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COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

THE BANK OF MONTREAL

DEFENDANT

THE INSTITUTE OF WELLNESS AND ADVANCED
AESTHETICS LTD., WANDA LEE, THE ESTATE OF
JONATHAN PATRICK LEE, 1608309 ALBERTA
LTD., and MOUNT ROYAL SURGICAL CENTRE
INC.

DOCUMENT

**FIRST SUPPLEMENT TO THE SECOND
REPORT OF THE RECEIVER**

July 7, 2022

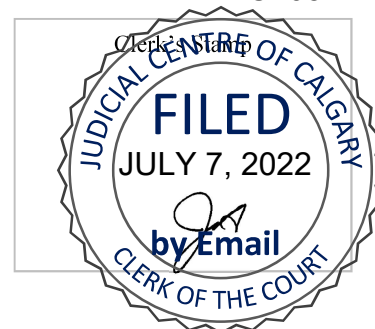
ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Attention: Orest Konowalchuk / Jill Strueby
Telephone: (403) 538-4736 / (403) 538-7529
Email: okonowalchuk@alvarezandmarsal.com /
jstrueby@alvarezandmarsal.com

COUNSEL TO RECEIVER

McCarthy Tetrault LLP
Suite 4000
421 - 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Walker MacLeod
Phone: (403) 260-3710
Fax: (403) 260-3501
Email: wmacleod@mccarthy.ca
File: 75453-11



COM
July 7, 2022
Justice Romaine



TABLE OF CONTENTS

INTRODUCTION	3
UPDATED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	3
MLS LISTING	5
COMMUNICATION WITH MS. LEE’S LEGAL COUNSEL	6
THE VOC OFFER.....	7

APPENDICES

APPENDIX A	Court Order
APPENDIX B	Signed Brokerage Agreement
APPENDIX C	Brava NDA
APPENDIX D	Wanda Lee NDA
APPENDIX E	VOC Offer Response Letter
APPENDIX F	VOC NDA

INTRODUCTION

1. The purpose of this first supplement to the Second Report (“**Supplemental Report**”) is to provide this Honourable Court and relevant stakeholders in the Receivership Proceedings additional information related to:
 - a) the receipts and disbursements for the period of June 25 to July 6, 2022;
 - b) the MLS Listing;
 - c) the Receiver’s activities with respect to Ms. Lee’s request for the purchase price of the Sneath APA; and
 - d) the Receiver’s response to certain comments raised by Ms. Wanda Lee in her affidavit filed July 6, 2022 (the “**Wanda Lee Affidavit**”).
2. This Supplemental Report should be read in conjunction with the Second Report.
3. All defined terms are as defined in the First Report and Second Report.

UPDATED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

4. The following is an updated statement of the Receiver’s receipts and disbursements in respect of the Debtors between the period of June 25, 2022 to July 6, 2022 (the “**Updated Reporting Period**”), which includes the cash flow receipts and disbursements from the Receivership Date to July 6, 2022. The Updated Reporting Period includes an additional 12 days of financial reporting by the Receiver as previously reported in the Second Report:

IWAA et al. Interim Statement of Receipts and Disbursements April 1, 2022 to July 6, 2022 <i>in CAD \$</i>			
	Apr 1/22 to June 24/22	June 25/22 to July 6/22	Apr 1/22 to July 6/22
Opening cash balance	\$ -	\$ 35,607	\$ -
Receiver's borrowings	\$ 200,000	\$ 50,000	\$ 250,000
Receipts			
Sale of Perishable Inventory	5,581	-	5,581
Collection of Pre-Receivership Rental Fees	2,543	-	2,543
Interest Income	81	351	432
Total receipts	\$ 8,204	\$ 351	\$ 8,555
Disbursements			
Rent and Utilities	143,584	47,615	191,199
Independent Contractor	6,710	-	6,710
Insurance	4,457	5,712	10,169
Appraisal Fees	3,500	-	3,500
IT	2,628	104	2,732
Other Operating Costs	4,438	-	4,438
Net GST paid (received)	7,280	2,381	9,660
Professional fees and costs	-	-	-
Total disbursements	\$ 172,597	\$ 55,811	\$ 228,408
Ending cash balance	\$ 35,607	\$ 30,147	\$ 30,147

5. The receipts and disbursements during the Updated Reporting Period were primarily comprised of:
 - a) Receiver's borrowings of \$50,000. The Receiver issued a Receiver's Certificate #3 under the same terms and conditions as the previous two Receiver's Certificates;
 - b) Rent payment of approximately \$48,000 for the month of July 2022; and
 - c) Monthly insurance payment of approximately \$6,000.
6. The total ending cash available as at July 6, 2022 was approximately \$30,000.
7. The Receiver has drawn \$250,000 in Receivers' Certificates to date, from the total of \$500,000 available to the Receiver pursuant to the Receivership Order. The Receiver has not received any assurances from BMO that it will continue to lend

the Receiver additional funds through the issuance of Receiver's Certificates as permitted by the Receivership Order.

8. As present, the Receiver does not have the funds available to pay ongoing operating costs and expenses of the Receivership for the month of August 2022, including approximately \$49,995 for the Leased Premises' monthly rental payment due on August 1, 2022.

MLS LISTING

9. As discussed in greater detail in the Receiver's First Report, the Receiver held numerous calls and exchanged multiple emails with Ms. Lee and Ms. Yan with respect to the Leased Premises and the Sales Process.
10. On Friday May 20, 2022, the Receiver became aware that Ms. Yan was identified as the listing agent on the MLS property identified as "123 Medical" ("**123 Medical**"). Although the details of the property in the MLS Listing were not exactly the same as the Leased Premises, there were numerous similarities and the Receiver asked Ms. Yan for clarification in respect of the MLS Listing on May 20, 2022.
11. The Receiver did not receive a reply from Ms. Yan and the Receiver subsequently filed an emergency application to direct Ms. Yan and Vanovirmiere Realty Inc. ("**Vanovirmiere**") to respond to the inquiries the Receiver or its counsel may have as it relates to the MLS Listing.
12. On May 26, 2022, the Court of Queen's Bench of Alberta granted an order directing Ms. Yan and Vanovirmiere to respond to inquiries made by the Receiver in respect of the MLS property identified as 123 Medical. A copy of the Order is attached as Appendix A to this Supplemental Report.
13. On June 28, 2022, the Receiver's Counsel inquired with Ms. Yan about the identity of the person or persons who instructed her to make the MLS Listing. Ms. Yan advised the Receiver that Ms. Lee had signed the brokerage listing agreement in

respect of the MLS Listing. A copy of the email correspondence and the signed brokerage agreement is attached as Appendix B to this Supplemental Report.

COMMUNICATION WITH MS. LEE'S LEGAL COUNSEL

14. On June 29, 2022, the Receiver received a request from Ms. Lee's counsel to provide Ms. Lee with copies of the confidential appendices attached to the Receiver's Second Report. The Receiver did not provide the confidential appendices due to concerns the Receiver had relating to the confidential nature of financial information contained in these confidential appendices and that Ms. Lee or her representatives may still be active bidders in the Sales Process. This was evidenced by the MLS listing agreement Ms. Lee entered into with Ms. Yan respecting the Leased Premises and Ms. Lee's financial advisor, Mr. Jordan Giustini of Brava Development Corp. ("**Brava**"), executing a non-disclosure agreement (the "**Brava NDA**") on behalf of Ms. Lee to enter into the Receiver's sales process. Lastly, Ms. Lee had advised the Receiver that she may submit a bid in the Sales Process. A copy of the Brava NDA is attached as Appendix C to this Supplemental Report.
15. Following the July 5, 2022 court application, the Receiver advised Ms. Lee that it was prepared to disclose the purchase price of the Sneath APA to her on the following conditions:
 - a) the Receiver receiving confirmation that Ms. Lee was no longer a bidder in the Sales Process and would not use the information provided from the confidential appendices to solicit further offers on the property;
 - b) Ms. Lee would sign an NDA; and
 - c) Ms. Lee would agree to the sealing of the confidential appendices.

16. Ms. Lee agreed to the above conditions and these conditions were incorporated with an NDA (the “**Wanda Lee NDA**”). The Wanda Lee NDA is attached as Appendix D to this Supplemental Report. The Receiver’s counsel verbally communicated to Ms. Lee’s counsel the purchase price of the Sneath APA.

THE VOC OFFER

17. The Receiver has the following comments with respect to the pre-sales process bid made by VOC Partners Inc. (“**VOC**”) as testified to in the Wanda Lee Affidavit:
 - a) The VOC offer that was provided to Ms. Lee prior to the Receivership Date expired on April 1, 2022 (the Receivership Date). Notwithstanding, the Receiver organized a face-to-face meeting with VOC and Ms. Lee’s financial advisor at the Receiver’s office on April 12, 2022, to discuss VOC’s potential interest in the Property and the Receiver’s intention to initiate a Sales Process. The Receiver also noted several issues with the VOC offer, including the fact that it did not provide for a deposit, did not provide evidence of financing and provided exclusivity to VOC. The Receiver sent correspondence to VOC outlining its concerns on April 18, 2022, a copy of which is attached as Appendix E to this Report. The Receiver advised VOC that should they be interested in participating in the Sales Process, they would be required to sign an NDA and would be provided with confidential information to evaluate their interest in the Property;
 - b) On May 3, 2022, the Receiver provided each of Brava and VOC a teaser package and NDA with respect to the Sales Process. An NDA was required to be signed by these and any interested party to participate in the Sales Process, which included having full access to the Receiver’s data room for purposes of conducting due

diligence and submitting a bid to the Receiver. The Receiver received the executed NDAs from both Ms. Lee's financial representative, Brava, and VOC on May 3, 2022 and access to the data room was provided. A copy of the VOC NDA is attached as Appendix F to this Supplemental Report. As previously discussed in the Second Report, the sales process was launched on April 27, 2022 and the Bid Deadline was June 3, 2022; and

- c) No offer was received from either VOC or Brava at the Bid Deadline or thereafter.

All of which is respectfully submitted this 7th day of July, 2022.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Court-appointed
Receiver of the Debtors, and not in
its personal or corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President



Jill Strueby, CPA, CA, CIRP, LIT
Vice President

APPENDIX A

Court Order

[See attached]

COURT FILE NUMBER

2201-03735

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

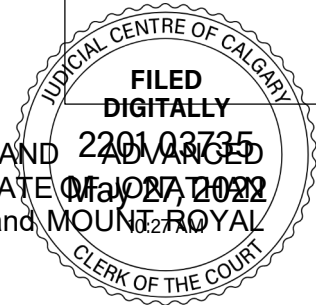
PLAINTIFF

THE BANK OF MONTREAL

DEFENDANTS

THE INSTITUTE OF WELLNESS AND ADVANCED
AESTHETICS LTD., WANDA LEE, THE ESTATE OF PATRICK LEE, 1608309 ALBERTA LTD., and MOUNT ROYAL
SURGICAL CENTRE INC.

