORONTO	ON	M3M 2E9

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			
	JENNIFER MORTENSEN			
	Address	City	Province	Postal Code
	87 BLACKBURN BLVD.	WOODBRIDGE	ON	L4L7J7

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			
	OWENS WRIGHT LLP			
	Address	City	Province	Postal Code
	20 HOLLY STREET, SUITE 300	TORONTO	ON	M4S 3B1

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	HOHS DRUGS LIMITED						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	747367416	2	4	5	9	07JAN 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
747367416		002	2		20190107 1324 1590 7052		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number

	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number

	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION			
	Address	City	Province	Postal Code
	102-2737 KEELE ST.	TORONTO	ON	M3M 2E9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	HOHS DRUGS LIMITED				**99**
File Currency	26MAY 2024				
	File Number	**Family**	**of Families**	**Page**	**of Pages**
	747367416	2	4	6	9

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20231228 1250 1590 4527	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	747367416			D ASSGNMT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname

	Business Debtor Name
	HOHS DRUGS LIMITED

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname

	Business Debtor Name	Ontario Corporation Number

	Address	City	Province	Postal Code

Assignor Name	Assignor Name
	JENNIFER MORTENSEN

Secured Party	Secured party, lien claimant, assignee			
	DAVID BARRETT			
	Address	**City**	**Province**	**Postal Code**
	87 BLACKBURN BLVD	WOODBRIDGE	ON	L4L 7J7

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	OWENS WRIGHT LLP (JDW)

	Address	City	Province	Postal Code
	20 HOLLY STREET, SUITE 300	TORONTO	ON	M4S 3B1

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	HOHS DRUGS LIMITED				101
File Currency	26MAY 2024				
	File Number	Family	of Families	Page	of Pages
	747367416	2	4	7	9

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20231228 1452 1590 4568	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	747367416			B RENEWAL	3	

Reference Debtor/ Transferor	First Given Name	Initial	Surname

	Business Debtor Name
	HOHS DRUGS LIMITED

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname

	Business Debtor Name	Ontario Corporation Number

	Address	City	Province	Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee

	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	OWENS WRIGHT LLP (JDW)

	Address	City	Province	Postal Code
	20 HOLLY STREET, SUITE 300	TORONTO	ON	M4S 3B1

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	HOHS DRUGS LIMITED						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	774218043	3	4	8	9	07JUL 2026	

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FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
774218043		01	001		20210707 1703 1462 4203	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	HOHS DRUGS LIMITED.			
	Address	City	Province	Postal Code
	101-260 SPADINA AVE	TORONTO	ON	M5T2E4

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	MCKESSON CANADA CORPORATION			
	Address	City	Province	Postal Code
	6355 VISCOUNT ROAD	MISSISSAUGA	ON	L4V1W2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	MCKESSON CANADA CORPORATION CREDIT DEPARTMENT			
	Address	City	Province	Postal Code
	6355 VISCOUNT ROAD	MISSISSAUGA	ON	L4V1W2

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	HOHS DRUGS LIMITED						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	774218052	4	4	9	9	07JUL 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
774218052		01	001		20210707 1703 1462 4204	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	HOHS DRUGS LIMITED.				
	Address		City	Province	Postal Code
	101-260 SPADINA AVE		TORONTO	ON	M5T2E4

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant				
	MCKESSON CANADA CORPORATION				
	Address		City	Province	Postal Code
	6355 VISCOUNT ROAD		MISSISSAUGA	ON	L4V1W2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X							

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	MCKESSON CANADA CORPORATION CREDIT DEPARTMENT			
	Address	City	Province	Postal Code
	6355 VISCOUNT ROAD	MISSISSAUGA	ON	L4V1W2

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EXHIBIT G

Enquiry Result

File Currency: **26MAY 2024**

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Type of Search	Individual Specific						
Search Conducted On	HUAN;H;DANG;01JAN1979						
File Currency	26MAY 2024						
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**
	765855135	1	2	1	2	17SEP 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
765855135		001	1		20200917 1303 1219 7061	P PPSA	07

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
	01JAN1979	HUAN	H	DANG	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	Address		**City**	**Province**	**Postal Code**
	14578 WARDEN AVE		STOUFFVILLE	ON	L4A 4L6

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
	01JAN1979	HOANG		THI	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	Address		**City**	**Province**	**Postal Code**
	14578 WARDEN AVE		STOUFFVILLE	ON	L4A 4L6

Secured Party	**Secured Party / Lien Claimant**				
	THE BANK OF NOVA SCOTIA				
	Address		**City**	**Province**	**Postal Code**
	10 WRIGHT BOULEVARD		STRATFORD	ON	N5A 7X9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	40624		

Motor Vehicle Description	**Year**	**Make**	**Model**	**V.I.N.**
	2020	MAZDA	MX5 RF	JM1NDAL73L0410885

General Collateral Description	**General Collateral Description**
	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE
	AND THE PROCEEDS OF THOSE VEHICLES

Registering Agent	Registering Agent			
	TERANET COLLATERAL MANAGEMENT SOLUTIONS CORPORATION (BNS)			
	Address	**City**	**Province**	**Postal Code**
	2 ROBERT SPECK PARKWAY, 15TH FL	MISSISSAUGA	ON	L[illegible] H8

END OF FAMILY

Type of Search	Individual Specific						
Search Conducted On	HUAN;H;DANG;01JAN1979						
File Currency	26MAY 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	784233972	2	2	2	2	22JUN 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
784233972		001	1		20220622 1621 1590 8366	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
	01JAN1979	HUAN	H	DANG	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code
	14578 WARDEN AVENUE		STOUFFVILLE	ON	L4A 4L6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
	01JAN1979	HUAN		DANG	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code
	14578 WARDEN AVENUE		STOUFFVILLE	ON	L4A 4L6

Secured Party	Secured Party / Lien Claimant				
	BANK OF MONTREAL				
	Address		City	Province	Postal Code
	100 KING STREET WEST, 19TH FL.		TORONTO	ON	M5X 1A1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	PLEDGE OF 10,103 COMMON SHARES OF HOHS DRUGS LIMITED

Registering Agent	Registering Agent			
	MILLER THOMSON LLP (TORONTO)			
	Address	City	Province	Postal Code
	5800-40 KING ST W	TORONTO	ON	M5H 3S1

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EXHIBIT H

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of the day of , 2018.

BETWEEN:

HUAN H. DANG, of the Town of Whitchurch-Stouffville, in the Province of Ontario

(hereinafter referred as the **"Purchaser"**)

- and -

JENNIFER MORTENSEN, of the City of Vaughan, in the Province of Ontario

(hereinafter referred to as "**Jennifer**")

- and -

DAVID BARRETT, of the City of Vaughan, in the Province of Ontario

(hereinafter referred to as "**David**", and, together with Jennifer, the "**Vendor**")

- and -

HOHS DRUGS LIMITED, a corporation incorporated under the *Business Corporations Act* (Ontario)

(hereinafter referred to as the **"Corporation"**)

- and -

REGENCY DRUGS LIMITED, a corporation incorporated under the *Business Corporations Act* (Ontario)

(hereinafter referred to as the **"Subsidiary"**)

RECITALS:

1. Jennifer holds legal and beneficial title to Ten Thousand One Hundred and Three (10,103) Common Shares of the Corporation which constitute all the issued and outstanding shares of the Corporation, all of which are fully paid and non-assessable.

2. The Purchaser wishes to purchase Ten Thousand One Hundred and Three (10,103) Common Shares of the Corporation and Jennifer has agreed to sell the Ten Thousand One Hundred

and Three (10,103) Common Shares of the Corporation all of which are legally and beneficially held and owned by Jennifer.

3. The Corporation holds legal and beneficial title to One Hundred (100) Common Shares of the Subsidiary which constitute all of the issued and outstanding shares of the Subsidiary, all of which are fully paid and non-assessable.

IN CONSIDERATION of the premises and the mutual agreements in this Agreement, and of other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the subject matter or context is inconsistent therewith:

"**Act**" means the *Business Corporations Act* (Ontario), as amended or restated, or any successor legislation to the same effect;

"**Affiliate**" has the meaning ascribed to that term by the Act on the date hereof;

"**Aggregate Purchase Price**" means the aggregate amount of the Loan, the Barrett Promissory Note, the Purchased Shares Promissory Note, and the inventory adjustment.

"**Agreement**" means this share purchase agreement, all attached schedules and any agreement or schedule supplementing, amending, modifying or restating this agreement. All uses of the words "**hereto**", "**herein**," "**hereof**," "**hereby**" and "**hereunder**" and similar expressions refer to this Agreement and not to any particular section or portion of it. References to an Article, Section, Subsection or Schedule refer to the applicable article, section, subsection or schedule of this Agreement;

"**Articles**" means, at any time, any and all constating documents and by-laws of the Corporation at the date hereof, the Articles of the Corporation consisting of the Articles of Incorporation dated the 7th day of January, 1954 incorporating the Corporation under the name Karn Drugs Limited, the Articles of Amendment dated the 3rd day of February, 2011 changing the name of the Corporation to RTK Drugs Limited and Articles of Amendment dated the 31st day of August, 2016 changing the name of the Corporation to HOHS Drugs Limited, which Articles have not been further amended as at the date of this Agreement;

"**Applicable Law**" means any statute, law, ordinance, rule, regulation, regulatory policy, by-law (zoning or otherwise), order, judgment, decree or restriction of any kind whatever that applies to the Vendor, the Corporation, the Business, the way the Business is carried on or to any of the Shares;

"**Assets**" means the properties, assets, interests and rights of the Corporation as of the close of business on the day preceding the Closing Date, consisting of the following:

(a) the assets listed in Schedule 1.1(a);
(b) 100 Common Shares in the capital of the Subsidiary;
(c) the inventory at the current levels required in order for the normal operation of the Business and not being for an amount which is less than Fifty Thousand Dollars ($50,000.00) valued as set out in Section 2.4 herein;
(d) all rights and interests under or pursuant to all warranties, representations and guarantees, express, implied or otherwise, of or made by suppliers or others in connection with the Assets;
(e) the Material contracts;
(f) the licences required to operate the Business;
(g) the Books and Records;
(h) all prepaid charges, deposits, sums and fees paid by the Corporation before the Effective Time;
(i) all goodwill of the Corporation including the present telephone numbers, and other communications numbers and addresses of the Corporation; and
(j) all proceeds of any or all of the foregoing received or receivable after the Closing Time.

For the purposes of clarification, Assets do not including any tax benefit (including but not limited to capital or non-capital losses of the Corporation or its Subsidiary) which the Purchaser can take advantage of post-closing.

"**Associate**" has the meaning ascribed to that term by the Act on the date hereof;

"**Barrett Promissory Note**" means the promissory note to be delivered by the Purchaser to David pursuant to Section 2.2(b);

"**Best of Knowledge**" will be deemed to mean the actual knowledge of the Purchaser, if referring to the Purchaser, or the actual knowledge of David, if referring to the Vendor, the Corporation or the Subsidiary;

"**Books and Records**" means all books, records, files and papers of the Corporation and the Subsidiary including, computer programs (including source code), software programs, manuals and data, sales and advertising materials, sales and purchases correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and the minute and share certificate books of the Corporation and the Subsidiary, and all copies and recordings of the foregoing;

"**Business**" means the ownership and operation of a pharmacy known as "**Regency Pharmacy**" operated at **2737 Keele Street, Toronto, Ontario M3M 2E9** together with ancillary activities related thereto;

"**Business Day**" means any day of the week other than a Saturday, Sunday or statutory or civic holiday observed in Toronto, Ontario;

"**Claim**" means either a Vendor's Claim or a Purchaser's Claim;

"**Closing**" means the completion of the sale to, and purchase by, the Purchaser of the Purchased Shares and all other transactions contemplated by this Agreement. Notwithstanding the date and time of completion, the completion of the transfer of the Purchased Shares shall be effective as of the Effective Time;

"**Closing Date**" means December 7, 2018, or such earlier or later date as may be agreed upon by the parties hereto;

"**Closing Date Financial Statements**" means the financial statements of the Corporation required for the deemed year-end of the Corporation as at the period ended as at the close of business on the day immediately preceding the Closing Date;

"**Closing Document**" means any document, instrument, undertaking or agreement delivered at or subsequent to the Closing Time pursuant to this Agreement;

"**Closing Time**" means such time on the Closing Date as may be agreed upon by the Parties hereto in writing;

"**Corporation**" has the meaning ascribed thereto in the recitals hereof;

"**Current Assets**" means the current assets of the Corporation, other than the inventory of the Corporation, as set out in the Closing Date Financial Statements consisting of the Corporation's cash and cash equivalents, accounts receivable and tax receivable;

"**Current Liabilities**" means the current liabilities of the Corporation, other than the Pre-Closing Liabilities, as set out in the Closing Date Financial Statements consisting of the Corporation's accounts payable and accrued liabilities and income tax payable;

"**Effective Time**" shall mean the close of business of the Corporation on the day immediately preceding the Closing Date;

"**Encumbrance**" means any encumbrance of any kind whatever and includes a security interest, mortgage, lien, hypothec, pledge, hypothecation, assignment, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), or any other right or claim of others of any kind whatsoever;

"**Environmental Laws**" means all Applicable Laws pertaining to environmental or occupational health and safety matters, in effect as at the date hereof and the Closing Date, including, without limitation, those pertaining to reporting, licensing, permitting, investigation, remediation and clean-up in connection with any presence or release of a hazardous substance or threat of same or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling and the like of a hazardous substance;

"**Equipment Leases**" means leases of personal property;

"**Financial Statements**" means the financial statements of the Corporation attached hereto as Schedule 1.1(b);

"**Governmental Agency**" means the governments of the Province of Ontario, municipal governments therein, or the federal government and any executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or any person, body, department, bureau, agency, board, tribunal, commission branch or office thereof;

"**Lease**" means the current lease of the Premises between the Corporation and the Landlord of the Premises, a copy of which is annexed as a schedule to this Agreement;

"**Loan**" means the loan in the principal amount of $1,500,000 to the Corporation, to be arranged by the Purchaser prior to Closing in accordance with Section 2.3(b);

"**Material**" or "**Materially**" includes having an actual or potential dollar obligation or risk, whether individually or collectively, in excess of $10,000;

"**Parties**" means the Purchaser, Jennifer, David, the Corporation and the Subsidiary collectively, and "**Party**" means any one of them;

"**Person**" includes an individual, body corporate, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other entity recognized by law;

"**Pre-Closing Liabilities**" has the meaning ascribed thereto in Section 2.3(a);

"**Premises**" means the premises located at Suite 1-8, 2737 Keele Street, Toronto, Ontario M3M 2E9 leased by the Corporation for the conduct of the Business and all tenant's trade fixtures and leasehold improvements thereon;

"**Purchase Price**" means the purchase price to be paid by the Purchaser to the Vendor for the Purchased Shares as provided in Section 2.2;

"**Purchased Securities**" means collectively the Remaining Barrett Liability and the Purchased Shares;

"**Purchased Shares**" means Ten Thousand One Hundred and Three (10,103) Common Shares of the Corporation owned by the Vendor representing a One Hundred Percent (100%) interest in the Corporation;

"**Purchased Shares Promissory Note**" means the promissory note to be delivered by the Purchaser to Jennifer pursuant to Section 2.2(b);

"**Purchaser's Claim**" means the aggregate amount of all demands, third party claims, actions, causes of action or liabilities which a Purchaser is obliged to pay and all damages, losses, costs or expenses, including all reasonable legal expenses, that the Purchaser incurs after the Effective Time as a result of, with respect to, or arising out of: (i) a Material inaccuracy of any representation or warranty in this Agreement or any of the Closing Documents of the Vendor; (ii) a failure of the Vendor to fulfill any covenant or obligation in this Agreement or any of the Closing Documents; (iii) any debts or liabilities of the Corporation existing as of, accrued or relating to the period up

to the Effective Time and not to be assumed by the Purchaser pursuant to the terms of this Agreement; or (iv) any liabilities or costs, as limited in Section 6.2, relating to the wind-up of the Subsidiary into the Corporation following Closing;

"**Remaining Barrett Liability**" has the meaning ascribed thereto in Section 2.3(b);

"**Shares**" means all of the issued and outstanding shares of the Corporation issued by the Corporation and owned by Jennifer, which shares represent all of the issued and outstanding shares of the Corporation on the Closing Date;

"**Subsidiary**" has the meaning ascribed thereto in the recitals hereof;

"**Subsidiary Financial Statements**" means the financial statements of the Subsidiary attached hereto as Schedule 1.1(c);

"**Subsidiary Shares**" means all of the issued and outstanding shares of the Subsidiary issued by the Subsidiary and owned by the Corporation, which shares represent all of the issued and outstanding shares of the Subsidiary on the Closing Date;

"**Vendor's Claim**" means the aggregate amount of all demands, third party claims, actions, causes of action or liabilities which the Vendor are obliged to pay and all damages, losses, costs or expenses, including all reasonable legal expenses, that the Vendor incurs after the Closing Date as a result of, with respect to or arising out of an inaccuracy of any representation or warranty in this Agreement or any of the Closing Documents of the Purchaser or a failure of the Purchaser to fulfill any covenant or obligation in this Agreement or any of the Closing Documents.

1.2 Statutes

A reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect, unless that reference is to the statute as it existed at a particular date.

1.3 Headings

The division of this Agreement into Articles, Sections, Subsections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The Article, Section, Subsection and Schedule headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and are not to be considered part of this Agreement.

1.4 Entire Agreement

This Agreement, together with the Closing Documents, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, letters of intent, negotiations, discussions and understandings, written or oral, between the Parties. There are no representations, warranties, conditions, other agreements or acknowledgements, whether direct or collateral, express or implied, that form part of or affect this Agreement, or which induced

any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement or in the Closing Documents.

1.5 Waiver of Rights

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

1.6 Schedules

The following Schedules form part of this Agreement:

Schedule 1.1(a)	-	List of Assets
Schedule 1.1(b)	-	Financial Statements
Schedule 1.1(c)	-	Subsidiary Financial Statements
Schedule 2.2(a)	-	Purchase Price Calculation
Schedule 2.2(b)	-	Barrett Promissory Note
Schedule 2.2(c)	-	Purchased Shares Promissory Note
Schedule 3.13	-	Material Contracts
Schedule 3.18	-	Employees
Schedule 3.19	-	Litigation
Schedule 3.20	-	Insurance

1.7 Applicable Law

This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario and the federal laws of Canada applicable therein (in each case, excluding any conflict of laws, rule or principle which might refer such interpretation to the laws of another jurisdiction). Each Party irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto.

1.8 Currency

Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to lawful money of Canada.

1.9 Tender

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall, in respect of Closing, be tendered by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank.

1.10 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

1.11 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 6:00 p.m. (Eastern Standard Time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 6:00 p.m. (Eastern Standard Time) on the next Business Day.

ARTICLE 2
PURCHASED SHARES AND PURCHASE PRICE

2.1 Purchase and Sale

On and subject to the terms and conditions hereof, the Purchaser agrees to purchase the Purchased Shares and the Remaining Barrett Liability (as defined below) and Jennifer agrees to sell the Purchased Shares and David agrees to sell the Remaining Barrett Liability to the Purchaser, all as provided in this Agreement, free and clear of all Encumbrances.

2.2 Purchase Price

(a) The Aggregate Purchase Price shall be $2,600,000 plus the inventory adjustment provided below. The consideration payable for the Remaining Barrett Liability shall be an amount equal to the principal amount thereof. The consideration payable for the Purchased Shares (the "**Purchase Price**") shall be an amount equal to $2,600,000 plus an amount equal to the inventory adjustment provided below and less the principal amount of the Remaining Barrett Liability and the Loan. Attached hereto as Schedule 2.2(a) is a calculation of the Purchase Price using the numbers in the Financial Statements as at June 30, 2018.