Clerk's Stamp



DOCUMENT

ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Walker W. MacLeod
Tel: 403-260-3710
Fax: 403-260-3501
Email: wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED:

May 26, 2022

LOCATION OF HEARING OR TRIAL:

Edmonton, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

Honourable Justice K. Feth

KSF **UPON** the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the "**Debtors**") pursuant to the Receivership Order granted on April 1, 2022 (the "**Receivership Order**"), in the within proceedings (the "**Proceedings**"); **AND UPON** reading the First Report of the Receiver, dated May 25, 2022 (the "**First Receiver's Report**"), filed; **AND UPON** reading the Affidavit of Service of Katie Doran, sworn on May 26, 2022 (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel for the Receiver and for any other parties who may be present; **AND UPON HEARING** from Grace Yan, self-representng, who did not oppose, and no one appearing for Vanovermeire Realty Inc.; ✓

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the Application and the First Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the First Receiver's Report on the service list, in the manner described in the Service Affidavit, is good and sufficient, and no other persons, other than those listed on the service list (the "**Service**

List") attached as an exhibit to the Service Affidavit, are entitled to service of the Application or the First Receiver's Report.

2. Ms. Grace Yan ("**Ms. Yan**") and Vanovermeire Realty Inc. ("**Vanovermeire**") shall respond to inquires made by the Receiver in respect of the Multiple Listing Service ("**MLS**") property identified as "123 Medical" with MLS listing number A1216384 (the "**MLS Listing**") within 24 hours of the Receiver making such inquiry. Each of Ms. Yan and Vanovermeire are hereby granted leave to apply to amend, modify or vary this Order on a minimum of five (5) days notice to all interested persons.
 3. The Receiver's application for costs of this application is adjourned *sine die*. In the event that the Receiver brings an application that the act of authorizing or posting the MLS Listing constituted a breach of the Receivership Order by any person such application shall be heard at the same time as the Receiver's application for costs.
 4. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving same on:
 - (i) the persons listed on the Service List created in these proceedings;
 - (ii) any other person served with notice of the Application for this Order;
 - (iii) any other parties attending or represented at the Application for this Order;and
 - (b) posting a copy of this Order on the Receiver's website at <https://www.alvarezandmarsal.com/IWAAL>
- and service on any other person is hereby dispensed with.
5. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

- KSF 6. [✓] 9.4(2)(c) [✓]
Rule ~~9.2(2)~~ of the *Alberta Rules of Court* be and is hereby invoked in respect of Ms. Yan and Ms. Yan shall not be required to authorize or approve this Order.



Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT:

BURNET, DUCKWORTH & PALMER LLP

Per: _____


Ryan Algar
Counsel to Bank of Montreal

MILLARS LAWYERS

Per: _____

Madison Steenson
Counsel to Wanda Lee

Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT:


BURNET, DUCKWORTH & PALMER LLP

Per: _____

Ryan Algar
Counsel to Bank of Montreal

MILLARS LAWYERS

Per: _____



Madison Steenson
Counsel to Wanda Lee

APPENDIX B

Signed Brokerage Listing

[See attached]

<jstrueby@alvarezandmarsal.com>

Subject: [EXT] RE: IWAAL

Importance: High

I confirm that Wanda Lee signed brokerage listing agreement with Coldwell Banker Mountain Central. Please advise if you require any further information. Thank you.

[Schedule meeting with Grace Yan](#)

With gratitude,

The logo for Grace Yan, featuring the name "GRACE" in a bold, dark grey sans-serif font above the name "YAN" in a bold, dark blue sans-serif font.

Grace Yan, MiCP
(Former Mayoral Candidate)

Coldwell Banker
Mountain Central
Director Commercial
Sales and Marketing | Recruitment

403 660 6778

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Connect with us: [Facebook](#) # [LinkedIn](#) # [Instagram](#) # [Twitter](#)

Amazon Partnership: <https://amzn.to/2ocFYs1>

Mount Royal Alumni Achievement Nominee: <https://oreo2.itracmediav4.com/v?uuid=697a5f51-f9c4-4d17-bbab-8e2a3a7be9a2>

Women of Inspiration – Inspire Award: [Inspiring Conversations - Grace Yan - Universal Womens Network™](#)

Distinctive Women of Canada: <http://www.distinctivewomenmagazine.com/distinctive-women/Canada/Calgary-AB/2017-18/Grace-Yan.php>

Jetset: <http://www.jetsetmag.com/real-estate/grace-yan/>

Calgary Herald: <http://calgaryherald.com/tag/grace-yan>

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otherwise use it, or disclose its contents to anyone else. If you have received this transmission in error, please notify us immediately and delete it from your system.

From: MacLeod, Walker W. <wmacleod@mccarthy.ca>

Sent: June 28, 2022 11:07 AM

To: Grace Yan, MiCP (403) 660-6778 <grace@topglobalrealestate.com>

Cc: Madison Steenson <madison@millarslaw.com>; Phillip Millar <phillip@millarslaw.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com> <okonowalchuk@alvarezandmarsal.com>; Strueby, Jill <jstrueby@alvarezandmarsal.com>

Subject: IWAAL

Ms. Yan, further to the order of the Court issued on May 26, 2022 (a copy of which is attached for reference) can you please confirm the identity of the person or persons who instructed you to make the MLS listing. Thanks.



Walker MacLeod

Partner | Associé

Bankruptcy and Restructuring | Faillite et restructuration

T: 403-260-3710

C: 403-463-1207

F: 403-260-3501

E: wmacleod@mccarthy.ca

McCarthy Tétrault LLP

Suite 4000

421 - 7th Avenue SW

Calgary AB T2P 4K9

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External Email: Exercise caution before clicking links or opening attachments | **Courriel externe:** Soyez prudent avant de cliquer sur des liens ou d'ouvrir des pièces jointes

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AGENCY RELATIONSHIPS

For use in Designated Agency Brokerages

A guide to the real estate relationships you can form with a designated agency brokerage

Alberta has introduced an alternate model for the agency relationship between sellers or buyers and real estate industry members. Brokerages that have chosen to adopt this model are referred to as Designated Agency Brokerages. In traditional brokerages, when consumers work with a brokerage representative and form an agency relationship, that relationship extends to all members of the brokerage. If you sign a brokerage agreement with a designated agency brokerage, your REALTOR® will be your designated agent. If the REALTOR® is a member of a team, the team will be your designated agent. You will have a contractual relationship with the brokerage but it will not be an agency relationship.

Preamble

Buying or selling a property can be one of the most significant financial decisions you make in your lifetime and your REALTOR® will play a key role in assisting you. That's why it's important to consider how you will work with your REALTOR® to ensure you get the most value from your relationship. Please read this guide thoroughly. Ask questions of your REALTOR® until you're satisfied you fully understand your responsibilities, those of your REALTOR® and the different types of relationships you can form.

What Is Agency?

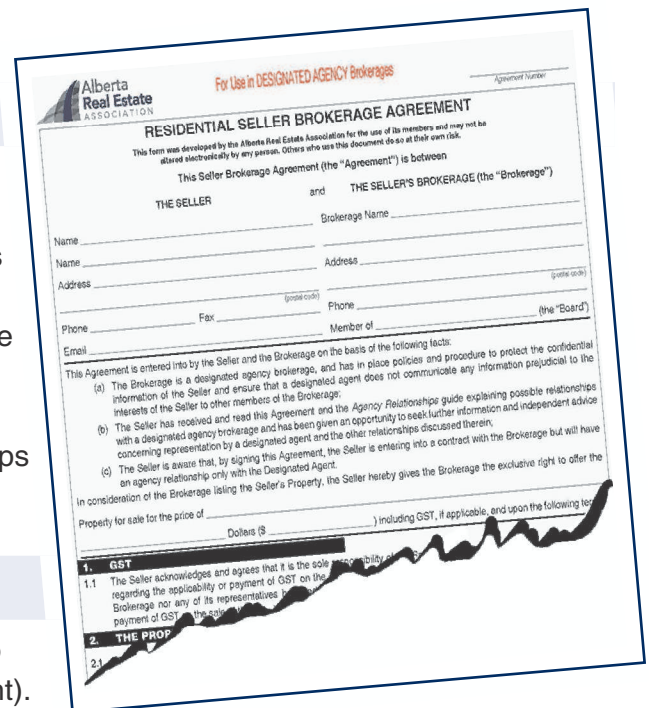
Agency is a relationship established when two parties agree to have one party (the Agent) act on behalf of the other (the Client). When you first contact a REALTOR®, you are not in an agency relationship with the REALTOR®. You should be careful to make a conscious decision whether or not you wish to have the REALTOR® act on your behalf before you take any action that would imply that he or she works for you.

Responsibilities of the Agent

The complex and important nature of a real estate transaction requires the Agent to exercise discretion and judgment when carrying out duties on your behalf. Agents are obligated to protect and promote the interests of their clients as they would their own. Specifically, your Agent owes you the following duties:

- **Undivided Loyalty**

The Agent must act solely in your best interests, must always put your interests above their own interests and above the interests of other parties.



- **Confidentiality**

The Agent must keep your confidences. Confidential information includes any information concerning you, the property or the transaction that is not required by law to be disclosed, but which, if disclosed, could be used by another party to your disadvantage. The duty of confidentiality continues after your agency relationship ends.

- **Full disclosure**

The Agent must inform you of all facts known to the Agent that might affect your relationship or influence your decision in a real estate transaction. This includes any conflicts of interest the Agent might have in the course of providing services to you.



(An exception to full disclosure to you is confidential information your Agent received in a previous agency relationship. The confidential information of a previous client will not be disclosed to you unless the previous client agrees to this in writing.)

- **Obedience**

The Agent must obey all of your lawful instructions as long as instructions are reasonable and ordinary under the circumstances.

- **Reasonable care and skill**

The Agent must exercise reasonable care and skill in performing all assigned duties.

- **Full accounting**

The Agent must account for all money and property placed in the Agent's hands while acting for you.

Your Responsibilities as the Client

In an agency relationship you have duties towards your Agent, which include the following:

- compensating the Agent and the Agent's brokerage for the expenses incurred as a result of carrying out their responsibilities on your behalf
- paying any agreed-upon remuneration (fee) outlined in a signed service agreement
- disclosing to your Agent matters that could affect a transaction, including material facts that must be passed on to the other party in the real estate transaction.

It's also your responsibility to read all documents carefully and ensure you understand what you are signing. If you feel you need assistance or advice, you always have the option to consult a professional such as a lawyer, accountant or inspector.

Types of Agency Relationships

Sole Agency

Sole Agency occurs when one designated agent (an individual REALTOR® or a team of REALTORS®) represents the seller and another designated agent or another brokerage represents the buyer. Each Agent owes their client full agency duties as described above.

A potential conflict of interest occurs when one designated agent represents both the buyer and the seller in a single transaction. By representing both you and the other party in the transaction, the Agent's ability

to fulfill agency duties to you (and the other client) are limited, particularly the duties of undivided loyalty, confidentiality and full disclosure.

Under these circumstances, a different relationship called transaction brokerage can be formed.

Transaction Brokerage

Transaction brokerage is only permitted with the fully informed and voluntary consent of both the buyer and the seller. The brokerage will obtain this consent through the use of a Transaction Brokerage Agreement, which must be signed by the buyer before an offer is made, and by the seller before the offer is presented. The agreement allows the designated agent to act as a transaction facilitator to help you and the other party reach a mutually acceptable agreement.

The transaction facilitator will treat the interests of both the buyer and the seller in an even-handed, objective and impartial manner, and will ensure that any advice or information given to one party will be disclosed to the other.