(b) (i) The portion of the Aggregate Purchase Price attributable to the Remaining Barrett Liability will be evidenced by a promissory note executed and delivered by the Purchaser to David at Closing substantially in the form attached to this Agreement as Schedule 2.2(b) (the "**Barrett Promissory Note**"). The Purchase Price attributable to the Purchased Shares will be evidenced by a promissory note executed and delivered by the Purchaser to Jennifer at Closing substantially in the form attached to this Agreement as Schedule 2.2(c) (the "**Purchased Shares Promissory Note**"). The principal amount of such promissory notes shall be subject to a right of set off in favour of the Purchaser in respect of any loss, costs, damages or liability suffered by the Purchaser as a result of a misrepresentation or breach of covenant by the Vendors hereunder.

(ii) As security for the payment of the Barrett Promissory Note and the Purchased Shares Promissory Note, the Corporation agrees to execute and deliver to the Vendor a guarantee of the monies owing, collaterally secured by the execution and delivery of a general security agreement providing a security interest in all of the property and assets of the Corporation subordinate to any security granted to the Corporation's bank.

2.3 Pre-Closing Capital Reorganization

(a) As at June 30, 2018, the Corporation was indebted to the parties and in the amounts set out below:

Creditor	Amount owing as at June 30, 2018
Desante Financial Services Inc.	$857,830
1666935 Ontario Inc.	$10,504
David Barrett Medical Professional Corporation	$487,402
David Barrett	$407,887

The Vendor shall deliver to the Purchaser on the Closing Date a statutory declaration confirming the amount of indebtedness owing to such parties as at the close of business on the day immediately preceding the Closing Date (the "**Pre-Closing Liabilities**").

(b) Prior to Closing, the Purchaser shall arrange a loan in favour of the Corporation in the principal amount of $1,500,000 on terms satisfactory to the Purchaser in his sole discretion (the "**Loan**"). The proceeds of the Loan will be applied to re-pay the Pre-Closing Liabilities in the order of priority that they are listed in the above table. The remaining amount owing by the Corporation to David (the "**Remaining Barrett Liability**"), which amount would have totaled $263,623 as at June 30, 2018, will be sold, transferred and assigned by David to the Purchaser on Closing for an amount equal to the principal amount of the Remaining Barrett Liability.

(c) The parties acknowledge that following the pre-closing capital reorganization, the Corporation will have outstanding Current Liabilities together with Current Assets as at the Closing Date. The Vendor will not be obliged to cause the Corporation to pay or otherwise satisfy the Current Liabilities as at the Closing Date. The Vendor acknowledges and agrees that as at the Closing Date, the Current Assets will be equal to or greater than the Current Liabilities. The Purchaser will not be obliged to pay or otherwise satisfy the amount of which the Current Assets exceed the Current Liabilities.

2.4 Inventory Adjustment

(a) The consideration payable for the Purchased Shares shall be increased by an amount equal to the value of the inventory of the Corporation on hand as at the close of business on the day immediately preceding the Closing Date.

(b) The value of the inventory shall be determined as follows:

i. all generic name inventory to be valued at a 50% discount;

ii. all brand name inventory to be valued at cost;

iii. all "over the counter" (OTC) products shall be valued at the exact cost charged to the Vendor by the supplier,

iv. any inventory stock with an expiry date of ninety (90) days or less and any obsolete or damaged inventory shall be valued at nil; and

v. all other inventory to be calculated at the wholesale cost to the Corporation or the invoice price, whichever is less.

(c) The taking of the inventory shall be completed on the day before Closing by the Vendor and the Purchaser. The value of the inventory will be added to and evidenced by the Purchased Shares Promissory Note.

(d) It is acknowledged that it is a condition of the transaction of purchase and sale under this Agreement that the value of the inventory as at the close of business on the day immediately preceding the Closing Date will be no less than $50,000.

2.5 Loan Adjustment

The consideration payable on Closing for the Purchased Shares shall be decreased by an amount equal to the amount of the Loan.

2.6 Delivery of Certificates/Assignments

Jennifer shall sell, transfer and assign and deliver to the Purchaser at the Closing Time share certificates representing the Purchased Shares duly endorsed for transfer to the Purchaser or as the Purchaser may direct, accompanied by irrevocable share transfer and power of attorney duly executed by Jennifer, and shall cause the Corporation to enter the Purchaser or the Purchaser's nominee(s) on the Books and Records of the Corporation as the holder of the Purchased Shares and to issue one or more share certificates representing the Purchased Shares to the Purchaser or the Purchaser's nominee(s). David shall sell, transfer and assign to the Purchaser at the Closing Time the Remaining Barrett Liability.

2.7 Place of Closing

The Closing shall take place by way of exchange of documents effective as at the Closing Time, or at such other place as may be agreed upon by the Vendor and the Purchaser.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE VENDOR, THE CORPORATION AND THE SUBSIDIARY

The Vendor, the Corporation and the Subsidiary represent and warrant to the Purchaser as set out in the following Sections of this Article and acknowledge that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Shares.

3.1 Corporate Matters

(a) **Incorporation.** The Corporation and the Subsidiary are duly incorporated, organized and validly existing under the laws of Ontario.

(b) **Capacity to Carry on Business.** The Corporation has all necessary power and authority to own and lease its assets and property and to carry on the Business as at present conducted. The Corporation possesses all licences, franchises, rights and privileges Material to the conduct of the Business. Neither the nature of the Business nor the location or the character of the Business, its customers or assets requires the Corporation to be registered, licensed or otherwise qualified as an extra-provincial or foreign corporation or to be in good standing in any jurisdiction other than the Province of Ontario where it is duly registered, licensed or otherwise qualified and in good standing.

3.2 Capital of the Corporation, the Subsidiary and Articles

(a) The authorized capital of the Corporation will consist at the Closing Time of an unlimited number of voting Common Shares, of which Ten Thousand One Hundred and Three (10,103) Common Shares have been validly issued and are outstanding as fully paid and non-assessable Shares. True and correct copies of the Articles of the Corporation have been provided to the Purchaser prior to the date hereof.

(b) The authorized capital of the Subsidiary will consist at the Closing Time of an unlimited number of voting Common Shares, of which One Hundred (100) Common Shares have been validly issued and are outstanding as fully paid and non-assessable. True and correct copies of the articles of the Subsidiary have been provided to the Purchaser prior to the date hereof.

3.3 Title to Shares and Subsidiary Shares

(a) The Shares are beneficially owned by the Vendor. On Closing the Purchaser shall acquire good and marketable title to the Shares, free and clear of all Encumbrances. The Shares constitute all of the issued and outstanding shares of the Corporation.

There are no restrictions on the transfer of the Shares except those set forth in the Articles.

(b) The Subsidiary Shares are beneficially owned by the Corporation. The Subsidiary Shares represent all of the issued and outstanding shares of the Subsidiary.

3.4 No Options

No Person has any agreement, right or option capable of becoming an agreement to acquire the Shares or the Subsidiary Shares.

3.5 Enforceability of Obligations

This Agreement has been duly executed and delivered by the Vendor, the Corporation and the Subsidiary and constitutes a valid and binding obligation of the Vendor, the Corporation and the Subsidiary enforceable against them in accordance with its terms.

3.6 Absence of Conflicting Agreements

Neither the execution and delivery of this Agreement or any Closing Document by the Vendor, the Corporation or the Subsidiary nor the consummation of the transactions contemplated hereby will contravene or violate in any respect or result in any breach of (with or without the giving of notice or lapse of time or both) or acceleration of any obligation under:

(a) any Applicable Law, subject to obtaining the consent of the Ontario College of Pharmacists (**"OCP"**);

(b) the articles, by-laws, directors or shareholders resolutions of the Corporation or the Subsidiary;

(c) the provisions of any contract to which the Corporation, the Vendor or the Subsidiary are a party or by which the Corporation, the Subsidiary or any of their assets are bound.

No consent, approval, order or authorization of, or registration, declaration or filing with any Governmental Agency is required by the Vendor or with respect to the Business in connection with the execution, delivery and performance of this Agreement or the Closing Documents except the filing of notices of change of directors and officers with the Ministry of Consumer and Business Services.

3.7 The Financial Statements

The Financial Statements and the Subsidiary Financial Statements, to the Best of Knowledge of the Vendor:

(a) are complete and accurate in all Material respects; and

(b) present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Corporation and the Subsidiary, respectively, and the results of the operations of the Corporation and the Subsidiary, respectively, as at the dates thereof and for the periods covered thereby.

No information has become available to the Corporation or the Subsidiary that would render the Financial Statements or the Subsidiary Financial Statements Materially incomplete or inaccurate, except as disclosed to the Purchaser.

3.8 Undisclosed Liabilities

To the Best of Knowledge of the Vendor, the Corporation and the Subsidiary have no Material liabilities (whether accrued, absolute, contingent or otherwise) of any kind except:

(a) liabilities disclosed or provided for in the Financial Statements or Subsidiary Financial Statements, respectively; and

(b) liabilities incurred in the ordinary course of business since the date of such Financial Statements, which are not inconsistent with past practice, are not, in the aggregate, Material and adverse to the Business, applicable Shares, financial condition or results of operations of the Corporation, and do not Materially violate any covenant contained in this Agreement or constitute a Material breach of any representation or warranty made in or pursuant to this Agreement. Without limiting the foregoing, there are reflected or reserved against in the applicable Financial Statements all Material liabilities of a type required to be so reflected or reserved against which the Vendor knows or had reasonable grounds to know there was a basis for asserting against the Corporation.

3.9 Absence of Changes

Since the date of the Financial Statements:

(a) the Corporation has conducted the Business in the ordinary course;

(b) other than as disclosed to the Purchaser in this Agreement, there has not been any change in the condition of the Business or the Assets or the financial condition or results of operations of the Corporation or the Business other than changes in the ordinary course of business, and such changes have not, either individually or in the aggregate, been Materially adverse or have had or may be reasonably expected to have, either before or after the Closing Time, a Material adverse effect on the Business, the Assets or the future prospects of the Corporation or the Business; and

(c) other than as disclosed to the Purchaser in this Agreement, there has not been any damage, destruction, loss, labour trouble or other event, development or condition of any character (whether or not covered by insurance) Materially and adversely affecting the Business, the Assets or the future prospects of the Corporation.

Since the date of the Subsidiary Financial Statements, there has not been any Material change in the financial condition of the Subsidiary.

3.10 Absence of Unusual Transactions

Since the date of the Financial Statements, the Corporation has not:

(a) transferred, assigned, sold or otherwise disposed of any of the Assets or cancelled any debts or claims except in the ordinary course of business, which will be completed prior to Closing;

(b) paid or incurred any obligation or liability (fixed or contingent) other than obligations or liabilities included in such balance sheet and obligations and liabilities incurred since the date thereof in the ordinary and normal course of business other than any shareholder loan liabilities which are to be repaid prior to the Effective Time;

(c) settled any liability, claim, dispute, proceedings, suit or appeal pending against it or against any of the Assets;

(d) suffered an operating loss or any extraordinary loss, or waived or settled any rights of Material value, or entered into any commitment or transaction not in the ordinary course of business, where such loss, rights, commitment or transaction is or would be Material in relation to the Corporation or the Business;

(e) except in the ordinary course of business, increased the compensation paid or payable to its existing employees or increased the benefits to which such employees are entitled under any benefit or pension plan of the Corporation or created any new benefit or pension plan for any such employees;

(f) created any Encumbrance on the Assets or on any of the Shares or suffered or permitted any such Encumbrance that has arisen on the Shares or on the Assets since that date to remain;

(g) changed its accounting practices or policies;

(h) become aware of the passing of any Applicable Law that might reasonably be expected to have an adverse effect on the Business, the Assets or the future prospects of the Corporation or the Business;

(i) issued or sold any shares in its capital or any warrants, bonds, debentures or other securities or issued, granted or delivered any right, option or other commitment for the issuance of any such securities;

(j) declared or made any payment of any dividend or other distribution in respect of any shares in its capital or purchased or redeemed any such shares;

(k) amended or changed or taken any action to amend or change its Articles or by-laws; or

(l) authorized or agreed or otherwise become committed to do any of the foregoing.

3.11 Tax Matters

Federal Canadian income tax assessments have been issued to the Corporation and all predecessor entities covering all past periods through the fiscal year ended August 31, 2016, and to the Subsidiary covering all past periods through the fiscal year ended December 31, 2015, and such assessments, if any amounts were owing in respect thereof, have been paid or reserved against and only the fiscal years subsequent to such years remain open for reassessment of additional taxes. There are no currently outstanding reassessments or proposed reassessments which have been issued or raised by any Governmental Authority relating to any such reports or tax returns. As the Vendor, the Corporation and the Subsidiary will be unable to produce tax assessments of the Corporation or the Subsidiary prior to Closing for the periods from and after September 1, 2016, and January 1, 2016, respectively, to the date of Closing, the parties to this agreement acknowledge and agree that the Purchaser shall have the right to set-off any amounts owing by the Corporation or the Subsidiary for any taxes, levies, duties, assessments or other imposts of any nature or kind due and unpaid by the Corporation or the Subsidiary to any governing agency as revealed by any updated tax filings made after Closing against any amount owing under the Purchased Shares Promissory Note delivered by the Purchaser to the Vendor hereunder.

3.12 Books and Records

The Books and Records are fully and accurately maintained and the books of account provide for all excise, sales, business and property taxes and other rates, charges, assessments, levies, duties, taxes, contributions, fees, licences and other governmental charges of whatsoever kind and nature that have become or may become due and payable on or before the Closing Time. The provisions and reserves in the books of account, together with the provisions and reserves in respect of taxes charged upon income for which returns have been filed but for which no assessments have yet been received or determined, are adequate and the Vendor knows of no basis for any additional assessment for any of such years for which adequate provision has not been made. The minute books of the Corporation and the Subsidiary are complete and accurate and reflect all actions taken and resolutions passed by the directors and shareholders of the Corporation and the Subsidiary since the date of incorporation and all such meetings were duly called and held and the share certificate books, registers of shareholders, registers of transfer and registers of directors are complete and accurate.

3.13 Material Contracts

(a) Except for the contracts and commitments attached hereto as Schedule 3.13 or otherwise disclosed herein, the Corporation is not a party to or bound by any Material contract or commitment, whether oral or written, which relates to the Business; and

(b) The contracts and commitments disclosed in Schedule 3.13 are in good standing and in full force and effect with no amendments other than as disclosed in Schedule 3.13.

3.14 Absence of Guarantees

Neither the Corporation nor the Subsidiary have given nor agreed to give, and are not a party to or bound by, any guarantee of indebtedness or other obligations of third parties nor any other commitment by which the Corporation or the Subsidiary are, or are contingently, responsible for such indebtedness or other obligations, other than any indebtedness or obligations that will be repaid prior to Closing, or that will be repaid from the proceeds of the Loan.

3.15 Absence of Conflicting Agreements

Neither the Vendor, the Corporation nor the Subsidiary are a party to, bound or affected by or subject to, nor are any of their respective properties or shares bound or affected by or subject to, any indenture, mortgage, debenture, security agreement, lease, agreement, instrument, provision in its Articles or by-laws, statute, regulation, rule, judgment, order, decree, law or restriction of any nature which would be violated, contravened, breached by, or under which default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions contemplated hereby.

3.16 Restrictions on Business

Except for the Encumbrances the Corporation is not a party to any agreement, indenture, mortgage, debenture, security agreement, lease, agreement or instrument, or subject to any restriction in the Articles or by-laws or subject to any restriction imposed by regulatory authorities having jurisdiction over it or, to the Best of Knowledge of the Vendor after due inquiry, subject to any statute, order, regulation or rule or to any writ, judgment, injunction or decree of any court or federal, provincial, municipal or other governmental department, commission, board or instrumentality which might prevent or interfere with or otherwise adversely affect its business, properties or financial condition, other than statutory provisions and restrictions of general application to its particular business.

3.17 Compliance with Applicable Law

To the Best of Knowledge of the Vendor, the Corporation has conducted and is conducting the Business in compliance with all Applicable Laws, and not in breach of any Applicable Laws except for breaches which in the aggregate are immaterial. There are no Material restrictions on the right of the Corporation to operate the Business nor on the use of any of the Assets in the Business other than those imposed by the Ontario College of Pharmacists from time to time.

3.18 Employment Matters

Schedule 3.18 provides a complete and accurate list of all employees of the Corporation as of the date of this Agreement specifying their status (i.e. full-time, part-time, casual), length of service, title, and hourly rate. There are no active employee disputes or claims by any Governmental

Agency for current or past source deductions which now exist or which have existed at any time over the last 36 months and which, if true, would entitle such employee to damages against the Corporation.

3.19 Litigation

Except as disclosed in Schedule 3.19, there is no suit, action, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against or relating to the Corporation, the Vendor, the Subsidiary or affecting the Assets, the Shares, the Subsidiary Shares or the Business, which if determined adversely to the Corporation, might Materially and adversely affect the Business or the Assets, nor are any of the same pending or to the Best of Knowledge of the Vendor, threatened. Neither the Vendor nor the Corporation are aware of any state of facts on which any of the foregoing might be commenced. There is not presently outstanding against the Corporation any judgment, decree, injunction, rule, order or award of any court, governmental department, commission, agency, instrumentality or arbitrator that Materially and adversely affects the Assets in any way.

3.20 Insurance

Schedule 3.20 provides an accurate summary of the Corporation's insurance policies. The Corporation is not in default with respect to any of the provisions contained in any such insurance policy, nor has the Corporation failed to give any notice or present any claim under any such insurance policy in a due and timely fashion. All such policies of insurance are in full force and effect and the Corporation is not in default as to the payment of premium under the terms of any such policy.

3.21 Assets and Real Property

(a) Titles to Properties. Except as disclosed in the Financial Statements, the Corporation has good and marketable title to all its Assets and interests in properties, real and personal, including those reflected in the Financial Statements (except as since transferred, sold or otherwise disposed of in the ordinary and usual course of business) and any and all existing Encumbrances on its Assets will be discharged on or prior to Closing, or within a reasonable period of time after Closing. Those Assets listed in the Schedules are accurately described in the Schedules and constitute all of the Assets required to operate the Business as it has been operated by the Corporation in the past.

(b) Real Property. The Corporation does not own any real property. The Corporation is not a party or bound by any leases of real property other than the Lease. All rental and other payments required to be paid by the Corporation pursuant to the Lease have been duly paid and the Corporation is not and, to the Best of Knowledge of the Vendor, the Landlord is not in default or in breach of any Material term or provision of the Lease.

(c) Leased Equipment. None of the Assets in the possession or custody of the Corporation, as of the date hereof, are leased or held under licence or similar

arrangement by the Corporation as lessee or licensee other than any software used in connection with the business for which the Corporation maintains a valid license and is in accordance with the terms of such license.

(d) Condition of Assets. All Material tangible Assets are in good working condition and repair subject to wear and tear having regard to the age thereof.

3.22 Disclosure

To the Best of Knowledge of the Vendor, no representation or warranty in this Agreement contains any untrue statement of Material fact or omits to state any Material facts necessary to make any such representation or warranty not misleading to a prospective purchaser of the Shares seeking full information as to the Business and its Assets and properties.

3.23 Family Law Act

To the Best of Knowledge of the Vendor, no order has been given under the *Family Law Act* (Ontario) ("**FLA**") which would or does affect the Shares in any manner whatsoever nor is there any application threatened or pending under the FLA by or against the Vendor.

3.24 Environmental Matters

To the Best of Knowledge of the Vendor, the Business and the Assets as carried on or used by the Corporation and its predecessors have been carried on and used and are currently carried on and used in compliance with all Environmental Laws.

3.25 Occupational Health and Safety

To the Best of Knowledge of the Vendor, there are no outstanding inspection orders made under the *Occupational Health and Safety Act* (Ontario). There are no materials on the Premises which are designated substances under the *Occupational Health and Safety Act* (Ontario). The Business complies with all occupational health and safety rules and regulations in all Material respects and there are no outstanding violations of such rules and regulations.

3.26 Workers' Compensation

To the Best of Knowledge of the Vendor, there are no outstanding claims against the Corporation or amounts owing by the Corporation pursuant to the *Workplace Safety and Insurance Act.*

3.27 Residency Status

The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act (Canada).*

3.28 Survival of Representations and Warranties

All representations, warranties, statements, covenants and agreements made by the Vendor in this Agreement or in any Closing Document shall survive the Closing for a period of eighteen (18) months from the Closing Date. Those covenants, representations and warranties of the Vendor

relating to the tax liability of the Corporation shall, unless resulting from any misrepresentations made or fraud committed in filing a return or supplying information for the purposes of the *Income Tax Act* (Canada), the *Corporations Tax Act* (Ontario) or any other legislation imposing tax on the Corporation, terminate at the expiration of the last of the limitation periods contained in the *Income Tax Act* (Canada), the *Corporations Tax Act* (Ontario) and any other legislation imposing tax on the Corporation subsequent to the expiration of which an assessment, reassessment or other form of recognized document assessing liability for tax, interest and/or penalties thereunder for the period ending at the Effective Time cannot be issued against the Corporation. In any case, there shall be no limit on the covenants, representations and warranties of the Vendor based on any misrepresentations made or any fraud committed by the Vendor or by the Vendor's representatives.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor as set out in the following Sections of this Article and acknowledges that the Vendor is relying upon such representations and warranties in connection with the sale of the Purchased Shares.

4.1 Enforceability of Obligations

This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. The Purchaser will on the Closing Date have all necessary power to enter into and carry out the obligations of a purchaser under this Agreement and the Closing Documents.

4.2 Absence of Conflicting Agreements

Except as otherwise provided in this Agreement, neither the execution and delivery of this Agreement or any Closing Document by the Purchaser nor the consummation of the transactions contemplated hereby will contravene or violate in any Material respect or result in any Material breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any obligation under:

(a) any Applicable Law; or

(b) any agreement to which the Purchaser is party.

No consent, approval, order or authorization of, or registration, declaration or filing with any Governmental Agency is required by the Purchaser or with respect to the Business in connection with the execution, delivery and performance of this Agreement or the Closing Documents.

4.3 Survival of Representations and Warranties of Purchaser

All representations, warranties, statements, covenants and agreements made by the Purchaser in this Agreement or in any Closing Document shall survive the Closing for a period of eighteen (18) months from the Closing Date.

ARTICLE 5
OTHER COVENANTS OF THE PARTIES

5.1 Access for Investigation

The Vendor shall cause the Corporation to permit the Purchaser, the Purchaser's lenders and the Purchaser's respective employees and agents, between the date hereof and the Closing Time, to have sufficient access, after regular business hours and with appropriate supervision, to the Premises and to all the books, accounts, records and other data of the Corporation (including, without limitation, all corporate, accounting and tax records of the Corporation) and to the properties and Assets of the Corporation and to furnish to the Purchaser such financial and operating data and other information with respect to the Business, properties and Assets of the Corporation as the Purchaser shall from time to time reasonably request.

5.2 Delivery of Books and Records

At the Closing Time, the Vendor shall deliver to the Purchaser the following documents:

(a) lists of suppliers and customers and sales records of the Corporation which relate to the Business effective as at the Closing Date;
(b) financial, accounting and tax records (including employee records, if any) of the Business and the Corporation as at the Closing Date;
(c) advertising, promotional and marketing materials which relate to the Business;
(d) the corporate records and corporate seal (if one is maintained) of the Corporation and the Subsidiary; and
(e) all contracts relating to the Business.

5.3 Actions to Satisfy Closing Conditions

Each of the Parties shall take all such action as is within their power to control, and shall use their best efforts to cause other actions to be taken which are not within their power to control, so as to ensure compliance with all conditions set forth in this Agreement, including all conditions precedent set forth in Article 7, which are for the benefit of any Party.

5.4 Action by Vendor

The Vendor shall, at the Vendor's expense, take all reasonable action which may be necessary to ensure that the representations and warranties given by the Vendor contained herein shall be true and correct in all Material respects at the Closing Time.

5.5 Disclosure

The Vendor shall forthwith disclose in writing to the Purchaser any matter which has become known to the Vendor prior to the Closing Time which is inconsistent in any Material respect with any of the representations or warranties contained herein.

5.6 Lease Arrangements.

The Parties acknowledge and agree that the Vendor shall obtain and deliver an estoppel certificate from the Landlord confirming 1) that all of the terms and conditions of the Lease have been complied with by the Corporation; 2) that the rent payable under the Lease is paid up-to-date; and 3) the amount of any security deposits in the possession of the Landlord. The form and content of such estoppel certificate will be agreed upon between the Parties to this Agreement and the Landlord.

5.7 Post-Closing Changes to the Premises

Following Closing, if the parties mutually agree to seal the doorway between the Premises and those premises occupied by Regent Medical Clinic at 102-2737 Keele Street, Toronto, Ontario, the costs of such work shall be borne equally by the Vendor and the Purchaser.

5.8 Closing Date Financial Statements & Tax Returns.

The Vendor agrees to cause the Corporation's accountant to prepare the Closing Date Financial Statements and the tax returns for both the Corporation and the Subsidiary to and including the period ended as at the close of business on the day immediately preceding the Closing Date, and to provide such tax returns to the Purchaser reasonably in advance of the time limits imposed by the *Income Tax Act* (Canada). Such preparation shall be at the cost and expense of the Corporation on a pre-Closing basis. All taxes which become payable by the Corporation for any period prior to the Closing Date shall be the responsibility of the Corporation on a pre-Closing basis. Payment of any such tax liabilities shall be satisfied by a post-closing adjustment to the principal amount of the Purchased Shares Promissory Note.

5.9 No Broker.

The Vendor represents and warrants to the Purchaser that all negotiations relating to this Agreement and the transactions contemplated hereby have been carried on between them directly and without the intervention of any other party in such manner as to give rise to any valid claim against any of the Parties for a brokerage commission, finder's fee or other like payment.

5.10 Confidentiality.

The Purchaser acknowledges that in the course of the transaction contemplated by this Agreement, he will receive confidential information about the patients of the Business. The Purchaser agrees that any patient information it receives shall only be used for the purpose of the transaction contemplated by this Agreement, and that if the transaction does not close for any reason whatsoever, the Purchaser will destroy any patient information in its possession.

ARTICLE 6
INDEMNIFICATION

6.1 Mutual Indemnification for Breaches of Warranty

The Vendor agrees to indemnify the Purchaser and to save the Purchaser harmless from each Purchaser's Claim, and the Purchaser agrees to indemnify the Vendor and save the Vendor harmless from each Vendor's Claim. No indemnified party may seek indemnification for any Claim that arises after the representation or warranty upon which that Claim is based, if any, terminates, as provided in Sections 3.28 and 4.3, unless advance specific notice of each such Claim has been provided to the indemnifier prior to such termination and the details of such Claim are provided as soon as practicable after such termination.

6.2 Indemnification of Purchaser for Wind-Up of the Subsidiary

The parties acknowledge that the Purchaser shall cause the Subsidiary to be wound up and dissolved within 12 months following Closing. The Vendor agrees to indemnify the Purchaser for any and all liabilities resulting from the wind-up or dissolution of the Subsidiary and for professional costs relating to the wind-up and dissolution of the Subsidiary, provided that the maximum aggregate liability of the Vendor for any professional costs of the Corporation or Subsidiary resulting from the wind-up and dissolution of the Subsidiary shall not exceed $5,000 plus HST. The parties to this Agreement acknowledge and agree that there is no limit to the maximum amount of any liabilities resulting from the wind-up or dissolution of the Subsidiary.

6.3 Notification

Any Party who has a potential or actual liability or who contemplates making any payment which would constitute a Claim for which that Party considers seeking indemnification shall forthwith notify each indemnifier of all particulars of that potential Claim, and each indemnifier shall have the right to participate in any negotiations with respect thereto. The failure to notify promptly of such claim shall not adversely affect rights to indemnify hereunder except to the extent that such failure increases the amount of liability or cost of the defense.

6.4 Payment of Indemnities

Each indemnifier shall pay indemnities pursuant to this Agreement with all accrued interest thereon within ten (10) Business Days of settlement of a valid Claim, except for indemnities for any Claim relating to the wind-up and dissolution of the Subsidiary pursuant to Section 6.2, which shall be satisfied by a post-closing adjustment to the principal amount of the Purchased Shares Promissory Note. For the purposes of clarification there shall be no post-closing adjustment to the principal amount of the Purchased Shares Promissory Note for any taxable benefits realized by the Purchaser after Closing.

6.5 Limitation of Liability

Notwithstanding any other provision of this Agreement, the maximum aggregate liability of the Vendor for any and all claims by the Purchaser for indemnification in respect of such Claims

arising out of the provisions of this Agreement shall not exceed the Purchase Price, less any part of the Purchase Price evidenced by the Purchased Shares Promissory Note, the Barrett Promissory Note or the Inventory Promissory Note that has not been paid, excluding for amounts arising as a result of fraudulent or willful misrepresentation.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 Purchaser's 10 Day Conditions

The obligation of the Purchaser to complete the purchase hereunder shall be subject to the fulfillment of each of the following conditions precedent within ten (10) days prior to the Closing Date.

(a) upon the Purchaser's lender having reviewed and being satisfied in its sole discretion, with its due diligence investigation of the Business and the Corporation; and

(b) upon the Purchaser having reviewed and being satisfied in the Purchaser's sole discretion, with the Purchaser's due diligence investigation of the Business and the Corporation.

Provided that if the Purchaser has not provided a written waiver of these conditions to the Vendor at the expiration of the said ten (10) day period described herein this Agreement shall be considered null and void and of no further effect.

7.2 Purchaser's 5 Day Conditions

The obligation of the Purchaser to complete the purchase hereunder shall be subject to the Purchaser obtaining financing satisfactory to the Purchaser, in the Purchaser's sole discretion, required to complete the purchase under the terms of this Agreement within five (5) days prior to the Closing Date, provided that if the Purchaser has not provided a written waiver of this condition to the Vendor at the expiration of the said five (5) day period described herein this Agreement shall be considered null and void and of no further effect.

7.3 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase shall be subject to the prior satisfaction of, or compliance with, at or before the Closing Time, each of the conditions precedent set out in the following Sections (each of which is acknowledged to be inserted for the exclusive benefit of the Purchaser and may be waived by the Purchaser in whole or in part in writing).

(a) **Accuracy of Representations and Performance of Covenants.** All of the representations and warranties of the Vendor made in or pursuant to this Agreement, including the representations and warranties made by the Vendor set forth in Article 3, shall be true and correct in all Material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time and as if

any time at which such representation and warranty was accurate read the **"Closing Time"**, (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby) and, as at the Closing Time, the Vendor shall have observed or performed in all respects, all of the Vendor's obligations, covenants and agreements hereunder to be observed or performed by them at or before the Closing Time and the Purchaser shall have received immediately prior to Closing Time a certificate from the Vendor confirming, to the Best of Knowledge of the Vendor, information and belief (after due inquiry), the truth and correctness in all Material respects of the representations and warranties of the Vendor at the Closing Time and that the Vendor has observed and performed all of the Vendor's covenants, obligations and agreements hereunder which are to be observed or performed by the Vendor at or before the Closing Time.

(b) **Performance of Obligations of Vendor**. The Vendor shall have performed or complied with, in all respects, all of the Vendor's other obligations, covenants and agreements hereunder.

(c) **Consents, Authorizations and Registrations**. All consents, approvals, orders and authorizations of any Person or Governmental Agencies (or registrations, declarations, filings or recordings with any of them), required in connection with the execution and delivery of this Agreement, the completion of any of the transactions contemplated by this Agreement, the Closing or the performance of any of the terms and conditions hereof, (other than routine post-closing notifications or filings), shall have been obtained on or before the Closing Time.

(d) **No Material Adverse Change**. No Material adverse change shall have occurred since the date of this Agreement with respect to the Shares, the Business or the Assets or the future prospects of the Business, save and except as may occur in the usual course of business, and the Purchaser shall have received immediately prior to Closing a certificate from the Vendor and the Corporation confirming that no such Material adverse change has occurred.

(e) **Litigation**. No court order shall have been entered that enjoins, restrains, changes or prohibits the consummation of any of the transactions contemplated hereby, and no Party, including the Purchaser, nor any of such Party's directors, officers, employees or agents shall be a defendant or third party to or threatened with any litigation or proceedings before any court or Governmental Agency which, in the opinion of the Purchaser, acting reasonably, could prevent or restrict the Purchaser or such Party from performing any of their respective obligations pursuant to this Agreement or pursuant to any of the Closing Documents.

(f) **Receipt of Closing Documentation**. All documentation relating to the sale and purchase hereunder including the Closing Documents and the documents related to the and all resolutions of directors and shareholders of the Corporation relating to the due authorization and completion of such sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Vendor of the Vendor's obligations under this Agreement shall be satisfactory

to the Purchaser and the Purchaser's counsel, acting reasonably, and the Purchaser shall have received copies of the Closing Documents and all such documentation or other evidence as they may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in form (as to certification and otherwise) and substance satisfactory to the Purchaser and the Purchaser's counsel.

(g) **Restrictive Covenants Agreement.** The Vendor shall have executed and delivered to the Corporation and the Purchaser a restrictive covenants agreement of the type customary in transactions of this nature that *inter alia* requires the Vendor not to solicit the customers, suppliers or employees of the Purchaser or the Corporation nor to compete with the Business or the Corporation for a period of three (3) years following the Closing Date, within a radius of five (5) kilometers from the Premises, such restrictive covenants agreement to be in a form acceptable to the Purchaser and the Purchaser's Counsel.

(h) **Directors and Officers of Corporation and the Subsidiary.** All directors and officers of the Corporation and the Subsidiary shall submit a resignation from all positions with the Corporation and the Subsidiary held by them at the Closing Time, including resignations as employees, as applicable, along with signed comprehensive releases, in a form acceptable to counsel for the Vendor acting reasonably, from each such person of all respective claims against the Corporation or the Subsidiary up to the Closing Time including claims for current unpaid remuneration and advances made to the Corporation or the Subsidiary, excluding any claims disclosed herein. In addition, the Vendor and the Purchaser shall agree prior to Closing of the positions they each will hold in the Corporation, if any, and the Vendor's solicitor shall prepare the documentation required to make the necessary changes and filing in this regard.

(i) **OCP Consent.** The consent of the Ontario College of Pharmacists (the **"OCP"**) required in connection with the Closing shall have been obtained on or before the Closing Time.

(j) **ODB Account.** The Purchaser shall have obtained an account under the Ontario Drug Benefit Program (the **"ODB"**) on or before the Closing Time.

7.4 Vendor's Conditions

The obligations of the Vendor to complete the sale of the Purchased Shares shall be subject to the satisfaction of or compliance with, at or before the Closing Time, each of the conditions precedent set out in the following Sections (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Vendor and may be waived by the Vendor in whole or in part in writing):

(a) **Accuracy of Representations and Performance of Covenants.** All of the representations and warranties of the Purchaser made in or pursuant to this Agreement, including the representations and warranties made by the Purchaser and set forth in Article 4, shall be true and correct in all Material respects as at the

Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted hereby) and, as at the Time of Closing, the Purchaser shall have observed or performed in all respects, all of the Purchaser's obligations, covenants and agreements hereunder to be observed or performed by them at or before the Closing Time and the Vendor shall have received a certificate from a senior officer of the Purchaser confirming to the Best of Knowledge of such officer, the truth and correctness in all Material respects of such representations and warranties of the Purchaser and that the Purchaser has observed and performed all of the Purchaser's covenants, obligations and agreements hereunder which are to be observed or performed by them at or before the Closing Time.

(b) **Performance of Obligations.** The Purchaser shall have performed or complied with, in all respects, all of the Purchaser's other obligations, covenants and agreements hereunder.

(c) **Release from the Corporation.** The Vendor as at the Closing Date shall receive a signed comprehensive release from the Corporation, in a form acceptable to counsel for the Vendor acting reasonably, of all respective claims against the Vendor relating to her role as a shareholder of the Corporation.

7.5 Waiver

Any Party may waive, by notice to the other Parties, any condition set forth in this Article 7 which is for any such Party's benefit. No waiver by a Party of any condition, in whole or in part, shall operate as a waiver of any other condition.

7.6 Failure to Satisfy Conditions

If any condition set forth in this Agreement is not satisfied and complied with as of the termination of the time-frame specifically designated herein, and such condition has not been waived or extended in writing, this Agreement is terminated effective immediately.

7.7 Destruction or Expropriation

If, prior to the Closing Time, there occurs any Material destruction or damage by fire or other cause or hazard to any of the Assets, or if the Assets or any Material part of them are expropriated or forcefully taken by any Governmental Agency or if notice of intention to expropriate a Material part of the Assets has been filed in accordance with Applicable Law, then the Purchaser may, at the Purchaser's option,

(a) send written notice to the Vendor that this Agreement is to be terminated; or

(b) elect to complete the purchase and sale on the basis originally set forth herein.

ARTICLE 8
GENERAL

8.1 Expenses

Each Party shall pay all expenses which they incur in authorizing, preparing, executing and performing this Agreement and the transactions contemplated hereunder, including all fees and expenses of their respective legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

8.2 Time

Time is of the essence of this Agreement and each of its provisions.

8.3 Notices

Any notice, demand or other communication (in this Section, a "notice") required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if:

(a) delivered in person during normal business hours of the recipient on a Business Day and left with the recipient, for notice delivered to individuals a receptionist or other responsible employee of the recipient at the relevant address set forth below;

(b) except during any period of actual or imminent interruption of postal services due to strike, lockout or other cause, sent by prepaid mail; or

(c) sent by electronic or facsimile transmission:

(i) in the case of a notice to the Purchaser at:

Huan H. Dang
14578 Warden Avenue
Stouffville, ON L4A 4L6

Email: Huan@modernmeds.ca

with a copy to:

Paul-Mark Kaldas Professional Corporation
295 Matheson Boulevard East
Mississauga, ON L4Z 1X8

Fax No: 1-888-9589-1784
Email: pkaldas@ktlaw.ca

(ii) in the case of a notice to the Vendor, the Corporation or the Subsidiary at:

Jennifer Mortensen

2737 Keele Street, Suite 102
Toronto, ON M3M 2E9

Email: jenbenmoba@gmail.com

with a copy to:

John D. Wright
Owens Wright LLP
20 Holly Street, Suite 300
Toronto, ON M4S 3B1

Fax No: (416) 486-3309
Email: jwright@owenswright.com

Any notice so given shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any interruption of postal services due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day that notice was sent by electronic transmission, provided such day is a Business Day and if not, on the first Business Day thereafter. Addresses for notice may be changed by giving notice in accordance with this Section.

8.4 Non-Merger

The Parties agree that the rights, obligations and provisions of this Agreement shall not merge upon the completion of the transactions contemplated hereby but shall survive the closing in accordance with their terms.

8.5 Successors & Assigns

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, legal representatives, successors (including any successor by reason of amalgamation or statutory arrangement of any Party) and permitted assigns.

8.6 Further Assurances

Each Party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within their power as any other Party may in writing at any time and from time to time reasonably request be done and or executed, in order to give full effect to the provisions of this Agreement and the Closing Documents.

8.7 Counterparts

This Agreement may be executed in any number of counterparts, including by way of facsimile or .pdf signature. Each executed counterpart shall be deemed to be an original; all executed counterparts taken together shall constitute one agreement.