However, the transaction facilitator **cannot** disclose any information received in confidence and in particular, **cannot** disclose:

- that the buyer may be prepared to offer a higher price or agree to terms other than those contained in the offer to purchase;
- that the seller may be prepared to accept a lower price or agree to terms other than those contained in the Seller Brokerage Agreement;
- the motivation of the buyer or the seller wishing to purchase or sell the property; and
- personal information relating to the buyer or the seller.



Customer Status (non-agency)

If you do not want to be in an agency relationship but want to work with a REALTOR®, you will be asked to choose customer status. When you have customer status, the REALTOR® is not your Agent and does not owe agency duties to you. Duties are limited to honesty, reasonable care and skill and not negligently or knowingly providing you with false or misleading information. The REALTOR® will provide you with forms to help you complete a transaction, perform services needed to help you complete a transaction, but will not provide you with advice or advocate on your behalf.

For example, if the REALTOR® is representing a seller with whom he or she has a long-standing relationship (e.g. a developer, a relative), the REALTOR® may offer you the choice of customer status. If customer status is recommended for a certain transaction but you would prefer to have an agency relationship, you should ask to be assigned to another designated agent in the brokerage or seek representation from another brokerage.

Making an Informed Choice

Your REALTOR® is responsible for explaining your relationship options. Be sure you understand the duties owed to you and the limitations that exist or might exist with each type of relationship. Don't hesitate to ask your REALTOR® questions and ensure you're satisfied with the answers before making your decision.

Please note:

*Under new federal legislation, the **Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)**, real estate agents are required to collect personal information in order to identify individuals conducting large financial transactions, such as buying or selling property. For more information, visit the **Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)** website www.fintrac.gc.ca.*

Acknowledgment

By signing this acknowledgment, you confirm that you have received the *Agency Relationships* guide explaining the various relationships you may choose to have with your REALTOR®.

COLDWELL BANKER MOUNTAIN CENTRAL COMMERCIAL

Name of Brokerage

GRACE YAN

Name of REALTOR®

WANDA LEE

Your name (print)

Wanda Lee

Your signature

May 8, 2022

Date

Note: This is not a service agreement and does not impose contractual obligations on you.

COMMERCIAL SELLER BROKERAGE AGREEMENT

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

This Seller Brokerage Agreement (the "Agreement") is between

THE SELLER

and

THE SELLER'S BROKERAGE (the "Brokerage")

Name <u>WANDA LEE</u>	Brokerage Name
Name <u>The Institute of Wellness</u>	<u>COLDWELL BANKER MOUNTAIN CENTRAL COMMERCIAL</u>
Address <u>301, 3007 14 Street SW</u>	Address <u>101, 6420 6A Street S.E.</u>
<u>Calgary, Alberta</u>	<u>Calgary, Alberta T2H 2B7</u>
(postal code)	(postal code)
Phone _____	Phone <u>403-660-6778</u>
Fax _____	<u>GRACE YAN</u>
Email _____	Broker, Associate Broker or Associate authorized to represent the Brokerage
	Member of <u>Calgary Real Estate Board</u> (the "Board")

In consideration of the Brokerage listing the Seller's Property, the Seller hereby gives the Brokerage the **exclusive** right to offer the Property for sale for the price of Three Million Five Hundred Thousand Dollars (\$ 3,500,000.00) plus GST, if applicable, and upon the following terms:

1. THE PROPERTY

- 1.1** The Property is the Land and Buildings known as Investment Only in Business located at: 301 3007 14 Street SW Calgary, Alberta (municipal street address)
- 1.2** The legal description of the Property is:
Plan _____ Block/Unit _____ Lot _____
Leased Property
If Condominium Property, legal description and details as per Commercial Condominium Property Appendix (attached).
- 1.3** The Property includes:
(a) All goods attached to the Land and Buildings ("Attached Goods") except those goods listed below:

(b) Goods not attached to the Land and Buildings ("Unattached Goods") as listed below:

2. TERM OF THE AGREEMENT

- 2.1** This Agreement will commence at 9 a.m. on the 8th day of May, 20 22 and will expire at 9 p.m. on the 30 day of Jun, 20 23 (the "Expiry Date").

3. POSSESSION DATE

- 3.1** The proposed Possession Date is _____

4. MLS® SERVICES**4.1** All MLS® Listings must:

- (a) be for a minimum duration of 60 days;
- (b) provide compensation for cooperating brokers for the sale of the property;
- (c) not exclude any licensed industry member from acting as a cooperating broker.

4.2 Seller's Information:

- (a) The Seller Brokerage Agreement must be completed in full and must include the names of the parties, the term of the agreement, the address and legal description of the property, the price at which the property is being offered, the remuneration being offered to cooperating brokerages, the possession date and other property-dependent information necessary for the marketing of the property. This information will be entered into the MLS® System.
- (b) Changes to certain of the above-mentioned information will require the signatures of the Seller.
- (c) Should the Seller not wish its name to be entered into the MLS® System, this is permissible upon receipt of a written request from the Seller through its brokerage.
- (d) The Seller maintains the right to request that information such as the address and legal description of the property not be displayed on ICX.ca or REALTOR.ca.

4.3 Advertising:

- (a) The Seller's name and contact information shall not appear on ICX.ca or REALTOR.ca or in the public remarks section of the MLS® System.
- (b) The Brokerage may permit the Seller to reserve the right to sell the property itself. If Seller's Rights Reserved apply to a listing, that fact shall be disclosed to other members of the Board via the MLS® System.

Note: MLS® Listing means a property listed for sale on the Board's MLS® System. The trademarks MLS®, Multiple Listing Service® and the associated logos are owned by The Canadian Real Estate Association (CREA) and identify the quality of services provided by real estate professionals who are members of CREA.

5. APPOINTMENT OF DESIGNATED AGENT**5.1** The Brokerage designates

GRACE YAN

_____ (the Designated Agent) to serve as sole agent for the Seller.

5.2 If the Designated Agent ceases to be registered with the Brokerage, unless otherwise agreed in writing, the Brokerage will designate another member of the Brokerage to serve as the sole agent for the Seller.**5.3** The Seller agrees that an agency relationship will exist only with the Designated Agent and not with the Brokerage.**5.4** The Seller agrees the Brokerage's responsibilities will be limited to:

- (a) treating the interests of the Seller and buyers interested in the property represented by the Brokerage in an even-handed, objective and impartial manner;
- (b) ensuring compliance by the Designated Agent with the Brokerage's policies and procedures governing designated agents;
- (c) supervising the Designated Agent and support staff to ensure the Designated Agent fulfills its mandate under this Agreement;
- (d) holding all monies received by the Brokerage in trust in accordance with the provisions of the *Real Estate Act*; and
- (e) providing a true copy of this Agreement to the Seller after all parties have signed.

5.5 The Designated Agent's knowledge will not be attributed to the Brokerage or to its designated agents representing buyers or other sellers.**5.6** The Brokerage will appoint a supervising broker and, if required, an advisor for the purposes of clauses 5.4(b) and (c), but the Brokerage will ensure that all information obtained by these parties will be held in confidence by them. The Brokerage and the Designated Agent undertake that they will not disclose any confidential information concerning the Seller to any other member of the Brokerage or any other person unless authorized by the Seller or required by law.

6. DESIGNATED AGENT'S MANDATE

6.1 Obligations

The Designated Agent will fulfill the following duties:

- (a) to use best efforts to market the Property and to promote the interests of the Seller;
- (b) to market the Property through the MLS® of the Board in accordance with the requirements of the Board;
- (c) to cooperate with brokerages working with buyers;
- (d) subject to Section 19, to act solely as the Seller's agent and fulfill the duties of loyalty, confidentiality and full disclosure of all relevant facts affecting the transaction known to the Brokerage. This includes disclosing all conflicts of interest that may arise between the Seller's interests and those of the Brokerage or buyers;
- (e) to disclose to all buyers all material latent defects affecting the Property known to the Brokerage;
- (f) to assist the Seller in negotiating favourable terms and conditions with a buyer, resulting in a legally binding purchase contract for the Property;
- (g) to present, in a timely manner, all offers and counter-offers to the Seller even when the Property is already the subject of a purchase contract;
- (h) to comply with the provisions of the *Real Estate Act* and its regulations, and the rules and bylaws of the Real Estate Council of Alberta.

6.2 Other Services

The Seller requests, and the Designated Agent agrees to provide, the following services:

- | | | |
|--|---|--|
| (a) to advertise the Property; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) to place a "for sale" sign on the Property; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| (c) to show the Property at times acceptable to the Seller and, if any, the tenant(s); | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) the services listed below:
Negotiate all offers; Market investment opportunity | | |

7. BROKERAGE'S REMUNERATION

7.1 Commission

The Seller will pay the Brokerage as Commission 10%

_____ plus GST if, during the term of the Agreement:

- (a) the Property is sold, exchanged or otherwise disposed of by the Seller or anyone else;
- (b) a person contacts the Seller directly or through a brokerage or inspects the Property and the Property is then sold, exchanged or otherwise disposed of by the Seller or anyone else to that person within 90 days after the Expiry Date (the "Hold-Over Period"). This clause will not apply where the Seller has signed another seller brokerage agreement after the Expiry Date and a real estate commission is payable to another brokerage according to the terms of that other seller brokerage agreement as a result of the sale or disposition;
- (c) the Seller has signed a Purchase Contract with a buyer who is willing and able to complete the sale but the Seller refuses to complete the sale; or
- (d) a buyer is found who is willing and able to complete the sale upon the conditions outlined in this Agreement but the Seller refuses to sign the Purchase Contract.

7.2 Payment of Commission

- (a) The Seller will pay the Commission to the Brokerage no later than the second Business Day after the sale is completed, unless the Seller and the Brokerage agree otherwise in writing.
- (b) Any holdbacks or conditions accepted by the Seller or the Seller's lawyer will not delay payment of the Commission to the Brokerage.
- (c) The Brokerage will offer 3% of the Commission, plus GST, as compensation to cooperating brokerages.

7.3 Alternate Compensation

The Seller will pay Alternate Compensation to the Brokerage if a Purchase Contract is signed but the buyer defaults and the Deposits are forfeited. This Alternate Compensation will be lesser of the Commission that would have been payable had the sale been completed or 50% of the forfeited Deposits. Alternate Compensation shall be payable upon the forfeiture of the Deposits.

7.4 Deduction of Commission from Deposits and Proceeds of Sale

- (a) The Seller authorizes the Brokerage, upon completion of the sale, to deduct the Commission owed to the Brokerage from the Deposits, if any, held by the Brokerage and will pay any balance of Commission owed in accordance with clause 7.1.
- (b) The Seller irrevocably and unconditionally instructs any lawyer acting on behalf of the Seller to deduct from the Deposits and Proceeds of Sale, or any monies forfeited by or recovered from the buyer, any Commission or Alternate Compensation that remains owing to the Brokerage after it has exercised its right, if any, under clause 7.4(a) and to pay such Commission or Alternate Compensation, plus GST, to the Brokerage.