8.8 Confidentiality

From and after the date hereof, each of the Parties hereto will hold, and will cause their counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Applicable Law, all confidential documents and information concerning the other Party and the affairs, assets and liabilities of the other party, except to the extent that such information can be shown to have been (i) in the public domain through no fault of the disclosing party, or (ii) later lawfully acquired by the disclosing party from sources other than the other Party. Provided however that the Purchaser will entitled to disclose information concerning the Corporation and the Business to the Purchaser's prospective lenders and their respective counsel, in confidence.

All documents, materials and copies received by the Purchaser from the Vendor and the Corporation, together with any information derived therefrom or through the Purchaser's due diligence investigations of the Corporation shall be held by the Purchaser in strict confidence other than as may be required to be disclosed to the Purchaser's advisors and lenders and other than as may be required to be disclosed by law. In the event that this purchase and sale is not completed as contemplated in this agreement, the Purchaser will return to the Vendor or destroy all such documents, copies and information in the Purchaser's possession.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have duly executed this Agreement on the date first above-written.

SIGNED, SEALED AND DELIVERED)
In the presence of:)
)
) Huan Dang
)
) _____
) **HUAN H. DANG**
)
)
) _____
) **JENNIFER MORTENSEN**
)
)
) _____
DAVID BARRETT

HOHS DRUGS LIMITED

Per: _____
Name: JENNIFER MORTENSEN
Position: President
I have authority to bind the Corporation.

REGENCY DRUGS LIMITED

Per: _____
Name:
Position:
I have authority to bind the Corporation.

IN WITNESS WHEREOF the Parties have duly executed this Agreement on the date first above-written.

SIGNED, SEALED AND DELIVERED)
In the presence of:)
)
)
)
) _____
) **HUAN H. DANG**
)
)
) _____
) **JENNIFER MORTENSEN**
)
)
) _____
DAVID BARRETT

HOHS DRUGS LIMITED

Per: _____
Name: JENNIFER MORTENSEN
Position: President
I have authority to bind the Corporation.

REGENCY DRUGS LIMITED

Per: _____
Name: JENNIFER MORTENSEN
Position: President
I have authority to bind the Corporation.

Scanned with CamScanner

SCHEDULE 1.1(a)

LIST OF ASSETS

Current Assets

Cash and cash equivalents	$37,409
Accounts receivable	$195,826
Tax receivable	$124,606

Non-Current Assets

Property, plant and equipment	$435,982
Due from related party	$1,358,967

SCHEDULE 1.1(b)

FINANCIAL STATEMENTS

HOHS DRUGS LIMITED

Interim Financial Statements

Ten months period ended June 30, 2018

(UNAUDITED – SEE NOTICE TO READER)

HOHS DRUGS LIMITED

Financial Statements
For the ten months period ended June 30, 2018
(UNAUDITED – SEE NOTICE TO READER)

	Page No.
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NANDLAL
CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

Tel: 905 678 6263
Fax: 1 866 489 7837
E-mail: nandlal@nandlal.ca

NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of HOHS DRUGS LIMITED as June 30, 2018 and the statements of income and retained earnings for the ten months period then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

NANDLAL
Licensed Public Accountant
Mississauga, Ontario
October 12, 2018

6750 Davand Dr, Suite 201 Mississauga, ON L5T 2L8
www.nandlal.ca

HOHS DRUGS LIMITED

Balance Sheet

	As at June 30, 2018	As at August 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	$37,409	$31,551
Accounts receivable	195,826	272,331
Tax receivable	124,606	30,181
Inventory	153,790	174,220
	511,630	508,283
Non-Current Assets		
Property, plant and equipment	435,982	435,982
Due to related party	1,358,967	1,284,210
	1,794,949	1,720,192
TOTAL ASSETS	**2,306,579**	**2,228,474**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	161,814	125,504
Credit card liabilities	-	42,434
Income tax payable	59,527	32,082
Term loans	857,830	1,027,253
Due from related parties	905,793	829,200
TOTAL LIABILITIES	**1,984,964**	**2,056,473**
Shareholder's Equity		
Share capital	100	100
Retained earnings	321,516	171,901
	321,616	172,001
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**$2,306,579**	**$2,228,474**

On Behalf of the Board:

Jennifer Mortensen, Director

HOHS DRUGS LIMITED

Statement of Income and Retained Earnings

	Ten (10) months period ended June 30, 2018	Twelve (12) months period ended August 31, 2017
Revenues:	$1,442,110	$2,049,845
Cost of Sales	887,830	1,272,625
Gross Profit	554,280	777,220
Operating Expenses		
Sub-contracts	159,510	129,678
Wages and salaries	54,623	155,856
Interest and bank charges	49,665	77,440
Occupancy	41,544	51,087
Office expenses	26,382	32,498
Repairs and maintenance	12,636	26,042
Computer related expenses	11,185	14,537
Insurance	9,207	12,325
Advertising	4,052	775
Professional fees	3,312	24,053
Telephone and telecommunications	2,611	3,335
Other	1,912	6,851
Meals and entertainment	582	3,153
Consulting fees	-	27,204
Travel expenses	-	4,176
Donations	-	1,226
	377,222	570,236
Net income before income tax expense	177,059	206,984
Income tax expense	27,444	32,082
Net income	149,614	174,901
Retained earnings (accumulated deficit) - opening balance	171,901	(3,000)
Retained earnings - closing balance	**$321,516**	**$171,901**

SCHEDULE 1.1(c)

SUBSIDIARY FINANCIAL STATEMENTS

REGENCY DRUGS LIMITED

Financial Statements

(UNAUDITED – SEE NOTICE TO READER)

Year ended August 31, 2016

REGENCY DRUGS LIMITED
Financial Statements
For the Year ended August 31, 2016
(UNAUDITED – SEE NOTICE TO READER)

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NANDLAL CHARTERED ACCOUNTANT
Licensed Public Accountant

Tel: 905 678 6263
Cell: 416 579 4276
Fax: 1 866 489 7837
E-mail: nandlal@nandlal.ca

NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of REGENCY DRUGS LIMITED as August 31, 2016 and the statements of income and accumulated deficit for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

NANDLAL CHARTERED ACCOUNTANT
Licensed Public Accountant
Mississauga, Ontario
November 21, 2016

REGENCY DRUGS LIMITED

Balance Sheet (Unaudited - See Notice to Reader)

As at August 31,	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	$47,418	$38,065
Accounts receivable	272,331	277,948
Tax receivable	7,619	47,462
Inventory	174,220	285,772
	501,588	649,248
Non-Current Assets		
Property, plant and equipment	94,082	64,082
Due from shareholder	-	111,211
	94,082	175,293
TOTAL ASSETS	**595,670**	**824,541**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	86,670	141,507
Term loans - current portion	211,112	982,482
	297,782	1,123,989
Non-Current Liabilities		
Term loans - non-current portion	990,544	340,348
Due to related party	220,233	224,233
Due to shareholder	86,761	-
	1,297,538	564,581
TOTAL LIABILITIES	**1,595,320**	**1,688,570**
Shareholder's Equity		
Share capital	100	100
Accumulated deficit	(999,750)	(864,129)
	(999,650)	(864,029)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**$595,670**	**$824,541**

On Behalf of the Board:

Jennifer Mortensen, Director

REGENCY DRUGS LIMITED

Statement of Income and Accumulated Deficit (Unaudited - See Notice to Reader)

Year ended August 31,	2016	2015
Revenues:	$1,706,241	$2,023,191
Cost of Sales	1,148,273	1,326,380
Gross Profit	557,968	696,810
Operating Expenses		
Wages and salaries	148,531	183,586
Bad debt expenses	111,211	-
Occupancy	109,558	111,062
Sub-contracts	93,600	-
Interest and bank charges	84,784	93,185
Professional fees	55,570	29,469
Office expenses	33,919	32,347
Repairs and maintenance	15,292	5,737
Insurance	12,418	6,185
Computer related expenses	10,906	
Advertising	9,130	3,624
Telephone and telecommunications	3,668	3,295
Meals and entertainment	3,319	1,931
Other	1,683	3,938
Business taxes, licenses, and memberships	-	17,613
Travel expenses	-	
	693,589	491,972
Net (loss) income	(135,621)	204,838
Accumulated deficit, beginning of period	(864,129)	(1,068,967)
Accumulated deficit, end of period	$ (999,750)	$ (864,129)

REGENCY DRUGS LIMITED

Balance Sheet

As at September 30, 2016

(UNAUDITED – SEE NOTICE TO READER)

REGENCY DRUGS LIMITED

Balance sheet
At as September 30, 2016
(UNAUDITED – SEE NOTICE TO READER)

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NANDLAL
CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

Tel: 905 678 6263
Fax: 1 866 489 7837
E-mail: nandlal@nandlal.ca

NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of REGENCY DRUGS LIMITED as September 30, 2016.

I have not performed an audit or a review engagement in respect of this balance sheet and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

NANDLAL CHARTERED ACCOUNTANT
Licensed Public Accountant
Mississauga, Ontario
October 12, 2018

6750 Davand Dr, Suite 201 Mississauga, ON L5T 2L8
www.nandlal.ca

REGENCY DRUGS LIMITED

Balance Sheet (Unaudited - See Notice to Reader)

As at August 31,	As at September 30, 2016	As at August 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	$ -	$47,418
Accounts receivable	-	272,331
Tax receivable	-	7,619
Inventory	-	174,220
	-	501,588
Non-Current Assets		
Property, plant and equipment	-	94,082
Due from shareholder	-	-
	-	94,082
TOTAL ASSETS	**-**	**595,670**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	-	86,670
Term loans - current portion	-	211,112
	-	297,782
Non-Current Liabilities		
Term loans - non-current portion	-	990,544
Due to related party	1,078,135	220,233
Due to shareholder	-	86,761
	1,078,135	1,297,538
TOTAL LIABILITIES	**1,078,135**	**1,595,320**
Shareholder's Equity		
Share capital	100	100
Accumulated deficit	(1,078,235)	(999,750)
	(1,078,135)	(999,650)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**$-**	**$595,670**

On Behalf of the Board:

Jennifer Mortensen, Director

EXHIBIT I

PROMISSORY NOTE

$896,863.46 (Cdn.) Date: December 21, 2018

Mississauga, Ontario

FOR VALUE RECEIVED, the undersigned hereby acknowledges himself indebted to and promises to pay to **JENNIFER MORTENSEN** ("the Holder") at such place as the Holder may from time to time designate in writing to the undersigned, the principal sum of **Eight Hundred Ninety-Six Thousand Eight Hundred and Sixty-Three Dollars and Forty-Six Cents ($896,863.46)** (the "Principal Amount") in lawful money of Canada without interest on or before the earlier of the 21st day of December, 2023, or upon a sale by the undersigned of the shares or assets of HOHS Drugs Limited (the "Due Date").

The Principal Amount owing hereunder can be repaid in whole or in part without notice of bonus prior to the Due Date herein.

The provisions of this promissory note shall enure to the benefit of the Holder and its successors and assigns and shall be binding upon the undersigned and its successors and assigns.

Any failure by the Holder to insist upon, or any election by the Holder not to insist upon, the strict performance by the undersigned of any of the terms, provisions or conditions of this promissory note shall not be deemed to be a waiver of the same or of any other term, provision or condition hereof and the Holder shall have the right at any time or times thereafter to insist upon the strict performance by the undersigned of any and all of such terms, provisions and conditions.

This promissory note shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

The undersigned hereby waives presentment, protest, notice of protest and notice of dishonour of this promissory note.

DATED as at the _____ day of _____, 2018.

WITNESS

Huan H. Dang

EXHIBIT J

PROMISSORY NOTE

$316,742.65 (Cdn.)

Date: December 21, 2018
Mississauga, Ontario

FOR VALUE RECEIVED, the undersigned hereby acknowledges himself indebted to and promises to pay to **DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION** ("the Holder") at such place as the Holder may from time to time designate in writing to the undersigned, the principal sum of **Three Hundred Sixteen Thousand Seven Hundred and Forty-Two Dollars and Sixty-Five Cents ($316,742.65)** (the "Principal Amount") in lawful money of Canada without interest on or before the earlier of the 21st day of December, 2023, or upon a sale by the undersigned of the shares or assets of HOHS Drugs Limited (the "Due Date").

The Principal Amount owing hereunder can be repaid in whole or in part without notice of bonus prior to the Due Date herein.

The provisions of this promissory note shall enure to the benefit of the Holder and its successors and assigns and shall be binding upon the undersigned and its successors and assigns.

Any failure by the Holder to insist upon, or any election by the Holder not to insist upon, the strict performance by the undersigned of any of the terms, provisions or conditions of this promissory note shall not be deemed to be a waiver of the same or of any other term, provision or condition hereof and the Holder shall have the right at any time or times thereafter to insist upon the strict performance by the undersigned of any and all of such terms, provisions and conditions.

This promissory note shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

The undersigned hereby waives presentment, protest, notice of protest and notice of dishonour of this promissory note.

DATED as at the 21st day of December, 2018.

WITNESS

Huan H. Dang

EXHIBIT K

GUARANTEE AND POSTPONEMENT OF CLAIM

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the undersigned, HOHS Drugs Limited, a corporation incorporated under the laws of the Province of Ontario (the "Guarantor"), hereby covenants and agrees with and hereby absolutely and unconditionally guarantees to Jennifer Mortensen and David Barrett Medicine Professional Corporation (collectively, the "Creditor"), payment forthwith after demand as hereinafter provided, of the debts or liabilities, whether direct, contingent or otherwise, present or future, matured or not, which Huan H. Dang, an individual residing in the Town of Whitchurch-Stouffville, in the Province of Ontario (the "Debtor"), has incurred or is under to the Creditor arising from the execution and delivery of (i) that certain promissory note in the amount of Eight Hundred Ninety-Six Thousand Eight Hundred and Sixty-Three Dollars and Forty-Six Cents ($896,863.46) dated the date hereof from the Debtor in favour of Jennifer Mortensen, and (ii) that certain promissory note in the amount of Three Hundred Sixteen Thousand Seven Hundred and Forty-Two Dollars and Sixty-Five Cents ($316,742.65) dated the date hereof from the Debtor in favour of David Barrett Medicine Professional Corporation, and the Guarantor guarantees to the Creditor the payment of all costs, expenses and solicitor's fees incurred by the Creditor in connection with any default on the part of the Debtor in making payment to the Creditor.

THE GUARANTOR FURTHER COVENANTS AND AGREES THAT:

1. Recourse

The Creditor shall not be bound to exhaust its recourse against the Debtor, other parties or any securities or guarantees which it may hold before making a demand upon the Guarantor for payment, and the liability of the Guarantor arises when notice in writing is given to the Guarantor as hereinafter provided, requiring payment. The Guarantor renounces all benefits of discussion and division.

2. Extension of Time, Etc.

The Creditor may grant extensions of time or other indulgences to the Debtor, the Guarantor, or to any other parties liable to the Creditor on or in respect of any indebtedness hereby guaranteed and may take and give up securities, accept compositions, settlements and compromises, grant releases and discharges, extensions of credit or variations of lending terms and otherwise deal with the Debtor, the Guarantor or any other party as the Creditor may deem expedient, and may give up or modify or abstain from filing, perfecting, recording or registering or taking advantage of any securities or instruments held by the Creditor as collateral and may realize the said securities in any manner that the Creditor considers expedient, all without obtaining the consent of the Guarantor and without giving notice to the Guarantor, and may in its absolute discretion appropriate and apply all monies received from the Debtor, the Guarantor or other parties, or from the said securities, upon such part of the Debtor's debts or liabilities as the Creditor may consider best, and from time to time may revoke or alter any such appropriation, all of the foregoing without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee.

3. Loss of Security

Any loss of or in respect of securities received by the Creditor from the Debtor, the Guarantor or any other person, whether occasioned through default or negligence of the Creditor or otherwise, shall not discharge pro tanto or lessen the liability of the Guarantor under this guarantee and postponement of claim.

4. Postponement

Any debts now or hereafter owed by the Debtor to the Guarantor or any claims now or hereafter made against the Debtor are and shall be held by the Guarantor for the further security of the Creditor, and, as between the Guarantor and the Creditor, are hereby postponed to the indebtedness now or hereafter owed by the Debtor to the Creditor, and any such debts and claims of the Guarantor shall be held in trust for the Creditor and shall be collected, enforced or proved subject to and for the purposes of this guarantee and postponement of claim and any monies received by the Guarantor in respect thereof shall upon demand be paid over to the Creditor on account of the said debts and claims; and no such debt or claim of any of the Guarantor against the Debtor shall be released or withdrawn by the Guarantor unless the Creditor's written consent to such release or withdrawal is first obtained and none of the Guarantor shall permit the prescription of any such debt or claim by any statute of limitations nor assign any such debt or claim to any person other than the Creditor nor ask for or obtain any security or negotiable paper for or other evidence of any such debt or claim except for the purpose of delivering the same to the Creditor. The Creditor may at any time give notice to the Debtor requiring the Debtor to pay to the Creditor any or all of the debts or claims of the Guarantor against the Debtor and in that event such debts and claims are hereby assigned and transferred to the Creditor. In the event of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or compulsory) or in the event that the Debtor shall make a bulk sale of any of the Debtor's assets within the provisions of any bulk sales act or similar legislation or any composition with creditors or scheme of arrangement, any and all dividends or other monies which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Debtor are hereby assigned and transferred to and shall be due and be paid to the Creditor, and for such payment to the Creditor this shall be sufficient warrant and authority to any person making the same. The Guarantor shall at any time and from time to time at the request of and as required by the Creditor, make, execute and deliver all statements of claim, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Creditor under and by virtue of this instrument.

5. Default

Upon default in payment of any sum owing by the Debtor to the Creditor at any time, the Creditor may treat the whole of the indebtedness hereby secured as due and payable and may forthwith collect all or any part of the total amount hereby guaranteed and may apply the sum so collected upon the Debtor's debts or liabilities as it may consider best.

6. Accounts

The account settled or stated by or between the Creditor and the Debtor shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Debtor to the Creditor is so due.

7. Change in Corporate Status

Any change or changes in the name, objects, capital, control or constitution of the Guarantor shall not affect or in any way limit or lessen the liability of the Guarantor hereunder, and, in any such case, the provisions hereof shall be applicable to all transactions occurring and all debts and liabilities incurred as well after as before such change or changes, and this guarantee and postponement of claim shall extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Guarantor.

8. Payments by the Guarantor

Should the Creditor receive from the Guarantor a payment or payments in full or on account of the liability under this guarantee and postponement of claim, the Guarantor shall not be entitled to claim repayment against the Debtor until the Creditor's claims against the Debtor have been paid in full; and in case of bankruptcy of the Debtor (whether voluntary or compulsory), the Creditor shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable for any balance which may be owing to the Creditor by the Debtor. In the event of valuation by the Creditor of any of its securities and the retention thereof by the Creditor, such valuation and retention shall not, as between the Creditor and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the Debtor's debts or liabilities to the Creditor, or any part thereof.

9. Guarantee in Addition to Other Securities

This guarantee and postponement of claim shall be in addition, supplemental and without prejudice to any other guarantees, postponement agreements and/or securities, negotiable or otherwise, which the Creditor now possesses or hereafter will possess in respect of the liabilities hereby secured or intended so to be secured, and the Creditor shall be under no obligation to marshal in favour of any of the Guarantor any guarantees, postponement agreements and/or securities or any of the funds or assets which the Creditor may be entitled to receive or have a claim upon.

10. Waiver of Notice, Etc.

The Guarantor hereby expressly waives and dispenses with notice of acceptance of this guarantee and postponement of claim, notices of non-payment and non-performance, notices of amounts of indebtedness of the Debtor outstanding at any time, protests, demands, enforcement of other security, foreclosure and possessory remedies and the Creditor shall not be bound to exhaust its recourse against the Debtor or any other person before it proceeds against the Guarantor.

11. Payment

The Guarantor shall make payment to the Creditor of the amount of any liability of the Guarantor forthwith after demand is made therefor in writing. A demand shall be effectually made when it is addressed to the Guarantor at the last address of the Guarantor known to the Creditor and is either delivered or posted, prepaid and registered. The liability of the Guarantor shall bear interest, at a rate per annum equal to 5% percent in excess of the prime lending rate of interest expressed as a rate per annum which the principal Canadian banker of the Creditor establishes as a reference rate of interest in order to determine the interest rate it will charge on that date for loans in Canadian dollars to its customers, in effect at noon on the date in question, from the date of such demand to the date of payment. Any demand so sent shall be deemed to be received and served on the third business day following the day on which it is mailed or on the date of delivery, if delivered.

12. Further Assurances, Etc.

The Guarantor agrees to execute such further assurances and do all such further acts and things as may be reasonably required by the Creditor from time to time to perfect or to carry out the provisions and intent hereof. The Guarantor hereby irrevocably appoints and constitutes the Creditor, through any duly authorized officer or employee of the Creditor, to be the true and lawful attorney of such Guarantor, in such Guarantor's name and on his behalf to execute such assurances and perform such acts and things.

13. Liquidation, Bankruptcy, Etc.

In the event of the bankruptcy of the Debtor, whether voluntary or compulsory, or in the event that the Debtor shall make any composition with creditors or scheme of arrangement, the liability of the Guarantor to the Creditor shall not be lessened nor limited in any manner whatsoever.

14. Principal Debtor

Any sum which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as sole or principal debtor on demand, with interest thereon at the rate specified to be recoverable from the Guarantor pursuant to this guarantee and postponement of claim.

15. Assignment

The Creditor may in its absolute discretion assign its rights hereunder without written notice thereof to the Guarantor.

16. Possession of Guarantee

This guarantee and postponement of claim shall be operative and binding upon the Guarantor executing the same notwithstanding the non-execution hereof by any other proposed signatory or signatories, and possession of this instrument by the Creditor shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any

agreement or that it should not be effective until any conditions precedent or subsequent have been complied with.

17. Severability

Any provision of this instrument which is illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

18. Receipt

The Guarantor acknowledges receiving a copy of this instrument.

19. Entire Guarantee

There are no representations, collateral agreements or conditions with respect to this guarantee and postponement of claim or affecting the liability of the Guarantor hereunder other than as contained herein.

20. Applicable Law

This guarantee and postponement of claim shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

21. Succession

This guarantee and postponement of claim shall enure to the benefit of the Creditor and its successors and assigns and shall be binding upon the Guarantor and their respective heirs, executors, administrators and personal legal representatives.

IN WITNESS WHEREOF this guarantee and postponement of claim has been executed under seal and delivered by the Guarantor, as of the 21st day of December, 2018.

HOHS DRUGS LIMITED

Per:_____
Name: Huan H. Dang
Title: President

EXHIBIT L

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made this 21st day of December, 2018

B E T W E E N:

HOHS DRUGS LIMITED
(hereinafter called the "Debtor")

OF THE FIRST PART

- and –

JENNIFER MORTENSEN and
DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION
(hereinafter collectively called the "Secured Party")

OF THE SECOND PART

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Interpretation

(a) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

(i) **"Agreement"** means this Agreement and all amendments made thereto by written agreement between the Secured Party and the Debtor;

(ii) **"Obligations"** means all obligations of the Debtor to the Secured Party including, without limiting the generality of the foregoing, all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred in any currency at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between the Secured Party and the Debtor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses;

(iii) The terms "**accessions**", "**chattel paper**", "**document of title**", "**goods**", "**instrument**", "**intangible**", "**inventory**", "**money**", "**proceeds**", "**security interest**" and "**securities**" whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced; and

(iv) Any reference to "**Collateral**" shall be deemed a reference to "**Collateral or any part thereof**".

(b) The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

(c) In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2 - GRANT OF SECURITY INTEREST

2.1 Security Interest

As a general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a continuing security interest in and pledges to the Secured Party the present and future undertaking and property, both real and personal, tangible and intangible, of the Debtor (collectively the "Collateral"), including:

(a) Accounts Receivable: all debts, accounts, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively the "Receivables");

(b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor (collectively the "Inventory");

(c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively the "Equipment");

(d) Chattel Paper: all chattel paper;

(e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively the "Securities");

(g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;

(h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(i) Rights: all permissions, rights, entitlements, privileges and licences of any kind or description, whether or not recognized as a form of property at law, including any and all existing or future licences on quota rights granted under the authority of any federal or provincial legislation and all rights, entitlements and licences of every kind and description therein and appertaining thereto;

(j) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to 2.1(i) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;

(k) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to 2.1(j) inclusive; and

(l) Proceeds: all proceeds of the property described in Sections 2.1(a) to 2.1(k) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

Provided that the said assignment and mortgage and charge shall not extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge.

ARTICLE 3 - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Secured Party that:

(a) the Debtor is a corporation duly incorporated, organized and subsisting under the laws of Ontario, with the corporate power to enter into this Agreement; this Agreement has been duly authorized by all necessary corporate action on the part of the Debtor and constitutes a legal and valid

agreement binding upon the Debtor enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to the constating documents, by-laws or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;

(b) all financial information provided by the Debtor to the Secured Party is true, correct and complete; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to the Secured Party;

(c) all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or pari passu with the security interest, assignment and mortgage and charge granted hereby to file;

(d) the Debtor's principal place of business and the location of the office where it keeps its records respecting the Receivables, is that given at the end of this Agreement;

(e) all the Collateral of the Debtor is located in the Province of Ontario or as otherwise set forth in Schedule "A" annexed hereto; and

(f) the Debtor is not the legal or beneficial owner of any real estate.

3.2 Covenants

The Debtor covenants with the Secured Party that:

(a) it shall ensure that the representations and warranties set forth in Section 3.1 shall be true and correct at all times provided that if there is a change in any of the items represented in Sections 3.1(d), Section 3.1(e), or Section 3.1(f), the Debtor covenants to notify the Secured Party of such change from time to time within three business days of such change;

(b) the Debtor shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;

(c) the Debtor shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party;

(d) the Debtor shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests except for those disclosed in a schedule hereto or herein in this Agreement expressly permitted or hereafter approved in writing by the Secured Party prior to their creation or assumption. This covenant shall not apply to nor operate to prevent and there shall be permitted the borrowing by the Debtor of money for the bona fide corporate purposes of the Debtor from any bank or banks in Canada from time to time and the giving to such bank or banks of security for any monies so borrowed;

(e) the Debtor shall not change its principal place of business and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in any schedule hereto, without the prior written consent of the Secured Party;

(f) the Debtor shall pay all its indebtedness including, without limitation, all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;

(g) the Debtor shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Secured Party such financial information and statements and such information and statements relating to the Collateral as the Secured Party may from time to time require, and the Debtor shall permit the Secured Party or its authorized agents at any time at the expense of the Debtor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

(h) the Debtor shall from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party shall have access to all premises occupied by the Debtor or where the Collateral may be found;

(i) the Debtor shall from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints the Secured Party including any director or officer thereof, or any Receiver appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;

(j) the Debtor shall not change its name and shall not amalgamate with any other corporation without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective and unless the amalgamated corporation executes, contemporaneously with the consummation of any such transaction, a deed supplemental hereto, together with such other instruments as are satisfactory to the Secured Party, acting reasonably, and, in the opinion of counsel of the Secured Party, are reasonably necessary or advisable to evidence the assumption by such corporation of all of the obligations, covenants and undertakings on the part of the Debtor contained herein and in any agreement, deed, instrument or indenture supplemental hereto;

(k) the Debtor shall pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the

preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder;

(l) the Debtor shall duly observe and perform all the terms and conditions of this Agreement and will strictly comply with each and every undertaking heretofore or hereafter given by the Debtor to the Secured Party;

(m) the Debtor shall at all times maintain its corporate existence and status and all of its rights, privileges and franchise which affect its operations and business and shall comply with the requirements of all applicable laws, rules, regulations and orders of any government or governmental authority or agency; and

(n) the Debtor shall keep the Collateral in good condition and repair according to the nature and description thereof, subject to reasonable wear and tear.

ARTICLE 4 - INSURANCE

4.1 Insurance

The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral, in an amount not less than the full replacement value thereof, in such form and with such insurers as shall be reasonably satisfactory to the Secured Party. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name the Secured Party as an additional insured and loss payee thereof, as the Secured Party's interests may appear, and shall provide that the insurer will give the Secured Party at least 10 days written notice of intended cancellation. At the Secured Party's request, the Debtor shall furnish the Secured Party with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to the Secured Party that such insurance coverage is in effect. The Debtor shall give the Secured Party notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, the Secured Party shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by the Secured Party in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE 5 - DEALING WITH COLLATERAL

5.1 Dealing with Collateral by the Debtor

The Debtor shall not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default (as defined in Section 6.1) occurs, sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, assignment and mortgage and charge granted hereby, but all proceeds of any such sale shall continue to be subject to the security interest, assignment and mortgage and charge granted hereby.

5.2 Registration of Securities

The Secured Party may have any Securities registered in its name or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise, in a manner not prejudicial to the interests of the Secured Party or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Securities. The Secured Party shall not be responsible for any loss occasioned by its exercise of any such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

5.3 Notification of Account Debtors

Before an Event of Default occurs, the Secured Party may give notice of this Agreement and the security interest and assignment granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence of an Event of Default, may give notice to any such account debtors or other person to make all further payments to the Secured Party, and any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request.

5.4 Purchase-Money Security Interests

The Debtor shall be permitted to grant purchase-money security interests in the ordinary course of its business in connection with the purchase or lease of Inventory or Equipment; provided that the foregoing shall not constitute a subordination of the security interest and mortgage and charge granted hereby to such purchase-money security interests or a waiver by the Secured Party of the requirements prescribed by statute which, if complied with, would result in such purchase-money security interests ranking in priority to the mortgage and charge and security interest granted hereby.

5.5 Application of Funds

Except where the Debtor, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Obligations as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

ARTICLE 6 - DEFAULT AND REMEDIES

6.1 Events of Default

The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

(a) the Debtor fails to pay to the Secured Party any sum when due whether secured hereby or not;

(b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement, unless the same is cured within 10 days after notice of such failure has been given to the Debtor by the Secured Party;

(c) any representation or warranty made by the Debtor herein or in any document or certificate furnished at any time to the Secured Party in connection herewith shall prove to be incorrect or misleading in any material respect;

(d) the Debtor is in default in the performance or observance of any other term, obligation, covenant, condition or agreement contained in any other agreement or instrument made between the Debtor and the Secured Party and the same is not cured within the time period permitted thereunder, if any;

(e) the Debtor ceases or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk or a resolution is passed or an order is made for the winding-up of the Debtor or any proceeding in receivership, reorganization, liquidation, dissolution or winding-up shall be commenced or instituted by or against the Debtor or the Collateral or any part thereof, provided that the foregoing shall not apply to any such proceedings which are being contested in good faith by the Debtor and which are dismissed within 10 days after commencement thereof;

(f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time, or commits or threatens to commit any act of bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor files a proposal under the *Bankruptcy and Insolvency Act* (Canada);

(g) the commencement of any proceeding or the taking of any step by or against the Debtor for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Debtor or the Collateral;

(h) the Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of 10 days following the date of seizure or attachment and 10 days less than such period as would permit such property or any part thereof to be sold pursuant thereto;

(i) the Debtor loses its charter by expiration, cancellation, forfeiture or otherwise;

(j) if any proceedings with respect to the Debtor is commenced under the *Companies' Creditors Arrangement Act* (Canada);

(k) the Debtor abandons the Collateral or any part thereof;

(l) the Secured Party believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process; or

(m) the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by the Debtor and which forms or is capable of being made a charge or lien upon any of the Collateral in priority to or *pari passu* with the security interests granted herein to remain unpaid for five days after proceedings have been taken to enforce the same.

6.2 Notice of Intent to Enforce

Notwithstanding the 10 day period to the Debtor to remedy defaults, as provided in Sections 6.1(b) and 6.1(h), the Secured Party may, contemporaneously with or during such 10 day period, give the Debtor the Notice of Intention to Enforce Security required by the *Bankruptcy and Insolvency Act* (Canada) it being the intention of the parties that, at the Secured Party's option, the 10 day period to cure defaults, and the 10 day Notice of Intention to Enforce Security, may run concurrently.

6.3 Remedies

(a) Upon the occurrence of any Event of Default and at any time thereafter, any or all of the Obligations shall at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; the obligation, if any, of the Secured Party to make further advances to the Debtor shall cease; any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable; and the Secured Party shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively:

(i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 6.3 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver. A court need not appoint, ratify the appointment by the Secured Party of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice

from the Secured Party of the appointment of a Receiver, all powers, functions, rights and privileges of each of the directors and officers of the Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Secured Party;

(ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;

(iii) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;

(iv) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;

(v) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;

(vi) the Secured Party may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law; and

(vii) Secured Party may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement.

(b) The Debtor further agrees with the Secured Party that:

(i) the Secured Party shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of the Collateral;

(ii) the Secured Party may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without

prejudice to the liability of the Debtor to the Secured Party or to the Secured Party's rights hereunder;

(iii) to facilitate the realization of the Collateral, the Secured Party may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor and carry on the business of the Debtor for such time as the Secured Party requires, free of charge, and the Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;

(iv) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amount so paid together with all costs, charges and expenses incurred in connection therewith shall be added to and form part of the Obligations hereby secured;

(v) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured;

(vi) the Secured Party shall not be liable or accountable for any failure to realize or otherwise deal with the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of effecting any of the foregoing or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person in respect of the Collateral; and

(vii) any proceeds of realization of the Collateral may be applied by the Secured Party to the payment of expenses in connection with the preservation and realization of the Collateral as above described and any balance of such proceeds shall be applied by the Secured Party to payment of the Obligations in such order as the Secured Party may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor shall be liable to pay any deficiency to the Secured Party forthwith on demand.

ARTICLE 7 - GENERAL

7.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and assigns of the Secured Party. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full.

7.2 Entire Agreement

The Obligations shall be paid and the rights of the Secured Party under the Agreement shall be assignable free from all rights of set-off or counterclaim or equities existing or arising in the future between the Debtor and the Secured Party. This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and the Debtor except as expressly set forth herein or as otherwise agreed in writing.

7.3 No Waiver

No delay or failure by the Secured Party in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. No act or omission of the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent default of the Debtor or the rights of the Secured Party resulting therefrom.

7.4 Partial Invalidity

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

To the Debtor:

HOHS Drugs Limited
Attention: Huan H. Dang
2737 Keele Street, Suite 102
Toronto, ON M3M 2E9
Email: huan@modernmeds.ca

with a copy to:

Paul-Mark Kaldas Professional Corporation
295 Matheson Blvd. East
Mississauga, ON L4Z 1X8
Email: pkaldas@ktlaw.ca

- and -

To the Secured Party:

Jennifer Mortensen &
David Barrett Medicine Professional Corporation
87 Blackburn Blvd.
Woodbridge, ON L4L 7J7
Email: jenbenmoba@gmail.com
dbarrett@regentmedicalclinic.com

with a copy to:

Owens Wright LLP
Attention: John D. Wright
20 Holly Street, Suite 300
Toronto, ON M4S 3B1
Email: jwright@owenswright.com

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.6 Modification; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement.

7.7 Additional Continuing Security

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the Obligations or any part thereof, shall not release or affect the security interest created by this Agreement.

7.8 Discharge

The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

7.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7.10 Further Assurances

The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, conveyances, instruments, transfers, assignments, security agreements and assurances as the Secured Party may reasonably require in order to give effect to the provisions and purposes of this Agreement including, without limitation, in respect of the Secured Party's enforcement of the security and its realization on the Collateral, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming and/or perfecting the security interest of the Secured Party in the Collateral pursuant to this Agreement. The Debtor hereby constitutes and appoints any officer of the Secured Party, or any Receiver appointed by the Court or the Secured Party as provided herein, the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient. The Debtor hereby authorizes the Secured Party to file such proofs of claim and other documents as may be necessary or advisable in order to prove its claim in any bankruptcy, proposed winding-up or other proceeding relating to the Debtor.

7.11 Executed Copy

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

7.12 Counterparts

This Agreement may be executed in counterpart copies, all of which copies when taken together shall constitute one and the same integral agreement.

[*Signature Page Follows*]

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

HOHS DRUGS LIMITED

Per: _____
Huan H. Dang
President

_____
WITNESS

_____
Jennifer Mortensen

DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION

Per: _____
David Barrett
President

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

HOHS DRUGS LIMITED

Per: _____
Huan H. Dang
Authorized Signing Officer

DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION

Per: _____
David Barrett
Authorized Signing Officer

_____
WITNESS

_____
Jennifer Mortensen

SCHEDULE "A"

Location of Principal Place of Business and Location of Business records:

2737 Keele Street, Suite 102, Toronto, ON M3M 2E9

EXHIBIT M

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

February 6, 2023

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0820

Registered Mail and Email (huan@modernmeds.ca)

HOHS Drugs Limited
14578 Warden Avenue
Stouffville, ON L4A 4L6

Attention: Huan Dang, President

Dear Sir:

Re: Credit Facilities of HOHS Drugs Limited (the "Borrower") with Bank of Montreal ("BMO")

We are the lawyers for BMO.

We refer to the credit facilities (the "**Credit Facilities**") being made available by BMO to the Borrower pursuant to a Letter of Agreement – Amendment and Restatement dated May 9, 2019 (the "**LOA**"), as amended, as listed on Schedule A to this letter. We are advised by BMO that as of January 31, 2023, there was an outstanding balance on the Credit Facilities of $4,776,071.58, the breakdown of which is on Schedule B to this letter.

BMO has concerns regarding the financial performance and viability of the pharmacies operated by the Borrower. In addition, the Borrower has breached its debt service coverage ratio covenant, failed to provide required financial reporting and was unable to make the regularly scheduled payments[1] on the Credit Facilities. In November 2022, BMO proposed terms of a standstill agreement, but the terms were not accepted and the standstill agreement was not signed. The Borrower has been attempting to find a purchaser for the pharmacies and entered into a letter of intent with a prospective purchaser, but the sale transaction has not proceeded.

BMO is no longer prepared to make the Credit Facilities available to the Borrower and requires the Credit Facilities to be repaid. On behalf of BMO, we hereby demand immediate payment from the Borrower of the outstanding balance on the Credit Facilities in the amount of $4,776,071.58, plus accruing interest thereon and all accrued and accruing costs.

Enclosed is a notice under section 244 of the *Bankruptcy and Insolvency Act* (the "***BIA* Notice**").