7.5 Limitation on Other Remuneration

The Brokerage agrees not to accept any other remuneration, whatever its form (including finder's fees, referral fees and gifts) and from whatever source (including the buyer, a mortgage lender, another brokerage or contractor), directly or indirectly related to its agency under this Agreement unless, before accepting such remuneration, the Brokerage has fully disclosed in writing to the Seller all relevant facts relating to the offer of remuneration, including the maximum amount to be received, and obtained the Seller's written consent to the Brokerage receiving such remuneration.

8. DEPOSITS

- 8.1** All Deposits will be held in accordance with the terms of the signed Purchase Contract. If the Deposits are held by a real estate brokerage, they must be held in trust according to the *Real Estate Act* (Alberta).

9. SECURITY FOR THE BROKERAGE'S REMUNERATION

- 9.1** The Seller **encumbers** all of its interest in the Property for the benefit of the Brokerage to secure payment of all money which may be owed by the Seller to the Brokerage under this Agreement. The Seller authorizes the Brokerage to file and maintain a **caveat** against the title to the Property in accordance with the *Land Titles Act* (Alberta) to give notice of this encumbrance.
- 9.2** If the Brokerage successfully enforces any of its rights or remedies under this section, the Seller will pay reasonable lawyer and client legal fees and costs incurred by the Brokerage.
- 9.3** If the Seller owes money under this Agreement and the Brokerage does not wish to enforce this Agreement against the Seller, then upon mutual agreement between the Brokerage and the buyer's brokerage, the Brokerage may assign this Agreement to the buyer's brokerage. If this Agreement is assigned, then the buyer's brokerage may enforce this Agreement against the Seller to collect the portion of the Remuneration or Alternate Compensation, plus GST, to which the buyer's brokerage is entitled, and the buyer's brokerage will have the same rights and security given to the Brokerage according to Section 9 of this Agreement.

10. DUTIES OF THE SELLER

- 10.1** The Seller will:
- (a) make its best efforts to insure the Property and its contents against loss or damage due to perils that are normally insured against for similar properties. The Seller will make best efforts to ensure that such insurance will be effective even when the Property is vacant;
 - (b) make reasonable efforts to communicate and cooperate with the Designated Agent in a timely manner;
 - (c) provide the Designated Agent with all the information necessary for the listing and marketing of the Property; and,
 - (d) immediately advise the Designated Agent of any material change in the physical condition or status of the Property or in the information provided by the Seller.
- 10.2** The Seller will immediately advise the Designated Agent:
- (a) during the term of the Agreement, of all inquiries by interested buyers or their representatives received by the Seller;
 - (b) during the term of the Agreement, of all offers to purchase from interested buyers or their representatives and will deliver such offers to the Brokerage;
 - (c) during the Hold-Over Period, of any offers to purchase the Property accepted by the Seller from a buyer introduced to the Seller during the term of the Agreement; and
 - (d) during the Hold-Over Period, of any offers or counter-offers regarding the Property made by the Seller and accepted by a buyer introduced to the Seller during the term of the Agreement.

11. IMPORTANT INFORMATION

- 11.1** The Seller will provide the following Important Information to the Designated Agent promptly and at the Seller's expense:
- (a) a real property report, if applicable, reflecting the current state of improvements on the Property, according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance. This obligation will not apply to condominium units that do not create a lot nor to any transaction where there are no structures on the land.
 - (b) if the Property is a resale condominium, the Important Information as described in the Condominium Property Appendix (attached).
 - (c) all other applicable property information that is reasonably required to develop particulars of sale including, but not limited to, financial information such as annual property operating data (APOD), tenant schedules and leases, service and supply contracts, engineering reports, environmental assessment reports, building plans and specifications.
- 11.2** In the event that the Seller fails to provide the Important Information, the Designated Agent is authorized to obtain it on the Seller's behalf and at the Seller's expense.

11.3 Sellers are required by common law to disclose defects that are hidden, not visible or discoverable through a reasonable inspection of the Property, **and** that render the Property dangerous or potentially dangerous to the occupants or unfit for habitation. Sellers may also be required to disclose government and local authority notices and lack of development permits.

Are you aware of any such defects in the Property?

☐ Yes

☒ No

WL Seller's Initials

Have you received any government or local authority notices?

☐ Yes

☒ No

WL Seller's Initials

Are you aware of any lack of permits for any development on the property?

☐ Yes

☒ No

WL Seller's Initials

12. ADVICE TO THE SELLER

12.1 If the Seller has entered into any long-term contracts that relate to the Property, for example, agreements for gas or utility services or security monitoring, the Seller should verify termination policies and any possible financial penalties with the other contracting party.

12.2 The Seller is advised that the Designated Agent is being retained as a real estate broker, not as a lawyer, tax advisor, lender, appraiser, surveyor, structural engineer, property inspector, or other professional service provider.

13. SELLER'S WARRANTIES

13.1 The Seller warrants the following:

- (a) The Seller has the authority to sell the Property and enter into this Agreement;
- (b) The Seller has a right to sell the Unattached Goods listed in clause 1.3(b);
- (c) The goods attached to the Property and the included Unattached Goods listed in clause 1.3 are free and clear of financial encumbrances;
- (d) The Seller has disclosed to the Designated Agent all third party claims and interests in the Property known to the Seller;
- (e) The Property is not currently the subject of any seller brokerage agreement;
- (f) All information provided to the Designated Agent is accurate to the best of the Seller's knowledge.

13.2 The Seller warrants that, to best of the Seller's knowledge, the following are truthful and accurate:

- (a) The current use of the Land and Buildings complies with the existing municipal land use bylaw;
- (b) The Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach on neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;
- (c) The location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the sale being completed, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta); and
- (d) The current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;
- (e) Within the meaning of the *Income Tax Act* (Canada), the Seller is not now, nor will be on Completion Day, a non-resident of Canada nor is the Seller an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada.
- (f) Where applicable, the Seller has complied with the bylaws of the Condominium Corporation.

14. SELLER'S CONFIDENTIAL INFORMATION WILL BE PROTECTED

14.1 The Brokerage and the Designated Agent undertake that they will:

- (a) not use confidential information received from the Seller, or obtained as a result of providing services under this Agreement, for its own gain or the gain of its employees or to the prejudice of the Seller's interests; and
- (b) not disclose any confidential information concerning the Seller to any other brokerage or other person unless authorized by the Seller or required by law.

15. USE AND DISTRIBUTION OF SELLER'S INFORMATION

15.1 The Seller consents to the collection, use and disclosure of personal information by the Brokerage and the Designated Agent for the purpose of this Agreement and such other use as is consistent with listing and marketing the Property including, but not limited to:

- (a) listing and advertising the Property using any medium including electronic media, interior and exterior photographs and video;
- (b) retaining and disclosing any listing and sales information, including price, which may be used by the Brokerage or the Designated Agent for any purpose relating to its business including conducting comparative analyses and disclosing such information to other persons such as appraisers and other brokerages;

15.2 Subject to Section 4 of this Agreement, the Seller consents to placement of the listing and sales information by the Brokerage into the database(s) of the appropriate listing service(s) of the Board and acknowledges that the database of the Board is the property of the Board.

- 15.3** The Seller further acknowledges that the Brokerage, the Designated Agent and the Board may:
- (a) distribute the information to any persons authorized to use such service which may include other brokers, government departments, appraisers, municipal organizations and others;
 - (b) market the Property, at its option, in any medium, including electronic media;
 - (c) compile, retain and publish any statistics including historical listing service data which may be used by the Brokerage and licensed Board members to conduct comparative market analyses; and
 - (d) make such other use of the information as the Brokerage, the Designated Agent and the Board deem appropriate in connection with the listing, marketing and selling of real estate.

16. INDEMNIFICATION

- 16.1** The Seller will hold harmless and indemnify the Brokerage and the Designated Agent for any claims that may arise from its reasonable and good faith reliance on representations made, or information provided, by the Seller.

17. ADDITIONAL TERMS

- 17.1** The Seller agrees that:
- (a) the Designated Agent may represent other sellers and, subject to Section 19, buyers;
 - (b) the Brokerage and the Designated Agent cannot disclose to the Seller confidential information obtained through any other agency relationship to which the Brokerage or the Designated Agent is or has been a party;
 - (c) the Designated Agent will not be obligated to seek additional offers to purchase while the Property is subject to an unconditional purchase contract;
 - (d) if the Property is owned by a limited company, a sale of shares representing a controlling interest in the Property will constitute a sale for the purposes of this Agreement.
- 17.2** This Agreement:
- (a) includes, if signed or initialled by the Seller and attached to this Agreement, the following documents:
 - (b) will constitute the entire agreement between the Seller and Brokerage and there are no representations, warranties, collateral agreements or conditions which affect this Agreement other than as expressed herein.
 - (c) is for the benefit of and will be binding upon the heirs, administrators, executors, successors and assigns of the parties;
 - (d) will be governed by the laws of the Province of Alberta and the parties will submit to the jurisdiction of the Courts of the Province of Alberta for the resolution of any disputes that may arise out of this Agreement.
- 17.3** No amendment to the terms of this Agreement shall be effective unless it is in writing and signed by the Seller and the Brokerage.
- 17.4** If there is conflict or discrepancy between any provision added to this Agreement and any provision in the standard portion hereof, the added provision will supersede the standard provision to the extent of such conflict or discrepancy.
- 17.5** **Seller will provide retainer of \$5,000.00 non-refundable and immediately releasable upon receipt which will be deducted from final closing fee**

18. ENDING THE AGREEMENT

- 18.1** Without prejudice to the acquired rights of the Seller or the Brokerage, this Agreement will end upon:
- (a) a completed sale of the Property;
 - (b) the expiration of the term of the Agreement as specified in clause 2.1 or on an earlier date if mutually agreed to by the Seller and the Brokerage in writing;
 - (c) the suspension or cancellation of the Brokerage's licence to trade in real estate;
 - (d) the Brokerage ceasing to be a member in good standing of a real estate board/association; or
 - (e) the bankruptcy or insolvency of the Brokerage or if it is in receivership.
- 18.2** Where one party to this Agreement has materially breached a part of this Agreement, the other party may, at its option, end this Agreement by notice in writing to the party in breach.
- 18.3** When this Agreement ends, the Brokerage and the Designated Agent will immediately remove the Property as an active listing on any listing service, cease all marketing activities on behalf of the Seller, remove all signs and any lockbox from the Property, and return documents and other materials provided by the Seller.
- 18.4** Ending this Agreement for whatever reason does not relieve the Brokerage and the Designated Agent of their duty of confidentiality to the Seller and their duty to account for all monies received by the Brokerage.

19. AGENCY DISCLOSURE AND TRANSACTION BROKERAGE

- 19.1** The Seller has entered into an agency relationship with the Designated Agent. The Designated Agent is obligated to protect and promote the interests of the Seller. Specifically, the Designated Agent owes the Seller the duties of loyalty, obedience, confidentiality, reasonable care and skill, full disclosure and full accounting.
- 19.2** The Seller and potential buyers may be represented by different designated agents or different brokerages. Each owes its client the full agency duties listed in 19.1. Designated agents or brokerages representing buyers will not have an agency relationship with the Seller.
- 19.3** If the Designated Agent is the agent of a buyer who wishes to make an offer on the Property, the duties owed to each party are in conflict and would by necessity be limited. Prior to writing the offer the Designated Agent will review with the buyer all relevant facts and implications of dual representation and then seek the buyer's written consent to transaction brokerage on the terms specified in the Transaction Brokerage Agreement. The Designated Agent will obtain the Seller's consent to transaction brokerage prior to presenting the buyer's offer to the Seller.
- 19.4** Should either the Designated Agent or the Brokerage decide not to enter into transaction brokerage or should either the Seller or the buyer refuse to consent to transaction brokerage, unless otherwise agreed in writing by the parties, the Designated Agent will continue to represent the party, be it the Seller or the buyer, with whom it first entered into an exclusive agency relationship and the Brokerage will offer to designate another member of the Brokerage to represent the other party as sole agent or refer the other party to another brokerage.

20. DEFINITIONS

- 20.1** For the purposes of this Agreement:
- (a) "Business Day" means every day but Saturday, Sunday and statutory holidays;
 - (b) "purchase" includes an exchange, option, lease or other acquisition of an interest in real estate;
 - (c) "sale" includes an exchange, option, lease or other disposition of an interest in real estate;
 - (d) the sale is completed when the purchase price is paid to the Seller or the Seller's lawyer and is releasable.

21. SELLER'S ACKNOWLEDGMENT

- 21.1** The Seller, having received and read this Agreement, and having been given the opportunity to request further information concerning this Agreement and the representation relationships described in clause 19.1, acknowledges this Agreement accurately sets out the terms agreed to by the Seller and the Brokerage.

22. SIGNATURES

- 22.1** This Agreement may be signed by the parties and transmitted by fax. This procedure will be as effective as if the parties had signed and delivered an original copy.

This Agreement was signed on May 8, 2022.

LEASE

Name of Owner/Registered on Title

Wanda Lee

Authorized Signing Officer

Witness

WANDA LEE

Print Name of Authorized Signing Officer

Print Name of Witness

Authorized Signing Officer

Witness

Print Name of Authorized Signing Officer

Print Name of Witness

Signature of Designated Agent
(authorized to sign on behalf of the Brokerage)

GRACE YAN

Print Name of Designated Agent

403-660-6778

Phone

Fax

Grace@TopGlobalRealEstate.com

Email

Note: All communications are to be directed to the Designated Agent

WL

Seller: Initial here to show you have received a copy of this Agreement. _____

Date May 8, 2022

APPENDIX C

Brava NDA

[See attached]

CONFIDENTIALITY AGREEMENT

May 3, 2022

Private & Confidential

Jordan Giustini
Brava Development Corp.
Suite 4250, Bankers Hall West Tower
888 3 Street SW
Calgary, AB
T2P 5C5

Dear Sirs/Mesdames:

As you may be aware, on April 1, 2022, by order of the Honourable Justice J.T. Neilson (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the receiver and manager (the “**Receiver**”) of each of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the “**Debtors**”) and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

Pursuant to the Receivership Order, Alvarez & Marsal Canada Inc., in its capacity as the Receiver of the Property (as defined below), has the authority to, subject to certain limitations, market any or all the Property and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business. Any party desiring to receive further information in respect of the Debtors, its property and its operations is required to execute a confidentiality agreement in a form satisfactory to the Receiver.

In connection with discussions between you and the Receiver relating to an offer for the acquisition of all or any part of the Property and/or any other alternative transaction in respect of the Debtors (the “**Transaction**”), you have requested that certain Confidential Information (as defined below) be provided to you by the Receiver, its affiliates, or “Representatives” (as defined below). In consideration of the Receiver permitting, providing or causing the Confidential Information to be provided to you, the Receiver and you agree to the following and in connection therewith you agree to cause all of your affiliates and Representatives to comply with the provisions hereof and you agree that all references to “you” and “your” in this letter agreement (“**this Agreement**”) refer to the addressee of this letter, its affiliates, and where the context so requires, its Representatives.

1. For purposes of this Agreement, the term “**Confidential Information**” means: (i) all information and material of the Receiver and/or the Debtors or any of their respective affiliates or licensors, in oral, written, graphic, electronic or any other form or medium, that has or shall come into your possession or knowledge in connection with or as a result of the discussion, negotiation, investigation, consideration or implementation of the

Transaction, including information and material concerning the Receiver's and/or the Debtors or any of their respective affiliates' past, present or future stakeholders, members, suppliers, technology, properties, assets, liabilities, obligations or business; (ii) any analyses, compilations, studies or other Documents (as defined below) prepared by you or for your use containing, incorporating or reflecting any information described in this paragraph 1; and (iii) all information about an identifiable individual or other information that is subject to any federal, provincial, state or other applicable statute, law or regulation of any governmental or regulatory authority relating to the collection, use, storage and/or disclosure of information about an identifiable individual, including the *Personal Information and Protection of Electronic Documents Act* (Canada), The Alberta Freedom of Information and Protection of Privacy Act and/or any other equivalent provincial legislation, whether or not such information is confidential. For the purposes of this definition, "information" and "material" includes know-how, data, patents, copyrights, trade secrets, processes, business rules, tools, business processes, techniques, programs, designs, formulae, marketing, advertising, financial, commercial, sales or programming materials, equipment configurations, system access codes and passwords, written materials, compositions, drawings, diagrams, computer programs, studies, works in progress, visual demonstrations, ideas, concepts, and other data. Notwithstanding the foregoing, "Confidential Information" does not include information or material:

- (a) that is publicly available when it is received by, or becomes known to, you or which subsequently becomes publicly available through no fault of yours (but only after it becomes publicly available).
 - (b) that is already known to you at the time of its disclosure and is not known by you to be the subject of an obligation of confidence of any kind.
 - (c) that you independently develop without any use of or reference to the information described in paragraph 1 and which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction; or
 - (d) that you receive in good faith without an obligation of confidence of any kind from a third party who you had no reason to believe was not lawfully in possession of such information free of any obligation of confidence of any kind, but only until you subsequently come to have reason to believe that such information was subject to an obligation of confidence of any kind when originally received.
2. The Confidential Information is to be used by you solely for the purpose of evaluating the Transaction and, except with the prior written consent of the Receiver, such information shall be kept strictly confidential and shall not be disclosed by you, except that you may disclose the Confidential Information or relevant portions thereof to the following persons provided they need to know such information for purposes of evaluating the Transaction: your directors, officers, employees, lawyers, accountants or financial advisors (the "**Representatives**"). It is understood that only so much of the Confidential Information as is necessary for a particular individual to perform his or her function shall

be disclosed to such individual and that Representatives to whom Confidential Information is communicated or made available shall be informed of the confidential nature of the Confidential Information, and shall agree to be bound by the terms of this Agreement (with the exception of your legal counsel) and not to disclose that information to any other person (except as permitted under this Agreement) without the prior written consent of the Receiver. Except as expressly contemplated by this Agreement, you agree not to use the Confidential Information, directly or indirectly, for your own advantage or for any purpose not expressly contemplated by this Agreement and you agree to use all commercially reasonable efforts to preserve the confidentiality of the Confidential Information. Subject to paragraph 4 of this Agreement, you also agree to keep strictly confidential the fact that you are evaluating the Transaction, that you are or were discussing the Transaction with the Receiver, that you entered into this Agreement or that Confidential Information is being or has been made available to you. You also agree to be responsible and liable for any breach of this Agreement by your Representatives (as if your Representatives were parties to and bound by the provisions of this Agreement by which you are bound).

3. You represent that you do not directly or indirectly have, and covenant that you will not directly or indirectly enter into, any agreement, understanding or arrangement with any person (other than the Receiver or your Representatives) regarding or in connection with the Transaction unless with the express prior written consent of the Receiver.
4. If you or any of your Representatives conclude (after consultation with your legal advisors) that you or they are legally compelled to publicly disclose any of the Confidential Information or to disclose any of the Confidential Information to a third party or otherwise in circumstances prohibited by this Agreement, you shall provide the Receiver with prompt written notice of such requirement so that the Receiver and the Debtors may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement and you agree to delay such disclosure as long as reasonably possible (without incurring liability for failure to make such disclosure) to permit the Receiver and/or the Debtors to seek such a protective order or other remedy and to allow for consultation with the Receiver with respect to any reasonable alternatives to such disclosure and with respect to the content of any such disclosure. If such protective order or other remedy is not obtained, or if the Receiver waives compliance with the provisions hereof, you agree to disclose or furnish only that portion of the Confidential Information that you are advised by written opinion of counsel is legally required to be disclosed or furnished and, to the extent reasonably possible in the circumstances, you agree to use commercially reasonable efforts to ensure that confidential treatment shall be accorded to such information. You agree in any event to give prompt written notice to the Receiver and the Debtors of any proposed disclosure made by you pursuant to this paragraph 4.
5. You acknowledge that certain of the Confidential Information to which you may be given access pursuant to this Agreement is information to which solicitor-client privilege and/or litigation privilege ("**Privilege**") attaches (collectively, "**Privileged Information**"). You acknowledge and agree that access to the Privileged Information is being provided solely for the purposes set out in this Agreement and that such access is not intended and should

not be interpreted as a waiver of any Privilege in respect of Privileged Information or of any right to assert or claim Privilege in respect of Privileged Information. To the extent there is any waiver of Privilege, it is intended to be a limited waiver in favour of you, solely for the purposes and on the terms set out in this Agreement. You shall, at the request and expense of the Receiver, claim or assert, or cooperate to claim or assert, Privilege in respect of Privileged Information.

6. Unless otherwise agreed to in writing by the Receiver, you shall: (i) return, cause to be returned to the Receiver, or destroy, all copies of the Confidential Information and Documents in your possession or in the possession of your Representatives; and (ii) destroy all copies of any analyses, compilations, studies or other Documents prepared by you or for your use containing, incorporating or reflecting any Confidential Information, as soon as commercially reasonable following the date of any request by the Receiver to you to return or destroy the Confidential Information. For purposes of this Agreement, "**Document**" means any embodiment, in written, graphic, audio, video, electronic, or any other form or medium, which contains any Confidential Information, including any and all copies, papers, reproductions, slides and microfilms and any electronic media such as disks, tapes, other magnetic media, computer software and computer storage systems and, where this Agreement calls for Documents to be destroyed, in the case of electronic media that can be permanently erased, such obligation means that such Documents shall be permanently erased.

Notwithstanding the foregoing, you (i) may retain a copy of the Confidential Information and/or Documents to the extent that such retention is required to demonstrate compliance with applicable law, regulation or professional standards, or to comply with an existing *bona fide* document retention policy, and (ii) to the extent that (i) above is inapplicable to Confidential Information and/or Documents that are electronically stored, destroy such electronically stored Confidential Information and/or Documents only to the extent that it is reasonably practical to do so; provided that in the case of either (i) or (ii), notwithstanding paragraph 19, any Confidential Information and/or Documents retained under this paragraph shall remain subject to the obligations of confidentiality and other obligations under this Agreement until such time as you have certified in writing to the Receiver that such materials have been returned or destroyed.