Without prejudice to BMO's rights under this demand and the *BIA* Notice, BMO is prepared to discuss with the Borrower terms of a forbearance agreement to allow the Borrower additional time to make arrangements for the repayment of the Credit Facilities in an orderly

[1] To assist with Borrower with its cash flow, the standstill agreement (unsigned) provided that the monthly payments on the demand loans were to be reduced to $10,000 each, plus interest until February 28, 2023.

fashion, subject to terms to be agreed. Failing such an agreement, the Credit Facilities must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand or the *BIA* Notice or an extension of the time period provided for in this demand or the *BIA* Notice unless otherwise confirmed by BMO in writing

Yours truly,

Tony Van Klink

Enclosure
c. Leo Chun

SCHEDULE A

(Credit Facilities[2])

1. Operating loan under account number 2423-1991-215 (formerly account number 2423-1990-677) with a maximum limit of $695,000 ("**Operating Loan No.1**")

2. Operating loan under account number 3997-1983-773 with a maximum limit of $305,000 ("**Operating Loan No.2**")

3. Demand loan, non-revolving under account number 2423-6996-146 ("**Demand Loan No.1**")

4. Demand loan, non-revolving under account number 3997-6994-850 ("**Demand Loan No.2**")

5. Canadian dollar corporate MasterCard account under account number 5264550000056642 ("**MasterCard Account**")

[2] The Borrower has also has a $60,000 Canada Emergency Business Account (5112-4200-0037-8004)

SCHEDULE B

(Outstanding balances as of January 31, 2023)

Operating Loan No.1

• Principal	$	664,826.89
• Interest	$	4,799.86
• Account Fees	$	165.00

Operating Loan No.2

• Principal	$	315,159.10
• Interest	$	2,156.64

Demand Loan No. 1

• Principal	$	2,746,666.96
• Interest	$	19,894.71

Demand Loan No. 12

• Principal	$	1,010,000.00
• Interest	$	7,359.78

MasterCard Account

• Outstanding Balance	$	5,042.64

NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)

TO: HOHS Drugs Limited,
an Insolvent Person

TAKE NOTICE THAT:

1. **Bank of Montreal**, a secured creditor, intends to enforce its security on the property of the insolvent person, being:

   (a) all present and future personal property, whether tangible or intangible and including, without limitation, all inventory, equipment, machinery, fixtures, accounts receivable, monies, choses in action, documents of title, securities and any and all proceeds derived from any dealing therewith.

2. The security that is to be enforced is in the form of:

   (a) General Security Agreements dated December 21, 2018.

3. The total amount of indebtedness secured by the security as at the present time is $4,776,071.58 on account of principal and interest as of January 31, 2023, together with accruing interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.br

DATED at London, Ontario this 6th day of February, 2023.

BANK OF MONTREAL
By its Solicitors
Miller Thomson LLP
2010 – 255 Queens Avenue
London, ON N6A 5R8

Per: _____
Tony Van Klink

INTENTIONALLY BLANK

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

February 6, 2023

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0820

Registered Mail and Email
(huan@modernmeds.ca)

2671020 Ontario Inc.
14578 Warden Avenue
Stouffville, ON L4A 4L6

Attention: Huan Dang, President

Dear Sir:

Re: Guarantee of Indebtedness and Liabilities of HOHS Drugs Limited (the "Borrower") to Bank of Montreal ("BMO")

We are the lawyers for BMO in connection with the credit facilities (the "**Credit Facilities**") made available by BMO to the Borrower.

BMO has demanded payment of the Credit Facilities from the Borrower. A copy our letter to the Borrower in that regard is enclosed for your information.

2671020 Ontario Inc. (the "**Company**") guaranteed payment to BMO of the indebtedness and liabilities of the Borrower under the following Guarantees (the "**Guarantees**"):

1. Guarantee dated December 21, 2018 in the principal amount of $1,805,000; and

2. Guarantee dated May 23, 2019 in the principal amount of $4,545,000.

On behalf of BMO, we hereby demand immediate payment from the Company under the Guarantees of the sum of $4,776,071.58, interest thereon from the date of this letter until payment in full at the rate provided for in the Guarantees, plus all legal costs incurred by BMO.

Yours truly,

Tony Van Klink
TVK/jf

Enclosure
c. Leo Chun
67734306.1

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

February 6, 2023

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0820

Registered Mail and Email
(huan@modernmeds.ca)

HOHS Drugs Limited
14578 Warden Avenue
Stouffville, ON L4A 4L6

Attention: Huan Dang, President

Dear Sir:

Re: Credit Facilities of HOHS Drugs Limited (the "Borrower") with Bank of Montreal ("BMO")

We are the lawyers for BMO.

We refer to the credit facilities (the "**Credit Facilities**") being made available by BMO to the Borrower pursuant to a Letter of Agreement – Amendment and Restatement dated May 9, 2019 (the "**LOA**"), as amended, as listed on Schedule A to this letter. We are advised by BMO that as of January 31, 2023, there was an outstanding balance on the Credit Facilities of $4,776,071.58, the breakdown of which is on Schedule B to this letter.

BMO has concerns regarding the financial performance and viability of the pharmacies operated by the Borrower. In addition, the Borrower has breached its debt service coverage ratio covenant, failed to provide required financial reporting and was unable to make the regularly scheduled payments[1] on the Credit Facilities. In November 2022, BMO proposed terms of a standstill agreement, but the terms were not accepted and the standstill agreement was not signed. The Borrower has been attempting to find a purchaser for the pharmacies and entered into a letter of intent with a prospective purchaser, but the sale transaction has not proceeded.

BMO is no longer prepared to make the Credit Facilities available to the Borrower and requires the Credit Facilities to be repaid. On behalf of BMO, we hereby demand immediate payment from the Borrower of the outstanding balance on the Credit Facilities in the amount of $4,776,071.58, plus accruing interest thereon and all accrued and accruing costs.

Enclosed is a notice under section 244 of the *Bankruptcy and Insolvency Act* (the "***BIA* Notice**").

Without prejudice to BMO's rights under this demand and the *BIA* Notice, BMO is prepared to discuss with the Borrower terms of a forbearance agreement to allow the Borrower additional time to make arrangements for the repayment of the Credit Facilities in an orderly

[1] To assist with Borrower with its cash flow, the standstill agreement (unsigned) provided that the monthly payments on the demand loans were to be reduced to $10,000 each, plus interest until February 28, 2023.

COPY

fashion, subject to terms to be agreed. Failing such an agreement, the Credit Facilities must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand or the *BIA* Notice or an extension of the time period provided for in this demand or the *BIA* Notice unless otherwise confirmed by BMO in writing

Yours truly,

Tony Van Klink

Enclosure
c. Leo Chun

COPY

SCHEDULE A

(Credit Facilities[2])

1. Operating loan under account number 2423-1991-215 (formerly account number 2423-1990-677) with a maximum limit of $695,000 ("**Operating Loan No.1**")

2. Operating loan under account number 3997-1983-773 with a maximum limit of $305,000 ("**Operating Loan No.2**")

3. Demand loan, non-revolving under account number 2423-6996-146 ("**Demand Loan No.1**")

4. Demand loan, non-revolving under account number 3997-6994-850 ("**Demand Loan No.2**")

5. Canadian dollar corporate MasterCard account under account number 5264550000056642 ("**MasterCard Account**")

COPY

[2] The Borrower has also has a $60,000 Canada Emergency Business Account (5112-4200-0037-8004)

SCHEDULE B

(Outstanding balances as of January 31, 2023)

Operating Loan No.1

• Principal	$	664,826.89
• Interest	$	4,799.86
• Account Fees	$	165.00

Operating Loan No.2

• Principal	$	315,159.10
• Interest	$	2,156.64

Demand Loan No. 1

• Principal	$	2,746,666.96
• Interest	$	19,894.71

Demand Loan No. 12

• Principal	$	1,010,000.00
• Interest	$	7,359.78

MasterCard Account

• Outstanding Balance	$	5,042.64

COPY

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MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3509
F 519.858.8511

MILLERTHOMSON.COM

February 6, 2023

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0820

Registered Mail and Email
(huan@modernmeds.ca)

Huan Dang
14578 Warden Avenue
Stouffville, ON L4A 4L6

Dear Sir:

Re: Guarantee of Indebtedness and Liabilities of HOHS Drugs Limited (the "Borrower") to Bank of Montreal ("BMO")

We are the lawyers for BMO in connection with the credit facilities (the "**Credit Facilities**") made available by BMO to the Borrower.

BMO has demanded payment of the Credit Facilities from the Borrower. A copy our letter to the Borrower in that regard is enclosed for your information.

You personally guaranteed payment to BMO of the indebtedness and liabilities of the Borrower under the following Guarantees (the "**Guarantees**"):

1. Guarantee dated December 21, 2018 in the principal amount of $1,805,000; and

2. Guarantee dated May 23, 2019 in the principal amount of $4,545,000.

On behalf of BMO, we hereby demand immediate payment from you, personally, under the Guarantees of the sum of $4,776,071.58, interest thereon from the date of this letter until payment in full at the rate provided for in the Guarantees, plus all legal costs incurred by BMO.

Yours truly,

Tony Van Klink
TVK/jf

Enclosure
c. Leo Chun
67734268.1

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3509
F 519.858.8511

MILLERTHOMSON.COM

February 6, 2023

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0820

Registered Mail and Email (huan@modernmeds.ca)

HOHS Drugs Limited
14578 Warden Avenue
Stouffville, ON L4A 4L6

Attention: Huan Dang, President

Dear Sir:

Re: Credit Facilities of HOHS Drugs Limited (the "Borrower") with Bank of Montreal ("BMO")

We are the lawyers for BMO.

We refer to the credit facilities (the "**Credit Facilities**") being made available by BMO to the Borrower pursuant to a Letter of Agreement – Amendment and Restatement dated May 9, 2019 (the "**LOA**"), as amended, as listed on Schedule A to this letter. We are advised by BMO that as of January 31, 2023, there was an outstanding balance on the Credit Facilities of $4,776,071.58, the breakdown of which is on Schedule B to this letter.

BMO has concerns regarding the financial performance and viability of the pharmacies operated by the Borrower. In addition, the Borrower has breached its debt service coverage ratio covenant, failed to provide required financial reporting and was unable to make the regularly scheduled payments[1] on the Credit Facilities. In November 2022, BMO proposed terms of a standstill agreement, but the terms were not accepted and the standstill agreement was not signed. The Borrower has been attempting to find a purchaser for the pharmacies and entered into a letter of intent with a prospective purchaser, but the sale transaction has not proceeded.

BMO is no longer prepared to make the Credit Facilities available to the Borrower and requires the Credit Facilities to be repaid. On behalf of BMO, we hereby demand immediate payment from the Borrower of the outstanding balance on the Credit Facilities in the amount of $4,776,071.58, plus accruing interest thereon and all accrued and accruing costs.

Enclosed is a notice under section 244 of the *Bankruptcy and Insolvency Act* (the "***BIA* Notice**").

Without prejudice to BMO's rights under this demand and the *BIA* Notice, BMO is prepared to discuss with the Borrower terms of a forbearance agreement to allow the Borrower additional time to make arrangements for the repayment of the Credit Facilities in an orderly

[1] To assist with Borrower with its cash flow, the standstill agreement (unsigned) provided that the monthly payments on the demand loans were to be reduced to $10,000 each, plus interest until February 28, 2023.

COPY

fashion, subject to terms to be agreed. Failing such an agreement, the Credit Facilities must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand or the *BIA* Notice or an extension of the time period provided for in this demand or the *BIA* Notice unless otherwise confirmed by BMO in writing

Yours truly,

Tony Van Klink

Enclosure
c. Leo Chun

COPY

SCHEDULE A

(Credit Facilities[2])

1. Operating loan under account number 2423-1991-215 (formerly account number 2423-1990-677) with a maximum limit of $695,000 ("**Operating Loan No.1**")

2. Operating loan under account number 3997-1983-773 with a maximum limit of $305,000 ("**Operating Loan No.2**")

3. Demand loan, non-revolving under account number 2423-6996-146 ("**Demand Loan No.1**")

4. Demand loan, non-revolving under account number 3997-6994-850 ("**Demand Loan No.2**")

5. Canadian dollar corporate MasterCard account under account number 5264550000056642 ("**MasterCard Account**")

COPY

[2] The Borrower has also has a $60,000 Canada Emergency Business Account (5112-4200-0037-8004)

SCHEDULE B

(Outstanding balances as of January 31, 2023)

Operating Loan No.1

• Principal	$	664,826.89
• Interest	$	4,799.86
• Account Fees	$	165.00

Operating Loan No.2

• Principal	$	315,159.10
• Interest	$	2,156.64

Demand Loan No. 1

• Principal	$	2,746,666.96
• Interest	$	19,894.71

Demand Loan No. 12

• Principal	$	1,010,000.00
• Interest	$	7,359.78

MasterCard Account

• Outstanding Balance	$	5,042.64

COPY

INTENTIONALLY BLANK

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

June 19, 2023

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0820

Registered Mail and Email
(huan@modernmeds.ca)

Huan Dang
14578 Warden Avenue
Stouffville, ON L4A 4L6

Dear Sir:

Re: Guarantee of Indebtedness and Liabilities of HOHS Drugs Limited to Bank of Montreal

Enclosed and being served upon you is a notice under section 244 of the *Bankruptcy and Insolvency Act* with respect to the enforcement by Bank of Montreal of its security in the shares of HOHS Drugs Limited that you have pledged to Bank of Montreal as security for the advances made by Bank of Montreal to HOHS Drugs Limited.

Yours truly,

Tony Van Klink
TVK/jf

Enclosure
c. Leo Chun
70626278.1

NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)

TO: Huan Dang,
an Insolvent Person

TAKE NOTICE THAT:

1. **Bank of Montreal**, a secured creditor, intends to enforce its security on the property of the insolvent person, being:

   (a) 10,103 common shares in HOHS Drugs Limited (Share certificate C-30)

2. The security that is to be enforced is in the form of:

   (a) Hypothecation of Negotiable Collateral for All Loans dated May 23, 2019.

3. The total amount of indebtedness secured by the security as of June 15, 2023 is $4,929,568.48, plus accruing interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 19th day of June, 2023.

BANK OF MONTREAL
By its Solicitors
Miller Thomson LLP
2010 – 255 Queens Avenue
London, ON N6A 5R8

Per: _____
Tony Van Klink

EXHIBIT N

SALE PROCESS AGREEMENT

THIS AGREEMENT made as of the 28th day of April, 2023.

BETWEEN:

BANK OF MONTREAL, a chartered bank under the laws of Canada having an office at 100 King Street West, 19th Floor, Toronto, Ontario

(hereinafter called the "**Bank**")

OF THE FIRST PART

- AND –

HOHS DRUGS LIMITED, an Ontario corporation,

(hereinafter called the "**Borrower**")

OF THE SECOND PART

- AND –

2671020 ONTARIO INC., an Ontario corporation, and **HUAN DANG**, an individual resident in Stouffville, Ontario and the principal of the Borrower

(hereinafter individually called "**267 Ontario**", "**Huan**" and together called the "**Guarantors**")

OF THE THIRD PART

RECITALS

1. The Borrower owns and operates the "Regency Pharmacy" and the "Toronto Manning Drug Mart" pharmacy businesses in the City of Toronto (the "**Business**");

2. The Borrower is indebted to the Bank for credit facilities (the "**Credit Facilities**") with an outstanding balance as of April 27, 2023 of $4,819,273.64 (the "**Outstanding Balance**") extended by the Bank to the Borrower to finance the Business;

3. On February 6, 2023, the Bank demanded payment of the Credit Facilities and gave notice to the Borrower pursuant to s. 244 of the *Bankruptcy and Insolvency Act* of the Bank's intention to enforce the security (the "**Security**") held by it over the assets of Business;

4. The Bank has engaged MC2 Business Advisors Inc. (the "**Consultant**") to solicit interest in and opportunities for the sale of the Business and the Borrower's pre-1954 charter (the "**Sale Process**");

5. It is anticipated that any transaction(s) (each, a "**Transaction**") arising from the Sale Process which BMO wishes to have completed will be completed through a receivership or other form of insolvency process in respect of the Borrower and its assets, undertakings and properties;

6. Prior to the date of this Agreement, the Borrower made payments totalling $150,000 (the "**Payments**") to BRMC Pharmacy Inc. ("**BRMC**") and CFMC Pharmacy Inc. ("**CFMC**") on account of amounts owing by the Borrower to BRMC and CFMC;

7. CFMC and BRMC are companies controlled by Huan's mother, Chi Thi Hoang ("**Hoang**"); and

8. Hoang is a director of the Borrower.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual terms herein set forth, the parties hereto agree as follows:

1.0 <u>Cooperation in Sale Process</u>

1.1 The Borrower and the Guarantors consent to the engagement by BMO of the Consultant to carry out the Sale Process and shall provide their full cooperation to the Consultant in carrying out the Sale Process.

2.0 <u>Operation of Business in Ordinary Course</u>

2.1 During the Sale Process, the Borrower shall continue to operate the Business in the ordinary course and shall deposit all receipts from the Business to its account(s) with the Bank.

2.2 During the Sale Process, the Borrower shall not make any payments to any related persons, as defined in section 4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

2.3 The Bank acknowledges that Hao Dang who is Huan's brother, is employed by the Borrower as a Pharmacy Assistant and Shift Supervisor. The Bank agrees that, notwithstanding Article 2.2 above, Hao Dang may remain as an employee of the Borrower and may be paid his current salary and benefits.

2.4 The Borrower shall follow and give effect to any lawful directions given to it by the Bank and/or the Consultant with respect to the Business, including ceasing the operation of the Business or any part thereof.

3.0 Payments on Credit Facilities

3.1 During the Sale Process the Borrower shall not be required to make any payments on the Credit Facilities.

4.0 Additional Credit

4.1 In the event that additional credit is required by the Borrower to continue operating in the ordinary course during the Sale Process, the Borrower shall advise the Bank of same in writing, including the amount, purpose and date by which the additional credit is required, and shall provide to the Bank such information as the Bank may reasonably request to consider same. The Bank may, but shall not be obligated to, advance further or additional credit to the Borrower.

5.0 Payment for Goods and Services

5.1 During the Sale Process the Borrower shall not obtain or take delivery of any goods or services for which it is unable to pay.

6.0 Completion of Transaction(s)

6.1 The Borrower and the Guarantors shall cooperate with the Bank and take all necessary steps to complete any Transaction(s) which the Bank has advised the Borrower, in writing, that it wants to be completed, including making an assignment in bankruptcy if so requested.

6.2 The Borrower and the Guarantors agree that they will not oppose any enforcement by the Bank of the security held by it over the assets, undertakings and properties of the Borrower including, without limitation, any application (a "**Receivership Application**") by the Bank to the Ontario Superior Court of Justice for the appointment of a receiver or receiver and manager in respect of the Borrower's assets, undertakings and properties, including the Business. The Borrower irrevocably consents to an order appointing a receiver and manager in the form of the model receivership order established by the Commercial Court users committee and irrevocably waives any requirement for service of the Receivership Application upon it.

7.0 Accommodations

7.1 Subject to (i) the Borrower and the Guarantors complying with all of their obligations in this Agreement, and (ii) Hoang fulfilling her duties as a director of the Borrower until such time as all Transactions have been completed, including the fulfilment of all regulatory and accreditation requirements for the operation of the Businesses, the Bank agrees that the liability of the Guarantors to the Bank under their Guarantees for the indebtedness and liabilities of the Borrower to the Bank shall be limited to the Outstanding Balance.

7.2 Subject to Hoang fulfilling her duties as a director of the Borrower until such time as all Transactions have been completed, including the fulfilment of all regulatory and accreditation requirements for the operation of the Businesses, the Bank agrees that it will not challenge or seek the repayment of the Payments or request any third party, including any trustee in bankruptcy or receiver appointed in respect of the Borrower, to challenge or seek the repayment of the Payments. In the event that the Payments are successfully challenged by a party other than the Bank, including any trustee in bankruptcy or receiver appointed in respect of the Borrower, any amounts received by the Bank from same shall be paid by the Bank to Hoang.

8.0 No Transfer or Encumbering of Assets without Bank Consent

8.1 The Borrower shall not sell, lease, dispose of or encumber any part of its assets out of the ordinary course of business without the prior written consent of the Bank.

9.0 Independent Legal Advice

9.1 The Borrower and the Guarantors acknowledge that they have obtained, or had the opportunity to obtain, independent legal advice with respect to entering into this Agreement and have read this Agreement in its entirety, understand its contents and are signing this Agreement freely and voluntarily, without duress or undue influence from any party.

10.0 Miscellaneous

10.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. The Borrower and Guarantors acknowledge and agree that except as herein expressly stated, no representation, statement, understanding, promise, warranty or collateral agreement, either oral or in writing, has been made or

exists relating to this agreement or to induce the Borrower and Guarantors to enter into this Agreement.

10.2 No modification or amendment of this Agreement shall be effective unless in writing and signed by all parties to this Agreement.

10.3 The Borrower and Guarantors agree that they will from time to time upon every reasonable request of the Bank do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, documents and assurances whatsoever for the better effecting of the provisions of this Agreement in accordance with its true intent.

10.4 This Agreement shall be binding upon the parties and each of their respective successors and assigns.

10.5 Time will, in all respects, be of the essence in this Agreement, and no extension of time or variation of any term of this Agreement will operate as a waiver of this provision.

10.6 This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Transmission by facsimile or electronic transmission in PDF format of an executed copy of this Agreement shall be deemed to and constitute due and sufficient delivery of such counterpart.

[*Signature page follows*]

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

BANK OF MONTREAL

Per: _____

Name: Leo Chun

Title: Account Manager

I have authority to bind the Bank

HOHS DRUGS LIMITED

Per: _____

Name: Huan Dang

Title: President

I have authority to bind the Company

2671020 ONTARIO INC.

Per: _____

Name: Huan Dang

Title: President

I have authority to bind the Company

_____

HUAN DANG, in his personal capacity

EXHIBIT O

CONFIDENTIALITY UNDERTAKING

TO: Grant Thornton Limited, as prospective Court-appointed receiver (the "**Receiver**") of the assets, undertakings, properties and shares (collectively, the "**Property**") of HOHS Drugs Limited ("**HOHS**")

AND TO: Bank of Montreal ("**BMO**")

FROM: David Barrett ("**Barrett**) and David Barrett Medicine Professional Corporation ("**Barrett MPC**")

RE: Confidential information regarding proposed sale transactions for the Property to be completed by the Receiver pursuant to an application to be commenced by BMO in the Ontario Superior Court of Justice (the "**Court**")

Recitals

1. BMO, Barrett and Barrett MPC are each secured creditors of HOHS;

2. BMO intends to commence an application (the "**Application**") for the appointment by the Court of Grant Thornton Limited as receiver of the Property;

3. In the Application, court approval will be sought for proposed transactions (the "**Transactions**") to be completed by the Receiver for the purchase and sale of the Property;

4. Barrett and Barrett MPC have confirmed that they do not intend to make an offer to purchase the Property, or any part thereof; and

5. Subject to the terms of this Confidentiality Undertaking, BMO has agreed to provide to Barrett and Barrett MPC confidential information (the "**Confidential Information**") with respect to the Transactions to allow them to consider their position on the Application.

NOW THEREFORE for $1.00 and other good and valuable consideration, Barrett and Barrett MPC do each hereby undertake and agree as follows:

1. Barrett and Barrett MPC shall keep confidential the Confidential Information, and shall not disclose the Confidential Information in any manner whatsoever including in any motion materials to be filed or submissions to be made in the Application. Barrett and Barrett MPC shall use the Confidential Information solely to evaluate the proposed Transactions in connection with the Application and not directly or indirectly for any other purpose;

2. Barrett and Barrett MPC will not, in any manner, directly or indirectly, alone or jointly or in concert with any other person (including by providing financing to any other person), effect, seek, offer or propose, in any way assist, advise or encourage any other person to effect, seek, offer or propose, whether publicly or otherwise, any acquisition of the Property, or any part thereof, during the course of the receivership pursuant to the Application;

3. Barrett and Barrett MPC may disclose the Confidential Information to their legal counsel and financial advisors (the "**Advisors**") but only to the extent that the Advisors need the Confidential Information for the purposes described in Paragraph 1 hereof, have been informed of the confidential nature of the Confidential Information, are directed by Barrett and Barrett MPC to hold the Confidential Information in the strictest confidence, and agree to act in accordance with the terms and conditions of this Confidentiality Undertaking. Barrett and Barrett MPC shall cause the Advisors to observe the terms of this Confidentiality Undertaking and is responsible for any breach by the Advisors of any of the provisions of this Confidentiality Undertaking; and

4. The obligations set out in this Confidentiality Undertaking shall expire on the earlier of: (a) an order of the Court unsealing the Confidential Information; and (b) the closing of the sales of the Property by the Receiver.

IN WITNESS WHEREOF the undersigned has executed this Confidentiality Undertaking this 6 day of February, 2024.

DAVID BARRETT

DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION

Per:

David Barrett

I have authority to bind the Corporation

EXHIBIT P

From: Van Klink, Tony <tvanklink@millerthomson.com>
Sent: Tuesday, February 13, 2024 6:12 PM
To: Peter Smiley
Subject: HOHS [MTDMS-Legal.FID11347087]
Attachments: 66361206_1_LOI for HOHS Drugs Limited - Toronto Manning Drug Mart signed.PDF; 66361201_1_LOI for HOHS Drugs Limited - Regency Pharmacy signed.PDF; 73637461_1_Manning-SunshineLOI - Fully Signed.PDF; 73681832_1_Signed LOI - Regency Pharmacy.PDF; 74335427_4_Share Purchase Agreement (February 6, 2024) DRAFT.DOCX; 74335660_4_Asset Purchase Agreement - Regency Assets (January 17, 2024) DRAFT.DOCX

THE INFORMATION PROVIDED IN THIS EMAIL AND THE ATTACHMENTS IS CONFIDENTIAL AND IS SUBJECT TO THE CONFIDENTIALITY UNDERTAKING SIGNED BY DR. BARRETT AND DAVID BARRETT MEDICINE PROFESSIONAL CORPORATION

Peter,

HOHS Drugs Limited (HOHS) is indebted to Bank of Montreal (BMO) for approximately $5 million, plus accruing interest and costs. HOHS' loans with BMO are being managed by the special accounts management unit (SAMU). The SAMU manages higher risk loans.

In November, 2022, HOHS entered into letters of intent with a prospective purchaser for the sale of the assets of the Manning and Regency locations. The purchase price was $[redacted], plus inventory for Manning and $[redacted], plus inventory for Regency. The value of the Regency location was impaired after the departure of the practicing physicians from that location. Copies of the letters of intent are attached.

The proposed sales did not include the HOHS "charter".

The purchaser ultimately decided not to proceed with either transaction.

In March/April 2023, BMO engaged Grant Thornton Limited (GT) and MC2 Business Advisors Inc. (MC2) to canvass the market for the assets and charter. Through those efforts, separate purchasers have been identified for the assets of the Regency Pharmacy location and the shares of HOHS (which will include the assets of the Manning location).

Attached are copies of the following:

1. Letter of Intent dated November 24, 2023 between BMO and the Sunshine Drugs Family of Pharmacies;
2. Draft Share Purchase Agreement between GT and Sunshine for the HOHS shares;
3. Letter of Intent dated November 24, 2023 for the assets of the Regency Pharmacy; and
4. Draft Asset Purchase Agreement between GT and the purchaser for the assets of the Regency Pharmacy

While the SPA and APA are well advanced, they remain in draft form and subject to change. We are working towards getting the agreements finalized and signed, hopefully, within the next week.

The sale price for the HOHS shares is $[redacted], plus the value of the inventory calculated in the manner provided for in section 3.5 of the draft SPA. The purchase price is subject to a potential downward adjustment of up to $[redacted] based on lost revenues arising from the departure of Dr. Chan as provided for in section 3.6 of the SPA. Section 3.7 provides for a reserve of $[redacted] for potential claims relating to ODB and McKesson.

The sale price for the Regency Pharmacy assets is $[redacted], plus the value of the inventory calculated in the manner provided for in section 3.4 of the draft APA.

It is my understanding that McKesson has a PMSI over the inventory, although I have not yet seen its security.

As set out in the Letters of Intent and draft Agreements, and as we briefly discussed before, BMO intends to bring an application on the Commercial List for the appointment of GT as receiver. At the same time, a motion will be brought for the approval of the transactions and a vesting order for the Regency Pharmacy assets and a reverse vesting order for the HOHS shares.

BMO holds the first ranking security over the assets (subject to any PMSI that McKesson may have on the inventory) and the HOHS shares. The proceeds from the transactions will not be insufficient to satisfy the BMO secured indebtedness.

I would be pleased to discuss with you after you have reviewed and discussed with Dr. Barrett.

TONY VAN KLINK
Partner

MILLER THOMSON LLP
One London Place
255 Queens Avenue, Suite 2010
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C +1 519.636.7425
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View my web page

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TAB 3

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

)	TUESDAY, THE 11TH
)	
)	DAY OF JUNE, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECEIVERSHIP ORDER

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 Grant Thornton Limited ("**GTL**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the issued and outstanding shares in the capital of HOHS Drugs Limited (the "**Debtor**") and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Affidavit of Leo Chun sworn May 29, 2024 (the "**Chun Affidavit**") and the Exhibits thereto and the pre-filing report to the Court submitted by GTL in its capacity as

proposed Receiver dated May [●], 2024 (the "**Report**") and on hearing the submissions of counsel for the Applicant, counsel for GTL and all other counsel on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed, and on reading the Consent of GTL to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this 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, GTL is hereby appointed Receiver, without security, of all of the issued and outstanding shares in the capital of the Debtor owned by the Respondent, Huan Dang (the "**Shares**"), and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Pharmacy Property**" and together with the Shares, the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Debtor shall remain in possession of the Pharmacy Property and shall continue to operate the Debtor's business as described in the Chun Affidavit (the "**Business**") in the ordinary course pending the completion of the transactions provided for in the Regency APA and Manning SPA, each as defined in the Chun Affidavit (the "**Transactions**").

4. **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) countersign and deliver the Regency APA and/or the Manning SPA, and once the Regency APA and/or the Manning SPA is approved by the Court, perform the obligations of the Receiver contemplated by the Regency APA and/or the Manning SPA;

(b) to monitor, take possession of and exercise control over any of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(c) to take physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(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 receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(f) to settle, extend or compromise any indebtedness owing to the Debtor;

(g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required;

(j) 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;

(k) 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;

(l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(o) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(p) to contact, make any necessary inquiries and obtain information pertaining to the Debtor from the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company; and

(q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including, but not limited to the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any patient records and prescription information ("**Patient Records**"), books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information, (the foregoing, collectively with the Patient Records, the "**Records**") in that Person's possession or control, and shall 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 6 or in paragraph 7 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.

7. **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.

8. **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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) exempt the Debtor from inspection pursuant to section 14 of the *Ontario Drug Benefit Act*.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

14. **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

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

PIPEDA

16. **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 the Regency Purchaser and Manning Purchaser, each as defined in the Chun Affidavit and together the "**Purchasers**", for the purpose of completing the Transactions. Each of the Purchasers shall maintain and protect the privacy of such information and limit the use of such information for the purpose of completing the Transactions, and if its respective Transaction is not completed, shall return all such information to the Receiver, or in the alternative destroy all such information. The Purchasers shall be entitled to continue to use the personal information provided to them, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

17. **THIS COURT ORDERS** that, pursuant to section 42 of the Ontario *Personal Health Information Protection Act, 2004* ("**PHIPA**"), the Receiver shall only disclose personal health information to the Purchasers for the purpose of allowing the Purchasers to assess and evaluate

the operations of the Debtor , provided that in advance of such disclosure the Purchaser signs an acknowledgment 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 purpose of the assessment and evaluation and if its respective Transaction is not completed, shall return all such information to the Receiver, or in the alternative destroy all such information and provide the Receiver with confirmation of such destruction. Such acknowledgment shall be deemed to be an agreement between the Receiver and the Purchasers for the purposes of section 42 of the PHIPA.

18. **THIS COURT ORDERS** that 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 custody or control of records of personal health information held by the Debtor for the purposes of PHIPA, unless it is actually in custody or control of such records of personal health information.

LIMITATION ON ENVIRONMENTAL LIABILITIES

19. **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

20. **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

21. **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.

22. **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.

23. **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

24. **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.

25. **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.

26. **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.

27. **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

28. **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.grantthornton.ca/HOHSDrugs'.

29. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

30. **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.

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

32. **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.

33. **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.

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

35. **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.

36. **THIS COURT ORDERS** that the confidential exhibits to the Chun Affidavit and the confidential appendices to the Report shall be sealed until the earlier of (a) the completion of the Transactions, and (b) further order of this Court.

37. **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 Debtor's 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 judicial 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 Grant Thornton Limited, the receiver (the "**Receiver**") of all of the issued and outstanding shares in the capital of HOHS Drugs Limited (the "**Debtor**") and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the [●] day of [●], 2024 (the "**Order**") made in an action having Court file number [●]-CL-, 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.

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

2. 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.

3. 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.

4. 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 May, 2024.

Grant Thornton Limited, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:
Title:

BANK OF MONTREAL and HOHS DRUGS LIMITED and HUAN DANG Court File No.

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPOINTMENT ORDER

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Lawyers for the Applicant,
Bank of Montreal

TAB 4

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

)	TUESDAY THE 11TH
)	
)	DAY OF JUNE, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

APPROVAL AND VESTING ORDER
(Manning Transaction)

THIS APPLICATION made by Bank of Montreal ("**BMO**") for an order, among other things: (i) approving the share purchase agreement dated April 4, 2024 (the "**Purchase Agreement**") between Grant Thornton Limited ("**GTL**") in its capacity as the court-appointed receiver and manager (the "**Receiver**") of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the "**Debtor**") and Frank Murgic Pharmacist Professional Corporation, or its assignee or nominee (the "**Purchaser**"), for the purchase and sale of all of the issued and outstanding shares in the capital of the Debtor (the "**Shares**"), (ii) adding [●] ("**ResidualCo**") as a Respondent in these receivership proceedings in order to carry out the transactions contemplated by the Purchase Agreement (collectively, the "**Transaction**"); (iii) transferring and vesting all of the Respondents' right, title and interest in and

to the Excluded Liabilities, Excluded Assets, and Excluded Contracts (each as defined in the Purchase Agreement) in and to ResidualCo; (iii) vesting all of the right, title and interest in and to the Shares in the Purchaser; and (v) discharging all Encumbrances against the Debtor and the Retained Assets other than Permitted Encumbrances, if any; was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Affidavit of Leo Chun sworn May 29, 2024 and the Exhibits thereto, the pre-filing report to the Court of GTL in its capacity as proposed Receiver dated May [●], 2024, and on hearing the submissions of counsel for BMO and GTL and all other counsel on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments (including to the Schedules) as the parties may deem necessary. The Receiver is hereby authorized and directed to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

3. **THIS COURT ORDERS AND DECLARES** that this order shall constitute the only authorization required by the Receiver to proceed with the Transaction including, without

limitation, the Pre-Closing Reorganization, and that no shareholder or other approval shall be required in connection therewith.

4. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Receiver's certificate to the Purchaser, substantially in the form attached as **Schedule** "**A**" hereto (the "**Receiver's Certificate**"), the following steps shall occur and shall be deemed to have occurred in the sequence as set out in the Pre-Closing Reorganization and as set out below (the "**Reorganization Steps**"), provided that the Pre-Closing Reorganization as set out below may be amended to implement the Transaction on such terms as may be agreed by the parties:

(a) First, all of the Debtor's right, title and interest in and to the Excluded Assets shall transfer to, and vest absolutely and exclusively in, ResidualCo and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, together with any and all encumbrances, 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, "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the order dated June 11, 2024 (the "**Appointment Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property

Security Act (Ontario) or any other personal property registry systems; (all of which are collectively referred to as the "**Encumbrances**") shall continue to attached to the Excluded Assets with the same nature and priority as they had immediately prior to the transfer;

(b) Second, all of the Excluded Liabilities (which, for greater certainty, includes all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise), shall transfer to, be assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Debtor, and the Debtor and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (including, for certainty, the Retained Assets, the "**Debtor's Property**") shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and Encumbrances affecting or relating to the Debtor's Property are hereby expunged and discharged as against the Debtor's Property;

(c) Third, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any person and are convertible or exchangeable for any securities of the Debtor, or which require the issuance, sale or transfer by the Debtor, of any shares or other securities of the Debtor and/or the

share capital of the Debtor, or otherwise relating thereto, shall be deemed terminated and cancelled;

(d) Fourth, all right, title and interest in and to the Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all Claims and Encumbrances and, for greater certainty, this court orders that all of the Claims and Encumbrances affecting or relating to the Shares are hereby expunged and discharged as against the Shares; and

(e) Sixth, the Debtor shall, and shall be deemed to, cease to be a Respondent in these receivership proceedings, and shall be deemed to be released from the purview of the Appointment Order of Justice Conway dated June 11, 2024 (the "**Appointment Order**") and all other orders of this Court granted in respect of these receivership proceedings, save and except for this order, the provisions of which shall continue to apply in all respects.

5. **THIS COURT ORDERS** that, following the Closing Time, and notwithstanding the Debtor ceasing to be Respondent in these receivership proceedings, the Receiver (or any successor in interest thereto and any licensed insolvency trustee appointed in respect of ResidualCo) shall be authorized to take all steps as may be necessary to uphold any and all obligations arising from the *Wage Earner Protection Program Act,* SC 2005, c 47 ("**WEPPA**"), including: (i) working with the management of the Debtor and/or the Purchaser to identify the Terminated Employees and to determine the amounts owed to Terminated Employees; (ii) providing Service Canada and Terminated Employees with information necessary to establish eligibility for payment pursuant to WEPPA; and (iii) administering the WEPPA claims process generally.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof in connection with the Transaction.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Shares (the "**Proceeds**"), and the Excluded Assets, if any, shall stand in the place and stead of the Shares and Retained Assets, and that from and after the delivery of the Receiver's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Shares and Retained Assets immediately prior to the Transaction.

8. **THIS COURT ORDERS** that, upon delivery of the Receiver's Certificate, the Purchaser, its counsel, and/or their respective agents, shall be authorized to file or register, as applicable, all such financing change statements and other instruments as may be necessary to cancel and discharge all registrations against the Debtor pursuant to the *Personal Property Security Act* (Ontario) or any similar legislation.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Debtor or the Receiver, as the case may be, are each authorized and permitted to disclose to the Purchaser all human resources and payroll information in the Debtor's records pertaining to past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law 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.

10. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time and without limiting the provisions of paragraph 4 hereof, the Purchaser, the Receiver and the Debtor shall be deemed released from any and all Claims and Encumbrances with respect to or arising from any taxes (including penalties and interest thereon) of, or that relate to, the Debtor (provided, as it relates to the Debtor, such release shall not apply to Taxes in respect of the business and operations conducted by the Debtor after the Closing Time) including, without limiting the generality of the foregoing, all taxes that could be assessed against the Purchaser or the Debtor pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), or any provincial equivalent, in connection with the Debtor.

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Purchase Agreement, all Assumed Contracts as at the delivery of the Receiver's Certificate will be and remain in full force and effect upon and following delivery of the Receiver's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Receiver's Certificate that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtor);

(b) the insolvency of the Debtor;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Purchase Agreement, the Transaction or the provisions of this order, or any other order of the court in these receivership proceedings; or

(d) any transfer of assignment, or any direct or indirect change of control of the Debtor, or other step arising from the implementation of the Purchase Agreement, the Transaction, the Pre-Closing Reorganization or the provisions of this order.

12. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Assumed Contract, existing between such Person and the Debtor arising directly or indirectly from the filing of the receivership proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 11 hereof.

13. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Debtor or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims,

obligations and other matters which are waived, released, expunged or discharged pursuant to this order.

14. **THIS COURT ORDERS** that, from and after the Closing Time:

(a) the nature of the Retained Liabilities assumed by the Purchaser or retained by the Debtor, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Closing Time had a valid right or claim against the Debtor under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Debtor but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) any Person with an Excluded Liability Claim against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo as such Person had against the Debtor in respect of that Excluded Liability Claim prior to the Closing Time.

15. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, ResidualCo shall be added as a Respondent in these receivership proceedings and all references in any order of this court in respect of these proceedings to (i) a "Respondent" shall be deemed to refer to and include ResidualCo, and (ii) the "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof, of ResidualCo (collectively, the "**ResidualCo Property**"), and, for greater certainty, the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Appointment Order) shall constitute a charge on the ResidualCo Property.