7. During the period of two years following the date hereof, you shall not solicit for hire or employment, directly or indirectly, any officer or employee of the Receiver and/or the Debtors or their respective affiliates and you shall not agree to employ any officer or employee so solicited. For the purposes of this clause, "solicitation" shall not include solicitation of any officer or employee of the Receiver and/or the Debtors who is solicited: (i) by advertising placed in a newspaper, trade journal, through a web site or via other media of general circulation; or (ii) by an employee of an executive search firm acting on your behalf where you did not identify to such search firm the name of such officer or employee and you did not direct, instruct or encourage the solicitation of the specific officer or employee.
8. You acknowledge and agree that none of the Receiver and/or the Debtors, their respective affiliates or Representatives is making any representation or warranty, express or implied,

as to the accuracy or completeness of the Confidential Information. You also acknowledge and agree that there are valid reasons for why particular corporate information (including Confidential Information) of the Receiver and/or the Debtors or their respective affiliates may not be made available to you (including because such information is competitively sensitive or is subject to an obligation of confidentiality or is otherwise not permitted to be disclosed as a result of contractual restrictions or applicable law). None of the Receiver and/or the Debtors, their respective affiliates or Representatives shall be under any obligation to update, supplement or amend the Confidential Information as a result of subsequent events or developments or otherwise. None of such persons shall have any liability whatsoever, direct or indirect, to you or any other person as a result of your use of the Confidential Information.

9. You acknowledge and agree that no agreement relating to or providing for the Transaction shall exist unless and until a subsequent definitive agreement with respect to the Transaction has been executed and delivered by the Receiver. It is agreed that unless and until such a definitive agreement has been executed and delivered, neither you nor the Receiver shall have any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this Agreement or any other written or oral communications with respect to the Transaction. You further understand and agree that, subject always to the order(s) of the Court in the Receivership proceedings: (i) the Receiver is free to conduct any process with respect to the Transaction as it, in its sole discretion, determines necessary (including, without limitation, negotiating with any person and entering into any agreement without prior notice to you or any other person); (ii) any process or procedures relating to the Transaction may be changed at any time and without notice to you or any other person; (iii) any data room containing Confidential Information may be closed by the Receiver at any time; and (iv) you shall not have any claim whatsoever against the Receiver or any of its affiliates or Representatives arising out of or relating to the Transaction (other than as expressly set forth in a subsequent definitive written agreement entered into by the Receiver with you in connection with the Transaction).
10. You agree that the Receiver and Debtors (with the consent of the Receiver) shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach or anticipatory breach by you or your Representatives of the provisions of this Agreement, in addition to any other remedies available to the Receiver and Debtors at law or in equity, and you acknowledge and agree that an award of damages is not likely an effective or adequate remedy to the Receiver and/or the Debtors in the event of a breach by you or your Representatives of this Agreement.
11. You hereby agree to indemnify and hold harmless the Receiver and the Debtors and their respective affiliates from any and all damage, loss, cost, expense or liability of whatsoever nature or kind (including legal fees and the costs of enforcing this Agreement) arising directly or indirectly out of the breach by you or your Representatives of any provision of this Agreement.
12. The parties agree that this Agreement shall terminate and all obligations herein shall be released in the event the parties execute and deliver a definitive agreement with respect to

the Transaction and the terms and conditions as contemplated by such definitive agreement are closed and completed.

13. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.
14. You agree that, except with the prior written consent of the Receiver, you shall not contact, meet with or communicate to any of the directors, officers or employees of the Receiver and/or the Debtors or any of their respective affiliates with a view to discussing in any manner the Confidential Information or the Transaction or any steps taken in furtherance thereof.
15. If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect any other provision hereof and all other provisions hereof shall continue in full force and effect.
16. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no understandings, representations, warranties, terms, conditions, undertakings or collateral or other agreements, express, implied or statutory, between the parties with respect to the subject matter hereof other than as expressly set forth in this Agreement.
17. The term "person" as used in this Agreement shall be interpreted broadly to include, without limitation, any corporation, company, partnership, trust, firm, unincorporated organization or individual.
18. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties agree that any disputes arising under this Agreement shall be decided by arbitration, without right of appeal to the courts, by a single arbitrator who is satisfactory to both of the parties hereto and whose costs shall be shared equally by the parties.
19. Except as otherwise provided herein, your obligations under this Agreement shall continue in full force and effect for a period of three years from the date hereof.

<Remainder of Page Intentionally Left Blank>

If you agree with the foregoing, please sign and return the enclosed duplicate copy of this Agreement which shall constitute your agreement to the terms and conditions contained herein, which shall be deemed to be made as of the date appearing on the top right-hand corner of page 1 hereof.

Yours very truly,

**ALVAREZ & MARSAL CANADA INC., in
its capacity as the Court-Appointed Receiver
and Manager of The Debtors, and not in its
personal or corporate capacity**

By:  _____

Name: Orest Konowalchuk

Title: Senior Vice President

AGREED TO as of the date
appearing on the top right-hand
corner of page 1 hereof:

Jordan Giustini

by:  _____
Director

APPENDIX D

Wanda Lee NDA

[See attached]

THIS CONFIDENTIALITY AGREEMENT made this 5TH day of JULY, 2022 (the
"Confidentiality Agreement")

BETWEEN:

WANDA LEE
(the "Recipient")

OF THE FIRST PART,

- and -

ALVAREZ & MARSAL CANADA INC., IN ITS CAPACITY AS THE COURT APPOINTED
RECEIVER AND MANAGER OF THE ASSETS, PROPERTIES, AND UNDERTAKINGS OF
THE INSTITUTE OF WELLNESS AND ADVANCED AESTHETICS LTD., 1608309 ALBERTA
LTD., AND MOUNT ROYAL SURGICAL CENTRE INC., AND NOT IN ITS PERSONAL OR
CORPORATE CAPACITY
(the "Receiver")

OF THE SECOND PART,

RECITALS:

A. On April 1, 2022, the Court appointed the Receiver as the receiver and manager of the assets, properties and undertakings of the Debtors;

B. The Recipient is desirous of evaluating a sales transaction occurring between the Receiver and a third-party purchaser (the "Purchaser") pursuant to an asset purchase agreement dated June 24, 2022 (the "APA");

C. The Recipient confirms that they are not a Potential Bidder (as defined in the Sales Process attached as Appendix "A" to the First Report of the Receiver, dated May 25, 2022) nor will they become or seek to become a Potential Bidder in relation to the Sales Process initiated by the Receiver;

D. The Receiver is willing make certain Confidential Information available to the Recipient for the sole purpose of permitting the Recipient to consider and evaluate the APA; and,

E. The Recipient confirms that they will not oppose the relief sought by the Receiver with respect to the Sealing Order (as defined in and contemplated by the Receiver's Amended Application, filed June 27, 2022); and,

F. The Receiver and the Recipient (each, a "Party" and collectively, the "Parties") wish to define their rights with respect to the Confidential Information and to protect the rights of the disclosing Party to such Confidential Information.

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Unless the context otherwise requires, terms used in this Confidentiality Agreement, including terms used in the Recitals to this Confidentiality Agreement, shall have the meanings defined below:

(a) **"Affiliates"** means:

- (i) a Person that controls the Recipient;
- (ii) a Person that is controlled by the Recipient;
- (iii) a Person that is under the common control of the Recipient and another Person; or
- (iv) a Person that controls the Recipient with another Person;

(b) **"Confidential Information"** means the purchase price that will be paid by the Purchaser to the Receiver pursuant to the APA and all information that is provided by the Receiver to the Recipient that relates to the APA and is stated to be confidential in nature or subject to the terms of this Confidentiality Agreement, whether provided before or after the date of this Confidentiality Agreement, whether oral or written, regardless of the manner in which such information is provided, but shall not include:

- (i) any information that is, as of the date of this Confidentiality Agreement, in the public domain; and
- (ii) any information that, after the date of this Confidentiality Agreement, becomes part of the public domain through no fault of the Recipient or any of its Representatives;

(c) **"Control"** means the ability to directly or indirectly (including through one or more Affiliates) direct the management or policies of a Person and, without limiting the generality of the foregoing, includes the ability to control through:

- (i) the legal or beneficial ownership of voting securities, units or other interests in such Person;
- (ii) the right or ability to appoint or elect officers, managers, executives, or a majority of the directors of such Person; or
- (iii) a contract, agreement, voting trust or otherwise;

and derivatives of control such as "controls" and "controlled" have meanings corresponding to the definition of control;

(d) **"Court"** means the Court of Queen's Bench of Alberta;

- (e) **"Debtors"** means The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc.;
 - (f) **"Personal Information"** means information about an identifiable individual;
 - (g) **"Person"** includes, without limitation, individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental organizations;
 - (h) **"Representatives"** has the meaning ascribed to it in paragraph 5 of this Confidentiality Agreement.
2. Subject to paragraph 10 of this Confidentiality Agreement, the Receiver may provide the Recipient with Confidential Information, or access thereto, pursuant to and in accordance with the terms of this Confidentiality Agreement.
 3. The Recipient will keep the Confidential Information strictly confidential. Except as otherwise specified herein, the Recipient will not directly or indirectly disclose, publish, allow access to, transmit or transfer the Confidential Information or any portion thereof to any Person without the Receiver's prior written consent. The Recipient shall establish and maintain reasonable security measures to safeguard the Confidential Information from unauthorized access, use, copying, disclosure, damage or destruction and shall take reasonable steps to enforce the confidentiality obligations under this Confidentiality Agreement.
 4. In the event that the Recipient obtains or is provided with access to any Personal Information as part of the Confidential Information, the Recipient shall comply with all applicable laws in respect of such Personal Information including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any comparable and applicable provincial legislation. The obligations imposed on the Recipient pursuant to this paragraph 4 are in addition to, and not in modification of, any additional obligations the Recipient has or may have with respect to such Personal Information pursuant to this Confidentiality Agreement.
 5. The Recipient may disclose the Confidential Information to the Recipient's officers, directors, employees, legal, financial and other professional advisors, (collectively referred to as **"Representatives"**) who the Recipient determines require the Confidential Information for the purposes of evaluating the Recipient's legal position, rights or remedies in connection with the APA. Prior to disclosing the Confidential Information to any Representatives, the Recipient shall issue appropriate instructions to such Representatives to satisfy the Recipient's obligations herein and obtain such Representatives' agreement(s) to receive and use the Confidential Information on a confidential basis on the same terms and conditions as contained in this Confidentiality Agreement and to otherwise comply with the terms hereof. The Recipient shall be liable and responsible for any breach of any term or condition of this Confidentiality Agreement by any of the Representatives.
 6. If the Recipient or any of the Representatives is requested pursuant to, or required by, applicable law or legal process to disclose the Confidential Information or any portion thereof, the Recipient shall to the extent permitted under applicable law forthwith provide the Receiver with prompt notice of such request or requirement, in order to enable the Receiver to seek an appropriate protective order or other remedy or to waive compliance with the

terms of this Confidentiality Agreement or both. The Recipient will not oppose any action by the Receiver to seek such a protective order or other remedy. If, failing the obtaining of a protective order or other remedy by the Receiver, such disclosure is required, the Recipient or the Representatives, as the case may be, will use reasonable efforts to ensure that the disclosure will be afforded confidential treatment.

7. The Confidential Information will not be copied, reproduced, in any form, or stored in a retrieval system or data base by the Recipient without the prior written consent of the Receiver. The Recipient may maintain the Confidential Information on an email account, provided always that the Recipient is in compliance with the terms, caveats and conditions set forth herein.
8. The Confidential Information is, and at all times shall remain, the property of the Receiver.
9. This Confidentiality Agreement does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of the Confidential Information or any portion thereof and the Recipient will not be entitled to rely on the accuracy or completeness of the Confidential Information or any portion thereof. None of the Receiver or any of their directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers and accountants) or agents will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.
10. The Receiver may refuse to make the Confidential Information available to the Recipient or otherwise terminate the Recipient's access to the Confidential Information at any time, as determined by the Receiver, in its sole and unfettered discretion. The Recipient will promptly destroy, return, or cause the return to the Receiver of all of the Confidential Information, and all copies thereof, upon the Receiver requesting the Recipient destroy, return or cause the return of the Confidential Information. Upon request, the Recipient shall provide the Receiver with a certificate from an officer of the Recipient certifying that such destruction or return has occurred in accordance with the terms of this Confidentiality Agreement.
11. The Parties acknowledge and agree that the facts as set out in the Recitals to this Confidentiality Agreement are true and accurate in all respects and the same are expressly incorporated into and form part of this Confidentiality Agreement.
12. If any provision of this Confidentiality Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.
13. This Confidentiality Agreement constitutes the entire agreement between the Parties with respect to the subject matter and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings, or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Confidentiality Agreement. This Confidentiality Agreement may only be amended in writing by the mutual agreement of the Receiver and the Recipient.

14. This Confidentiality Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the Parties, provided that this Confidentiality Agreement may not be assigned by a Party without the prior written consent of the other Parties.
15. This Confidentiality Agreement will expire on the earlier of (i) the date of the completion of the APA; or, (ii) the date that the Confidential Information becomes publicly accessible pursuant to any order of the Court.
16. The Recipient agrees that monetary damages would not alone be sufficient to remedy any breach by the Recipient or the Representatives of any term or provision of this Confidentiality Agreement and that the Receiver will also be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available pursuant to this Confidentiality Agreement or at law or in equity.
17. This Confidentiality Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
18. For the purpose of all legal proceedings this Confidentiality Agreement will be deemed to have been performed in the Province of Saskatchewan and the Court will have the exclusive jurisdiction to entertain any action arising under this Confidentiality Agreement. The Recipient hereby irrevocably attorns to the jurisdiction of the Court.
19. This Confidentiality Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of the counterparts together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have entered into this Confidentiality Agreement effective as of the date written above.

WANDA LEE

Per: 

Name:

Title:

**ALVAREZ & MARSAL CANADA INC., IN
ITS CAPACITY AS THE COURT
APPOINTED RECEIVER AND MANAGER
OF THE ASSETS, PROPERTIES, AND
UNDERTAKINGS OF THE INSTITUTE OF
WELLNESS AND ADVANCED
AESTHETICS LTD., 1608309 ALBERTA
LTD., AND MOUNT ROYAL SURGICAL
CENTRE INC., AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

Per: 

Name: *O. KONOWALCHUK, LIT.*

Title: *SENIOR VICE PRESIDENT.*

TITLE	Wanda Lee NDA(45219558.1).pdf
FILE NAME	Wanda%20Lee%20NDA%2845219558.1%29.pdf
DOCUMENT ID	1be5e852bd80082650baecc6faeadeb57371bc8a
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	• Signed

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Document History



07 / 05 / 2022
19:58:38 UTC

Sent for signature to Wanda Lee (wlee@thelitagroup.ca) from
madison@millarslaw.com
IP: 208.118.125.242



07 / 05 / 2022
20:15:53 UTC

Viewed by Wanda Lee (wlee@thelitagroup.ca)
IP: 174.90.223.3



07 / 05 / 2022
20:16:26 UTC

Signed by Wanda Lee (wlee@thelitagroup.ca)
IP: 174.90.223.3



07 / 05 / 2022
20:16:26 UTC

The document has been completed.

APPENDIX E

VOC Offer Response Letter

[See attached]



McCarthy Tétrault LLP
Suite 4000
421-7th Avenue S.W.
Calgary AB T2P 4K9
Canada
Tel: 403-260-3500
Fax: 403-260-3501

Walker W. MacLeod
Partner
Direct Line: (403) 260-3710
Direct Fax: (403) 260-3501
Email: wmacleod@mccarthy.ca

Assistant: Katie Doran
Direct Line: (403) 260-3560
Email: kdoran@mccarthy.ca

April 18, 2022

Via Email (brent@hooeylawyers.ca)

Hooey and Company
120, 4954 Richard Road SW
Calgary AB T3E 6L1

Attention: Brent Hooey

Via Email (derek@vocpartners.ca)

Bow Valley Square 4, Suite 1130,
250 6 Avenue SW,
Calgary AB, T2P 3H7

Attention: Derek Wilson

Dear Sirs:

Re: The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd. and Mount Royal Surgical Centre Inc. (collectively, the "Debtors")

As you are aware, we are the solicitors for Alvarez & Marsal Canada Inc. in its capacity as court-appointed receiver and manager of the Debtors (in such capacity, the "**Receiver**") pursuant to an order issued by the Court of Queen's Bench of Alberta (the "**Court**") on April 1, 2022 (the "**Receivership Order**"). We write further to the letter of intent submitted by VOC Partners Inc. ("**VOC**") involving the Debtors and / or their assets, dated March 30, 2022 (the "**LOI**") and the meeting occurring between the Receiver, VOC and various other individuals on April 12, 2022.

The LOI was provided to the Receiver on April 4, 2022 by Hooey and Company. In its current form, the LOI is not ready to close and is not made on an "as is where is" and without recourse basis that the Receiver would require before accepting. In addition, the Receiver notes the following other issues in the LOI that are problematic and justification at this stage for the Receiver not to accept the LOI in its current form:

1. The LOI does not provide for payment of a deposit as part of the transaction. The LOI involves a cash payment of \$2,200,000 and the Receiver would require a reasonable deposit equal to ten (10%) percent of that amount, paid in cash and to be credited against the purchase price or forfeited to the Debtors in the event of default by VOC. This is a critical factor in the Receiver's consideration of the LOI;
2. The LOI is subject to a financing condition and does not provide any evidence of VOC's ability to obtain funding or perform its obligations under the LOI;
3. The LOI purports to be an acquisition of the shares in The Institute of Wellness and Advanced Aesthetics Ltd. and Mount Royal Surgical Centre Inc. The Receiver understands that Ms. Lee is the sole voting shareholder of both of these entities and the shares are not under the possession or control of the Receiver. The Receiver may be

able to complete re-organization transactions involving the shares of the Debtors but such transactions are likely to have increased professional fees associated with them;

4. The purchase price payable under the LOI is \$2,200,000 and it is stated that this will be "...used to retire the BMO debt (loan and operating line) and certain accounts payable to be defined at closing." As of March 2, 2022, the Debtors were indebted to BMO in the amount of \$2,246,056.33, plus interest and costs. There are additional priority obligations, including those arising under the Receivership Order, that will have to be satisfied prior to distributions being made to BMO in respect of its pre-filing indebtedness. While the Receiver will be prepared to accept the highest and best offer even if it does not result in full payment to all creditors, the statement in the LOI that the BMO debt will be retired is incorrect inasmuch as the purchase price is substantially less than the BMO debt and associated priority obligations;
5. The LOI states that the purchase price is subject to post-closing adjustments based on due diligence, material adverse effects or changes or other relevant factors. The LOI does not establish the quantum, terms or other parameters governing a post-closing adjustment. There is no timeline imposed for the completion of diligence and there is a requirement of customary closing conditions for the transaction, including pertaining to representations and warranties. As previously noted, receivership transactions are typically completed on an "as is, where is" basis without representation or warranty of any type by the vendor. While the Receiver will not have an issue certifying that its representations and warranties are correct, the Receiver's representations and warranties will most likely be limited to representing that it has the authority to enter into and complete the transaction;
6. The LOI provides exclusivity to VOC. The exclusivity obligation cannot be terminated by the vendor and does not have a time restriction on it. Given that Ms. Lee appears to be retaining equity interests, the LOI may be viewed as a related-party transaction but the assets have not (and cannot, in light of the exclusivity covenant) be subject to a marketing process; and
7. The LOI requires the continued operation of the business in accordance with past practices. The business is not currently operating and the employees of the Debtor have been terminated. There are a number of licensing and regulatory issues associated with resuming operations. Most notably, the Receiver does not have funding in place to resume operations. If VOC is prepared to provide interim funding for operations the Receiver will consider negotiating appropriate terms for same.

The Receiver emphasizes that, if there is going to be any type of going-concern transaction, time is very much of the essence and in order for the Receiver to consider such an offer it must have firm completion deadlines, credible evidence of the purchaser's ability to close and include an appropriate cash deposit.

At this point, the Receiver is not prepared to proceed with the LOI for the reasons outlined above. The LOI was executed by representatives of the Debtor prior to the issuance of the Receivership

Order and, for the avoidance of doubt, the Receiver is not bound by the LOI or any of the terms, conditions or covenants contained therein.

McCarthy Tétrault LLP

A handwritten signature in black ink, appearing to read 'W-IL M-2' followed by a stylized flourish.

Walker W. MacLeod

WWM/kd

cc: Client

APPENDIX F

VOC NDA

[See attached]

CONFIDENTIALITY AGREEMENT

May 3, 2022

Private & Confidential

VOC Partners Inc.

Dear Sirs/Mesdames:

As you may be aware, on April 1, 2022, by order of the Honourable Justice J.T. Neilson (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the receiver and manager (the “**Receiver**”) of each of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the “**Debtors**”) and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

Pursuant to the Receivership Order, Alvarez & Marsal Canada Inc., in its capacity as the Receiver of the Property (as defined below), has the authority to, subject to certain limitations, market any or all the Property and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business. Any party desiring to receive further information in respect of the Debtors, its Property and its operations is required to execute a confidentiality agreement in a form satisfactory to the Receiver.

In connection with discussions between you and the Receiver relating to an offer for the acquisition of all or any part of the Property and/or any other alternative transaction in respect of the Debtors (the “**Transaction**”), you have requested that certain Confidential Information (as defined below) be provided to you by the Receiver, its affiliates or “Representatives” (as defined below). In consideration of the Receiver permitting, providing or causing the Confidential Information to be provided to you, the Receiver and you agree to the following and in connection therewith you agree to cause all of your affiliates and Representatives to comply with the provisions hereof and you agree that all references to “you” and “your” in this letter agreement (“**this Agreement**”) refer to the addressee of this letter, its affiliates, and where the context so requires, its Representatives.