16. **THIS COURT ORDERS** that, notwithstanding:

(e) the pendency of these proceedings;

(f) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of any of the Respondents or ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(g) any assignment in bankruptcy made in respect of any of the Respondents or ResidualCo;

the Purchase Agreement, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo), and any payments by the Purchaser or the Debtor authorized herein or pursuant to the Purchase Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and/or ResidualCo and shall not be void or voidable by creditors of the Respondents or ResidualCo, as

applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

17. **THIS COURT ORDERS** that, in addition to its prescribed rights and obligations under the BIA, the Receiver is authorized, entitled and empowered to assign or cause to be assigned, at any time after the Closing Date, ResidualCo into bankruptcy and to take any steps incidental thereto, and the Receiver shall be authorized and empowered, by not obligated, to act as trustee in bankruptcy in respect of ResidualCo.

18. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Receiver and its directors, officers, legal counsel, employees and representatives shall not be deemed to be directors, officers or employees of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this order, other than any liability as a direct result of the gross negligence or willful misconduct of the Receiver.

19. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to

BANK OF MONTREAL

Applicant

and

● ONTARIO INC., HOHS DRUGS LIMITED AND HUAN DANG

Respondents

GENERAL

20. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Shares and the Retained Assets.

21. **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.

22. **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.

23. **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.

24. **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.

25. **THIS COURT ORDERS** that this order is effective from the date that it is made and is enforceable without any need for entry and filing, provided that the transaction steps set out in paragraph 4 shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 4.

SCHEDULE "A"
RECEIVER'S CERTIFICATE

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECITALS

A. Pursuant to an Order of the Honourable [●] of the Ontario Superior Court of Justice (the "**Court**") dated June 11, 2024, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the "**Debtor**").

B. Pursuant to an Order of the Court dated June 11, 2024, the Court approved the share purchase agreement made as of April 4, 2024 (the "**Purchase Agreement**") between the Receiver and Frank Murgic Pharmacist Professional Corporation (the "**Purchaser**") and ordered, *inter alia*, that: (i) all of the Respondents' right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vested in ResidualCo; and (iii) all of the right, title and interest in and to the issued and outstanding shares of the Debtor (the "**Shares**") shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming that the conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, and 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 Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Cash Purchase Price payable at the Closing Time pursuant to the Purchase Agreement;

2. The conditions to Closing as set out in Article 8 of the Purchase 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].

GRANT THORNTON LIMITED, solely in its capacity as the Court-appointed receiver of all of the issued and outstanding shares in the capital of HOHS Drugs Limited and of the assets, undertaking and properties of HOHS Drugs Limited, and not in its personal or corporate capacities

Per: _____

Name:

Title:

BANK OF MONTREAL and HOHS DRUGS LIMITED and HUAN DANG Court File No.

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPROVAL AND VESTING ORDER
(RETURNABLE JUNE 11, 2024)

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Lawyers for the Applicant,
Bank of Montreal

TAB 5

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

)	TUESDAY THE 11TH
)	
)	DAY OF JUNE, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

APPROVAL AND VESTING ORDER
(Regency Transaction)

THIS APPLICATION made by Bank of Montreal ("**BMO**") for an order, among other things: (i) approving the asset purchase agreement (the "**Purchase Agreement**") between Grant Thornton Limited ("**GTL**") in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the "**Debtor**") and 1000801194 Ontario Inc. (the "**Purchaser**") dated April 17, 2024 and the transaction contemplated thereby (the "**Transaction**"); and (ii) vesting in the Purchaser all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement); was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Affidavit of Leo Chun sworn May 29, 2024 and the Exhibits thereto, the pre-filing report to the Court of GTL in its capacity as proposed Receiver dated May [●], 2024, and on hearing the submissions of counsel for BMO, GTL and all other counsel on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

APPROVAL OF THE TRANSACTION AND VESTING OF ASSETS

2. **THIS COURT ORDERS AND DECLARES** that the Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments (including to the Schedules) as the parties may deem necessary. The Receiver is hereby authorized and directed to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the 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 Purchased 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, pledges, rights or options to acquire, or other claims of any kind or nature

whatsoever, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, whether or not they have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated June 11, 2024; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule** "**B**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that 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.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **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 Business. 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.

7. **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) (the "**BIA**") in respect of any of the Respondents and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Respondents;

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 any of the Respondents and shall not be void or voidable by creditors of the Respondents, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **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.

9. **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.

10. **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.

11. **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.

12. **THIS COURT ORDERS** that this order is effective from the date that it is made and is enforceable without any need for entry and filing.

SCHEDULE "A"
RECEIVER'S CERTIFICATE

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECITALS

A. Pursuant to an Order of the Honourable [●] of the Ontario Superior Court of Justice (the "**Court**") dated June 11, 2024, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the "**Debtor**").

B. Pursuant to an Order of the Court dated June 11, 2024, the Court approved the asset purchase agreement made as of April 17, 2024 (the "**Purchase Agreement**") between the Receiver and 1000801194 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the Purchase 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 Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Cash Purchase Price payable at the Closing Time pursuant to the Purchase Agreement;

2. The conditions to Closing as set out in Article 7 of the Purchase 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].

GRANT THORNTON LIMITED, solely in its capacity as the Court-appointed receiver of all of the issued and outstanding shares in the capital of HOHS Drugs Limited and of the assets, undertaking and properties of HOHS Drugs Limited, and not in its personal or corporate capacities

Per: _____

Name:

Title:

Schedule "B"

Permitted Encumbrances

N/A

BANK OF MONTREAL and HOHS DRUGS LIMITED and HUAN DANG Court File No.

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPROVAL AND VESTING ORDER
REGENCY TRANSACTION
(RETURNABLE JUNE 11, 2024)

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Lawyers for the Applicant,
Bank of Montreal

TAB 6

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE JUSTICE	)))	TUESDAY, THE 11TH WEEKDAY, THE # DAY OF MONTH, 20YRJUNE, 2024

PLAINTIFF[1]

Plaintiff

B E T W E E N:

BANK OF MONTREAL

Applicant

and

DEFENDANT

Defendant

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECEIVERSHIP ORDER
(appointing Receiver)

[1] The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an

THIS MOTION**APPLICATION** made by the Plaintiff[2]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 [RECEIVER'S NAME]Grant Thornton Limited (“**GTL**”) as receiver [and manager] (in such capacities, the "“**Receiver**"”) without security, of all of the issued and outstanding shares in the capital of HOHS Drugs Limited (the “**Debtor**”) and all of the assets, undertakings and properties of [DEBTOR'S NAME] (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the affidavitAffidavit of [NAME]Leo Chun sworn [DATE]May 29, 2024 (the “**Chun Affidavit**”) and the Exhibits thereto and the pre-filing report to the Court submitted by GTL in its capacity as proposed Receiver dated May [●], 2024 (the “**Report**”) and on hearing the submissions of counsel for [NAMES]the Applicant, counsel for GTL and all other counsel on the Counsel Slip, no one appearing for [NAME]any other party although duly served as appears from the affidavitAffidavit of service of [NAME] sworn [DATE]Service, filed, and on reading the consentConsent of [RECEIVER'S NAME]GTL to act as the Receiver,

SERVICE

application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

[2] Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

1. **THIS COURT ORDERS** that the time for service of the Notice of MotionApplication and the MotionApplication Record is hereby abridged and validated[3] 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, [RECEIVER'S NAME]GTL is hereby appointed Receiver, without security, of all of the issued and outstanding shares in the capital of the Debtor owned by the Respondent, Huan Dang (the "**Shares**"), and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the ""**Pharmacy Property**"" and together with the Shares, the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Debtor shall remain in possession of the Pharmacy Property and shall continue to operate the Debtor's business as described in the Chun Affidavit (the "**Business**") in the ordinary course pending the completion of the transactions provided for in the Regency APA and Manning SPA, each as defined in the Chun Affidavit (the "**Transactions**").

4. 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:

[3] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

(a) countersign and deliver the Regency APA and/or the Manning SPA, and once the Regency APA and/or the Manning SPA is approved by the Court, perform the obligations of the Receiver contemplated by the Regency APA and/or the Manning SPA;

(b) (a) to monitor, take possession of and exercise control over any of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(c) (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 oftake physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(a) to engage pharmacists, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(b) (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(c) (g) to settle, extend or compromise any indebtedness owing to the Debtor;

(d) (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver'’s name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(e) (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.[4] The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

[4] This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

(f) (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 $_____, provided that the aggregate consideration for all such transactions does not exceed $_____; 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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,][5] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.;

(g) (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaserPurchaser or purchasersPurchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(h) (m) 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;

(i) (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

[5] If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

(j) (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(k) (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(l) (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(m) to contact, make any necessary inquiries and obtain information pertaining to the Debtor from the Ontario College of Pharmacists, the Ministry of Health and Long-Term Care, the Ontario Drug Benefit Program and any insurance company; and

(n) (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. 5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any patient records and prescription information ("**Patient Records**"), books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information, (the foregoing, collectively with the Patient Records, the "**Records**") in that Person's possession or control, and shall 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 56 or in paragraph 67 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.

7. 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.

8. 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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. 10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien, or (v) exempt the Debtor from inspection pursuant to section 14 of the *Ontario Drug Benefit Act*.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

14. 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

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

PIPEDA

16. 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 disclosedthe Regency Purchaser and Manning Purchaser, each as defined in the Chun Affidavit and together the “**Purchasers**”, for the purpose of

completing the Transactions. Each of the Purchasers shall maintain and protect the privacy of such information and limit the use of such information to its evaluationfor the purpose of completing the SaleTransactions, and if it doesits respective Transaction is not complete a Salecompleted, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any PropertyPurchasers shall be entitled to continue to use the personal information provided to itthem, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

17. **THIS COURT ORDERS** that, pursuant to section 42 of the Ontario *Personal Health Information Protection Act, 2004* ("**PHIPA**"), the Receiver shall only disclose personal health information to the Purchasers for the purpose of allowing the Purchasers to assess and evaluate the operations of the Debtor , provided that in advance of such disclosure the Purchaser signs an acknowledgment 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 purpose of the assessment and evaluation and if its respective Transaction is not completed, shall return all such information to the Receiver, or in the alternative destroy all such information and provide the Receiver with confirmation of such destruction. Such acknowledgment shall be deemed to be an agreement between the Receiver and the Purchasers for the purposes of section 42 of the PHIPA.

18. **THIS COURT ORDERS** that 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 custody or control of records of personal health information held by the Debtor for the purposes of PHIPA, unless it is actually in custody or control of such records of personal health information.

LIMITATION ON ENVIRONMENTAL LIABILITIES

19. 16. **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

20. 17. **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

21. 18. **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.[6]

22. 19. **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 judgeJudge of the Commercial List of the Ontario Superior Court of Justice.

[6] Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

23. 20. **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

24. 21. **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.

25. 22. **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.

26. 23. **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.

27. 24. **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

28. 25. **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.grantthornton.ca/HOHSDrugs'.

29. 26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other

correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

30. 27. **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.

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

32. 29. **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.

33. 30. **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.

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

35. 32. **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.

36. **THIS COURT ORDERS** that the confidential exhibits to the Chun Affidavit and the confidential appendices to the Report shall be sealed until the earlier of (a) the completion of the Transactions, and (b) further order of this Court.

37. **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 Debtor's 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 judicial 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 [RECEIVER'S NAME]Grant Thornton Limited, the receiver (the "“**Receiver**"”) of all of the issued and outstanding shares in the capital of HOHS Drugs Limited (the “**Debtor**”) and all of the assets, undertakings and properties [DEBTOR'S NAME]of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "“Court"”) dated the [●] day of [●], 20 2024 (the "“**Order**"”) made in an action having Court file number [●]-CL-_____, 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.

1. 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.

2. 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.

3. 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.

4. 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 _____May, 20__2024.

[RECEIVER'S NAME]Grant Thornton Limited, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:
Title:

BANK OF MONTREAL	and	HOHS DRUGS LIMITED and HUAN DANG	Court File No.
Applicant		Respondents	

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPOINTMENT ORDER

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Lawyers for the Applicant,
Bank of Montreal

Document comparison by Workshare Compare on Friday, May 31, 2024 8:52:18 AM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/76916399/1
Description	#76916399v1<Legal> - Model receivership-order-EN
Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/77350014/2
Description	#77350014v2<Legal> - Final Draft Appointment Order (as of May 30, 2024) - To be served
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	220
Deletions	214
Moved from	2
Moved to	2
Style changes	0
Format changes	0
Total changes	438

TAB 7

Court File No. ———

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

	)	TUESDAY THE 11TH
	)	
THE HONOURABLE	)	WEEKDAY, THE #
JUSTICE	)	DAY OF MONTH,
	)	20YRJUNE, 2024

B E T W E E N:

PLAINTIFF

Plaintiff

-

BANK OF MONTREAL

Applicant

and—

DEFENDANT

Defendant

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

APPROVAL AND VESTING ORDER
(Regency Transaction)

THIS MOTION,**APPLICATION** made by [RECEIVER'S NAME]Bank of Montreal ("**BMO**") for an order, among other things: (i) approving the asset purchase agreement (the "**Purchase Agreement**") between Grant Thornton Limited ("**GTL**") in its capacity as the

Court-appointed receiver and manager (the "“**Receiver**"”) of the property, assets, and undertaking of, property and assetsall of [DEBTOR]the issued and outstanding shares in the capital of, HOHS Drugs Limited (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]and 1000801194 Ontario Inc. (the "“**Purchaser**"”) dated [DATE]April 17, 2024 and appended to the Report of the Receiver dated [DATE]transaction contemplated thereby (the "Report"“**Transaction**”),; and (ii) vesting in the Purchaser all of the Debtor’s right, title and interest in and to the assets describedPurchased Assets (as defined in the SalePurchase Agreement (the "Purchased Assets"),; was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Report Affidavit of Leo Chun sworn May 29, 2024 and the Exhibits thereto, the pre-filing report to the Court of GTL in its capacity as proposed Receiver dated May [●], 2024, and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING]BMO, GTL and all other counsel on the Counsel Slip, no one appearing for any other person on the service list,party although properlyduly served as appears from the affidavitAffidavit of [NAME] sworn [DATE]Service, filed[1]:,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

APPROVAL OF THE TRANSACTION AND VESTING OF ASSETS

[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

2. **THIS COURT ORDERS AND DECLARES** that the Purchase Agreement and the Transaction ~~is~~be and are hereby approved~~,~~[2] and the execution of the ~~Sale~~Purchase Agreement by the Receiver[3] is hereby authorized and approved, with such minor amendments (including to the Schedules) as the ~~Receiver~~parties may deem necessary. The Receiver is hereby authorized and directed to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable ~~for the completion of~~to effect the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of ~~a~~the 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~~Purchased Agreement ~~[and listed on Schedule B hereto]~~[4] 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, pledges, rights or options to acquire, or other ~~financial or monetary~~ claims of any kind or nature whatsoever, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, whether or not they have attached or been perfected,

~~[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

~~[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

~~[4] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

registered or filed, and whether secured, unsecured or otherwise (collectively, the "“**Claims**"[5]”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME]Conway dated [DATE]June 11, 2024; and (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 C hereto (, all of which are collectively referred to as the "“**Encumbrances**"”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule** D“**B**”) 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 upon the registration in the Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION} of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*][6], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

[5] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

[6] Elect the language appropriate to the land registry system (Registry vs. Land Titles).

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds[7] 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[8], 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.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver'’s Certificate, forthwith after delivery thereof.

6. **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 Company'Debtor’s records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale AgreementBusiness. 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.

7. **THIS COURT ORDERS** that, notwithstanding:

[7] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

[8] This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

(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) (the "**BIA**") in respect of any of the ~~Debtor~~Respondents and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the ~~Debtor~~Respondents;

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 any of the ~~Debtor~~Respondents and shall not be void or voidable by creditors of the ~~Debtor~~Respondents, 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)~~BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS**~~ AND DECLARES~~ that the ~~Transaction is exempt from the application of the *Bulk Sales Act* (Ontario)~~Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

9. **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.

~~**Schedule A – Form of Receiver's Certificate**~~

10. **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.

11. **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.

12. **THIS COURT ORDERS** that this order is effective from the date that it is made and is enforceable without any need for entry and filing.

_____

SCHEDULE "A"
RECEIVER'S CERTIFICATE

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

PLAINTIFF

Plaintiff

-

BANK OF MONTREAL

Applicant

and—
DEFENDANT

Defendant

RECEIVER'S CERTIFICATE

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECITALS

A. A. Pursuant to an Order of the Honourable [NAME OF JUDGE●] of the Ontario Superior Court of Justice (the "“**Court**"”) dated [DATE OF ORDER], [NAME OF RECEIVER]June 11, 2024, Grant Thornton Limited was appointed as the receiver (the "“**Receiver**"”) of the property, assets, and undertaking of, property and assetsall of [DEBTOR]the issued and outstanding shares in the capital of, HOHS Drugs Limited (the “**Debtor**”).

B. B. Pursuant to an Order of the Court dated [DATE]June 11, 2024, the Court approved the asset purchase agreement of purchase and sale made as of [DATE OF AGREEMENT]April 17, 2024 (the "Sale“**Purchase Agreement**"”) between the Receiver [Debtor] and [NAME OF PURCHASER]1000801194 Ontario Inc. (the "“**Purchaser**"”) and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver

to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section ●~~Article 7 of the ~~Sale~~Purchase 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. ~~C.~~ Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale~~Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. ~~1.~~ The Purchaser has paid and the Receiver has received the Cash Purchase Price ~~for the Purchased Assets~~ payable ~~on~~at the Closing ~~Date~~Time pursuant to the ~~Sale~~Purchase Agreement;

2. ~~2.~~ The conditions to Closing as set out in ~~section ●~~Article 7 of the ~~Sale~~Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. ~~3.~~ The Transaction has been completed to the satisfaction of the Receiver.

4. ~~4.~~ This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER],~~GRANT THORNTON LIMITED, solely in its capacity as ~~Receiver~~the Court-appointed receiver of all of the issued and outstanding shares in the capital of HOHS Drugs Limited and of the assets, undertaking~~, property~~ and ~~assets~~properties of ~~[DEBTOR]~~HOHS Drugs Limited, and not in its personal ~~capacity~~or corporate capacities

Per: _____

Name:

Title:

Schedule "B— Purchased Assets"

~~**Schedule C – Claims to be deleted and expunged from title to Real Property**~~

~~**Schedule D –**~~

Permitted Encumbrances~~, Easements and Restrictive Covenants related to the Real Property~~

~~**(unaffected by the Vesting Order)**~~

N/A

BANK OF MONTREAL and HOHS DRUGS LIMITED and HUAN DANG Court File No.

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPROVAL AND VESTING ORDER
REGENCY TRANSACTION
(RETURNABLE JUNE 11, 2024)

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TAB 8

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

HOHS DRUGS LIMITED and HUAN DANG

Respondents

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

CONSENT

Grant Thornton Limited hereby consents to act as receiver and manager of all of the issued and outstanding shares in the capital of HOHS Drugs Limited (the "**Debtor**") and all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, pursuant to the Application of Bank of Montreal.

DATED at Toronto, Ontario this 29th day of May, 2024.

GRANT THORNTON LIMITED

Per: _____
Bruce Bando, CPA, CA, CIRP, LIT
Vice-President

BANK OF MONTREAL	and	HOHS DRUGS LIMITED and HUAN DANG	Court File No.:
Applicant		Respondents	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

CONSENT

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BANK OF MONTREAL	and	HOHS DRUGS LIMITED and HUAN DANG	Court File No.: CV-24-00000000-00CL
Applicant		Respondents	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

APPLICATION RECORD
(Returnable June 11, 2024)

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