1. For purposes of this Agreement, the term “**Confidential Information**” means: (i) all information and material of the Receiver and/or the Debtors or any of their respective affiliates or licensors, in oral, written, graphic, electronic or any other form or medium, that has or shall come into your possession or knowledge in connection with or as a result of the discussion, negotiation, investigation, consideration or implementation of the Transaction, including information and material concerning the Receiver’s and/or the Debtors or any of their respective affiliates’ past, present or future stakeholders, members, suppliers, technology, properties, assets, liabilities, obligations or business; (ii)

any analyses, compilations, studies or other Documents (as defined below) prepared by you or for your use containing, incorporating or reflecting any information described in this paragraph 1; and (iii) all information about an identifiable individual or other information that is subject to any federal, provincial, state or other applicable statute, law or regulation of any governmental or regulatory authority relating to the collection, use, storage and/or disclosure of information about an identifiable individual, including the *Personal Information and Protection of Electronic Documents Act* (Canada), The Alberta Freedom of Information and Protection of Privacy Act and/or any other equivalent provincial legislation, whether or not such information is confidential. For the purposes of this definition, “information” and “material” includes know-how, data, patents, copyrights, trade secrets, processes, business rules, tools, business processes, techniques, programs, designs, formulae, marketing, advertising, financial, commercial, sales or programming materials, equipment configurations, system access codes and passwords, written materials, compositions, drawings, diagrams, computer programs, studies, works in progress, visual demonstrations, ideas, concepts, and other data. Notwithstanding the foregoing, “Confidential Information” does not include information or material:

- (a) that is publicly available when it is received by, or becomes known to, you or which subsequently becomes publicly available through no fault of yours (but only after it becomes publicly available);
 - (b) that is already known to you at the time of its disclosure and is not known by you to be the subject of an obligation of confidence of any kind;
 - (c) that you independently develop without any use of or reference to the information described in paragraph 1 and which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction; or
 - (d) that you receive in good faith without an obligation of confidence of any kind from a third party who you had no reason to believe was not lawfully in possession of such information free of any obligation of confidence of any kind, but only until you subsequently come to have reason to believe that such information was subject to an obligation of confidence of any kind when originally received.
2. The Confidential Information is to be used by you solely for the purpose of evaluating the Transaction and, except with the prior written consent of the Receiver, such information shall be kept strictly confidential and shall not be disclosed by you, except that you may disclose the Confidential Information or relevant portions thereof to the following persons provided they need to know such information for purposes of evaluating the Transaction: your directors, officers, employees, lawyers, accountants or financial advisors (the “**Representatives**”). It is understood that only so much of the Confidential Information as is necessary for a particular individual to perform his or her function shall be disclosed to such individual and that Representatives to whom Confidential Information is communicated or made available shall be informed of the confidential nature of the Confidential Information, and shall agree to be bound by the terms of this

Agreement (with the exception of your legal counsel) and not to disclose that information to any other person (except as permitted under this Agreement) without the prior written consent of the Receiver. Except as expressly contemplated by this Agreement, you agree not to use the Confidential Information, directly or indirectly, for your own advantage or for any purpose not expressly contemplated by this Agreement and you agree to use all commercially reasonable efforts to preserve the confidentiality of the Confidential Information. Subject to paragraph 4 of this Agreement, you also agree to keep strictly confidential the fact that you are evaluating the Transaction, that you are or were discussing the Transaction with the Receiver, that you entered into this Agreement or that Confidential Information is being or has been made available to you. You also agree to be responsible and liable for any breach of this Agreement by your Representatives (as if your Representatives were parties to and bound by the provisions of this Agreement by which you are bound).

3. You represent that you do not directly or indirectly have, and covenant that you will not directly or indirectly enter into, any agreement, understanding or arrangement with any person (other than the Receiver or your Representatives) regarding or in connection with the Transaction unless with the express prior written consent of the Receiver.
4. If you or any of your Representatives conclude (after consultation with your legal advisors) that you or they are legally compelled to publicly disclose any of the Confidential Information or to disclose any of the Confidential Information to a third party or otherwise in circumstances prohibited by this Agreement, you shall provide the Receiver with prompt written notice of such requirement so that the Receiver and the Debtors may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement and you agree to delay such disclosure as long as reasonably possible (without incurring liability for failure to make such disclosure) to permit the Receiver and/or the Debtors to seek such a protective order or other remedy and to allow for consultation with the Receiver with respect to any reasonable alternatives to such disclosure and with respect to the content of any such disclosure. If such protective order or other remedy is not obtained, or if the Receiver waives compliance with the provisions hereof, you agree to disclose or furnish only that portion of the Confidential Information that you are advised by written opinion of counsel is legally required to be disclosed or furnished and, to the extent reasonably possible in the circumstances, you agree to use commercially reasonable efforts to ensure that confidential treatment shall be accorded to such information. You agree in any event to give prompt written notice to the Receiver and the Debtors of any proposed disclosure made by you pursuant to this paragraph 4.
5. You acknowledge that certain of the Confidential Information to which you may be given access pursuant to this Agreement is information to which solicitor-client privilege and/or litigation privilege ("**Privilege**") attaches (collectively, "**Privileged Information**"). You acknowledge and agree that access to the Privileged Information is being provided solely for the purposes set out in this Agreement and that such access is not intended and should not be interpreted as a waiver of any Privilege in respect of Privileged Information or of any right to assert or claim Privilege in respect of Privileged Information. To the extent there is any waiver of Privilege, it is intended to be a limited waiver in favour of you,

solely for the purposes and on the terms set out in this Agreement. You shall, at the request and expense of the Receiver, claim or assert, or cooperate to claim or assert, Privilege in respect of Privileged Information.

6. Unless otherwise agreed to in writing by the Receiver, you shall: (i) return, cause to be returned to the Receiver, or destroy, all copies of the Confidential Information and Documents in your possession or in the possession of your Representatives; and (ii) destroy all copies of any analyses, compilations, studies or other Documents prepared by you or for your use containing, incorporating or reflecting any Confidential Information, as soon as commercially reasonable following the date of any request by the Receiver to you to return or destroy the Confidential Information. For purposes of this Agreement, “**Document**” means any embodiment, in written, graphic, audio, video, electronic, or any other form or medium, which contains any Confidential Information, including any and all copies, papers, reproductions, slides and microfilms and any electronic media such as disks, tapes, other magnetic media, computer software and computer storage systems and, where this Agreement calls for Documents to be destroyed, in the case of electronic media that can be permanently erased, such obligation means that such Documents shall be permanently erased.

Notwithstanding the foregoing, you (i) may retain a copy of the Confidential Information and/or Documents to the extent that such retention is required to demonstrate compliance with applicable law, regulation or professional standards, or to comply with an existing *bona fide* document retention policy, and (ii) to the extent that (i) above is inapplicable to Confidential Information and/or Documents that are electronically stored, destroy such electronically stored Confidential Information and/or Documents only to the extent that it is reasonably practical to do so; provided that in the case of either (i) or (ii), notwithstanding paragraph 19, any Confidential Information and/or Documents retained under this paragraph shall remain subject to the obligations of confidentiality and other obligations under this Agreement until such time as you have certified in writing to the Receiver that such materials have been returned or destroyed.

7. During the period of two years following the date hereof, you shall not solicit for hire or employment, directly or indirectly, any officer or employee of the Receiver and/or the Debtors or their respective affiliates and you shall not agree to employ any officer or employee so solicited. For the purposes of this clause, “solicitation” shall not include solicitation of any officer or employee of the Receiver and/or the Debtors who is solicited: (i) by advertising placed in a newspaper, trade journal, through a web site or via other media of general circulation; or (ii) by an employee of an executive search firm acting on your behalf where you did not identify to such search firm the name of such officer or employee and you did not direct, instruct or encourage the solicitation of the specific officer or employee.
8. You acknowledge and agree that none of the Receiver and/or the Debtors, their respective affiliates or Representatives is making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information. You also acknowledge and agree that there are valid reasons for why particular corporate information (including Confidential Information) of the Receiver and/or the Debtors or

their respective affiliates may not be made available to you (including because such information is competitively sensitive or is subject to an obligation of confidentiality or is otherwise not permitted to be disclosed as a result of contractual restrictions or applicable law). None of the Receiver and/or the Debtors, their respective affiliates or Representatives shall be under any obligation to update, supplement or amend the Confidential Information as a result of subsequent events or developments or otherwise. None of such persons shall have any liability whatsoever, direct or indirect, to you or any other person as a result of your use of the Confidential Information.

9. You acknowledge and agree that no agreement relating to or providing for the Transaction shall exist unless and until a subsequent definitive agreement with respect to the Transaction has been executed and delivered by the Receiver. It is agreed that unless and until such a definitive agreement has been executed and delivered, neither you nor the Receiver shall have any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this Agreement or any other written or oral communications with respect to the Transaction. You further understand and agree that, subject always to the order(s) of the Court in the Receivership proceedings: (i) the Receiver is free to conduct any process with respect to the Transaction as it, in its sole discretion, determines necessary (including, without limitation, negotiating with any person and entering into any agreement without prior notice to you or any other person); (ii) any process or procedures relating to the Transaction may be changed at any time and without notice to you or any other person; (iii) any data room containing Confidential Information may be closed by the Receiver at any time; and (iv) you shall not have any claim whatsoever against the Receiver or any of its affiliates or Representatives arising out of or relating to the Transaction (other than as expressly set forth in a subsequent definitive written agreement entered into by the Receiver with you in connection with the Transaction).
10. You agree that the Receiver and Debtors (with the consent of the Receiver) shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach or anticipatory breach by you or your Representatives of the provisions of this Agreement, in addition to any other remedies available to the Receiver and Debtors at law or in equity, and you acknowledge and agree that an award of damages is not likely an effective or adequate remedy to the Receiver and/or the Debtors in the event of a breach by you or your Representatives of this Agreement.
11. You hereby agree to indemnify and hold harmless the Receiver and the Debtors and their respective affiliates from any and all damage, loss, cost, expense or liability of whatsoever nature or kind (including legal fees and the costs of enforcing this Agreement) arising directly or indirectly out of the breach by you or your Representatives of any provision of this Agreement.
12. The parties agree that this Agreement shall terminate and all obligations herein shall be released in the event the parties execute and deliver a definitive agreement with respect to the Transaction and the terms and conditions as contemplated by such definitive agreement are closed and completed.

13. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.
14. You agree that, except with the prior written consent of the Receiver, you shall not contact, meet with or communicate to any of the directors, officers or employees of the Receiver and/or the Debtors or any of their respective affiliates with a view to discussing in any manner the Confidential Information or the Transaction or any steps taken in furtherance thereof.
15. If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect any other provision hereof and all other provisions hereof shall continue in full force and effect.
16. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no understandings, representations, warranties, terms, conditions, undertakings or collateral or other agreements, express, implied or statutory, between the parties with respect to the subject matter hereof other than as expressly set forth in this Agreement.
17. The term "person" as used in this Agreement shall be interpreted broadly to include, without limitation, any corporation, company, partnership, trust, firm, unincorporated organization or individual.
18. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties agree that any disputes arising under this Agreement shall be decided by arbitration, without right of appeal to the courts, by a single arbitrator who is satisfactory to both of the parties hereto and whose costs shall be shared equally by the parties.
19. Except as otherwise provided herein, your obligations under this Agreement shall continue in full force and effect for a period of three years from the date hereof.

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If you agree with the foregoing, please sign and return the enclosed duplicate copy of this Agreement which shall constitute your agreement to the terms and conditions contained herein, which shall be deemed to be made as of the date appearing on the top right-hand corner of page 1 hereof.

Yours very truly,

**ALVAREZ & MARSAL CANADA INC., in
its capacity as the Court-Appointed Receiver
and Manager of The Debtors, and not in its
personal or corporate capacity**

By:  _____

Name: Orest Konowalchuk

Title: Senior Vice President

AGREED TO as of the date
appearing on the top right-hand
corner of page 1 hereof:

VOC Partners Inc

by: Derek Wilson

Derek Wilson Managing Partner